

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS
SPECIAL MEETING
JANUARY 22, 2016**

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT AGENDA

JANUARY 22, 2016 at 10:00 a.m. CST

Hammock Bay Welcome Center
Located at 74 Great Hammock Bend, Freeport Florida 32439

District Board of Supervisors	Chairman	Robert Sullivan
	Vice Chairman	Tim Edwards
	Supervisor	Trish Dalton
	Supervisor	Manny Vital
	Supervisor	Norman Kaiser
District Manager	Meritus	Brian Lamb
District Attorney	Hopping Green & Sams, P.A.	Tucker Mackie
District Engineer	Connelly & Wicker, Inc.	Tyler Strickland

All cellular phones and pagers must be turned off while in the meeting room

The District Agenda is comprised of four different sections:

The meeting will begin at 10:00 a.m. CST with the first section called **Business Administration**. The Business Administration section contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The second section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. If any member of the audience would like to speak on one of the business items, they will need to register with the District Administrator prior to the presentation of that agenda item. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (813) 397-5120 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The third section is called **Staff Reports**. This section allows the District Administrator, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The final section is called **Supervisor Requests and Audience Comments**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to **three (3) minutes** for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT ADMINSTRATOR OUTSIDE THE CONTEXT OF THIS MEETING.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (813) 397-5120, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same 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 the appeal is to be based.

January 22, 2016

Board of Supervisors
Hammock Bay
Community Development District

Dear Board Members:

The Special Meeting of the Board of Supervisors of the Hammock Bay Community Development District will be held on **Friday, January 22, 2016 at 10:00 a.m., CST** at the Hammock Bay Welcome Center, located at 74 Great Hammock Bend, Freeport Florida 32439. Included below is the agenda:

Conference Call Information: Dial 1-866-906-9330 Access Code: 4863181

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE QUESTIONS AND COMMENTS ON AGENDA ITEMS**
- 3. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 4. BUSINESS ADMINISTRATION**
 - A. Consideration of Resolution 2016-04; Designation of Assistant Secretary.....Tab 01 Page 04
- 5. MATTERS RELATING TO REFUNDING OF SERIES 2004A BONDS**
 - A. Consideration of Resolution 2016-02; Authorizing the Issuance of and Awarding the Sale of Special Assessment Revenue Refunding Note, Series 2016 Tab 02 Page 05
 1. Commitment Letter – Trustmark National Bank Tab 03 Page 09
 2. Second Supplemental Trust Indenture Tab 04 Page 11
 3. Escrow Deposit Agreement Tab 05 Page 37
 - B. Consideration of Policies and Procedures for Monitoring Post-Issuance Compliance with the Requirements of the Internal Revenue Code.....Tab 06 Page 46
 - C. Consideration of Resolution 2016-03; Allocating Special Assessments Securing Series 2016 Refunding Note Tab 07 Page 48
 1. Second Supplemental Assessment Allocation Report, Series 2016 Refunding Note Tab 08 Page 58
- 6. CONSENT AGENDA**
 - A. Consideration of the Board of Supervisors Meeting Minutes December 18, 2015 Tab 09 Page 159
 - B. Consideration of Operations and Maintenance Expenditures January 2016 Tab 10 Page 163
 - C. Review of Financial Statements Month Ending November 30, 2015..... Tab 11 Page 170
- 7. BUSINESS ITEMS**
 - A. General Matters of the District
- 8. SUPERVISOR REQUESTS AND AUDIENCE COMMENTS**
- 9. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (813) 397-5120.

Sincerely,



Brian Lamb
District Manager

RESOLUTION 2016-04

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF HAMMOCK
BAY COMMUNITY DEVELOPMENT DISTRICT DESIGNATING AN
ASSISTANT SECRETARY**

WHEREAS, Hammock Bay Community Development District (hereinafter the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Walton County, Florida; and

WHEREAS, the Board of Supervisors of the District desires to appoint an Assistant Secretary;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HAMMOCK
BAY COMMUNITY DEVELOPMENT DISTRICT THAT:**

Section 1. Norman Kaiser is appointed Assistant Secretary.

Section 2. All prior designations which are inconsistent with the designation herein are forthwith rescinded.

Section 3. This Resolution shall become effective on January 22, 2016.

PASSED AND ADOPTED THIS 22ND DAY OF JANUARY, 2016.

ATTEST:

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

SECRETARY / ASSISTANT SECRETARY

CHAIRMAN

RESOLUTION NO. 2016-02

A RESOLUTION OF HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING THE ISSUANCE OF AND AWARDING THE SALE OF ITS NOT EXCEEDING \$3,470,000 PRINCIPAL AMOUNT OF HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REVENUE REFUNDING NOTE, SERIES 2016 TO TRUSTMARK NATIONAL BANK FOR THE PURPOSE OF REFUNDING ALL OF THE OUTSTANDING HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2004A; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SECOND SUPPLEMENTAL TRUST INDENTURE AND APPROVING U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE THEREUNDER; APPROVING THE FORM OF SAID 2016 NOTE; CALLING SAID 2004A BONDS TO BE REFUNDED FOR EARLY REDEMPTION; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION, AS ESCROW AGENT THEREUNDER; AUTHORIZING CERTAIN OFFICIALS OF HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS REQUIRED IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID 2016 NOTE; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID 2016 NOTE; DESIGNATING SAID 2016 NOTE AS A "QUALIFIED TAX-EXEMPT OBLIGATION" UNDER SECTION 265(b)(3)(B) OF THE INTERNAL REVENUE CODE OF 1986; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Hammock Bay Community Development District (the "District") is authorized by Florida Statutes, Chapter 190 (the "Act"), particularly Section 190.016(7), and the Master Indenture (as hereinafter defined) to issue its bonds for the purpose of refunding outstanding bonds of the District; and

WHEREAS, the District issued its Special Assessment Bonds, Series 2004A (the "2004A Bonds") and Special Assessment Bonds, Series 2004B (the "2004B Bonds" and collectively with 2004A Bonds, the "2004 Bonds") to provide the District funds to acquire and construct water and sewer facilities, stormwater improvement facilities, public roadways, wetland mitigation improvements, park and recreation improvements, additional public infrastructure and related professional and permitting costs, all for the special benefit of certain residents of the District; and

WHEREAS, all of the 2004B Bonds have been retired; and

WHEREAS, the District is authorized by the Act to make payments of principal, interest, and premium, if any, with respect to its bonds by levying and collecting special assessments on

property located within the District and specially benefitted by the assessable improvements financed with certain proceeds of the District's 2004 Bonds; and

WHEREAS, the District now desires to authorize the issuance of and award the sale of its Special Assessment Revenue Refunding Note, Series 2016 in a principal amount not exceeding \$3,470,000 (the "2016 Note"), to approve the Supplemental Indenture (hereinafter defined) and to provide for various other matters relating to the issuance of the 2016 Note; and

WHEREAS, the Board of Supervisors of the District (the "Board") has received from Trustmark National Bank (the "Purchaser") a commitment letter attached hereto for the purchase of the 2016 Note and the Board has determined that acceptance of such proposal and the sale of the 2016 Note to the Purchaser is in the best interest of the District for the reasons hereafter indicated;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT, as follows:

SECTION 1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture (hereinafter defined). The District's Outstanding Series 2004A Bonds are referred to herein as the "Refunded Bonds."

SECTION 2. Authorization. There is hereby authorized to be issued not exceeding \$3,470,000 principal amount of 2016 Note. The 2016 Note shall bear an interest rate of 3.3% per annum, shall mature on May 1, 2035 and shall have such other provisions as set forth in the commitment letter attached hereto and the Supplemental Indenture (as defined below). The 2016 Note shall be issued under and secured by that Master Trust Indenture dated as of November 1, 2004 (the "Master Indenture") as supplemented by that Second Supplemental Trust Indenture dated as of January 1, 2016 or such other date as shall be acceptable to the District and the Purchaser (the "Supplemental Indenture") both by and between the District and U.S. Bank National Association, as trustee (the "Trustee") (the Master Indenture and the Supplemental Indenture are referred to collectively herein as the "Indenture"). The proceeds of the 2016 Note shall be used for the purposes set forth in the Supplemental Indenture.

SECTION 3. Approval of Supplemental Indenture. The Supplemental Indenture is hereby approved in substantially the form attached hereto and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver such Supplemental Indenture on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby approved to serve as Trustee, Bond Registrar and Paying Agent under such Supplemental Indenture.

SECTION 4. Negotiated Sale. The District has solicited proposals from qualified financial institutions for a refunding of the Refunded Bonds. Due to the present volatility of the market for municipal debt, it is in the best interest of the District to issue the 2016 Note by

negotiated sale, allowing the District to issue the 2016 Note at the most advantageous time, rather than a specified advertised future date, thereby allowing the District to obtain the best possible price, interest rate and other terms for the 2016 Note, and accordingly, the Board finds and determines that it is in the best financial interest of the District that a negotiated sale of the 2016 Note to the Purchaser be authorized.

SECTION 5. Form of 2016 Note. The 2016 Note shall be in substantially the form as set forth in the exhibit to the Supplemental Indenture, with such additions, deletions and other changes thereto as the officials of the Board executing the 2016 Note shall approve, such approval to be conclusively evidenced by the execution of the 2016 Note (by manual or facsimile signature) by such officials.

SECTION 6. Early Redemption of Refunded Bonds. Subject to delivery of the 2016 Note, all of the then Outstanding Refunded Bonds are hereby irrevocably called for redemption on the date set forth in the Escrow Deposit Agreement (hereinafter defined) at the redemption price of 101% of the principal amount of such Refunded Bonds together with accrued interest to the redemption date.

SECTION 7. Approval of Escrow Deposit Agreement. The Escrow Deposit Agreement, pursuant to which certain proceeds of the 2016 Note and other legally available moneys of the District will be deposited to provide for the refunding and defeasance of the Refunded Bonds, is hereby approved in substantially the form attached hereto and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver such agreement on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval. The Trustee is hereby approved to serve as Escrow Agent under the Escrow Deposit Agreement.

SECTION 8. Compliance with Section 190.016(7), Florida Statutes. The District hereby finds that the refunding of the Refunded Bonds as described herein and in the Supplemental Indenture complies with Section 190.016(7), Florida Statutes in that the issuance of the 2016 Note is advantageous to the District.

SECTION 9. Open Meetings. It is hereby found and determined that all official acts of this Board concerning and relating to the issuance, sale, and delivery of the 2016 Note, including but not limited to adoption of this Resolution, were taken in open meetings of the members of the Board and all deliberations of the members of the Board that resulted in such official acts were in meetings open to the public, in compliance with all legal requirements including, but not limited to, the requirement of Florida Statutes, Section 286.011.

SECTION 10. Other Actions. The Chairman, the Vice Chairman, the Secretary and any Assistant Secretary of the District, and any authorized designee thereof (collectively, the "District Officers"), Akerman LLP, as Bond Counsel and Hopping Green & Sams, P.A., Counsel to the District, and any other consultant or experts retained by the District, and District Management Services, LLC d/b/a Meritus Districts, as District Manager and Assessment Consultant, are hereby authorized and directed to take all actions necessary or desirable in

connection with the issuance and delivery of the 2016 Note and the consummation of all transactions in connection therewith. The District Officers are hereby authorized and directed to execute all necessary or desirable certificates, documents, papers, and agreements and the undertaking and fulfillment of all transactions referred to in or contemplated by the Indenture and this Resolution.

SECTION 11. Designation of 2016 Note as Bank Qualified. The District designates the 2016 Note as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District does not reasonably anticipate that the District, any subordinate entities of the District, and any issuers of debt that issue "on behalf" of the District, will during the calendar year 2016 issue more than \$10,000,000 of "tax-exempt" obligations, exclusive of those obligations described in Section 265(b)(3)(C)(ii) of the Code.

SECTION 12. Approval of Prior Actions. All actions taken to date by the members of the Board and the officers, agents, and employees of the District in furtherance of the issuance of the 2016 Note are hereby approved, confirmed and ratified.

SECTION 13. Inconsistent Resolutions and Motions. All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

SECTION 14. 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 15. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 22nd day of January, 2016.

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Chairman

[SEAL]

Attest:

By: _____
Secretary

Trustmark National Bank
7700 US HWY 98 West
Santa Rosa Beach, FL 32459



Trustmark

1-20-16

Hammock Bay CDD
ATTN: Brian Lamb
5680 W Cypress St, Suite A
Tampa, FL 33607

Re: Trustmark National Bank's Commitment to Lend Hammock Bay CDD an amount not to exceed \$3,175,000.

Dear Hammock Bay CDD Board Members,

We are pleased to advise you that Trustmark Bank (the "Bank") has approved your request for a loan facility (the "Loan") for Hammock Bay CDD (the "Borrower") for use with reissue of 2004A Bonds, subject to statutory and other requirements by which the Bank is bound, and the following terms and conditions:

Loan Facility:

An amount not to exceed \$3,175,000. The proceeds of the Loan shall be used to reissue funding of Special Assessment Bonds Series 2004A associated with Hammock Bay CDD and pay cost of issuance fees.

1. Interest Rate. The applicable interest rate on the Loan shall be fixed at 3.3% conditioned on the bond remaining Bank Qualified and Tax Exempt.


In the event there is a "determination of taxability", meaning notice is given to the District that a final decree or judgement of any Federal court or a final action of the Internal Revenue Service determination that interest paid or payable on any Series 2016 Bond is or was includable in the gross income of an Owner of said Bond for the Federal income tax purposes, not caused by the action of the Owners, the District agrees that the Series 2016 Bonds would bear interest at a taxable rate of 6.0% per annum upon the effective date of such determination of taxability. The District will not be responsible for overdue interest, penalties on overdue interest or additions to tax owed by the Owner of any Series Bond as a result of the occurrence of a determination of taxability.

2. Payments and Term. 19 year amortizing term with annual principal payments and semi-annual interest payments. Principal payments due annually in May and interest payments due semi-annually in May and November.
3. Loan Fees. Trustmark Bank will not charge loan fees.
4. Closing and Closing Expenses. The Loan will be closed within 30 days of the date of this Commitment Letter. The Bank may be represented by the Bank's attorneys, who are to be determined, and will hereinafter be referred to as "Bank's Counsel". The Borrower will be responsible for the Bank's attorney's fees.
5. Assignability. This Commitment Letter shall not be assignable by Borrower. Any change in the ownership interest in Borrower shall be considered an assignment.
6. Choice of Law. This Commitment Letter shall be governed by the laws of the State of Florida.
7. Reservation. The Bank reserves the right to withdraw this Commitment Letter or require additional documentation or security as additional facts or circumstances which taint the Loan Amount or the proposed project as previously described to the Bank.
8. Term of Commitment. This Commitment Letter and the Bank's obligations hereunder will expire at the close of business on February 19, 2016 unless extended by the Bank in writing.

DATE:

1-20-16

TRUSTMARK NATIONAL BANK



By: Don Edwards

Its: Assistant Vice President

SECOND SUPPLEMENTAL TRUST INDENTURE

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

**TO
U.S. BANK NATIONAL ASSOCIATION,
AS TRUSTEE**

Dated as of January 1, 2016

TABLE OF CONTENTS

This Table of Contents is incorporated herein for ease of reference only and shall not be deemed as part of the Second Supplemental Trust Indenture.

	<u>Page</u>
ARTICLE I DEFINITIONS	4
Section 101. Definitions.....	4
ARTICLE II AUTHORIZATION, ISSUANCE AND PROVISIONS OF 2016 Note	6
Section 201. Authorization of 2016 Note	6
Section 202. Terms of 2016 Note	6
Section 203. Dating; Interest Accrual.....	6
Section 204. Paying Agent.....	7
Section 205. Bond Registrar	7
Section 206. Conditions Precedent to Issuance of 2016 Note	7
ARTICLE III REDEMPTION OF 2016 NOTE	8
Section 301. 2016 Note Subject to Redemption	8
ARTICLE IV DEPOSIT OF 2016 Note PROCEEDS AND APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND OPERATION THEREOF.....	9
Section 401. Establishment of Accounts	9
Section 402. Use of 2016 Note Proceeds and Other Legally Available Moneys	9
Section 403. 2016 Costs of Issuance Fund	10
Section 404. 2016 Debt Service Reserve Account	10
Section 405. Amortization Installments; Selection of Bonds for Redemption.....	10
Section 406. Establishment of 2016 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings	10
Section 407. Application of Prepayment Principal.....	12
ARTICLE V CONCERNING THE TRUSTEE	13
Section 501. Acceptance by Trustee.....	13
Section 502. Limitation of Trustee's Responsibility.....	13
Section 503. Trustee's Duties.....	13
Section 504. Extraordinary Fees and Expenses of Trustee.....	13
ARTICLE VI NO PARITY BONDS.....	14
Section 601. No Parity Bonds.....	14
ARTICLE VII MISCELLANEOUS.....	15
Section 701. Confirmation of Master Indenture	15
Section 702. Brokerage Confirmations.....	15
Section 703. Financial Statements	15

Exhibit A – Form of 2016 Note

SECOND SUPPLEMENTAL TRUST INDENTURE

THIS SECOND SUPPLEMENTAL TRUST INDENTURE (the "Second Supplemental Indenture") dated as of January 1, 2016, from **HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT** (the "District") to **U.S. BANK NATIONAL ASSOCIATION**, as ultimate successor in interest to Wachovia Bank, National Association, as trustee (the "Trustee"), a national banking association under the laws of the United States of America and authorized to accept and execute trusts of the character herein set out within the State of Florida.

WHEREAS, the District has entered into a Master Trust Indenture dated as of November 1, 2004 (the "Master Indenture"), with the Trustee to secure the issuance of its Bonds (as defined therein) (the "Bonds"), issuable in one or more Series from time to time; and

WHEREAS, the District is a community development district duly organized and existing under the provisions of Chapter 190, Florida Statutes, as amended (the "Act"), for the purpose, among other things, of financing and managing the acquisition, construction, maintenance, and operation of the public infrastructure and other public improvements within and as provided in the Act without the boundaries of the District; and

WHEREAS, the District for the primary purpose of constructing public infrastructure and other public improvements in accordance with the provisions of the Act issued its Special Assessment Bonds, Series 2004A and Series 2004B (collectively the "2004 Bonds") pursuant to the Master Indenture and a First Supplemental Trust Indenture dated as of November 1, 2004 by and between the District and the Trustee; and

WHEREAS, all of the District's Special Assessment Bonds, Series 2004B have been retired; and

WHEREAS, the District has determined it to be advantageous to the District to issue its Special Assessment Revenue Refunding Note, Series 2016 (the "2016 Note") for the primary purpose of, together with other legally available money of the District, refunding and retiring on February 26, 2016 all of the District's then outstanding Special Assessment Bonds, Series 2004A (the "Refunded Bonds"), which refinancing will reduce the debt service of the District to the advantage of certain residents of the District and assist the District in accomplishing other legal District purposes; and

WHEREAS, the District is authorized by the Act, particularly Section 190.016(7) thereof and Section 3.03 of the Master Indenture to issue bonds of the District to provide for the refunding of obligations of the District like the Refunded Bonds; and

WHEREAS, pursuant to Resolution No. 2016-02 adopted by the Board of the District on January 22, 2016, the District has authorized the issuance, sale and delivery of \$3,175,000 principal amount of its 2016 Note and authorized the execution and delivery of this Second Supplemental Indenture to secure the issuance of the 2016 Note and to set forth the terms of the 2016 Note; and

WHEREAS, the Board of Supervisors of the District has duly adopted the resolutions and (the "Assessment Proceedings") required reports to fix, establish and levy the 2016 Special

Assessments (the "2016 Special Assessments") and the benefited property against which such are imposed; and

WHEREAS, the District will apply the proceeds of the 2016 Note to: (i) refund and redeem all of the Refunded Bonds; (ii) pay certain costs associated with the issuance of the 2016 Note; and (iii) make a deposit into the 2016 Debt Service Reserve Account for the benefit of all of the 2016 Note; and

WHEREAS, the execution and delivery of the 2016 Note and of this Second Supplemental Indenture have been duly authorized by the Board and all things necessary to make the 2016 Note, when executed by the District and authenticated by the Trustee, a valid and binding legal obligation of the District and to make this Second Supplemental Indenture a valid and binding agreement and, together with the Master Indenture, a valid and binding lien on the Pledged Revenues (as hereinafter defined) have been done;

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS SECOND SUPPLEMENTAL TRUST INDENTURE WITNESSETH:

That the District, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein contained, the purchase and acceptance of the 2016 Note by the purchaser or purchasers thereof, and other good and valuable consideration, receipt of which is hereby acknowledged, and in order to further secure the payment of the principal and Redemption Price of, and interest on, all 2016 Note Outstanding (as defined in the Master Indenture) from time to time, according to their tenor and effect, and such other payments required to be made under the Master Indenture or hereunder and to further secure the observance and performance by the District of all the covenants, expressed or implied in the Master Indenture, in this Second Supplemental Indenture and in the 2016 Note: (a) has executed and delivered this Second Supplemental Indenture and (b) does hereby, in confirmation of the Master Indenture, grant, bargain, sell, convey, transfer, assign and pledge unto the Trustee, and unto its successors in the trusts under the Master Indenture, and to them and their successors and assigns forever, all right, title and interest of the District, in, to and under, subject to the terms and conditions of the Master Indenture and the provisions of the Master Indenture pertaining to the application thereof for or to the purposes and on the terms set forth in the Master Indenture and herein the Pledged Revenues;

TO HAVE AND TO HOLD all the same by the Master Indenture granted, bargained, sold, conveyed, transferred, assigned and pledged, or agreed or intended so to be, to the Trustee and its successors in said trust and to it and its assigns forever;

IN TRUST NEVERTHELESS, except as in each such case may otherwise be provided in the Master Indenture, upon the terms and trusts in the Indenture set forth for the equal and proportionate benefit, security and protection of all and singular the present and future Holders of the 2016 Note issued or to be issued under and secured by this Second Supplemental Indenture, without preference, priority or distinction as to lien or otherwise, of any one 2016 Note over any other 2016 Note by reason of priority in their issue, sale or execution;

PROVIDED FURTHER HOWEVER, that if the District, its successors or assigns, shall well and truly pay, or cause to be paid, or make due provision for the payment of the principal and Redemption Price of the 2016 Note or any portion thereof and Outstanding under

this Second Supplemental Indenture and the interest due or to become due thereon, at the times and in the manner mentioned in the 2016 Note and this Second Supplemental Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of the Master Indenture and this Second Supplemental Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Master Indenture and this Second Supplemental Indenture, then upon such final payments, this Second Supplemental Indenture and the rights hereby granted shall cease and terminate, with respect to all of the 2016 Note or any portion thereof so paid of a particular maturity, otherwise this Second Supplemental Indenture shall remain in full force and effect;

THIS SECOND SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared, that the 2016 Note issued and secured hereunder is to be issued, authenticated and delivered and all of the rights and property pledged to the payment thereof are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as in the Master Indenture (except as amended directly or by implication by this Second Supplemental Indenture), including this Second Supplemental Indenture, expressed, and the District has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Owners, from time to time, of the 2016 Note, as follows:

ARTICLE I DEFINITIONS

Section 101. Definitions. All terms used herein that are defined in the recitals hereto are used with the same meaning herein unless the context clearly requires otherwise. All terms used herein that are defined in the Master Indenture are used with the same meaning herein (including the use of such terms in the recitals hereto and the granting clauses hereof) unless (i) expressly given a different meaning herein or (ii) the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used herein shall have the following meanings:

"Authorized Denominations" shall mean the outstanding principal amount of the 2016 Note.

"Escrow Deposit Agreement" shall mean that document entitled Escrow Deposit Agreement between the District and the escrow agent, as defined in said escrow deposit agreement dated January 27, 2016 pursuant to which money will be deposited to defease the Refunded Bonds.

"Interest Payment Date" shall mean each May 1 and November 1, commencing May 1, 2016.

"Original Purchaser" shall mean Trustmark National Bank, a national banking corporation.

"Pledged Revenues" shall mean, with respect to the 2016 Note, (a) all revenues derived by the District from the 2016 Special Assessments, including, without limitation, amounts received from any foreclosure proceeding for the enforcement of collection of such 2016 Special Assessments or from the issuance and sale of tax certificates with respect to such 2016 Special Assessments and (b) all moneys on deposit in the Funds and Accounts established under the Indenture in respect to the 2016 Note; provided, however, that Pledged Revenues shall not include (i) revenues received by the District from any other Special Assessments, (ii) any moneys transferred to the Series 2016 Rebate Account, (ii) any moneys transferred to the 2016 Rebate Account of the Rebate Fund, or investment earnings thereon, and (iii) "special assessments" levied and collected by the District under Section 190.022 of the Act for maintenance purposes or "maintenance special assessments" levied and collected pursuant to Section 190.021(3) of the Act (it being expressly understood that the lien and pledge of the Indenture shall not apply to any of the moneys described in the foregoing clauses (i), (ii) and (iii) of this proviso).

"Series 2016 Debt Service Reserve Account Requirement" shall mean \$25,000.

"Series 2004A Prepayment Principal" shall mean the portion of a Prepayment corresponding to the principal amount of 2016 Special Assessments being prepaid.

"Series 2004 Project" shall mean the "assessable improvements" financed with proceeds of the 2004 Bonds.

"2004A Special Assessments" shall mean a portion of the Special Assessments levied in respect of the Series 2004 Project, corresponding in amount to the debt service on the Refunded Bonds.

"2016 Special Assessments" shall mean the Series 2004A Special Assessments as reduced to correspond with the amount of debt service and other amounts due on the 2016 Note.

"Series 2016 Investment Obligations" shall mean and includes any of the following securities, if and to the extent that such securities are legal investments for funds of the District:

- (i) Government Obligations;
- (ii) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies or such other government - sponsored agencies which may presently exist or be hereafter created; provided that, such bonds, debentures, notes or other evidences of indebtedness are fully guaranteed as to both principal and interest by the United States of America; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Federal Home Loan Bank System; Farmers Home Administration; Small Business Administration; Inter-American Development Bank; International Bank for Reconstruction and Development; Federal Land Banks; the Federal National Mortgage Association; the Government National Mortgage Association; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;
- (iii) shares of money market mutual funds that invest only in the obligations described in (i) and (ii) above, including money market mutual funds of the Trustee bank meeting such criteria.
- (iv) money market deposit accounts, including investment in money market deposits/money market deposit accounts, including those of the Trustee bank, investment in any interest bearing deposits/interest bearing money market deposit accounts, including those of the Trustee bank, and time deposits, including those of the Trustee bank; and
- (v) commercial paper rated in the top two categories by both Moody's and S&P.

Under all circumstances, the Trustee shall be entitled to request and to receive from the District a certificate of an Authorized Officer setting forth that any investment directed by the District is permitted under the Indenture.

ARTICLE II
AUTHORIZATION, ISSUANCE AND PROVISIONS OF
2016 Note

Section 201. Authorization of 2016 Note. The 2016 Note is hereby authorized to be issued in the principal amount of \$3,175,000, for the purposes enumerated in the recitals hereto and as further described in Section 402 hereof. The 2016 Note shall be substantially in the form set forth as **Exhibit A** to this Second Supplemental Indenture. The 2016 Note shall be issued in the Authorized Denomination and may be transferred only in whole and not in part.

Section 202. Terms of 2016 Note. The 2016 Note and shall bear interest at the fixed interest rate per annum and shall mature in the amount and on the date set forth below:

\$3,175,000, 3.3% Due May 1, 2035

The interest rate on the 2016 Note shall be subject to adjustment upon a Determination of Taxability as described below.

"Determination of Taxability" shall mean, (i) the issuance by the Internal Revenue Service of a statutory notice of deficiency or other written notification which holds in effect that the interest payable on the 2016 Note is includable for federal income tax purposes in the gross income of the Owner thereof, which notice or notification is not successfully contested by either the District or any Owner of the 2016 Note, or (ii) a determination by a court of competent jurisdiction that the interest payable on the 2016 Note is includable for federal income tax purposes in the gross income of the Owner thereof, which determination either is final and non-appealable or is not appealed within the requisite time period for appeal.

In the event a Determination of Taxability shall have occurred, the interest rate on the 2016 Note shall be increased to the Taxable Rate of six percent (6.0%) per annum computed on the basis of a 360 day years of 12-30 day month from the effective date of the Determination of Taxability. The District will not be responsible for overdue interest, penalties on overdue interest or additions to tax owed by the Owner as a result of a Determination of Taxability.

The Owner shall promptly notify the District and the Trustee in writing of any adjustment pursuant hereto. The determination of the Owner as to the amount of such adjustment shall be conclusive absent manifest error. Notwithstanding any provision hereto the contrary, in no event shall the interest rate on the 2016 Note exceed the maximum rate permitted by law. Absent its receipt of such notice, the Trustee is authorized to assume that no Determination of Taxability has occurred.

Section 203. Dating; Interest Accrual. The 2016 Note shall be dated January 27, 2016. The 2016 Note shall also bear its date of authentication. The 2016 Note shall bear interest from the Interest Payment Date to which interest has been paid next preceding the date of its authentication, unless the date of its authentication: (i) is an Interest Payment Date to which interest on the 2016 Note has been paid, in which event the 2016 Note shall bear interest from its date of authentication; or (ii) is prior to the first Interest Payment Date for the 2016 Note, in which event the 2016 Note shall bear interest from its date. Interest on the 2016 Note shall be due and payable on each May 1 and November 1, commencing May 1, 2016, and shall be computed on the basis of a 360-day year of 12-30 day months.

Section 204. Paying Agent. The District appoints the Trustee as Paying Agent for the 2016 Note.

Section 205. Bond Registrar. The District appoints the Trustee as Bond Registrar for the 2016 Note.

Section 206. Conditions Precedent to Issuance of 2016 Note. In addition to complying with the requirements set forth in the Master Indenture in connection with the issuance of the 2016 Note, the Trustee shall authenticate it and deliver the 2016 Note upon the District order, but only upon the further receipt by the Trustee of:

- (a) Certified copy of the Assessment Resolution;
- (b) Certified copy of the Master Indenture and an executed copy of this Second Supplemental Indenture;
- (c) A Bond Counsel opinion to the effect that: (i) the District has the right and power under the Act as amended to the date of such opinion to authorize, execute and deliver the Master Indenture and this Second Supplemental Indenture, and the Master Indenture and this Second Supplemental Indenture have been duly and lawfully authorized, executed and delivered by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their respective terms; (ii) the Master Indenture, as amended and supplemented by this Second Supplemental Indenture, creates the valid pledge which it purports to create of the Pledged Revenues in the manner and to the extent provided in the Master Indenture and this Second Supplemental Indenture; (iii) the 2016 Note is a valid, binding, special obligations of the District, enforceable in accordance with their terms and the terms of the Master Indenture and this Second Supplemental Indenture, subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally and entitled to the benefits of the Act as amended to the date of such opinion, and the 2016 Note has been duly and validly authorized and issued in accordance with law and the Master Indenture and this Second Supplemental Indenture; (iv) the interest on the 2016 Note is excludable from gross income for federal income tax purposes; (v) the 2016 Note and the interest paid thereon is exempt from all taxes imposed by the State of Florida except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on corporations and other entities, as defined therein; and (vi) the 2016 Note is a "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code;
- (d) An opinion of Counsel to the District substantially to the effect set forth in Section 3.01(b)(3) of the Master Indenture.
- (e) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the 2016 Note, the District will not be in default in the performance of the terms and provisions of the Master Indenture or this Second Supplemental Indenture; and
- (f) An executed copy of the Escrow Deposit Agreement.

Payment to the Trustee of the net proceeds of the 2016 Note shall constitute conclusive evidence of satisfaction of the conditions precedent for the authentication of the 2016 Note.

ARTICLE III

REDEMPTION OF 2016 NOTE

Section 301. 2016 Note Subject to Redemption. The 2016 Note is subject to redemption prior to maturity as provided in the form thereof set forth as Exhibit A to this Second Supplemental Indenture. Interest on the portion 2016 Note which is called for redemption shall be paid on the redemption date from the 2016 Interest Account or from the 2016 Revenue Account to the extent monies in the corresponding 2016 Interest Account are insufficient for such purpose.

Notwithstanding any other provision of the Indenture, notice of optional redemption may be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the District if expressly set forth in such notice.

ARTICLE IV
DEPOSIT OF 2016 Note PROCEEDS AND
APPLICATION THEREOF; ESTABLISHMENT OF ACCOUNTS AND
OPERATION THEREOF

Section 401. Establishment of Accounts. There are hereby established, the following Funds and Accounts.

(a) Pursuant to Section 6.03 of the Master Indenture, the Trustee shall establish a separate account within the Revenue Fund designated as the "2016 Revenue Account." 2016 Special Assessments shall be deposited by the Trustee into the 2016 Revenue Account and applied as set forth in Article VI of the Master Indenture and Section 406 hereof.

(b) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the "2016 Interest Account." Monies deposited into the 2016 Interest Account shall be applied for the purposes provided in the Master Indenture and Section 406 hereof.

(c) Pursuant to Section 6.04 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Fund designated as the "2016 Sinking Fund Account." Monies shall be deposited into the 2016 Sinking Fund Account as provided in Article VI of the Master Indenture and applied for the purposes provided therein and in Section 406 hereof.

(d) Pursuant to Section 6.05 of the Master Indenture, the Trustee shall establish a separate account within the Debt Service Reserve Fund designated as the "2016 Debt Service Reserve Account." In connection with the initial delivery of the 2016 Note, the amount set forth in Section 402 hereof shall be deposited into the 2016 Debt Service Reserve Account, and such monies, together with any other monies deposited into the 2016 Debt Service Reserve Account pursuant to the Master Indenture, shall be applied for the purposes provided therein and in Sections 404 and 406 hereof.

(e) Pursuant to Section 6.06 of the Master Trust Indenture, the Trustee shall establish a separate Series Redemption Fund designated as the "2016 Redemption Fund" and within such Fund, a 2016 Prepayment Account" which shall be applied for the purposes provided in Section 407 hereof.

(f) In addition to the accounts provided above, there is hereby established a 2016 Cost of Issuance Fund.

(g) At the District's direction, there shall be hereby established a Series 2016 Rebate Account to be held by the Trustee.

Section 402. Use of 2016 Note Proceeds and Other Legally Available Moneys. The net proceeds of sale of the 2016 Note, consisting of \$3,175,000 principal amount of 2016 Note, together with \$571,998.82 transferred from the Funds and Accounts for the Refunded Bonds as specified in a certificate of the District delivered on the date of such delivery, shall as soon as practicable upon the delivery thereof to the Trustee by the District be applied as follows:

(a) \$149,322.24, of 2016 Note proceeds shall be deposited to the credit of the 2016 Costs of Issuance Fund;

(b) \$25,000.00, of 2016 Note proceeds representing the Series 2016 Reserve Account Requirement shall be deposited to the credit of the 2016 Debt Service Reserve Account;

(c) \$3,000,677.76 consisting of the balance of the 2016 Note proceeds and \$571,998.82 on deposit in the Funds and Accounts for Refunded Bonds shall be deposited to the Escrow Fund established pursuant to the Escrow Deposit Agreement to refund and redeem the Refunded Bonds.

All amounts in the Funds and Accounts for the Refunded Bonds not deposited as provided above shall be deposited to the 2016 Revenue Account.

Section 403. 2016 Costs of Issuance Fund. The amount deposited in the 2016 Costs of Issuance Fund shall, at the written direction of an Authorized Officer to the Trustee, be used to pay the costs of issuance relating to the 2016 Note. One hundred twenty (120) days subsequent to the dated date of the 2016 Note, any amounts on deposit in the 2016 Costs of Issuance Fund which are not subject to a pending requisition shall be transferred over and deposited into the 2016 Prepayment Account and used for the purposes permitted therefor.

Section 404. 2016 Debt Service Reserve Account. Amounts on deposit in the 2016 Debt Service Reserve Account shall be used only for the purpose of making payments into the 2016 Interest Account and the 2016 Sinking Fund Account to pay debt service on the 2016 Note, when due to the extent the moneys on deposit in such Accounts therein and available therefor are insufficient and for no other purpose, except as specified in this Second Supplemental Indenture. Such Account shall consist only of cash and Series 2016 Investment Obligations.

On the earliest date on which there is on deposit in the 2016 Debt Service Reserve Account, sufficient monies, after taking into account other monies available therefor, to pay and redeem all of the Outstanding 2016 Note, together with accrued interest and redemption premium, if any, on such 2016 Note to the earliest date of redemption permitted therein and herein, then the Trustee shall transfer the amount on deposit in the 2016 Debt Service Reserve Account into the 2016 Prepayment Account to pay and redeem all of the Outstanding 2016 Note on the earliest date permitted for redemption therein and herein.

Section 405. Amortization Installments; Selection of Bonds for Redemption.

Upon any redemption of 2016 Note (other than redemption in accordance with scheduled Amortization Installments), the District shall cause to be recalculated and delivered to the Trustee revised Amortization Installments recalculated so as to amortize the Outstanding principal amount of the 2016 Note in substantially equal annual installments of principal and interest over the remaining term of the 2016 Note.

Section 406. Establishment of 2016 Revenue Account in Revenue Fund; Application of Revenues and Investment Earnings.

(a) The Trustee shall deposit any and all amounts required to be deposited to the 2016 Revenue Account by this Section 406 or by any provision of the Master Indenture or

other provision of this Second Supplemental Indenture, and any other amounts or payments specifically designated by the District pursuant to a written direction or by a Supplemental Indenture for said purpose. The 2016 Revenue Account shall be held by the Trustee separate and apart from all other Funds and Accounts held under the Indenture and from all other moneys of the Trustee.

(b) The District shall deposit 2016 Special Assessments with the Trustee for deposit to the 2016 Revenue Account immediately upon receipt.

(c) On May 1 and November 1 (or if such May 1 or November 1 is not a Business Day, on the Business Day preceding such May or November 1), the Trustee shall transfer amounts on deposit in the 2016 Revenue Account to the Funds and Accounts designated below in the following amounts and in the following order of priority:

FIRST, from the 2016 Revenue Account to the 2016 Interest Account of the Debt Service Fund, an amount equal to the amount of interest payable on the 2016 Note then Outstanding on such May 1 or November 1 less any other amount already on deposit in the 2016 Interest Account not previously credited;

SECOND, to the 2016 Sinking Fund Account, the amount, if any, equal to the difference between the Amortization Installments subject to mandatory sinking fund redemption on such May 1, and the amount already on deposit in the 2016 Sinking Fund Account not previously credited;

THIRD, to the Series 2016 Debt Service Reserve Account, the amount, if any, which is necessary to make the amount on deposit therein equal to the Series 2016 Debt Service Reserve Account Requirement; and

FOURTH, the balance shall be retained in the 2016 Revenue Account.

Anything herein to the contrary notwithstanding, it shall not, a fortiori constitute an Event of Default hereunder if the full amount of the foregoing deposits are not made due to an insufficiency of funds therefor.

(d) On any date required by the arbitrage letter of instructions delivered in connection with the issuance of the 2016 Note, the District shall give the Trustee written direction, and the Trustee shall, transfer from the 2016 Revenue Account to the Series 2016 Rebate Account the amount due and owing to the United States, which amount shall be paid, to the United States, when due, in accordance with such arbitrage letter.

(e) The balance on deposit in the 2016 Revenue Account shall remain on deposit therein to be applied to any lawful purpose of the District.

(f) Anything herein or in the Master Indenture to the contrary notwithstanding, earnings on investments in all of the Funds and Accounts held as security for the 2016 Note shall be invested only in Series 2016 Investment Obligations. Earnings on investments in the 2016 Sinking Fund Account, the 2016 Interest Account shall be deposited, as realized, to the credit of the 2016 Revenue Account and used for the purpose of such Account. Earnings on investments in the 2016 Revenue Account shall remain on deposit therein.

Earnings on investments in the 2016 Debt Service Reserve Account shall be disposed of as follows:

(i) if there was no deficiency in the 2016 Debt Service Reserve Account as of the most recent date on which amounts on deposit in the 2016 Debt Service Reserve Account were valued by the Trustee, and if no withdrawals have been made from the 2016 Debt Service Reserve Account since such date which have created a deficiency, then earnings on the 2016 Debt Service Reserve Account shall be deposited into 2016 Revenue Account and applied as provided for moneys on deposit therein; and

(ii) if as of the last date on which amounts on deposit in the 2016 Debt Service Reserve Account were valued by the Trustee there was a deficiency, or if after such date withdrawals have been made from the 2016 Debt Service Reserve Account and have created such a deficiency, then earnings on investments in the 2016 Debt Service Reserve Account shall be deposited into the 2016 Debt Service Reserve Account until the amount on deposit therein is equal to the Series 2016 Reserve Account Requirement, and then earnings on the 2016 Debt Service Reserve Account shall be deposited into the 2016 Revenue Account and applied as provided for moneys on deposit therein.

Section 407. Application of Prepayment Principal. All Series 2016 Prepayment Principal shall upon receipt by the Trustee be deposited to the 2016 Prepayment Account. At the time the District deposits Series 2016 Prepayment Principal with the Trustee, it shall notify the Trustee in writing as to the amount of such. Amounts on deposit in the 2016 Prepayment Account shall be applied to the extraordinary mandatory redemption of the 2016 Note as provided herein and in the 2016 Note. Earnings on amounts on deposit in the 2016 Prepayment Account shall remain on deposit therein.

ARTICLE V
CONCERNING THE TRUSTEE

Section 501. Acceptance by Trustee. The Trustee accepts the trusts declared and provided in this Second Supplemental Indenture and agrees to perform such trusts upon the terms and conditions set forth in the Master Indenture.

Section 502. Limitation of Trustee's Responsibility. The Trustee shall not be responsible in any manner for the due execution of this Second Supplemental Indenture by the District or for the recitals contained herein, all of which are made solely by the District.

Section 503. Trustee's Duties. Nothing contained herein shall limit the rights, benefits, privileges, protection and entitlements inuring to the Trustee under the Master Indenture, including, particularly, Article XIII thereof.

Section 504. Extraordinary Fees and Expenses of Trustee. In the event that the Trustee shall be required under the Indenture or directed by the Owners of the 2016 Note to take actions to enforce the collection of 2016 Special Assessments or to take any other extraordinary actions under the Indenture, the Trustee shall be entitled to withdraw its reasonable fees and expenses, including reasonable attorney fees, from the Pledged Revenues.

ARTICLE VI
NO PARITY BONDS

Section 601. No Parity Bonds. The District covenants and agrees that so long as the 2016 Note is Outstanding, it shall not cause or permit to be caused any other lien, charge or claim against the Pledged Revenues on parity with the pledge thereto to the 2016 Note.

**ARTICLE VII
MISCELLANEOUS**

Section 701. Confirmation of Master Indenture. As supplemented by this Second Supplemental Indenture, the Master Indenture is in all respect ratified and confirmed, and this Second Supplemental Indenture shall be read, taken and construed as a part of the Master Indenture so that all of the rights, remedies, terms, conditions, covenants and agreements of the Master Indenture, except insofar as modified herein, shall apply and remain in full force and effect with respect to this Second Supplemental Indenture and to the 2016 Note issued hereunder. To the extent of any conflicts between the terms and provisions of the Master Indenture and this Second Supplemental Indenture the terms and provisions hereof shall control.

Section 702. Brokerage Confirmations. The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive individual confirmations of security transactions at no additional cost, as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the District periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

Section 703. Financial Statements. At no cost to the Original Purchaser, the District will furnish to the Original Purchaser within 270 days after the end of each fiscal year of the District financial statements of the District for such fiscal year prepared in accordance with generally accepted accounting standards, and an audit report for such financial statements of an independent certified public accountant or firm thereof. The District shall also provide at no cost to the Original Purchaser within 30 days following each Interest Payment Date unaudited financial statements which statements shall include information regarding the levy and collection of 2016 Special Assessments as of such immediately preceding Interest Payment Date.

IN WITNESS WHEREOF, Hammock Bay Community Development District has caused these presents to be signed in its name and on its behalf by its Chairman, and its official seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and on its behalf by its duly appointed Vice President.

SEAL

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

Secretary

By: _____
Chairman, Board of Supervisors

**U.S. BANK NATIONAL ASSOCIATION,
as successor in trust to Wachovia Bank,
National Association, as Trustee**

By: _____
Vice President

United States of America
State of Florida
HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT REVENUE REFUNDING NOTE, SERIES 2016

Interest <u>Rate</u>	Maturity <u>Date</u>	Dated <u>Date</u>
3.3%	May 1, 2035	January 27, 2016

Registered Owner: TRUSTMARK NATIONAL BANK

Principal Amount: THREE MILLION ONE HUNDRED AND SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT, a community development district duly created and existing pursuant to Chapter 190, Florida Statutes (the "District"), for value received, hereby promises to pay (but only out of the sources hereinafter mentioned) to the Registered Owner set forth above, or registered assigns, on the maturity date shown hereon, unless this 2016 Note shall have been called for redemption in whole or in part and payment of the Redemption Price (as defined in the Indenture mentioned hereinafter) shall have been duly made or provided for, the principal amount shown above and to pay (but only out of the sources hereinafter mentioned) interest on the outstanding principal amount hereof from the most recent Interest Payment Date to which interest has been paid or provided for, or if no interest has been paid, from the Dated Date shown above, on May 1 and November 1 of each year (each, an Interest Payment Date), commencing on May 1, 2016, until payment of said principal amount has been made or provided for, at the rate per annum set forth above (subject to adjustment as described herein).

In the event of a Determination of Taxability (as defined in the Supplemental Indenture hereafter defined), the interest rate on the 2016 Note is subject to adjustment as provided in Section 202 of the Supplemental Indenture (hereinafter defined).

Notwithstanding the foregoing, if any Interest Payment Date is not a Business Day (as defined in the Indenture), then all amounts due on such Interest Payment Date shall be payable on the first Business Day succeeding such Interest Payment Date, but shall be deemed paid on such Interest Payment Date. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Registered Owner hereof at the close of business on the regular record date for such interest, which shall be the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date, or if such day is not a Business Day on the Business Day immediately preceding such day; provided, however, that on or after the occurrence and continuance of an Event of Default under clauses (a) and/or (b) of Section 12.02 of the Master Indenture (hereinafter defined), the payment of interest and principal or Redemption Price shall be made by the Paying Agent (hereinafter defined) to such person, who, on a special record date which is fixed by the Trustee, which shall be not more

than fifteen (15) and not less than ten (10) days prior to the date of such proposed payment, appears on the registration books of the Bond Registrar as the Registered Owner of this 2016 Note. Any payment of principal, or Redemption Price shall be made at such place as the Registered Owner may designate to the District and the Trustee. Payment of interest shall be made by check or draft or by wire transfer to the Registered Owner set forth above if such owner requests payment by wire transfer in writing on or prior to the regular record date for the respective interest payment to such account as shall be specified in such request. Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months.

This 2016 Note is issuable under and governed by the terms of a Master Trust Indenture, dated as of November 1, 2004 (the "Master Indenture"), between the District and U.S. Bank National Association as successor in interest to Wachovia Bank, National Association (the "Trustee" and "Paying Agent"), as supplemented by the Second Supplemental Trust Indenture, dated as of January 1, 2016 (the "Supplemental Indenture"), between the District and the Trustee (the Master Indenture as supplemented by the Supplemental Indenture is hereafter referred to as the "Indenture"). Capitalized terms not defined herein shall have the meaning ascribed to them in the Indenture. The 2016 Note is issued in the principal amount of \$3,175,000, for the purposes of, together with other legally available monies of the District (i) refunding all of the District's Outstanding Special Assessment Bonds, Series 2004A; (ii) paying certain costs associated with the issuance of the 2016 Note; and (iii) making a deposit into the 2016 Debt Service Reserve Account for the benefit of the 2016 Note.

Reference is hereby made to further provisions of this 2016 Note set forth after the Certificate of Authentication endorsed hereon, which further provisions shall for all purposes have the same effect as if fully set forth in this place.

NEITHER THIS 2016 NOTE NOR THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON SHALL CONSTITUTE A GENERAL OBLIGATION OR GENERAL INDEBTEDNESS OF THE DISTRICT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF FLORIDA. THIS 2016 NOTE AND THE INTEREST AND PREMIUM, IF ANY, PAYABLE HEREON DOES NOT CONSTITUTE EITHER A PLEDGE OF THE FULL FAITH AND CREDIT OF THE DISTRICT OR A LIEN UPON ANY PROPERTY OF THE DISTRICT OTHER THAN AS PROVIDED IN THE INDENTURE. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OF THE DISTRICT OR ANY OTHER PUBLIC AUTHORITY OR GOVERNMENTAL BODY TO PAY DEBT SERVICE OR TO PAY ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THIS 2016 NOTE. RATHER, DEBT SERVICE AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE INDENTURE, OR THIS 2016 NOTE, SHALL BE PAYABLE SOLELY FROM, AND SHALL BE SECURED SOLELY BY, THE PLEDGED REVENUES, ALL AS PROVIDED HEREIN AND IN THE INDENTURE.

All acts, conditions and things required by the Constitution and laws of the State of Florida and the resolutions of the District to happen, exist and be performed precedent to and in connection with the issuance of this 2016 Note and the execution of the Indenture, have happened, exist and have been performed as so required. This 2016 Note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Indenture

until it shall have been authenticated by the execution by the Trustee of the Certificate of Authentication endorsed hereon.

IN WITNESS WHEREOF, Hammock Bay Community Development District has caused this 2016 Note to bear the signature of the Chairman of its Board of Supervisors and the official seal of the District to be impressed or imprinted hereon and attested by the signature of an Secretary to the Board of Supervisors.

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

(SEAL)

By: _____
Chairman, Board of Supervisors

ATTEST:

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION

This 2016 Note is described in the within-mentioned Indenture.

**U.S. BANK NATIONAL
ASSOCIATION, as Trustee**

By: _____
Vice President

Date of Authentication:

This 2016 Note is issued under and pursuant to the Constitution and laws of the State of Florida, particularly Chapter 190, Florida Statutes, as amended, and other applicable provisions of law and pursuant to the Indenture, executed counterparts of which Indenture are on file at the designated office of the Trustee. Reference is hereby made to the Indenture for the provisions, among others, with respect to the custody and application of the proceeds of the 2016 Note, the collection and disposition of revenues and the funds charged with and pledged to the payment of the principal, and Redemption Price of, and the interest on, the 2016 Note, the nature and extent of the security thereby created, the covenants of the District with respect to the levy and collection of 2016 Special Assessments, the terms and conditions under which the 2016 Note is or may be issued, the rights, duties, obligations and immunities of the District and the Trustee under the Indenture and the rights of the Registered Owners of the 2016 Note, and, by the acceptance of the 2016 Note, the Registered Owner assents to all of the provisions of the Indenture.

This 2016 Note is transferable in whole by the Registered Owner hereof or its duly authorized attorney at the designated corporate trust office of the Trustee in Orlando, Florida as Bond Registrar (the "Bond Registrar"), as provided in the Indenture.

Optional Redemption

The 2016 Note is subject to redemption at the option of the District prior to maturity, in whole or in part, on any date at the Redemption Price of 100% of the principal amount of the 2016 Note to be redeemed together with accrued interest to the Redemption Date.

Mandatory Redemption

The 2016 Note is subject to mandatory redemption in part by the District prior to its scheduled maturity from moneys in the 2016 Sinking Fund Account established under the Supplemental Indenture in satisfaction of applicable Amortization Installments at a Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the Redemption Date, on May 1 of the years and in the principal amounts set forth below.

<u>Year</u>	<u>Amortization Installment</u>
2017	\$120,000
2018	125,000
2019	125,000
2020	135,000
2021	135,000
2022	145,000
2023	145,000
2024	150,000
2025	160,000
2026	165,000
2027	170,000
2028	180,000
2029	185,000
2030	185,000
2031	195,000
2032	200,000
2033	210,000
2034	220,000
2035	225,000

*Maturity

Extraordinary Mandatory Redemption

This 2016 Note is subject to extraordinary mandatory redemption prior to scheduled maturity, in whole or in part on any Interest Payment Date, and if in part in the manner determined by the Bond Registrar and as otherwise provided in the Indenture, at the Redemption Price of 100% of the principal amount thereof, without premium, plus accrued interest to the redemption date, if and to the extent that moneys are transferred to the 2016 Prepayment Account and in whole when the amount on deposit in the 2016 Debt Service Reserve Account together with other available monies is sufficient to pay and redeem all of the then outstanding 2016 Note together with accrued and unpaid interest therein.

Any redemption in part shall be in the minimum principal amount of \$5,000 or any integral multiple thereof.

Upon such extraordinary redemption of the 2016 Note, the District shall cause to be recalculated and delivered to the Trustee a revised schedule of Amortization Installments recalculated so that Debt Service on the 2016 Note is amortized in substantially equal annual installments of principal and interest over the remaining term of the 2016 Note. Such revised debt service schedule shall not result in an increase in the principal or Amortization Installments in any year.

Notice of redemption of the 2016 Note (other than a mandatory redemption thereof for which no notice is required) is required to be mailed by the Bond Registrar, postage prepaid, not less than ten (10) nor more than twenty (20) days prior to the redemption date to the Registered

Owner of the 2016 Note at the address of such Registered Owner recorded on the bond register maintained by the Bond Registrar. On the date designated for redemption, notice having been given and money for the payment of the Redemption Price being held by the Paying Agent, all as provided in the Indenture, the 2016 Note or such portions thereof so called for redemption shall become and be due and payable at the Redemption Price provided for the redemption of the 2016 Note or such portions thereof on such date, interest on such 2016 Note or such portions thereof so called for redemption shall cease to accrue, the 2016 Note or such portions thereof so called for redemption shall cease to be entitled to any benefit or security under the Indenture and the Owner thereof shall have no rights in respect of the 2016 Note or such portions thereof so called for redemption except to receive payments of the Redemption Price thereof so held by the Paying Agent.

The Registered Owner of this 2016 Note shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This 2016 Note shall have all the qualities and incidents, including negotiability, of investment securities within the meaning and for all the purposes of the Uniform Commercial Code of the State of Florida, however, the 2016 Note may only be transferred as provided in the Indenture.

This 2016 Note is issued with the intent that the laws of the State of Florida shall govern its construction.

[FORM OF ABBREVIATIONS FOR BONDS]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM as tenants in common

TEN ENT as tenant by the entirety

JT TEN as joint tenants with the right of survivorship and not as tenants in common

UNIFORM TRANS MIN ACT - _____ Custodian _____ under Uniform
Transfers to Minors Act _____ (State)

Additional abbreviations may also be used
though not in the above list.

For value received, the undersigned hereby sells, assigns and transfers unto
_____ the within Bond and all rights thereunder,
and hereby irrevocably constitutes and appoints _____, attorney to
transfer the said Bond on the books of the District, with full power of substitution in the
premises.

Date: _____
Social Security Number of Employer _____
Identification Number of Transferee: _____
Signature guaranteed: _____

NOTICE: The assignor's signature
to this Assignment must correspond
with the name as it appears on the
face of the within Bond in every
particular without alteration or any
change whatever.

By: _____
Authorized Signatory

ESCROW DEPOSIT AGREEMENT

ESCROW DEPOSIT AGREEMENT, dated January 27, 2016, by and between the **HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT** (the "**District**"), a duly constituted and existing community development district and local unit of special purpose government under the laws of the State of Florida, and **U.S. BANK NATIONAL ASSOCIATION** (the "**Escrow Agent**"), a national banking association organized and existing under the laws of the United States of America, as Escrow Agent hereunder.

WHEREAS, the District has previously issued its Special Assessment Revenue Bonds, Series 2004A (the "2004A Bonds") and Series 2004B (the "2004B Bonds, collectively with the "2004A Bonds") (the "2004 Bonds") pursuant to a Master Trust Indenture dated as of November 1, 2004 (the "Master Indenture") as supplemented by a First Supplemental Trust Indenture dated as of November 1, 2004, both between the District and U.S. Bank National Association as successor to Wachovia Bank, National Association, as trustee (together with the Master Indenture, the "Indenture"); and

WHEREAS, all of the 2004B Bonds have been retired; and

WHEREAS, Section 16.01 of the Master Indenture provides that Bonds shall be deemed to have been paid within the meaning and with the effect expressed therein upon compliance by the District with the provisions thereof, which provisions the District hereby represents have not been amended or supplemented; and

WHEREAS, the District has determined to issue, pursuant to the Master Indenture, as supplemented by a Second Supplemental Trust Indenture dated as of January 1, 2016 between the District and the Trustee, its \$3,175,000 aggregate principal amount of Special Assessment Revenue Refunding Note, Series 2016 (the "2016 Note") for the principal purpose of refunding and together with other legally available moneys, defeasing as provided herein all of the Outstanding 2004A Bonds (the "Refunded Bonds"); and

WHEREAS, a portion of the proceeds of the 2016 Note together with other legally available moneys of the District will be deposited in the Escrow Fund created pursuant to Section 4 hereof in an amount sufficient without reinvestment to pay the Refunded Bonds as provided herein and to discharge and satisfy the covenants, agreements and other obligations of the District in regard to such Refunded Bonds; and

WHEREAS, the issuance of the 2016 Note, the deposit of such cash into the Escrow Fund to be held by the Escrow Agent and the discharge and satisfaction of the covenants, agreements and other obligations of the District in regard to the Refunded Bonds shall occur as a simultaneous transaction; and

WHEREAS, this Agreement is intended to effectuate such simultaneous transaction;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. The recitals stated above are true and correct and incorporated herein.
2. Receipt of true and correct copies of the above-mentioned Master Indenture is hereby acknowledged by the Escrow Agent. The applicable and necessary provisions of the Master Indenture, in particular Sections 16.01 and 16.02 thereof are incorporated herein by reference. The Escrow Agent also acknowledges receipt of, but makes no representation regarding the accuracy of, the Report of Causey Demgen & Moore P.C., dated January 27, 2016 (the "Accountant's Certificate") indicating that sufficient cash has been deposited into the Escrow Fund (as defined below) to provide for all payments due on the Refunded Bonds through the redemption date of February 26, 2016.
3. In accordance with the Master Indenture, the District by this agreement exercises the option to have the covenants, agreements and other obligations of the District to the holders of the Refunded Bonds defeased, discharged and satisfied.
4. There is hereby created and established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the "Hammock Bay Community Development District 2004A Bonds Escrow Deposit Fund" (the "Escrow Fund"), which Escrow Fund is to be held in the custody of the Escrow Agent as an escrow fund for the benefit of the holders of the Refunded Bonds as provided more specifically below, separate and apart from other funds of the District and the Escrow Agent. The Escrow Agent hereby acknowledges the receipt of and deposit hereunder of the sum of \$3,572,676.58 received by the District from the sale and delivery of the 2016 Note and other legally available moneys (the "Escrow Proceeds").
5. In reliance upon the Accountant's Certificate, the District represents and warrants that the deposit made pursuant to Section 4 is sufficient to pay the amounts of principal, redemption premium and interest due on the Refunded Bonds as described in **Schedule "A"** attached hereto. If such deposit shall be insufficient to make such payments, the District shall timely deposit in the Escrow Fund, solely from legally available funds of the District, such additional amounts as may be required to pay the Refunded Bonds as described in Schedule "A" hereto. Notice of any insufficiency shall be given by the Escrow Agent to the District as promptly as possible, but the Escrow Agent shall in no manner be responsible for the District's failure to make such deposits.
6. The deposit in the Escrow Fund shall constitute deposit of moneys with the Escrow Agent solely for the payment of the principal, redemption premium and interest on the Refunded Bonds at such time and in such amount as set forth in **Schedule "A"** hereto, and such deposit shall be used solely for such purposes. The deposit in the Escrow Fund shall be held uninvested.
7. The District hereby directs, and the Escrow Agent hereby agrees, that it will undertake the timely transfer of money to the Paying Agent for the Refunded Bonds or any successors or assigns thereto (collectively, the "Refunded Bonds Paying Agent") in accordance with **Schedule "A"** attached hereto, in order to effectuate this Agreement and to pay the Refunded Bonds in the amount and at the time provided in said **Schedule "A"**. The

liability of the Escrow Agent to make such transfer for the payment of the principal, redemption premium and interest on the Refunded Bonds pursuant to this Agreement shall be limited to the application of amounts available for such purposes in the Escrow Fund.

8. The District hereby directs the Escrow Agent as the trustee for the Refunded Bonds to give the notice or notices required by the Indenture in connection with the redemption of the Refunded Bonds. All of the Refunded Bonds shall be redeemed on February 26, 2016 at 101% of the principal amount thereof plus accrued interest to such redemption date.

9. Concurrently with the deposit set forth in Section 4 hereof, the Refunded Bonds are hereby deemed to have been paid within the meaning and with the effect expressed in the Indenture.

10. The Escrow Fund hereby created shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on all cash deposited in the Escrow Fund pursuant to the terms hereof until paid out, used and applied in accordance with this Agreement. The District shall not cause or permit, and the Trustee shall not cause, any other lien or interest to be imposed upon the Escrow Funds.

11. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders and the written consent of the Escrow Agent provided, however, that the District and the Escrow Agent may, without the consent of, or notice to, such holders enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement;
- (b) to grant, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) to subject to this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized bond counsel with respect to compliance with this Section 11, including the extent, if any, to which any change, modification or addition affects the rights of the holders of the Refunded Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section 11.

12. The District shall pay any expenses associated with the performance by the Escrow Agent of any extraordinary services hereunder, which are payable by the District upon presentation of an invoice therefor from the Escrow Agent. The Escrow Agent shall have no lien whatsoever upon any of the cash in said Escrow Fund for the payment of such proper fees and expenses.

13. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence, misconduct or default. The Escrow Agent shall not be liable for any loss resulting from any lawful investments made pursuant to the terms of this Agreement. The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of the deposit to the Escrow Fund to pay the Refunded Bonds. So long as the Escrow Agent applies any moneys to pay the Refunded Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded Bonds caused by such calculations. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement and no implied warrants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent may consult with knowledgeable counsel with respect to any matter relevant to this Agreement, who may or may not be counsel to the District, and be entitled to receive from the District reimbursement of the reasonable fees and expenses of such counsel, and in reliance upon the opinion of such counsel have full and complete authorization and protection in respect of any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District and the Escrow Agent may in good faith conclusively rely upon such certificate.

The Escrow Agent may conclusively rely upon and shall be fully protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to funds available, established and maintained hereunder; the Escrow Agent shall not be required to expend its own funds for the performance of its duties hereunder. The Escrow Agent may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The District further agrees to the extent allowable by law and specifically without waiving its sovereign immunity protections to indemnify and save the Escrow Agent harmless, to the extent allowed by law, against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or default. The Escrow Agent's rights under Sections 12 and 13 hereof shall survive the termination of this Agreement and/or the sooner resignation or removal of the Escrow Agent and shall inure to the benefit of the Escrow Agent's successors and assigns.

14. The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations hereby created by giving not less than ten (10) days written notice to the District and mailing notice thereof, specifying the date when such resignation will take effect to the holders of all Refunded Bonds then outstanding, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding or by the District as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing, delivered to the Escrow Agent and to the District and signed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding.

In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding by an instrument or concurrent instruments in writing, signed by such holders, or by their attorneys in fact, duly authorized in writing; provided, nevertheless, that in any such event, the District shall appoint a temporary Escrow Agent to fill such vacancy until a successor Escrow Agent shall be appointed by the holders of a majority in aggregate principal amount of the Refunded Bonds then outstanding in the manner above provided, and any such temporary Escrow Agent so appointed by the District shall immediately and without further act be superseded by the Escrow Agent so appointed by such holders.

In the event that no appointment of a successor Escrow Agent or a temporary successor Escrow Agent shall have been made by such holders or the District pursuant to the foregoing provisions of this Section 14 within ten (10) days after written notice of resignation of the Escrow Agent has been given to the District, the holder of any of the Refunded Bonds or any retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Agent.

No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States

or any state thereof, and shall have at the time of appointment capital and surplus of not less than \$75,000,000.

Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the District an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall nevertheless, on the written request of such successor Escrow Agent or the District execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it to its successor; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Escrow Agent shall be paid in full. Should any transfer, assignment or instrument in writing from the District be required by any successor Escrow Agent for more fully and certainly vesting in such successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the District.

Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or transfers all or substantially all of its corporate trust business to, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Agent or any successor to it shall be a party, if satisfactory to the District, shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

15. This Agreement, except as otherwise provided herein, shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made. Upon such termination, all moneys remaining in the Escrow Fund shall be released to the District.

16. This Agreement shall be governed by the applicable laws of the State of Florida without regard to conflict of law principles.

17. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

18. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

19. The District will not accelerate the maturity of any Refunded Bonds or exercise any option to redeem any Refunded Bonds except as set forth in Section 8 hereof.

20. Any notice, authorization, request or demand required or permitted to be given in accordance with the terms of this Agreement shall be in writing and sent by registered or certified mail addressed to:

Hammock Bay Community Development District	U.S. Bank National Association
c/o District Manager	225 E. Robinson Street, Suite 250
5680 W. Cypress Street, Suite A	Orlando, FL 32801
Tampa, FL 33607	Attention: Stacey Johnson

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers and appointed officials and in the case of the District, its seal to be hereunder affixed and attested as of the date first above written.

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

(SEAL)

ATTEST:

By: _____
Chairman

Secretary

*(Signature page of Escrow Deposit Agreement dated January 27, 2016
re: Hammock Bay Community Development District)*

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

By: _____
Vice President

SCHEDULE A

<u>Payment Date</u>	<u>Redeemed Principal</u>	<u>Interest</u>	<u>Redemption Premium</u>	<u>Total</u>
February 26, 2016	\$3,470,000	\$67,976.58	\$34,700.00	\$3,572,676.58

EXHIBIT B

POLICIES AND PROCEDURES FOR MONITORING POST-ISSUANCE COMPLIANCE WITH THE REQUIREMENTS OF THE INTERNAL REVENUE CODE

In connection with the issuance of tax-exempt obligations (including, without limitation, Note, Note, loans, leases and certificates) (together, “tax-exempt Note”) that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the “Code”), the Hammock Bay Community Development District (the “District”) hereby adopts the following policies and procedures which are intended to constitute written procedures for ongoing compliance with the Federal tax requirements applicable to the tax-exempt Note and for the timely identification and remediation of violations of such requirements as follows.

1. In connection with the issuance of tax-exempt Note, an authorized representative of the District will sign a tax certificate prepared by Bond Counsel which sets forth (i) the District’s reasonable expectations as to the use of the proceeds of the tax-exempt Note; and (ii) instructions for post-issuance compliance with the federal tax laws relating to the tax-exempt Note.

2. The Board of Supervisors of the District (the “Board”) shall identify persons responsible for monitoring ongoing compliance with the tax requirements of the Code applicable to the expenditure of proceeds of the tax-exempt Note and the private use of Note-financed projects. The Board or such other responsible persons, shall annually review compliance with these procedures and the terms of the applicable tax certificates in order to determine whether any violations have occurred so that such violations can be timely remediated through the “remedial action” provisions of the United States Treasury Regulations or through the Voluntary Closing Agreement Program administered by the Internal Revenue Service (the “IRS”).

3. The Board or such other responsible persons will work with Bond Counsel, a Financial Advisor or Underwriter, if applicable, to obtain a written certification as to the offering price of tax-exempt Note so as to establish the issue price of tax-exempt Note for arbitrage purposes.

4. The Board or such other responsible persons will work with Bond Counsel to ensure that the IRS Form 8038-G is filed in a timely manner in connection with the issuance of tax-exempt Note.

5. The Board or other designated responsible persons will periodically check the financial records and expenditures of the District to ensure that: (i) clear and consistent accounting procedures are being used to track the investment and expenditure of Note proceeds, (ii) Note proceeds are timely expended in accordance with the applicable temporary period rules of the arbitrage regulations, and (iii) Note proceeds are expended in accordance with the expectations contained in the tax certificate. The Board or such other responsible persons will ensure that a final allocation of Note proceeds (including investment earnings) to qualifying expenditures is made with respect to its tax-exempt Note proceeds.

6. The Board or other designated responsible persons will review arrangements for the use of Note-financed facilities with non-governmental persons or organizations or the federal government (collectively referred to as “private persons”) in order to ensure that applicable private activity Note limitations are not exceeded. Such review shall include the review of contracts or arrangements with private persons with respect to Note-financed facilities which could result in private business use of the facilities, including the sale of facilities, leases, management or service contracts, research contracts or other contracts involving “special legal entitlements” to Note-financed facilities. If it appears that applicable private activity Note limitations are exceeded, the Board or such other responsible persons shall immediately contact Bond Counsel.

7. The Board or other designated responsible persons shall comply with the arbitrage rebate covenants contained in the tax certificate. The Board or other designated responsible persons shall hire a rebate analyst or otherwise ensure that the rebate calculations are conducted in a timely manner in order to determine compliance with arbitrage yield restrictions and rebate requirements with respect to its Note.

8. The Board or other designated responsible persons shall ensure that for each issue of tax-exempt Note, the transcript and all records and documents described in these procedures or in the tax certificate will be maintained while any of the tax-exempt Note is outstanding and during the six-year period following the final maturity or redemption of that Note issue, or if the tax-exempt Note is refunded (or re-refunded), while the refunding tax-exempt Note are outstanding and during the six-year period following the final maturity or redemption of the refunding tax-exempt Note.

9. The Board or other designated responsible persons will follow the above-described procedures to comply with all tax-exempt Note requirements. If any violations of the above or other applicable provisions of the federal tax laws relating to the tax-exempt Note are discovered, the Board or other designated responsible persons shall immediately contact Bond Counsel to determine the appropriate course of action to remedy such violation, including contacting the IRS, if necessary.

Accepted:

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

District Manager

RESOLUTION 2016-03

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE DISTRICT'S SPECIAL ASSESSMENT REFUNDING NOTE, SERIES 2016; CONFIRMING AND ADOPTING A SECOND SUPPLEMENTAL ASSESSMENT ALLOCATION REPORT; CONFIRMING, ALLOCATING AND AUTHORIZING THE COLLECTION OF SPECIAL ASSESSMENTS SECURING SERIES 2016 REVENUE REFUNDING NOTE; PROVIDING FOR THE SUPPLEMENT TO THE IMPROVEMENT LIEN BOOK; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Hammock Bay Community Development District ("**District**") has previously indicated its intention to undertake, install, establish, construct and/or acquire certain public infrastructure improvements and to finance such public infrastructure improvements through the imposition of special assessments on benefitted property within the District and the issuance of bonds; and

WHEREAS, the District, on August 30, 2004, in accordance with Chapters 170, 190 and 197, *Florida Statutes*, without limitation, adopted Resolution 2004-35, A RESOLUTION AUTHORIZING DISTRICT PROJECTS FOR CONSTRUCTION OF CERTAIN INFRASTRUCTURE IMPROVEMENTS; EQUALIZING, APPROVING, CONFIRMING AND LEVYING SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY BENEFITTED BY SUCH PROJECTS TO PAY THE COST THEREOF; PROVIDING FOR THE PAYMENT AND THE COLLECTION OF SUCH SPECIAL ASSESSMENTS BY THE METHODS PROVIDED FOR BY CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; CONFIRMING THE DISTRICT'S INTENT TO ISSUE SPECIAL ASSESSMENT BONDS; MAKING PROVISIONS FOR TRANSFERS OF REAL PROPERTY TO GOVERNMENTAL BODIES; PROVIDING FOR THE RECORDING OF AN ASSESSMENT NOTICE; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE (the "**Series 2004A Assessment Resolution**"); and

WHEREAS, the Series 2004A Assessment Resolution was adopted in connection with the District's issuance of its \$6,345,000 Special Assessment Bonds, Series 2004A (the "**Series 2004A Bonds**"); and

WHEREAS, in order to achieve both aggregate and annual debt service savings, the District has determined it is in the best interest of the District, its residents and landowners, to refinance the outstanding Series 2004A Bonds via the issuance of refunding bonds; and

WHEREAS, in order to effect such refunding, on January 15, 2016, the District's Board of Supervisors (the "**Board**") adopted Resolution 2016-02, authorizing the issuance of Hammock Bay Community Development District Special Assessment Revenue Refunding Note, Series 2016, in an aggregate principal amount not to exceed \$3,175,000 (the "**Series 2016 Refunding Note**"); and

WHEREAS, pursuant to and consistent with Resolution 2004-35, this Resolution sets forth the terms of the Series 2016 Refunding Note and confirms the lien of the levy of special assessments securing the Series 2016 Refunding Note; and

WHEREAS, the assessment lien securing the Series 2016 Refunding Note includes the obligation to pay assessments to fund interest, and, in the event the Series 2016 Refunding Note lose their tax exempt status, such additional interest, in an amount equal to an interest rate of 6.0%, that seeks to preserve, the after-tax yield a bondholder would have received at each interest payment date had the Series 2016 Refunding Note remained tax exempt.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Florida law, including without limitation Chapters 170, 190, and 197, *Florida Statutes*, and Resolution 2004-35.

SECTION 2. FINDINGS. The Board of Supervisors of the Hammock Bay Community Development District hereby finds and determines as follows:

(a) On August 30, 2004, the District, after due notice and public hearing, adopted Resolution 2004-35, which, among other things, equalized, approved, confirmed and levied special assessments on property benefitting from the infrastructure improvements authorized by the District. This Resolution shall supplement Resolution 2004-35 for the purpose of setting forth the specific terms of the Series 2016 Refunding Note and certifying the amount of the lien of the special assessments securing any portion of the Series 2016 Refunding Note, including interest, costs of issuance, and the number of payments due.

(b) The Second Supplemental Assessment Allocation Report for the Special Assessment Refunding Note, Series 2016, dated January 15, 2016, attached to this Resolution as **Exhibit A** (the “**Supplemental Assessment Methodology**”), applies the August 30, 2004, First Supplemental Special Assessment Allocation Report, Special Assessment Bonds, Series 2004A, prepared by Rizzetta & Company, which was approved by Resolution 2004-35 (the “**Original Assessment Methodology**”), to the actual terms of the Series 2016 Refunding Note. The Supplemental Assessment Methodology is hereby approved, adopted and confirmed. The District ratifies its use in connection with the sale of the Series 2016 Refunding Note.

(c) The Series 2004 Project, as described in the Engineer’s Report for Hammock Bay Community Development District, dated May, 2004, as supplemented by a First Supplemental Engineer’s Report, dated August, 2004, and deemed complete by Connelly & Wicker, Inc., on June 9, 2008, continues to specially benefit all of the properties identified in the Supplemental Assessment Methodology. The benefits of the Series 2004 Project exceed the assessments allocated as provided in the Original Assessment Methodology and the Supplemental Assessment Methodology.

(d) The Series 2016 Refunding Note, under the terms set forth in more detail herein, provide significant economic savings to the District and the sale of the Series 2016 Refunding Note is in the best interests of the District, its landowners and residents.

(e) The immediate benefits of the refinancing, including lower annual assessments resulting from interest rate savings, outweigh the potential costs associated with obligations of the District in the event the Series 2016 Refunding Note were deemed taxable; and

SECTION 3. CONFIRMATION OF MAXIMUM ASSESSMENT LIEN FOR SERIES 2016 REFUNDING NOTE. This Resolution is intended to set forth the terms of the Series 2016 Refunding Note and the final amount of the lien of the special assessments securing those Note. The Series 2016 Refunding Note, in a par amount of \$3,175,000, shall bear such rates of interest and maturity as shown on **Exhibit B** attached hereto. The sources and uses of funds of the Series 2016 Refunding Note shall be as set forth in **Exhibit C**. The debt service due on the Series 2016 Refunding Note is set forth on **Exhibit D** attached hereto. The lien of the special assessments securing the Series 2016 Refunding Note on certain developable land within the District, as such land is described in Exhibit A, shall be the principal amount due on the Series 2016 Refunding Note, together with accrued but unpaid interest thereon, together with the amount by which the annual assessments shall be grossed up to include early payment discounts required by law and costs of collection, and, in the event the Series 2016 Refunding Note lose their tax exempt status, such additional interest, in an amount equal to an interest rate of 6.0%. The maximum lien amount of the assessments shall be as set forth in the Supplemental Assessment Methodology, as supplemented by the obligation for assessments to fund additional interest in the event the Series 2016 Refunding Note lose their tax exempt status, such additional interest, in an amount equal to an interest rate of 6.0%, seeks to preserve the after-tax yield a bondholder would have received at each interest payment date had the Series 2016 Refunding Note remained tax exempt.

SECTION 4. ALLOCATION OF ASSESSMENTS SECURING SERIES 2016 REFUNDING NOTE.

(a) The special assessments for the Series 2016 Refunding Note shall be allocated in accordance with Exhibit A. The Supplemental Assessment Methodology is consistent with the District's Original Assessment Methodology. The Supplemental Assessment Methodology, considered herein, reflects the actual terms of the issuance of the District's Series 2016 Refunding Note. The estimated costs of collection of the special assessments for the Series 2016 Refunding Note are as set forth in the Supplemental Assessment Methodology.

(b) The lien of the special assessments securing the Series 2016 Refunding Note includes that certain land within the District (as those district boundaries may be adjusted pursuant to law) that originally secured the Series 2004A Bonds, and as such land is ultimately defined and set forth in plats, site plans or other designations of developable acreage.

(c) The District shall begin annual collection of special assessments for the Series 2016 Refunding Note debt service payment using the methods available to it by law. Beginning

with the first debt service payment on May 1, 2016, there shall be nineteen (19) years of semi-annual installments of principal and interest, as reflected on Exhibit D.

(d) The District hereby certifies the special assessments for collection and directs staff to take all actions necessary to meet the time and other deadlines imposed for collection by Walton County and other Florida law. The District intends, unless inapplicable or unavailable, to collect the special assessments securing the Series 2016 Refunding Note using the Uniform Method in Chapter 197, *Florida Statutes*. The District Manager shall prepare or cause to be prepared each year a tax roll for purposes of effecting the collection of the special assessments and present same to the District Board as required by law. The District Manager is further directed and authorized to take all actions necessary to collect any prepayments of debt as and when due and to collect special assessments on unplatted property using methods available to the District authorized by Florida law.

SECTION 5. IMPROVEMENT LIEN BOOK. Immediately following the adoption of this Resolution these special assessments as reflected herein shall be recorded by the Secretary of the Board of the District in the District's Improvement Lien Book. The special assessment or assessments against each respective parcel shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 6. OTHER PROVISIONS REMAIN IN EFFECT. This Resolution is intended to supplement Resolution 2004-35, which remains in full force and effect. This Resolution and Resolution 2004-35 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

SECTION 7. SEVERABILITY. If any section or part of a section of this resolution be declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

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SECTION 8. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

PASSED in Public Session of the Board of Supervisors of the Hammock Bay Community Development District, this 22nd day of January, 2016.

ATTEST:

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairman, Board of Supervisors

Exhibit A: Supplemental Assessment Allocation Report
Exhibit B: Maturities and Coupon of Series 2016 Refunding Note
Exhibit C: Sources and Uses of Funds for Series 2016 Refunding Note
Exhibit D: Annual Debt Service Payment Due on 2016 Refunding Note

Exhibit A

SUPPLEMENTAL ASSESSMENT METHODOLOGY

Exhibit B

INTEREST RATES AND MATURITY

Term Bond Series 2016 Principal Amount: \$3,175,000

Interest Rate: 3.300%

Maturity: May 1, 2035

Price: 100.000

Yield: 3.300%

Exhibit C

SOURCES AND USES OF FUNDS

Jan 6, 2016 4:34 pm Prepared by DBC Finance

(Finance 7.009 Hammock Bay CDD-HAMMOCK-REFLOAN2,REFLOAN2) Page 1

SOURCES AND USES OF FUNDS

Hammock Bay Community Development District
Special Assessment Refunding Loan, Series 2016

Sources:

Bond Proceeds:	
Par Amount	3,175,000.00
Other Sources of Funds:	
Transfer from 04A Reserve Fund	309,106.25
Transfer from 04A Prepayment Fund	19,220.38
Transfer from 04A Revenue Fund	343,672.19
	<u>671,998.82</u>
	3,846,998.82

Uses:

Refunding Escrow Deposits:	
Cash Deposit	3,572,676.58
Other Fund Deposits:	
Debt Service Reserve Fund	25,000.00
Deposit to 2016 Revenue Fund	100,000.00
	<u>125,000.00</u>
Delivery Date Expenses:	
Cost of Issuance	145,125.00
Other Uses of Funds:	
Rounding	4,197.24
	<u>3,846,998.82</u>

Exhibit D

DEBT SERVICE REQUIREMENTS

BOND DEBT SERVICE

Hammock Bay Community Development District
Special Assessment Refunding Loan, Series 2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
01/27/2016						3,175,000	3,175,000
05/01/2016			27,357.92	27,357.92		3,175,000	3,175,000
11/01/2016			52,387.50	52,387.50	79,745.42	3,175,000	3,175,000
05/01/2017	120,000	3.300%	52,387.50	172,387.50		3,055,000	3,055,000
11/01/2017			50,407.50	50,407.50	222,795.00	3,055,000	3,055,000
05/01/2018	125,000	3.300%	50,407.50	175,407.50		2,930,000	2,930,000
11/01/2018			48,345.00	48,345.00	223,752.50	2,930,000	2,930,000
05/01/2019	125,000	3.300%	48,345.00	173,345.00		2,805,000	2,805,000
11/01/2019			46,282.50	46,282.50	219,627.50	2,805,000	2,805,000
05/01/2020	135,000	3.300%	46,282.50	181,282.50		2,670,000	2,670,000
11/01/2020			44,055.00	44,055.00	225,337.50	2,670,000	2,670,000
05/01/2021	135,000	3.300%	44,055.00	179,055.00		2,535,000	2,535,000
11/01/2021			41,827.50	41,827.50	220,882.50	2,535,000	2,535,000
05/01/2022	145,000	3.300%	41,827.50	186,827.50		2,390,000	2,390,000
11/01/2022			39,435.00	39,435.00	226,262.50	2,390,000	2,390,000
05/01/2023	145,000	3.300%	39,435.00	184,435.00		2,245,000	2,245,000
11/01/2023			37,042.50	37,042.50	221,477.50	2,245,000	2,245,000
05/01/2024	150,000	3.300%	37,042.50	187,042.50		2,095,000	2,095,000
11/01/2024			34,567.50	34,567.50	221,610.00	2,095,000	2,095,000
05/01/2025	160,000	3.300%	34,567.50	194,567.50		1,935,000	1,935,000
11/01/2025			31,927.50	31,927.50	226,495.00	1,935,000	1,935,000
05/01/2026	165,000	3.300%	31,927.50	196,927.50		1,770,000	1,770,000
11/01/2026			29,205.00	29,205.00	226,132.50	1,770,000	1,770,000
05/01/2027	170,000	3.300%	29,205.00	199,205.00		1,600,000	1,600,000
11/01/2027			26,400.00	26,400.00	225,605.00	1,600,000	1,600,000
05/01/2028	180,000	3.300%	26,400.00	206,400.00		1,420,000	1,420,000
11/01/2028			23,430.00	23,430.00	229,830.00	1,420,000	1,420,000
05/01/2029	185,000	3.300%	23,430.00	208,430.00		1,235,000	1,235,000
11/01/2029			20,377.50	20,377.50	228,807.50	1,235,000	1,235,000
05/01/2030	185,000	3.300%	20,377.50	205,377.50		1,050,000	1,050,000
11/01/2030			17,325.00	17,325.00	222,702.50	1,050,000	1,050,000
05/01/2031	195,000	3.300%	17,325.00	212,325.00		855,000	855,000
11/01/2031			14,107.50	14,107.50	226,432.50	855,000	855,000
05/01/2032	200,000	3.300%	14,107.50	214,107.50		655,000	655,000
11/01/2032			10,807.50	10,807.50	224,915.00	655,000	655,000
05/01/2033	210,000	3.300%	10,807.50	220,807.50		445,000	445,000
11/01/2033			7,342.50	7,342.50	228,150.00	445,000	445,000
05/01/2034	220,000	3.300%	7,342.50	227,342.50		225,000	225,000
11/01/2034			3,712.50	3,712.50	231,055.00	225,000	225,000
05/01/2035	225,000	3.300%	3,712.50	228,712.50			
11/01/2035					228,712.50		
	3,175,000		1,185,327.92	4,360,327.92	4,360,327.92		

2016



HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

SECOND SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY REPORT

Compiled By:

Meritus
Districts

JANUARY 22, 2016

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

SECOND SUPPLEMENTAL SPECIAL ASSESSMENT METHODOLOGY REPORT

TABLE OF CONTENTS

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
I.	OVERVIEW	1
II.	BACKGROUND	1
III.	SERIES 2016 NOTE EXCHANGE	2
IV.	ALLOCATION OF 2016 BENEFIT	3

<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
TABLE 1	SOURCES AND USES OF FUNDS.....	3
TABLE 2	HAMMOCK BAY ASSESSABLE UNITS – BENEFIT ALLOCATION	5
TABLE 3	DEBT SERVICE ASSESSMENT ALLOCATION.....	5
TABLE 4	ANNUAL DEBT SERVICE ASSESSMENT SAVINGS.....	6
A	ASSESSMENT ROLL	7
B	ASSESSMENT METHODOLOGY.....	13
C	ENGINEER’S REPORT	57

JANUARY 22, 2016

SECTION I: OVERVIEW

This *Hammock Bay Community Development District Second Supplemental Special Assessment Methodology Report* (the “Second Supplemental Report”) serves to provide the allocation and assessment methodology to support the Series 2004A and Series 2004B Special Assessment Bonds (collectively the “2004 Bonds”) refinancing plan, relating to those lands encumbered by the 2004 Bonds within the Hammock Bay Community Development District (the “District”) as detailed by the *Master Special Assessment Allocation Report* dated August 30, 2004 as amended and supplemented by the *First Supplemental Special Assessment Allocation Report* dated October 20, 2004 and as further amended and supplemented by the *Amended First Supplemental Assessment Allocation Report for Hammock Bay Community Development District* dated July 25, 2005 (herein collectively referred to as the “Assessment Report” and attached hereto as Exhibit “B”). Those lands within the District are generally described in the *Hammock Bay Community Development District Engineer’s Report* dated May 2004 as amended and supplemented by the *First Supplemental Engineer’s Report for the Hammock Bay Community Development District* dated August 2004 (herein collectively referred to as the “Engineer’s Report”) and are further described in Exhibit “C” of this Second Supplemental Report.

SECTION II: BACKGROUND

The District is located in Walton County, bordered to the north by State Road 20, the Choctawhatchee Bay to the South and encircled by County Road 83A (Bay Loop Road). The 2004 Bonds were issued to finance the 2004 Project (as defined within the Assessment Report). Improvements acquired and/or constructed by the District as a result of the 2004 Project included roadways, water & sewer, utilities, drainage, landscaping & irrigation, parks & recreational facilities, environmental mitigation areas, offsite improvements, and associated professional fees. The District contains 993 +/- acres, with 504 platted, residential units, and 50,000 square feet of commercial space. The lot sizes of single family units within the District vary in terms of front footage, ranging from 60 to 110 feet.

In October 2004 the District issued two series of bonds, the long-term Series 2004A Bonds in the par amount of \$6,345,000 and short-term Series 2004B Bonds in the par amount of \$10,810,000, in order to finance the construction and/or acquisition of the 2004 Project. The short-term Series 2004B Bond special assessment obligation has been satisfied in full; the remaining 2004 Bond special assessment lien against lands within the District serves as security for the long-term Series 2004A Bonds.

A number of landowners within the District have elected to pay off the 2004A Bond debt allocated to their parcel. Properties within the District who have paid off their portion of the 2004A Bond debt are no longer subject to the 2004A Bond special assessment lien, and thus are not affected by the refinancing plan. The remaining outstanding 2004A Bond

principal is currently allocated amongst the 267 single family units, and 50,000 square feet of commercially designated land within the District. The Second Supplemental Report serves to reallocate special assessments related to the refunding of the 2004A Bonds in association with the issuance of the Series 2016 Special Assessment Revenue Refunding Note (the “2016 Note”). The assessment allocation within this Second Supplemental Report is consistent within the methodology utilized in the Assessment Report. The refinancing will take advantage of lower interest rates, the associated savings of which will be allocated amongst the properties subject to the District’s existing 2004A Bond special assessment lien which benefited from the 2004 Project.

This Second Supplemental Report serves as an addendum to the Assessment Report (EXHIBIT B).

SECTION III: SERIES 2016 NOTE EXCHANGE

The 2016 Note is being issued in exchange for \$3,470,000 aggregate principal amount of the Series 2004A Bonds and \$671,998.82 acquired through the liquidation of the 2004A Revenue, 2004A Prepayment and 2004A Debt Service Reserve accounts. A description of the sources and uses is shown in Table 1.

The anticipated refinancing by the District will be accomplished through a private placement of the 2016 Note to a single banking institution purchaser. There are various contractual obligations of the District that will be required by the purchaser of the 2016 Note in order to achieve the interest rate savings set forth herein. For example, in the event that the 2016 Note were to ever lose its tax-exempt status, the District would be required to pay a higher rate of interest to the holders in accordance with the terms of the draft Second Supplemental Trust Indenture on file at the District Manager’s Office. The assessment lien against the property owner would include the obligation to pay assessments corresponding to this higher interest rate in the event the 2016 Note were to ever lose its tax-exempt status. However, this increased, fixed interest rate will not exceed 6.000%, which is lower than the current, fixed interest rates on the Series 2004A Bonds of 6.125% and 6.150%.

The 2016 Note will bear interest at annual rate of 3.3%. Debt Service on the 2016 Note will begin on May 1, 2016 and reach final maturity on May 1, 2035. The maximum annual debt service is \$231,055.00. This sum is increased by 7% to account for collection fees remitted to the Walton County Property Appraiser and Tax Collector and statutory discounts offered for early payment of real estate taxes. The resulting annual debt service assessment collections will therefore amount to \$248,446.66. By comparison, the 2004A Bonds were scheduled to mature on the same date as the 2016 Note; however, the maximum annual debt service requirements total \$306,934.38, with annual levies equal to \$330,036.97. The average interest rate on the 2004A Bonds falls between 6.125 and 6.150 percent.

TABLE 1:

SOURCES AND USES OF FUNDS	
Hammock Bay Community Development District	
Special Assessment Refunding Loan, Series 2016	
SOURCES:	
Bond Proceeds	
Par Amount	\$3,175,000.00
Other Sources of Funds:	
Transfer from 04A Reserve Fund	\$309,106.25
Transfer from 04A Prepayment Fund	\$19,220.38
Transfer from 04A Revenue Fund	\$343,672.19
	<u>\$671,998.82</u>
	<u>\$3,846,998.82</u>
USES:	
Refunding Escrow Deposits:	
Cash Deposit	\$3,572,676.58
Other Fund Deposits:	
Debt Service Reserve Fund	\$25,000.00
Deposit to 2016 Revenue Fund	\$100,000.00
	<u>\$125,000.00</u>
Delivery Date Expenses:	
Cost of Issuance	\$145,125.00
Other Uses of Funds:	
Rounding	\$4,197.24
	<u>\$3,846,998.82</u>

SECTION IV: ALLOCATION OF 2016 BENEFIT

The capital improvements which have been constructed and/or acquired by the District and funded by the 2004 Bonds provided the basis for the original assessments to be levied. The Engineer's Report was used to determine the benefit allocated to parcels within the District. All currently assessable parcels within the District are subject to special assessments related to the refinancing of the 2004A Bonds. As determined by the Assessment Report, the specific benefit of the 2004 Project was greater than the cost of the assessments levied upon benefiting properties. Those properties within the District that will not be subject to the 2016 Note special assessments include publicly owned (County/CDD) tax-exempt parcels such as lift stations, road rights-of-way, waterway management systems, common areas and other non-assessable property. Properties having been released from the 2004A Bond special assessment lien by virtue of prepayment will also be exempt from 2016 Note special assessment lien.

Determination of Assessments

The requirements for a valid Special Assessment are three-fold:

- 1) Improvements to Benefited Properties that the Special Assessments encumber must be for an approved and assessable purpose. (F.S. 170.01)
- 2) Special Assessments can only be levied on those properties directly and specifically benefiting from the improvements. (F.S. 170.01)
- 3) Special Assessments allocated to each Benefited Property cannot exceed the proportional benefit to each parcel. (F.S. 170.02)

In the case of the District, the 2016 Note will be issued in connection with the refunding of the 2004A Bonds, which were utilized to construct and/or acquire a portion of the District's 2004 Project. The District's 2004 Project constitutes an approved and assessable purpose (F.S. 170.01), which satisfies the first requirement for a valid Special Assessment as defined above. Additionally, the 2004 Project resulted in certain properties within the District receiving a direct and specific benefit, thereby making those properties legally subject to assessments (F.S. 170.01), which satisfies the second requirement, noted above. Finally, the specific benefit to the properties is equal to or exceeds the cost of the assessments levied on the benefited properties (F.S. 170.02), which satisfies the third requirement, above.

While the first requirement for a valid special assessment is seemingly tangible, and can easily be satisfied by ensuring that the improvements are allowed in the list provided in F.S. 170.01, the second and third requirements for a valid special assessment are somewhat intangible, and involve identifying specific benefits to properties and assigning value to these benefits in order to ensure the value of the benefits exceed the cost of providing the improvements. The second and third requirements are key components for establishing the validity of a special assessment and are described in greater detail in the following section of this Second Supplemental Report.

Allocation of Assessments

The 2004A Bond special assessments were allocated to each property based on the estimated special benefit received. The method of benefit allocation is based on the relative special benefit received in relation to its property use. According to F.S. 170.02, the methodology by which a valid special assessment is allocated to specifically benefited properties must be determined and prorated according to foot frontage of said property, *or by such other method as the governing body of the District may prescribe* (F.S. 170.02). Florida law gives the District some latitude in determining how a special assessment will be allocated to specifically benefited properties.

TABLE 2: HAMMOCK BAY ASSESSABLE UNITS – BENEFIT ALLOCATION

Unit Type	Units	EAU Value
Single Family Unit 60'	3	1.00
Single Family Unit 70'	36	1.17
Single Family Unit 75'	43	1.25
Single Family Unit 80'	112	1.33
Single Family Unit 85'	1	1.42
Single Family Unit 90'	1	1.50
Single Family Unit 95'	2	1.58
Single Family Unit 100'	54	1.67
Single Family Unit 110'	15	1.83
Commercial	50	2.00
317		

TABLE 3: DEBT SERVICE ASSESSMENT ALLOCATION

There are 10 lot size groups within the District; single family units ranging from 60 feet to 110 feet, and 50,000 square feet of commercial space.

ANNUAL SPECIAL ASSESSMENT ALLOCATION -- DEBT SERVICE						
Unit Type	Units	EAU Value	Series 2004 Bonds		Series 2016 Note	
			Per Unit	Per Product	Per Unit	Per Product
Single Family Unit 60'	3	1.00	\$669.10	\$2,007.30	\$526.88	\$1,580.64
Single Family Unit 70'	36	1.17	\$782.85	\$28,182.60	\$616.45	\$22,192.25
Single Family Unit 75'	43	1.25	\$836.38	\$35,964.34	\$658.60	\$28,319.94
Single Family Unit 80'	112	1.33	\$889.91	\$99,669.92	\$700.76	\$78,484.59
Single Family Unit 85'	1	1.42	\$950.13	\$950.13	\$748.18	\$748.18
Single Family Unit 90'	1	1.50	\$1,003.65	\$1,003.65	\$790.32	\$790.32
Single Family Unit 95'	2	1.58	\$1,057.18	\$2,114.36	\$832.47	\$1,664.94
Single Family Unit 100'	54	1.67	\$1,117.40	\$60,339.60	\$879.89	\$47,514.12
Single Family Unit 110'	15	1.83	\$1,224.46	\$18,366.90	\$964.19	\$14,462.92
Commercial	50	2.00	\$1,338.21	\$66,910.50	\$1,053.77	\$52,688.34
			\$315,509.30		\$248,446.24	

TABLE 3 (Continued):

SPECIAL ASSESSMENT ALLOCATION -- PRINCIPAL DEBT						
Unit Type	Units	EAU Value	Series 2004 Bonds		Series 2016 Note	
			Per Unit	Per Product	Per Unit	Per Product
Single Family Unit 60'	3	1.00	\$7,316.41	\$21,949.23	\$6,733.22	\$20,199.65
Single Family Unit 70'	36	1.17	\$8,560.23	\$308,168.32	\$7,877.89	\$283,604.18
Single Family Unit 75'	43	1.25	\$9,145.57	\$393,259.32	\$8,416.57	\$361,912.56
Single Family Unit 80'	112	1.33	\$9,730.90	\$1,089,860.82	\$8,955.25	\$1,002,987.85
Single Family Unit 85'	1	1.42	\$10,389.39	\$10,389.39	\$9,561.25	\$9,561.25
Single Family Unit 90'	1	1.50	\$10,974.61	\$10,974.61	\$10,099.83	\$10,099.83
Single Family Unit 95'	2	1.58	\$11,559.95	\$23,119.90	\$10,638.50	\$21,277.01
Single Family Unit 100'	54	1.67	\$12,218.44	\$659,795.51	\$11,244.50	\$607,203.12
Single Family Unit 110'	15	1.83	\$13,389.10	\$200,836.57	\$12,321.86	\$184,827.86
Commercial	50	2.00	\$14,632.93	\$731,646.34	\$13,466.53	\$673,326.71
			\$3,450,000.00		\$3,175,000.00	

TABLE 4: ANNUAL DEBT SERVICE ASSESSMENT SAVINGS

Annual debt service saving derived from the 2004A Bond refunding ranges from \$142.22 to \$260.27 for residential units, while the commercial parcel's debt assessments will decrease \$14,222.00 in total; as displayed below, this results in an annual savings of 21.255% per unit.

Unit Type	Series 2004A Bonds	Series 2016 Note	ANNUAL ASSESSMENT REDUCTION	ANNUAL SAVINGS
	Annual Special Assessment Per Unit	Annual Special Assessment Per Unit		
Single Family Unit 60'	\$669.10	\$526.88	\$142.22	21.255%
Single Family Unit 70'	\$782.85	\$616.45	\$166.40	21.255%
Single Family Unit 75'	\$836.38	\$658.60	\$177.78	21.255%
Single Family Unit 80'	\$889.91	\$700.76	\$189.15	21.255%
Single Family Unit 85'	\$950.13	\$748.18	\$201.95	21.255%
Single Family Unit 90'	\$1,003.65	\$790.32	\$213.33	21.255%
Single Family Unit 95'	\$1,057.18	\$832.47	\$224.71	21.255%
Single Family Unit 100'	\$1,117.40	\$879.89	\$237.51	21.255%
Single Family Unit 110'	\$1,224.46	\$964.19	\$260.27	21.255%
Commercial/1,000 Sq Feet	\$1,338.21	\$1,053.77	\$284.44	21.255%

EXHIBIT A:
ASSESSMENT ROLL

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
17-1S-19-23060-000-0010	\$526.88	\$6,733.22
17-1S-19-23060-000-0020	\$526.88	\$6,733.22
17-1S-19-23060-000-0030	\$526.88	\$6,733.22
16-1S-19-23020-000-0530	\$616.45	\$7,877.89
16-1S-19-23020-000-0950	\$616.45	\$7,877.89
16-1S-19-23020-000-0960	\$616.45	\$7,877.89
16-1S-19-23020-000-1010	\$616.45	\$7,877.89
16-1S-19-23020-000-1020	\$616.45	\$7,877.89
16-1S-19-23020-000-1030	\$616.45	\$7,877.89
16-1S-19-23020-000-1040	\$616.45	\$7,877.89
16-1S-19-23020-000-1050	\$616.45	\$7,877.89
16-1S-19-23020-000-1060	\$616.45	\$7,877.89
16-1S-19-23020-000-1070	\$616.45	\$7,877.89
16-1S-19-23020-000-1080	\$616.45	\$7,877.89
16-1S-19-23020-000-1120	\$616.45	\$7,877.89
16-1S-19-23020-000-1160	\$616.45	\$7,877.89
16-1S-19-23020-000-1170	\$616.45	\$7,877.89
16-1S-19-23020-000-1180	\$616.45	\$7,877.89
16-1S-19-23020-000-1190	\$616.45	\$7,877.89
16-1S-19-23020-000-1200	\$616.45	\$7,877.89
16-1S-19-23020-000-1210	\$616.45	\$7,877.89
16-1S-19-23020-000-1220	\$616.45	\$7,877.89
16-1S-19-23020-000-1670	\$616.45	\$7,877.89
16-1S-19-23020-000-1680	\$616.45	\$7,877.89
16-1S-19-23020-000-1830	\$616.45	\$7,877.89
16-1S-19-23020-000-1840	\$616.45	\$7,877.89
16-1S-19-23020-000-1850	\$616.45	\$7,877.89
16-1S-19-23020-000-1860	\$616.45	\$7,877.89
16-1S-19-23020-000-1900	\$616.45	\$7,877.89
16-1S-19-23020-000-1960	\$616.45	\$7,877.89
16-1S-19-23020-000-1970	\$616.45	\$7,877.89
16-1S-19-23020-000-1980	\$616.45	\$7,877.89
16-1S-19-23020-000-2010	\$616.45	\$7,877.89
17-1S-19-23030-000-0010	\$616.45	\$7,877.89
17-1S-19-23030-000-0020	\$616.45	\$7,877.89
17-1S-19-23030-000-0030	\$616.45	\$7,877.89
17-1S-19-23030-000-0380	\$616.45	\$7,877.89
17-1S-19-23030-000-0390	\$616.45	\$7,877.89
17-1S-19-23030-000-0400	\$616.45	\$7,877.89
16-1S-19-23020-000-0310	\$658.60	\$8,416.57
16-1S-19-23020-000-0320	\$658.60	\$8,416.57
16-1S-19-23020-000-0330	\$658.60	\$8,416.57
16-1S-19-23020-000-0350	\$658.60	\$8,416.57
16-1S-19-23020-000-0360	\$658.60	\$8,416.57
16-1S-19-23020-000-0370	\$658.60	\$8,416.57

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
16-1S-19-23020-000-0380	\$658.60	\$8,416.57
16-1S-19-23020-000-0390	\$658.60	\$8,416.57
16-1S-19-23020-000-0400	\$658.60	\$8,416.57
16-1S-19-23020-000-0410	\$658.60	\$8,416.57
16-1S-19-23020-000-0420	\$658.60	\$8,416.57
16-1S-19-23020-000-0430	\$658.60	\$8,416.57
16-1S-19-23020-000-0440	\$658.60	\$8,416.57
16-1S-19-23020-000-0450	\$658.60	\$8,416.57
16-1S-19-23020-000-0460	\$658.60	\$8,416.57
16-1S-19-23020-000-0640	\$658.60	\$8,416.57
16-1S-19-23020-000-0650	\$658.60	\$8,416.57
16-1S-19-23020-000-0660	\$658.60	\$8,416.57
16-1S-19-23020-000-0670	\$658.60	\$8,416.57
16-1S-19-23020-000-0680	\$658.60	\$8,416.57
16-1S-19-23020-000-0690	\$658.60	\$8,416.57
16-1S-19-23020-000-0710	\$658.60	\$8,416.57
16-1S-19-23020-000-0720	\$658.60	\$8,416.57
16-1S-19-23020-000-0730	\$658.60	\$8,416.57
16-1S-19-23020-000-0740	\$658.60	\$8,416.57
16-1S-19-23020-000-0750	\$658.60	\$8,416.57
16-1S-19-23020-000-0760	\$658.60	\$8,416.57
16-1S-19-23020-000-0770	\$658.60	\$8,416.57
16-1S-19-23020-000-0780	\$658.60	\$8,416.57
16-1S-19-23020-000-0790	\$658.60	\$8,416.57
16-1S-19-23020-000-0800	\$658.60	\$8,416.57
16-1S-19-23020-000-0810	\$658.60	\$8,416.57
16-1S-19-23020-000-0820	\$658.60	\$8,416.57
16-1S-19-23020-000-0830	\$658.60	\$8,416.57
16-1S-19-23020-000-0990	\$658.60	\$8,416.57
16-1S-19-23020-000-1400	\$658.60	\$8,416.57
16-1S-19-23020-000-1410	\$658.60	\$8,416.57
16-1S-19-23020-000-1430	\$658.60	\$8,416.57
16-1S-19-23020-000-1550	\$658.60	\$8,416.57
16-1S-19-23020-000-1570	\$658.60	\$8,416.57
16-1S-19-23020-000-1580	\$658.60	\$8,416.57
16-1S-19-23020-000-1950	\$658.60	\$8,416.57
17-1S-19-23030-000-0080	\$658.60	\$8,416.57
16-1S-19-23020-000-0630	\$700.76	\$8,955.25
16-1S-19-23020-000-1800	\$700.76	\$8,955.25
16-1S-19-23020-000-1940	\$700.76	\$8,955.25
17-1S-19-23010-000-0010	\$700.76	\$8,955.25
17-1S-19-23010-000-0020	\$700.76	\$8,955.25
17-1S-19-23010-000-0030	\$700.76	\$8,955.25
17-1S-19-23010-000-0050	\$700.76	\$8,955.25
17-1S-19-23010-000-0060	\$700.76	\$8,955.25

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
17-1S-19-23010-000-0070	\$700.76	\$8,955.25
17-1S-19-23010-000-0080	\$700.76	\$8,955.25
17-1S-19-23010-000-0090	\$700.76	\$8,955.25
17-1S-19-23010-000-0100	\$700.76	\$8,955.25
17-1S-19-23010-000-0110	\$700.76	\$8,955.25
17-1S-19-23010-000-0120	\$700.76	\$8,955.25
17-1S-19-23010-000-0130	\$700.76	\$8,955.25
17-1S-19-23010-000-0140	\$700.76	\$8,955.25
17-1S-19-23010-000-0150	\$700.76	\$8,955.25
17-1S-19-23010-000-0160	\$700.76	\$8,955.25
17-1S-19-23010-000-0170	\$700.76	\$8,955.25
17-1S-19-23010-000-0180	\$700.76	\$8,955.25
17-1S-19-23010-000-0190	\$700.76	\$8,955.25
17-1S-19-23010-000-0200	\$700.76	\$8,955.25
17-1S-19-23010-000-0210	\$700.76	\$8,955.25
17-1S-19-23010-000-0220	\$700.76	\$8,955.25
17-1S-19-23010-000-0230	\$700.76	\$8,955.25
17-1S-19-23010-000-0240	\$700.76	\$8,955.25
17-1S-19-23010-000-0250	\$700.76	\$8,955.25
17-1S-19-23010-000-0260	\$700.76	\$8,955.25
17-1S-19-23010-000-0270	\$700.76	\$8,955.25
17-1S-19-23010-000-0280	\$700.76	\$8,955.25
17-1S-19-23010-000-0320	\$700.76	\$8,955.25
17-1S-19-23010-000-0330	\$700.76	\$8,955.25
17-1S-19-23010-000-0340	\$700.76	\$8,955.25
17-1S-19-23010-000-0350	\$700.76	\$8,955.25
17-1S-19-23010-000-0360	\$700.76	\$8,955.25
17-1S-19-23010-000-0370	\$700.76	\$8,955.25
17-1S-19-23010-000-0380	\$700.76	\$8,955.25
17-1S-19-23010-000-0390	\$700.76	\$8,955.25
17-1S-19-23010-000-0400	\$700.76	\$8,955.25
17-1S-19-23010-000-0410	\$700.76	\$8,955.25
17-1S-19-23010-000-0420	\$700.76	\$8,955.25
17-1S-19-23010-000-0450	\$700.76	\$8,955.25
17-1S-19-23010-000-0460	\$700.76	\$8,955.25
17-1S-19-23010-000-0470	\$700.76	\$8,955.25
17-1S-19-23010-000-0480	\$700.76	\$8,955.25
17-1S-19-23010-000-0490	\$700.76	\$8,955.25
17-1S-19-23010-000-0510	\$700.76	\$8,955.25
17-1S-19-23010-000-0520	\$700.76	\$8,955.25
17-1S-19-23010-000-0530	\$700.76	\$8,955.25
17-1S-19-23010-000-0550	\$700.76	\$8,955.25
17-1S-19-23010-000-0560	\$700.76	\$8,955.25
17-1S-19-23010-000-0570	\$700.76	\$8,955.25
17-1S-19-23010-000-0580	\$700.76	\$8,955.25

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
17-1S-19-23010-000-0590	\$700.76	\$8,955.25
17-1S-19-23010-000-0600	\$700.76	\$8,955.25
17-1S-19-23010-000-0610	\$700.76	\$8,955.25
17-1S-19-23010-000-0620	\$700.76	\$8,955.25
17-1S-19-23010-000-0630	\$700.76	\$8,955.25
17-1S-19-23010-000-0640	\$700.76	\$8,955.25
17-1S-19-23010-000-0650	\$700.76	\$8,955.25
17-1S-19-23010-000-0660	\$700.76	\$8,955.25
17-1S-19-23010-000-0670	\$700.76	\$8,955.25
17-1S-19-23030-000-0270	\$700.76	\$8,955.25
17-1S-19-23050-000-0010	\$700.76	\$8,955.25
17-1S-19-23050-000-0020	\$700.76	\$8,955.25
17-1S-19-23050-000-0030	\$700.76	\$8,955.25
17-1S-19-23050-000-0040	\$700.76	\$8,955.25
17-1S-19-23050-000-0050	\$700.76	\$8,955.25
17-1S-19-23050-000-0060	\$700.76	\$8,955.25
17-1S-19-23050-000-0080	\$700.76	\$8,955.25
17-1S-19-23050-000-0120	\$700.76	\$8,955.25
17-1S-19-23050-000-0140	\$700.76	\$8,955.25
17-1S-19-23050-000-0200	\$700.76	\$8,955.25
17-1S-19-23050-000-0210	\$700.76	\$8,955.25
17-1S-19-23050-000-0220	\$700.76	\$8,955.25
17-1S-19-23050-000-0230	\$700.76	\$8,955.25
17-1S-19-23050-000-0270	\$700.76	\$8,955.25
17-1S-19-23050-000-0280	\$700.76	\$8,955.25
17-1S-19-23050-000-0290	\$700.76	\$8,955.25
17-1S-19-23050-000-0300	\$700.76	\$8,955.25
17-1S-19-23050-000-0310	\$700.76	\$8,955.25
17-1S-19-23050-000-0320	\$700.76	\$8,955.25
17-1S-19-23050-000-0330	\$700.76	\$8,955.25
17-1S-19-23050-000-0340	\$700.76	\$8,955.25
17-1S-19-23050-000-0350	\$700.76	\$8,955.25
17-1S-19-23050-000-0360	\$700.76	\$8,955.25
17-1S-19-23050-000-0370	\$700.76	\$8,955.25
17-1S-19-23050-000-0380	\$700.76	\$8,955.25
17-1S-19-23050-000-0390	\$700.76	\$8,955.25
17-1S-19-23050-000-0400	\$700.76	\$8,955.25
17-1S-19-23050-000-0410	\$700.76	\$8,955.25
17-1S-19-23050-000-0420	\$700.76	\$8,955.25
17-1S-19-23050-000-0430	\$700.76	\$8,955.25
17-1S-19-23050-000-0440	\$700.76	\$8,955.25
17-1S-19-23050-000-0450	\$700.76	\$8,955.25
17-1S-19-23050-000-0460	\$700.76	\$8,955.25
17-1S-19-23050-000-0470	\$700.76	\$8,955.25
17-1S-19-23050-000-0480	\$700.76	\$8,955.25

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
17-1S-19-23050-000-0490	\$700.76	\$8,955.25
17-1S-19-23050-000-0500	\$700.76	\$8,955.25
17-1S-19-23050-000-0510	\$700.76	\$8,955.25
17-1S-19-23050-000-0520	\$700.76	\$8,955.25
17-1S-19-23050-000-0530	\$700.76	\$8,955.25
17-1S-19-23050-000-0550	\$700.76	\$8,955.25
17-1S-19-23050-000-0560	\$700.76	\$8,955.25
17-1S-19-23050-000-0580	\$700.76	\$8,955.25
17-1S-19-23060-000-0040	\$700.76	\$8,955.25
17-1S-19-23060-000-0050	\$700.76	\$8,955.25
17-1S-19-23060-000-0060	\$700.76	\$8,955.25
17-1S-19-23060-000-0070	\$700.76	\$8,955.25
17-1S-19-23060-000-0080	\$700.76	\$8,955.25
17-1S-19-23060-000-0090	\$700.76	\$8,955.25
16-1S-19-23020-000-1910	\$748.18	\$9,561.25
16-1S-19-23020-000-1890	\$790.32	\$10,099.83
16-1S-19-23020-000-0980	\$832.47	\$10,638.50
16-1S-19-23020-000-1240	\$832.47	\$10,638.50
16-1S-19-23020-000-0700	\$879.89	\$11,244.50
16-1S-19-23020-000-0940	\$879.89	\$11,244.50
16-1S-19-23020-000-1110	\$879.89	\$11,244.50
16-1S-19-23020-000-1620	\$879.89	\$11,244.50
16-1S-19-23020-000-1630	\$879.89	\$11,244.50
16-1S-19-23020-000-1650	\$879.89	\$11,244.50
16-1S-19-23020-000-1870	\$879.89	\$11,244.50
16-1S-19-23020-000-1880	\$879.89	\$11,244.50
16-1S-19-23020-000-1930	\$879.89	\$11,244.50
16-1S-19-23020-000-1990	\$879.89	\$11,244.50
16-1S-19-23020-000-2000	\$879.89	\$11,244.50
16-1S-19-23020-000-2020	\$879.89	\$11,244.50
17-1S-19-23020-000-0190	\$879.89	\$11,244.50
17-1S-19-23020-000-0200	\$879.89	\$11,244.50
17-1S-19-23020-000-0210	\$879.89	\$11,244.50
17-1S-19-23040-000-0010	\$879.89	\$11,244.50
17-1S-19-23040-000-0030	\$879.89	\$11,244.50
17-1S-19-23040-000-0040	\$879.89	\$11,244.50
17-1S-19-23040-000-0050	\$879.89	\$11,244.50
17-1S-19-23040-000-0060	\$879.89	\$11,244.50
17-1S-19-23040-000-0070	\$879.89	\$11,244.50
17-1S-19-23040-000-0080	\$879.89	\$11,244.50
17-1S-19-23040-000-0090	\$879.89	\$11,244.50
17-1S-19-23040-000-0120	\$879.89	\$11,244.50
17-1S-19-23040-000-0130	\$879.89	\$11,244.50
17-1S-19-23040-000-0150	\$879.89	\$11,244.50
17-1S-19-23040-000-0160	\$879.89	\$11,244.50

EXHIBIT "A" -- ASSESSMENT ROLL

Account	Annual Special Assessment	Special Assessment Principal
17-1S-19-23040-000-0170	\$879.89	\$11,244.50
17-1S-19-23040-000-0180	\$879.89	\$11,244.50
17-1S-19-23040-000-0190	\$879.89	\$11,244.50
17-1S-19-23040-000-0200	\$879.89	\$11,244.50
17-1S-19-23040-000-0210	\$879.89	\$11,244.50
17-1S-19-23040-000-0240	\$879.89	\$11,244.50
17-1S-19-23040-000-0250	\$879.89	\$11,244.50
17-1S-19-23040-000-0260	\$879.89	\$11,244.50
17-1S-19-23040-000-0270	\$879.89	\$11,244.50
17-1S-19-23040-000-0280	\$879.89	\$11,244.50
17-1S-19-23040-000-0290	\$879.89	\$11,244.50
17-1S-19-23040-000-0300	\$879.89	\$11,244.50
17-1S-19-23040-000-0310	\$879.89	\$11,244.50
17-1S-19-23040-000-0320	\$879.89	\$11,244.50
17-1S-19-23040-000-0330	\$879.89	\$11,244.50
17-1S-19-23040-000-0340	\$879.89	\$11,244.50
17-1S-19-23040-000-0350	\$879.89	\$11,244.50
17-1S-19-23040-000-0370	\$879.89	\$11,244.50
17-1S-19-23040-000-0380	\$879.89	\$11,244.50
17-1S-19-23040-000-0390	\$879.89	\$11,244.50
17-1S-19-23040-000-0400	\$879.89	\$11,244.50
17-1S-19-23040-000-0410	\$879.89	\$11,244.50
17-1S-19-23040-000-0420	\$879.89	\$11,244.50
17-1S-19-23040-000-0430	\$879.89	\$11,244.50
17-1S-19-23040-000-0440	\$879.89	\$11,244.50
16-1S-19-23020-000-0620	\$964.19	\$12,321.86
16-1S-19-23020-000-0970	\$964.19	\$12,321.86
16-1S-19-23020-000-1090	\$964.19	\$12,321.86
16-1S-19-23020-000-1100	\$964.19	\$12,321.86
16-1S-19-23020-000-1130	\$964.19	\$12,321.86
16-1S-19-23020-000-1140	\$964.19	\$12,321.86
16-1S-19-23020-000-1150	\$964.19	\$12,321.86
16-1S-19-23020-000-1250	\$964.19	\$12,321.86
16-1S-19-23020-000-1820	\$964.19	\$12,321.86
17-1S-19-23020-000-0010	\$964.19	\$12,321.86
17-1S-19-23020-000-0020	\$964.19	\$12,321.86
17-1S-19-23020-000-0030	\$964.19	\$12,321.86
17-1S-19-23020-000-0040	\$964.19	\$12,321.86
17-1S-19-23020-000-0060	\$964.19	\$12,321.86
17-1S-19-23020-000-0070	\$964.19	\$12,321.86
17-1S-19-23020-000-0150	\$1,759.78	\$22,489.00
16-1S-19-23000-010-0030	\$52,688.34	\$673,326.71
TOTAL	\$248,446.24	\$3,175,000.00

EXHIBIT B:

**MASTER SPECIAL ASSESSMENT ALLOCATION REPORT DATED
AUGUST 30, 2004**

AND

**FIRST SUPPLEMENTAL SPECIAL ASSESSMENT ALLOCATION
REPORT DATED OCTOBER 20, 2004**

AND

**AMENDED FIRST SUPPLEMENTAL ASSESSMENT ALLOCATION
REPORT DATED JULY 25TH, 2005**

*MASTER
SPECIAL ASSESSMENT ALLOCATION REPORT

HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT*

Prepared By:

RIZZETTA & COMPANY, INC.
3434 Colwell Ave.
Suite 200
Tampa, Florida 33614

August 30, 2004

RIZZETTA & COMPANY
INCORPORATED

TABLE OF CONTENTS

	<u>Page</u>
I. OVERVIEW	1
II. DEFINED TERMS	1
III. TOTAL PROJECT.....	2
IV. FINANCING PLAN	2
V. ALLOCATION METHODOLOGY	3
VI. MODIFICATIONS AND REVISIONS.....	4
EXHIBIT A ALLOCATION METHODOLOGY.....	6

INDEX OF TABLES

<u>Table</u>	<u>Description</u>	<u>Page</u>
1	PROJECT STATISTICS.....	A - 1
2	INFRASTRUCTURE COST DETAIL.....	A - 2
3	FINANCING INFORMATION	A - 4
4	ALLOCATION METHODOLOGY	A - 5
	PRELIMINARY ASSESSMENT ROLL.....	A - 6

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**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

**MASTER
SPECIAL ASSESSMENT ALLOCATION REPORT**

I. OVERVIEW

This Master Special Assessment Allocation Report relates to the proposed financing of infrastructure for the Hammock Bay Community Development District. The District consists of approximately 993 Total Acres, of which approximately 670.17 are Developable Acres, on which it is currently contemplated that a total of approximately 1,450 residential units and 50,000 square feet of commercial space will be developed. The District proposes to issue Special Assessment Bonds, in one or more series consisting of various amounts and maturities, to finance the construction and/or acquisition of all or a portion of the Total Project that will provide special benefit to all assessable parcels of land within the District. The Bonds will be secured by and repaid from special assessments levied on the Benefited Parcels. For purposes of this Report, the assessments levied on the Benefited Parcels to repay the Bonds are referred to as Total Assessments. The lot sizes and the estimated number of lots of each size to be encumbered with future bond issues are shown on Table 1 of Exhibit A of this Report. This Report outlines the proposed financing structure and assessment methodology for Bonds to be issued by the District and sets the proposed maximum assessments. It is anticipated that "Supplemental" reports will be issued in connection with each series of Bonds actually issued.

II. DEFINED TERMS

"Benefited Parcels" - Parcels of land within the development that receive special benefit from the construction and/or acquisition of the Total Project.

"Bonds" - Special Assessment Bonds issued in various par amounts and maturities to finance the construction and/or acquisition of all or a portion of the Total Project.

"Developable Acres" - Acres of land within the boundaries of the District that will be developed into residential or commercial uses and therefore are subject to assessments levied by the District.

"Developer" – Freeport 860, LLC, a Florida limited liability company.

"District" - Hammock Bay Community Development District.

"Equivalent Assessment Unit" – (EAU) An estimate of the relationship between the product types, based on a comparison of front footage of each product, and is used as a comparison of the estimated benefit received by each product type.

"Platted Units" - Residential units and commercial parcels which have been platted.

"Remaining Units" - Residential units and commercial parcels remaining to be platted.

"Report" – The Master Special Assessment Allocation Report, dated May 12, 2004, which outlines

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the proposed financing structure and assessment methodology for Special Assessment Bonds to be issued by the District.

"Total Acres" - Gross acres consisting of all land within the boundaries of the District.

"Total Assessments" - Annual assessments required to repay the Bonds. Total Assessments include principal, interest and collection costs.

"Total Project" - Construction and/or acquisition of public infrastructure planned for the development and is estimated to cost approximately \$30,164,694 as identified in the engineer's report dated May 7, 2004. It is anticipated that approximately \$28,448,956 of the Total Project will be financed with proceeds of Special Assessment Bonds issued in various par amounts and maturities. Any construction costs not funded with Bonds will be funded directly by the Developer.

III. TOTAL PROJECT

The Total Project to be constructed and/or acquired includes roadways, water and sewer, stormwater management & drainage, landscaping, parks, environmental mitigation areas, offsite improvements and associated professional fees. The cost of the Total Project is estimated at this time to be approximately \$30,164,694, of which approximately \$28,448,956 will be funded with the proceeds of the Bonds, and is detailed on Table 2 of Exhibit A of this Report. It is anticipated that the District will issue multiple series of Bonds in various par amounts and maturities to finance the construction and/or acquisition of approximately \$28,448,956 of the Total Project.

The estimated construction costs of the Total Project identified above were provided by the District Engineer. The plans & specifications are available at the office of the District Engineer. Rizzetta & Company, as Financial Consultant to the District, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs or their allocation.

IV. FINANCING PLAN

Throughout the construction period, it is anticipated that the Bonds will be issued in one or more series consisting of various par amounts and maturities. Long term Bonds issued by the District will be paid annually by the property owners within the District and short term Bonds issued by the District will be paid by the Developer. The portion of the cost of the Total Project not funded with Bonds issued by the District will be funded directly by the Developer.

Proceeds of the Bonds may be used to finance a portion of the construction and/or acquisition of a portion of the Total Project in the amount of approximately \$28,448,956 and, using current financing assumptions, will require a par amount estimated to be \$35,000,000. The par amount of the Bonds includes the construction fund, original issue discount, if any, capitalized interest, debt service reserve fund and issue costs. The aggregate par amount of Bonds to be issued by the District is preliminary and is subject to change based on actual market conditions at the time of pricing. These Bonds are expected to be repaid by the Total Assessments levied on the Benefited Parcels as identified on Table 4 of Exhibit A of this Report.

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If the entire \$35,000,000 of Bonds were to be issued all at one time, as a single issue of Bonds, it is estimated that the annual debt service for such issue of Bonds would be approximately \$2,680,210, including both principal and interest. This is based on a par amount of \$35,000,000 with a July 1, 2004 dated date, maturing on May 1, 2035, a 6.50% coupon rate, 30 annual principal amortization installments due May 1, 2006 through May 1, 2035, and capitalized interest for 16 months through the November 1, 2005 interest payment date. The annual debt service payment would then be adjusted to allow for early payment discounts of 4% resulting in a Total Assessment, including principal, interest and collection costs, of approximately \$2,791,886. These assumptions are preliminary estimates only and are subject to change. In fact, the District expects to issue the Bonds in two separate series, with the first series in the approximate principal amount of \$16,830,000 being issued on or about July 1, 2004. The balance of the Total Project in the amount estimated to be \$1,715,738 that will not be funded with Bonds will be funded by the Developer in order to complete the Total Project.

V. ALLOCATION METHODOLOGY

As described above, the District contemplates issuing a total of \$35,000,000 of Bonds to finance the construction and/or acquisition of approximately \$28,448,956 of the Total Project. The Total Assessments are to be allocated among the Benefited Parcels in proportion to the benefit received from the construction of the Total Project pursuant to the allocation methodology described herein.

Florida law requires that in order for a governmental body to levy a valid special assessment on property for the purpose of repaying Bonds issued to fund improvements, two criteria must be met: 1) the properties being assessed must receive direct special benefit from the construction and/or acquisition of the improvements and, 2) the assessments allocated to each property must be fairly and reasonably apportioned among the properties benefited pursuant to an appropriate assessment methodology. There are a variety of methodologies adopted by community development districts by which special assessments can be allocated. Depending on the nature of the improvements, the various methodologies include, but are not limited to, percentage of acreage, average daily trip generations, front footage and equivalent assessment units or EAUs.

Until land is platted into residential lots or commercial tracts, the initial allocation of the Total Assessments will be to all developable land within the boundaries of the District on a per acre basis. Once residential lots are platted and commercial parcels are designated, the assessments will be assigned to each platted lot or commercial tract based on the equivalent assessment unit methodology, or EAU methodology, as shown on Table 4 of Exhibit A of this Report.

With the equivalent assessment unit methodology, the initial allocation of the Total Assessments for the Bonds will be to each of the various types of residential products and commercial units planned for development. It was determined that each platted residential lot within a product type (i.e., a 60' lot), and each unit of commercial property, will be of the same size and will receive a similar amount of benefit from the construction and/or acquisition of the Total Project. Therefore, a standard allocation will be computed for each such product type based on an allocation factor using EAUs for each product type as a percentage of total EAUs for all products planned for development within the District. This methodology was chosen for the Hammock Bay CDD because the nature of the improvements being funded by the District indicates that properties of different sizes receive different special benefit from the construction and/or acquisition of the proposed improvements. The EAU factors for each product are based on a relationship of front footage and therefore reflect an estimate of the relationship of direct special benefit received by the construction and/or

acquisition of the Total Project. The EAU factors are calculated by taking the front footage of each product type divided by the 60' lot as the base. It was further determined that a single unit of commercial use, described as 1,000 square feet, receives approximately twice the benefit of a 60' lot. Therefore, a commercial unit is assigned an EAU factor of 2.00. Based on our experience in preparing assessment methodologies, we believe the use of the EAU methodology for the Hammock Bay CDD satisfies the criteria for a valid assessment under Florida law described above and will result in a valid assessment being imposed by the District.

<u>Product Type</u>	<u>EAU Factor</u>
SF 60' Lot	1.00
SF 80' Lot	1.33
SF 100' Lot	1.67
Commercial	2.00

The subsequent allocation to each lot within each product type will be on a pro-rata basis. (i.e., total assessment allocated to a product type divided by the number of lots in that product type). This allocation is made because it was determined that there is no material difference in the benefit received, from the construction and/or acquisition of the Total Project among the lots within each product type because all lots within a product type are expected to be of generally similar size. The allocation methodology is shown in Exhibit A of this Report.

VI. MODIFICATIONS AND REVISIONS

Allocation of costs and benefit for the improvements is based on the expected land use or planned number of residential lots or units within each product type and planned number of commercial units that will be achieved when the Benefited Parcels are platted into individual lots or units. In order to ensure sufficient revenue from such special assessments is received from the subsequent platting of the lands within the District into individual lots or units, the District will be required to perform a "true-up" analysis which would require a periodic computation to determine the total Platted Units and the planned number of Remaining Units within each product type.

As residential lots and commercial parcels are platted, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is equal to or greater than that of the Total Units, no action would be required at that time. However, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is less than that of the Total Units, the Developer will be obligated to immediately remit, to the Trustee, for deposit into the redemption account pursuant to the Trust Indenture, an amount equal to the Total Assessment for the difference between the Total Units and the sum of the Platted Units and the Remaining Units. The payment is the principal amount of the Bonds allocated to each unit based on the methodology described herein plus applicable interest and as shown in Table 4 of Exhibit A of this Report. The true-up computation will be required each time additional lots within the District are platted.

In the event that additional product types not currently included in this Report are added to the development plan, the methodology will be revised to include the new product types and the assessments will be revised accordingly as long as the assessments as originally adopted do not increase. In the event that any additional land not currently subject to the assessments as described herein is developed in such a manner as to receive special benefit from the improvements also described herein, it is contemplated that this assessment

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methodology will be re-applied to include such additional land. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed lands will receive a relative reduction in their assessments.

EXHIBIT A

ALLOCATION METHODOLOGY

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 1: PROJECT STATISTICS

<u>PRODUCT</u>	<u>LOT SIZE</u>	EAU (1)	NUMBER OF UNITS			
		<u>PER UNIT</u>	<u>PHASE 1</u>	<u>PHASE 2 (2)</u>	<u>TOTAL</u>	
Single Family 60'	60'	1.00	177	290	467	Lots
Single Family 80'	80'	1.33	282	461	743	Lots
Single Family 100'	100'	1.67	91	149	240	Lots
Commercial		2.00	50.00	0.00	50.00	1K SF
TOTAL			<u>600</u>	<u>900</u>	<u>1,500</u>	

(1) Equivalent Assessment Unit
(2) Estimated

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

**TABLE 2: INFRASTRUCTURE COST DETAIL
TOTAL PROJECT**

<u>Category</u>	<u>Total</u>
<u>Phase 1 General Infrastructure</u>	
Roadways & Drainage	\$2,180,795
Utilities	\$922,410
Landscape / Irrigation	\$992,475
Subtotal	\$4,095,680
Professional Design Fees (@ 8%)	\$327,655
Construction Management Fees (@ 3%)	\$122,870
Total for Spine Road / Entry	\$4,546,205
Roadways & Drainage	\$976,800
Utilities	\$166,145
Landscape / Irrigation	\$256,055
Subtotal	\$1,399,000
Professional Design Fees (@ 8%)	\$111,920
Construction Management Fees (@ 3%)	\$41,970
Total for East / West Road ("B" to "C")	\$1,552,890
Parks and Recreation	\$1,150,000
Environmental Mitigation Area	\$200,000
Offsite Improvements (Utility upgrades, SR 20 work, etc.)	\$750,000
Subtotal	\$2,100,000
Professional Design Fees (@ 8%)	\$168,000
Construction Management Fees (@ 3%)	\$63,000
Total for Additional Infrastructure Items	\$2,331,000
Total for Phase 1 General Infrastructure	\$8,430,095
<u>Phase 1 Subdivision Infrastructure – 550 Lots</u>	
Roadways & Drainage Pod #1: 55 Lots	\$562,000
Utilities	\$205,000
Roadways & Drainage Pod #2: 58 Lots	\$591,000
Utilities	\$240,000
Roadways & Drainage Pod #3: 69 Lots	\$662,000
Utilities	\$272,000
Roadways & Drainage Pod #4: 21 Lots	\$557,000
Utilities	\$233,000
Roadways & Drainage Pod #5: 55 Lots	\$382,000
Utilities	\$184,000
Roadways & Drainage Pod #6: 222 Lots	\$1,897,000
Utilities	\$534,000

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 2: INFRASTRUCTURE COST DETAIL (CONTINUED)

Roadways & Drainage Pod #7: 70 Lots	\$572,347
Utilities	\$245,100
Subtotal	<u>\$7,136,447</u>
Professional Design Fees (@ 8%)	\$570,915
Construction Management Fees (@ 3%)\$214,093	\$214,093
Total for Phase 1 Subdivision Infrastructure	<u>\$7,921,455</u>
Total Cost of Phase 1	<u>\$16,351,550</u>
<u>Phase 2 General Infrastructure</u>	
Roadways & Drainage	\$1,415,524
Subtotal	<u>\$1,415,524</u>
Professional Design Fees (@ 8%)	\$113,242
Construction Management Fees (@ 3%)	\$42,466
Total for Phase 2 General Infrastructure	<u>\$1,571,232</u>
<u>Phase 2 Subdivision Infrastructure – 900 Lots</u>	
Roadways & Drainage	\$8,117,500
Utilities	\$2,911,250
Subtotal	<u>\$11,028,750</u>
Professional Design Fees (@ 8%)	\$882,300
Construction Management Fees (@ 3%)	\$330,862
Total for Phase 2 Subdivision Infrastructure	<u>\$12,241,912</u>
Total Cost of Phase 2	<u>\$13,813,144</u>
TOTAL CONSTRUCTION BUDGET PHASE 1 & PHASE 2	<u>\$30,164,694</u>
SUMMARY OF FUNDING	
Costs Funded by Bonds issued by the District	\$28,448,956
Costs Funded by Developer	\$1,715,738
Total	<u>\$30,164,694</u>
SOURCE: Cost estimates provided by district engineer.	

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 3: FINANCING INFORMATION - LONG TERM BONDS (4)

Coupon Rate		6.50%
Term (Years)		32
Principal Amortization Installments		30
ISSUE SIZE		\$35,000,000
Construction Fund		\$28,448,956 (2)
Capitalized Interest (Months)	16 (1)	\$3,033,333 (2)
Debt Service Reserve Fund	7.66%	\$2,680,210 (3)
Underwriter's Discount	1.75%	\$612,500
+ Premium / - Discount		\$0
Cost of Issuance		\$225,000
Rounding		\$0
ANNUAL ASSESSMENT		
Maximum Annual Debt Service (Principal plus Interest)		\$2,680,210
Collection Costs and Discounts @	4.00%	\$111,676
TOTAL ANNUAL ASSESSMENT		\$2,791,886

(1) Based on a July 1, 2004 dated date with capitalized interest through the November 1, 2005 payment date.

(2) Gross funded.

(3) Based on maximum annual debt service.

(4) Estimated - subject to change.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

TABLE 4: ALLOCATION METHODOLOGY - LONG TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT</u>	<u>TOTAL</u>	<u>% OF</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
	<u>EAU</u>	<u>EAUs</u>	<u>EAUs</u>			<u>TOTAL</u>	<u>ANNUAL</u>	<u>TOTAL</u>	<u>ANNUAL</u>
						<u>PRINCIPAL</u>	<u>ASSMT. (2)</u>	<u>PRINCIPAL</u>	<u>ASSMT. (2)</u>
Single Family 60'	1.00	467.00	23.85%	467	Lots	\$8,349,225	\$666,002	\$17,878	\$1,426
Single Family 80'	1.33	990.67	50.60%	743	Lots	\$17,711,561	\$1,412,819	\$23,838	\$1,902
Single Family 100'	1.67	400.00	20.43%	240	Lots	\$7,151,371	\$570,452	\$29,797	\$2,377
Commercial	2.00	100.00	5.11%	50.00	1K SF	\$1,787,843	\$142,613	\$35,757	\$2,852
TOTAL		<u><u>1,957.67</u></u>	<u><u>100.00%</u></u>	<u><u>1,500</u></u>		<u><u>\$35,000,000</u></u>	<u><u>\$2,791,886</u></u>		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.
(2) Includes principal, interest and collection costs.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
MASTER SPECIAL ASSESSMENT ALLOCATION REPORT**

FINAL ASSESSMENT ROLL				
<u>FOLIO #</u>	APPROXIMATE DEVELOPABLE	% OF	TOTAL ASSESSMENTS	
	<u>ACRES</u>	<u>ACRES</u>	<u>PRINCIPAL</u>	<u>ANNUAL</u>
08-1S-19-23000-001-0000	27.67	4.13%	\$1,445,081	\$115,271
16-1S-19-23000-010-0000	134.00	19.99%	\$6,998,224	\$558,236
17-1S-19-23000-001-0000	362.90	54.15%	\$18,952,654	\$1,511,819
18-1S-19-23000-003-0000	68.60	10.24%	\$3,582,673	\$285,783
20-1S-19-23000-001-0000	54.00	8.06%	\$2,820,180	\$224,961
21-1S-19-23000-001-0000	23.00	3.43%	\$1,201,188	\$95,817
TOTAL	<u><u>670.17</u></u>	<u><u>100.00%</u></u>	<u><u>\$35,000,000</u></u>	<u><u>\$2,791,886</u></u>

NOTES:

1. Initial allocation of the Total Assessments is to developable acres within each parcel. Assessments will be assigned to individual lots as lots are platted.
2. The annual assessment is the amount necessary to repay the bonds including principal, interest, collection fees and early payment discounts.
3. Repayment of principal and interest will be in 30 annual installments.

***FIRST SUPPLEMENTAL
SPECIAL ASSESSMENT ALLOCATION REPORT***

***HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT***

***SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B***

Prepared By:

RIZZETTA & COMPANY, INC.

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Suite 200

Tampa, Florida 33614

October 20, 2004

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TABLE OF CONTENTS

		<u>Page</u>
I.	OVERVIEW	1
II.	DEFINED TERMS	1
III.	SERIES 2004 PROJECT.....	2
IV.	FINANCING PLAN	3
V.	ALLOCATION METHODOLOGY	4
VI.	MODIFICATIONS AND REVISIONS.....	5
EXHIBIT A	ALLOCATION METHODOLOGY.....	6

INDEX OF TABLES

<u>Table</u>	<u>Description</u>	<u>Page</u>
1	PROJECT STATISTICS.....	A - 1
2	INFRASTRUCTURE COST DETAIL.....	A - 2
3	FINANCING INFORMATION – SERIES 2004A LONG TERM BONDS	A - 3
4	FINANCING INFORMATION – SERIES 2004B SHORT TERM BONDS	A - 4
5	ALLOCATION METHODOLOGY – SERIES 2004A LONG TERM BONDS	A - 5
6	ALLOCATION METHODOLOGY – SERIES 2004B SHORT TERM BONDS.....	A - 5

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**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

**FIRST SUPPLEMENTAL
SPECIAL ASSESSMENT ALLOCATION REPORT**

I. OVERVIEW

This Special Assessment Allocation Report relates to the proposed financing of infrastructure for the Hammock Bay Community Development District. The District consists of approximately 993 Total Acres, of which approximately 670.17 are Developable Acres, on which it is currently contemplated that a total of approximately 1,450 residential units and 50,000 square feet of commercial space will be developed. The District has previously finalized the assessment process by adopting the Master Special Assessment Allocation Report dated August 30, 2004. In the Report, it was stated that the District proposes to issue Special Assessment Bonds, in one or more series consisting of various amounts and maturities, to finance the construction and/or acquisition of all or a portion of the Total Project that will provide special benefit to all Developable Acres within the District. The District now proposes to issue Special Assessment Bonds, Series 2004, to fund the Series 2004 Project which will provide special benefit to parcels of land within Phase 1 of the development. The Series 2004 Bonds will be secured by and repaid from special assessments levied on the Benefited Parcels. For purposes of this Report, the assessments levied on the Benefited Parcels to repay the Series 2004 Bonds are referred to as the Series 2004 Assessments. The lot sizes and the estimated number of lots of each size that will be subject to the Series 2004 Assessments are shown on Table 1 of Exhibit A of this Report.

II. DEFINED TERMS

"Benefited Parcels" - Parcels of land within the development that receive special benefit from the construction and/or acquisition of the Series 2004 Project.

"Bonds" - Special Assessment Bonds issued in various par amounts and maturities to finance the construction and/or acquisition of all or a portion of the Total Project.

"Developable Acres" - Acres of land within the boundaries of the District that will be developed into residential or commercial uses and therefore are subject to assessments levied by the District.

"Developer" - Freeport 860, LLC, a Florida limited liability company.

"District" - Hammock Bay Community Development District.

"Equivalent Assessment Unit" - (EAU) An estimate of the relationship between the product types, based on a comparison of front footage of each product, and is used as a comparison of the estimated benefit received by each product type.

"Platted Units" - Residential units and commercial parcels which have been platted.

"Remaining Units" - Residential units and commercial parcels remaining to be platted.

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"Report" – The Master Special Assessment Allocation Report, dated August 30, 2004, which outlines the proposed financing structure and assessment methodology for Special Assessment Bonds to be issued by the District.

"Series 2004 Bonds" - Combination Long Term and Short Term Special Assessment Bonds issued during the year 2004 to finance construction and/or acquisition of the Series 2004 Project.

"Series 2004 Project" - Construction and/or acquisition of public infrastructure planned for the development. Total cost for the Series 2004 Project, which provides special benefit to Phase 1 of the development, is estimated to be \$14,110,300 and will be financed with proceeds of the Series 2004 Bonds.

"Series 2004A Long Term Assessments" - Annual assessments required to repay the Series 2004A Bonds. The Series 2004A Long Term Assessments include principal, interest and collection costs.

"Series 2004A Long Term Bonds" - Special Assessment Bonds issued for an approximately 30 year term to finance the construction and/or acquisition of a portion of the Series 2004 Project.

"Series 2004B Short Term Assessments" - Annual assessments required to re-pay the Series 2004B Bonds. Series 2004B Short Term Assessments include interest only through November 1, 2010 and principal plus interest due on May 1, 2011. It is anticipated that principal will be pre-paid as lots are sold to builders or end users.

"Series 2004B Short Term Bonds" – Special Assessment Bonds issued for an approximately 7 year term to finance the construction and/or acquisition of a portion of the Series 2004 Project.

"Total Acres" - Gross acres consisting of all land within the boundaries of the District.

"Total Assessments" - Annual assessments required to repay the Bonds. Total Assessments include principal, interest and collection costs.

"Total Project" - Construction and/or acquisition of public infrastructure planned for the development and is estimated to cost approximately \$30,164,694 as identified in the engineer's report dated May 7, 2004. It is anticipated that approximately \$28,448,956 of the Total Project will be financed with proceeds of Special Assessment Bonds issued in various par amounts and maturities. Any construction costs not funded with Bonds will be funded directly by the Developer.

III. SERIES 2004 PROJECT

The 2004 Project to be constructed and/or acquired includes roadways, water and sewer, utilities, drainage, landscaping and irrigation, parks & recreational facilities, environmental mitigation areas, offsite improvements and associated professional fees. The cost of the 2004 Project is estimated to be approximately \$14,110,300, all of which will be funded with the proceeds of the Series 2004 Bonds, and is detailed on Table 2 of Exhibit A of this Report.

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The estimated construction costs of the Series 2004 Project identified above were provided by the District Engineer. The plans & specifications are available at the office of the District Engineer. Rizzetta & Company, as Financial Consultant to the District, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs or their allocation.

IV. FINANCING PLAN

The Series 2004 Project described above will be financed with two term bonds, Series 2004A Long Term Bonds, which will be secured by assessments levied on the lots identified on Table 5 of Exhibit A of this report, and Series 2004B Short Term Bonds, which will be secured by assessments levied on the lots identified on Table 6 of Exhibit A of this report as follows:

A) Series 2004A Bonds

The Series 2004A Long Term Bonds proceeds will be used to finance the construction and/or acquisition of \$5,269,370 of the Series 2004 Project and will require a par amount of \$6,345,000. The par amount of the bonds includes the construction fund, capitalized interest, original issue discounts, if any, reserves and issue costs. These bonds are expected to be repaid by Series 2004A Long Term Assessments levied on the Benefited Parcels as identified on Table 5 of Exhibit A of this report.

The annual debt service for the Series 2004A Long Term Bonds is approximately \$465,122 and includes both principal and interest. This is based on an issue of \$6,345,000 with a November 3, 2004 dated date, maturing on May 1, 2035, a 6.150% coupon rate on the 2024 term bonds and a 6.125% coupon rate on the 2035 term bonds, 30 annual principal amortization installments due May 1, 2006 through May 1, 2035 and 12 months of capitalized interest through the November 1, 2005 interest payment date. The annual debt service payment was then adjusted to allow for early payment discounts of 4% resulting in a total annual Series 2004A Long Term Assessment, including principal, interest and collection costs of \$484,502.

B) Series 2004B Bonds

The Series 2004B Short Term Bonds proceeds will be used to finance the construction and/or acquisition of \$8,840,930 of the Series 2004 Project and will require a par amount of \$10,810,000. The par amount of the bonds includes the construction fund, capitalized interest, original issue discounts, if any, reserves and issue costs. These bonds are expected to be repaid by Series 2004B Short Term Assessments levied on the Benefited Parcels as identified on Table 6 of Exhibit A of this Report.

The annual debt service for the Series 2004B Short Term Bonds is \$581,038 and includes interest only. This is based on an issue of \$10,810,000 with a November 3, 2004 dated date, maturing on May 1, 2011, a 5.375% coupon rate and 12 months of capitalized interest through the November 1, 2005 interest payment date. It is contemplated that the District will collect the annual debt service payments for repayment of the Series 2004B Bonds. Therefore, it was not necessary to adjust these amounts for early payment discounts or collection costs. This resulted in a total annual assessment of \$581,038 for the interest only period of years 2004 through 2010. At maturity, May 1, 2011, the final assessment installment will be \$11,100,519, consisting of principal plus the May 1, 2011 interest payment, unless this amount has been reduced by prepayments prior to maturity.

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V. ALLOCATION METHODOLOGY

As described above, the District contemplates issuing a total of \$17,155,000 of Bonds to finance the construction and/or acquisition of the 2004 Project. The Total Assessments are to be allocated among the Benefited Parcels in proportion to the benefit received from the construction of the Series 2004 Project pursuant to the allocation methodology described herein.

Florida law requires that in order for a governmental body to levy a valid special assessment on property for the purpose of repaying Bonds issued to fund improvements, two criteria must be met: 1) the properties being assessed must receive direct special benefit from the construction and/or acquisition of the improvements and, 2) the assessments allocated to each property must be fairly and reasonably apportioned among the properties benefited pursuant to an appropriate assessment methodology. There are a variety of methodologies adopted by community development districts by which special assessments can be allocated. Depending on the nature of the improvements, the various methodologies include, but are not limited to, percentage of acreage, average daily trip generations, front footage and equivalent assessment units or EAUs.

Until land is platted into residential lots or commercial tracts, the initial allocation of the Total Assessments will be to all developable land within the boundaries of the District on a per acre basis. Once residential lots are platted and commercial parcels are designated, the assessments will be assigned to each platted lot or commercial tract based on the equivalent assessment unit methodology, or EAU methodology, as shown on Table 5 and Table 6 of Exhibit A of this Report.

With the equivalent assessment unit methodology, the initial allocation of the Total Assessments for the Bonds will be to each of the various types of residential products and commercial units planned for development. It was determined that each platted residential lot within a product type (i.e., a 60' lot), and each unit of commercial property, will be of the same size and will receive a similar amount of benefit from the construction and/or acquisition of the Total Project. Therefore, a standard allocation will be computed for each such product type based on an allocation factor using EAUs for each product type as a percentage of total EAUs for all products planned for development within the District. This methodology was chosen for the Hammock Bay CDD because the nature of the improvements being funded by the District indicates that properties of different sizes receive different special benefit from the construction and/or acquisition of the proposed improvements. The EAU factors for each product are based on a relationship of front footage and therefore reflect an estimate of the relationship of direct special benefit received by the construction and/or acquisition of the Total Project. The EAU factors are calculated by taking the front footage of each product type divided by the 60' lot as the base. It was further determined that a single unit of commercial use, described as 1,000 square feet, receives approximately twice the benefit of a 60' lot. Therefore, a commercial unit is assigned an EAU factor of 2.00. Based on our experience in preparing assessment methodologies, we believe the use of the EAU methodology for the Hammock Bay CDD satisfies the criteria for a valid assessment under Florida law described above and will result in a valid assessment being imposed by the District.

<u>Product Type</u>	<u>EAU Factor</u>
SF 60' Lot	1.00
SF 80' Lot	1.33
SF 100' Lot	1.67
Commercial	2.00

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The subsequent allocation to each lot within each product type will be on a pro-rata basis. (i.e., total assessment allocated to a product type divided by the number of lots in that product type). This allocation is made because it was determined that there is no material difference in the benefit received, from the construction and/or acquisition of the Total Project among the lots within each product type because all lots within a product type are expected to be of generally similar size. The allocation methodology is shown in Exhibit A of this Report.

VI. MODIFICATIONS AND REVISIONS

Allocation of costs and benefit for the improvements is based on the expected land use or planned number of residential lots or units within each product type and planned number of commercial units that will be achieved when the Benefited Parcels are platted into individual lots or units. In order to ensure sufficient revenue from such special assessments is received from the subsequent platting of the lands within the District into individual lots or units, the District will be required to perform a "true-up" analysis which would require a periodic computation to determine the total Platted Units and the planned number of Remaining Units within each product type.

As residential lots and commercial parcels are platted, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is equal to or greater than that of the Total Units, no action would be required at that time. However, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is less than that of the Total Units, the Developer will be obligated to immediately remit, to the Trustee, for deposit into the redemption account pursuant to the Trust Indenture, an amount equal to the Total Assessment for the difference between the Total Units and the sum of the Platted Units and the Remaining Units. The payment is the principal amount of the Bonds allocated to each unit based on the methodology described herein plus applicable interest and as shown in Table 5 and Table 6 of Exhibit A of this Report. The true-up computation will be required each time additional lots within the District are platted.

In the event that additional product types not currently included in this Report are added to the development plan, the methodology will be revised to include the new product types and the assessments will be revised accordingly as long as the assessments as originally adopted do not increase. In the event that any additional land not currently subject to the assessments as described herein is developed in such a manner as to receive special benefit from the improvements also described herein, it is contemplated that this assessment methodology will be re-applied to include such additional land. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed lands will receive a relative reduction in their assessments.

EXHIBIT A

ALLOCATION METHODOLOGY

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 1: PROJECT STATISTICS

<u>PRODUCT</u>	<u>LOT SIZE</u>	<u>EAU (1)</u> <u>PER UNIT</u>	<u>UNITS</u>	
Single Family 60'	60'	1.00	160	Lots
Single Family 80'	80'	1.33	256	Lots
Single Family 100'	100'	1.67	83	Lots
Commercial		2.00	50.00	1K SF
TOTAL:			549	

(1) Equivalent Assessment Unit

HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B

TABLE 2: INFRASTRUCTURE COST DETAIL

Phase 1 General Infrastructure

Roadways & Drainage	\$2,180,795
Utilities	\$922,410
Landscape / Irrigation	\$992,475
Subtotal	<u>\$4,095,680</u>

Professional Design Fees @ 8.00%	\$327,654
Construction Management Fees @ 3.00%	\$122,870

Total for Spine Road / Entry	<u>\$4,546,205</u>
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Parks and Recreation	\$1,150,000
Environmental	
Mitigation Area	\$200,000
Offsite Improvements (Utility upgrades, SR 20 work, etc.)	\$750,000
Subtotal	<u>\$2,100,000</u>

Professional Design Fees @ 8.00%	\$168,000
Construction Management Fees @ 3.00%	\$63,000

Total for Additional Infrastructure Items	<u>\$2,331,000</u>
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Total for Phase 1 General Infrastructure	<u>\$6,877,205</u>
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Phase 1 Subdivision Infrastructure – 499 Lots

Roadways & Drainage	Pod #1: 44 Lots	\$450,000
Utilities		\$164,000
Roadways & Drainage	Pod #2: 58 Lots	\$591,000
Utilities		\$240,000
Roadways & Drainage	Pod #3: 69 Lots	\$662,000
Utilities		\$272,000
Roadways & Drainage	Pod #4: 21 Lots	\$557,000
Utilities		\$233,000
Roadways & Drainage	Pod #5: 55 Lots	\$382,000
Utilities		\$184,000
Roadways & Drainage	Pod #6: 222 Lots	\$1,897,000
Utilities		\$534,000
Roadways & Drainage	Pod #7: 30 Lots	\$245,300
Utilities		\$105,000
Subtotal		<u>\$6,516,300</u>

Professional Design Fees @ 8.00%	\$521,305
Construction Management Fees @ 3.00%	\$195,490

Total for Phase 1 Subdivision Infrastructure	<u>\$7,233,095</u>
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Total Cost of Phase 1	<u>\$14,110,300</u>
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SOURCE: Cost estimated provided by district engineer.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 3: FINANCING INFORMATION - SERIES 2004A LONG TERM BONDS

Coupon Rate (2024 Term)		6.150%
Coupon Rate (2035 Term)		6.125%
Term (Years)		31
Principal Amortization Installments		30
ISSUE SIZE		\$6,345,000
Construction Fund		\$5,269,370 (2)
Capitalized Interest (Months)	12 (1)	\$376,193 (3)
Debt Service Reserve Fund	7.33%	\$465,122 (4)
Underwriter's Discount	1.80%	\$114,210
+ Premium / - Discount		\$37,902
Cost of Issuance		\$82,202
Rounding		\$0
ANNUAL ASSESSMENT		
Maximum Annual Debt Service (Principal plus Interest)		\$465,122
Collection Costs and Discounts @	4.00%	\$19,380
TOTAL ANNUAL ASSESSMENT		\$484,502

(1) Based on a November 3, 2004 dated date with capitalized interest through the November 1, 2005 payment date.

(2) Gross funded.

(3) Net funded.

(4) Based on maximum annual debt service.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 4: FINANCING INFORMATION - SERIES 2004B SHORT TERM BONDS

Coupon Rate		5.375%
Term (Years)		7
Principal Amortization Installments		1
ISSUE SIZE		\$10,810,000
Construction Fund		\$8,840,930 (2)
Capitalized Interest (Months)	12.00 (1)	\$552,188 (3)
Debt Service Reserve Fund	10.00%	\$1,081,000 (4)
Underwriter's Discount	1.80%	\$194,580
+ Premium / - Discount		\$0
Cost of Issuance		\$140,048
Rounding		\$1,255
ANNUAL ASSESSMENT		
Maximum Annual Debt Service (Interest Only)		\$581,038
Collection Costs and Discounts @	0.00%	\$0
TOTAL ANNUAL ASSESSMENT		\$581,038
TOTAL ASSESSMENT DUE AT MATURITY		\$11,100,519

- (1) Based on a November 3, 2004 dated date with capitalized interest through the November 1, 2005 payment date.
(2) Gross funded.
(3) Net funded.
(4) Based on 10% of par.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 5: ALLOCATION METHODOLOGY - SERIES 2004A LONG TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT EAU</u>	<u>TOTAL EAUs</u>	<u>% OF EAUs</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
						<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Single Family 60'	1.00	160.00	21.63%	160	Lots	\$1,372,510	\$104,804	\$8,578	\$655
Single Family 80'	1.33	341.33	46.15%	256	Lots	\$2,928,022	\$223,583	\$11,438	\$873
Single Family 100'	1.67	138.33	18.70%	83	Lots	\$1,186,649	\$90,612	\$14,297	\$1,092
Commercial	2.00	100.00	13.52%	50	1K SF	\$857,819	\$65,503	\$17,156	\$1,310
TOTAL		739.67	100.00%	549		\$6,345,000	\$484,502		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes principal, interest and collection costs.

TABLE 6: ALLOCATION METHODOLOGY - SERIES 2004B SHORT TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT EAU</u>	<u>TOTAL EAUs</u>	<u>% OF EAUs</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
						<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Single Family 60'	1.00	160.00	25.01%	160	Lots	\$2,703,908	\$145,335	\$16,899	\$908
Single Family 80'	1.33	341.33	53.36%	256	Lots	\$5,768,338	\$310,048	\$22,533	\$1,211
Single Family 100'	1.67	138.33	21.63%	83	Lots	\$2,337,754	\$125,654	\$28,166	\$1,514
TOTAL		639.67	100.00%	499		\$10,810,000	\$581,038		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes interest only.

Amended First Supplemental Assessment Allocation Report

FOR

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

PREPARED BY:



DISTRICT MANAGEMENT SERVICES, LLC

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Tampa, Florida 33607
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July 25st 2005

TABLE OF CONTENTS

	<u>Page</u>
I. OVERVIEW	1
II. DEFINED TERMS	3
III. SERIES 2004 PROJECT.....	5
IV. FINANCING PLAN	5
V. ALLOCATION METHODOLOGY	6
VI. MODIFICATIONS AND REVISIONS.....	7
EXHIBIT A ALLOCATION METHODOLOGY.....	9

INDEX OF TABLES

<u>Table</u>	<u>Description</u>	<u>Page</u>
1	PROJECT STATISTICS.....	A - 1
2	INFRASTRUCTURE COST DETAIL.....	A - 2
3	FINANCING INFORMATION – SERIES 2004A LONG TERM BONDS	A - 3
4	FINANCING INFORMATION – SERIES 2004B SHORT TERM BONDS	A - 4
5	ALLOCATION METHODOLOGY – SERIES 2004A LONG TERM BONDS	A - 5
6	ALLOCATION METHODOLOGY – SERIES 2004B SHORT TERM BONDS.....	A - 5
7	FINAL ASSESSMENT ROLL.....	A - 6

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

**AMENDED FIRST SUPPLEMENTAL
SPECIAL ASSESSMENT ALLOCATION REPORT**

I. OVERVIEW

The District consists of approximately 993 Total Acres, of which approximately 670.17 are Developable Acres, on which it is currently contemplated that a total of approximately 1,400 residential units and 50,000 square feet of commercial space will be developed. The District has previously finalized the assessment process by adopting the Master Special Assessment Allocation Report (Master Report) dated August 30, 2004. In the Master Report, it was stated that the District proposes to issue Special Assessment Bonds, in one or more series consisting of various amounts and maturities, to finance the construction and/or acquisition of all or a portion of the Total Project, that will provide special benefit to all Developable Acres within the District. Within the Master Report, an Allocation Methodology as summarized in Table #4 (shown below) was approved adopting the original assessments at the Public Hearing held on ().

MASTER SPECIAL ASSESSMENT ALLOCATION REPORT

TABLE 4: ALLOCATION METHODOLOGY - LONG TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT EAU</u>	<u>TOTAL EAUs</u>	<u>% OF EAUs</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
						<u>TOTAL</u>	<u>ANNUAL</u>	<u>TOTAL</u>	<u>ANNUAL</u>
						<u>PRINCIPAL</u>	<u>ASSMT. (2)</u>	<u>PRINCIPAL</u>	<u>ASSMT. (2)</u>
Single Family 60'	1.00	467.00	23.85%	467	Lots	\$8,349,225	\$666,002	\$17,878	\$1,426
Single Family 80'	1.33	990.67	50.60%	743	Lots	\$17,711,561	\$1,412,819	\$23,838	\$1,902
Single Family 100'	1.67	400.00	20.43%	240	Lots	\$7,151,371	\$570,452	\$29,797	\$2,377
Commercial	2.00	100.00	5.11%	50.00	1K SF	\$1,787,843	\$142,613	\$35,757	\$2,852
TOTAL		<u>1,957.67</u>	<u>100.00%</u>	<u>1,500</u>		<u>\$35,000,000</u>	<u>\$2,791,886</u>		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes principal, interest and collection costs.

Additionally, Section 5 of the Master Report specified the Allocation Methodology. The Allocation Methodology within the Master Report stated, ... "The Total Assessments are to be allocated among the Benefited Parcels in proportion to the benefit received from the construction of the Total Project pursuant to the allocation methodology described herein."

Furthermore, as detailed under Section 6 of the Master Report, the provision for Modifications and Revisions was specified. The Modifications and Revisions within the Master Report stated, ... "In the event that additional product types not currently included in this Report are added to the development plan, the methodology will be revised to include the new product types and the assessments will be revised accordingly as long as the assessments as originally adopted do not increase"

The District has since issued Special Assessment Bonds, Series 2004, to fund the Series 2004 Project, which provide special benefit to parcels of land within Phase 1 of the development under the First Supplemental Special Allocation Report (First Supplemental Report) dated October 20, 2004. The Series 2004 Bonds were secured by and will be repaid from special assessments levied on the Benefited Parcels. For purposes of the First Supplemental Report, the assessments levied on the Benefited Parcels are to repay the Series 2004 Bonds are referred to as the Series 2004 Assessments. The lot sizes and the estimated number of lots of each size that will be subject to the Series 2004 Assessments were shown within the First Supplemental Report on Table 5 and Table 6 of Exhibit A as provided below.

SUPPLEMENTAL REPORT DATED 10/20/2004

TABLE 5: ALLOCATION METHODOLOGY - SERIES 2004A LONG TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT TOTAL</u>		<u>% OF EAU</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
	<u>EAU</u>	<u>EAUs</u>				<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>	<u>TOTAL PRINCIPAL</u>	<u>ANNUAL ASSMT. (2)</u>
Single Family 60'	1.00	160.00	21.63%	160	Lots	\$1,372,510	\$104,804	\$8,578	\$655
Single Family 80'	1.33	341.33	46.15%	256	Lots	\$2,928,022	\$223,583	\$11,438	\$873
Single Family 100'	1.67	138.33	18.70%	83	Lots	\$1,186,649	\$90,612	\$14,297	\$1,092
Commercial	2.00	100.00	13.52%	50	1K SF	\$857,819	\$65,503	\$17,156	\$1,310
TOTAL		<u>739.67</u>	<u>100.00%</u>	<u>549</u>		<u>\$6,345,000</u>	<u>\$484,502</u>		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes principal, interest and collection costs.

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SUPPLEMENTAL REPORT DATED 10/20/2004

TABLE 6: ALLOCATION METHODOLOGY - SERIES 2004B SHORT TERM BONDS (1)

<u>LAND USE</u>	<u>PER UNIT</u> <u>EAU</u>	<u>TOTAL</u> <u>EAUs</u>	<u>% OF</u> <u>EAUs</u>	<u>UNITS</u>		<u>LAND USE</u>		<u>PER UNIT</u>	
						<u>TOTAL</u> <u>PRINCIPAL</u>	<u>ANNUAL</u> <u>ASSMT. (2)</u>	<u>TOTAL</u> <u>PRINCIPAL</u>	<u>ANNUAL</u> <u>ASSMT. (2)</u>
Single Family 60'	1.00	160.00	25.01%	160	Lots	\$2,703,908	\$145,335	\$16,899	\$908
Single Family 80'	1.33	341.33	53.36%	256	Lots	\$5,768,338	\$310,048	\$22,533	\$1,211
Single Family 100'	1.67	138.33	21.63%	83	Lots	\$2,337,754	\$125,654	\$28,166	\$1,514
TOTAL		639.67	100.00%	499		\$10,810,000	\$581,037		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes interest only.

The First Supplemental Report projected an estimated Unit count, per product type in phase one of 549. This indicated a maximum annual assessment as indicated in the tables referenced above, which was substantially lower than the original maximum annual assessment set by the Master Report. However, the actual projected lot counts and product types disclosed within the First Supplemental Report are anticipated to change. The original approved Master Assessment Methodology and instructions detailed with Section VI, Modifications and Revisions of the Master Report were applied amend the First Supplemental Report and provide the new maximum annual assessments for purposes of producing the Amended Supplemental Report.

II. DEFINED TERMS

"Benefited Parcels" - Parcels of land within the development that receive special benefit from the construction and/or acquisition of the Series 2004 Project.

"Bonds" - Special Assessment Bonds issued in various par amounts and maturities to finance the construction and/or acquisition of all or a portion of the Total Project.

"Developable Acres" - Acres of land within the boundaries of the District that will be developed into residential or commercial uses and therefore are subject to assessments levied by the District.

"Developer" – Freeport 860, LLC, a Florida limited liability company.

"District" - Hammock Bay Community Development District.

"Equivalent Assessment Unit" – (EAU) An estimate of the relationship between the product types, based on a comparison of front footage of each product, and is used as a comparison of the estimated benefit received by each product type.

"Platted Units" - Residential units and commercial parcels which have been platted.

"Remaining Units" - Residential units and commercial parcels remaining to be platted.

"Report" – The Master Special Assessment Allocation Report, dated August 30, 2004, which outlines the proposed financing structure and assessment methodology for Special Assessment Bonds to be issued by the District.

"Series 2004 Bonds" - Combination Long Term and Short Term Special Assessment Bonds issued during the year 2004 to finance construction and/or acquisition of the Series 2004 Project.

"Series 2004 Project" - Construction and/or acquisition of public infrastructure planned for the development. Total cost for the Series 2004 Project, which provides special benefit to Phase 1 of the development, is estimated to be \$14,110,300 and will be financed with proceeds of the Series 2004 Bonds.

"Series 2004A Long Term Assessments" - Annual assessments required to repay the Series 2004A Bonds. The Series 2004A Long Term Assessments include principal, interest and collection costs.

"Series 2004A Long Term Bonds" - Special Assessment Bonds issued for an approximately 30 year term to finance the construction and/or acquisition of a portion of the Series 2004 Project.

"Series 2004B Short Term Assessments" - Annual assessments required to re-pay the Series 2004B Bonds. Series 2004B Short Term Assessments include interest only through November 1, 2010 and principal plus interest due on May 1, 2011. It is anticipated that principal will be pre-paid as lots are sold to builders or end users.

"Series 2004B Short Term Bonds" – Special Assessment Bonds issued for an approximately 7 year term to finance the construction and/or acquisition of a portion of the Series 2004 Project.

"Total Acres" - Gross acres consisting of all land within the boundaries of the District.

"Total Assessments" - Annual assessments required to repay the Bonds. Total Assessments include principal, interest and collection costs.

"Total Project" - Construction and/or acquisition of public infrastructure planned for the development and is estimated to cost approximately \$30,164,694 as identified in the engineer's report dated May 7, 2004. It is anticipated that approximately \$28,448,956 of the Total Project will be financed with proceeds of Special Assessment Bonds issued in various par amounts and maturities. Any construction costs not funded with Bonds will be funded directly by the Developer.

III. SERIES 2004 PROJECT

The 2004 Project to be constructed and/or acquired includes roadways, water and sewer, utilities, drainage, landscaping and irrigation, parks & recreational facilities, environmental mitigation areas, offsite improvements and associated professional fees. The cost of the 2004 Project is estimated to be approximately \$14,110,300, all of which will be funded with the proceeds of the Series 2004 Bonds, and is detailed on Table 2 of Exhibit A of this Report.

The estimated construction costs of the Series 2004 Project identified above were provided by the District Engineer. The plans & specifications are available at the office of the District Engineer. District Management Services, LLC, as Financial Consultant to the District, makes no representation regarding the accuracy or validity of those costs and did not undertake any analysis or verification regarding such costs or their allocation.

IV. FIRST SUPPLEMENTAL REPORT, FINANCING PLAN

The Series 2004 Project described above was financed with two term bonds, Series 2004A Long Term Bonds, which was secured by assessments levied on the projected lots identified on Table 5 of Exhibit A of this report, and Series 2004B Short Term Bonds, which is secured by assessments levied on the lots identified on Table 6 of Exhibit A of this report as follows:

A) Series 2004A Bonds

The Series 2004A Long Term Bonds proceeds will be used to finance the construction and/or acquisition of \$5,269,000 of the Series 2004 Project and will require a par amount of \$6,345,000. The par amount of the bonds includes the construction fund, capitalized interest, original issue discounts, if any, reserves and issue costs. Repayment of these Bonds is expected by the Series 2004A Long Term Assessments levied on the Benefited Parcels as identified on Table 5 of Exhibit A of this report.

The annual debt service for the Series 2004A Long Term Bonds is approximately \$484,502 and includes both principal and interest. This is based on an issue of \$6,345,000 with an October 1, 2004 dated date, maturing on May 1, 2035, a 6.50% coupon rate and 30 annual principal amortization installments due May 1, 2006 through May 1, 2035 and 12 months of capitalized interest through the November 1, 2005 interest payment date. The annual debt service payment was then adjusted to allow for early payment discounts of 4% resulting in a total annual Series 2004A Long Term Assessment, including principal, interest and collection costs of \$484,502.

B) Series 2004B Bonds

The Series 2004B Short Term Bonds proceeds will be used to finance the construction and/or acquisition of \$8,840,930 of the Series 2004 Project and will require a par amount of \$10,810,000. The par amount of the bonds includes the construction fund, capitalized interest, original issue discounts, if any, reserves and issue costs. Repayment of these Bonds is expected by the Series 2004B Short Term Assessments levied on the Benefited Parcels as identified on Table 6 of Exhibit A of this Report.

The annual debt service for the Series 2004B Short Term Bonds is \$581,038 and includes interest only. This is based on an issue of \$10,810,000 with an October 1, 2004 dated date, maturing on May 1, 2011, a 5.375% coupon rate and 12 months of capitalized interest through the November 1, 2005 interest payment date. It is contemplated that the District will collect the annual debt service payments for repayment of the Series 2004B Bonds. Therefore, it was not necessary to adjust these amounts for early payment discounts or collection costs. This resulted in a total annual assessment of \$581,038 for the interest only period of years 2004 through 2010. At maturity, May 1, 2011, the final assessment installment will be \$10,810,000, consisting of principal plus the May 1, 2011 interest payment, unless this amount has been reduced by prepayments prior to maturity.

V. ALLOCATION METHODOLOGY

As described above, the District has issued total of \$17,155,000 of Bonds to finance the construction and/or acquisition of the 2004 Project. The Total Assessments are to be allocated among the Benefited Parcels in proportion to the benefit received from the construction of the Series 2004 Project pursuant to the allocation methodology described within the original Master Report approved August 30, 2004.

Florida law requires that in order for a governmental body to levy a valid special assessment on property for the purpose of repaying Bonds issued to fund improvements, two criteria must be met: 1) the properties being assessed must receive direct special benefit from the construction and/or acquisition of the improvements and, 2) the assessments allocated to each property must be fairly and reasonably apportioned among the properties benefited pursuant to an appropriate assessment methodology. There are a variety of methodologies adopted by community development districts by which special assessments can be allocated. Depending on the nature of the improvements, the various methodologies include, but are not limited to, percentage of acreage, average daily trip generations, front footage and equivalent assessment units or EAUs.

Until land is platted into residential lots or commercial tracts, the initial allocation of the Total Assessments will be to all developable land within the boundaries of the District on a per acre basis. Once residential lots are platted and commercial parcels are designated, the assessments will be assigned to each platted lot or commercial tract based on the equivalent assessment unit methodology, or EAU methodology, as shown on Table 5 and Table 6 of Exhibit A of this Report.

With the equivalent assessment unit methodology, the initial allocation of the Total Assessments for the Bonds will be to each of the various types of residential products and commercial units planned for development. It was determined that each platted residential lot within a product type (i.e., a 60' lot), and each unit of commercial property, will be of the same size and will receive a similar amount of benefit from the construction and/or acquisition of the Total Project. Therefore, a standard allocation will be computed for each such product type based on an allocation factor using EAUs for each product type as a percentage of total EAUs for all products planned for development within the District. This methodology was chosen for the Hammock Bay CDD because the nature of the improvements being funded by the District indicates that properties of different sizes receive different special benefit from the construction and/or acquisition of the proposed improvements. The EAU factors for each product are based on a relationship of front footage and therefore reflect an estimate of the relationship of direct special benefit received by the construction and/or acquisition of the Total Project.

The EAU factors are calculated by taking the front footage of each product type divided by the 60' lot as the base. It was further determined that a single unit of commercial use, described as 1,000 square feet, receives approximately twice the benefit of a 60' lot. Therefore, a commercial unit is assigned an EAU factor of 2.00. The EAU methodology utilized for the Hammock Bay CDD satisfies the criteria for a valid assessment under Florida law described above and will result in a valid assessments being imposed by the District.

<u>Product Type</u>	<u>EAU Factor</u>
SF 60' Lot	1.00
SF 70' Lot	1.17
SF 75' Lot	1.25
SF 80' Lot	1.33
SF 85' Lot	1.42
SF 90' Lot	1.50
SF 95' Lot	1.58
SF 100' Lot	1.67
SF 110' Lot	1.83
Commercial	2.00

The subsequent allocation to each lot within each product type will be on a pro-rata basis. (i.e., total assessment allocated to a product type divided by the number of lots in that product type). This allocation is made because it was determined that there is no material difference in the benefit received, from the construction and/or acquisition of the Total Project among the lots within each product type because all lots within a product type are expected to be of generally similar size. The allocation methodology is shown in Exhibit A of this Report.

VI. MODIFICATIONS AND REVISIONS

Provisions for Modifications and Revisions were outlined within the original approved Master Report and are reiterated within the balance of this section. Allocation of costs and benefit for the improvements is based on the expected land use or planned number of residential lots or units within each product type and planned number of commercial units that will be achieved when the Benefited Parcels are platted into individual lots or units. In order to ensure sufficient revenue from such special assessments is received from the subsequent platting of the lands within the District into individual lots or units, the District will be required to perform a "true-up" analysis which would require a periodic computation to determine the total Platted Units and the planned number of Remaining Units within each product type.

As residential lots and commercial parcels are platted, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is equal to or greater than that of the Total Units, no action would be required at that time. However, if the assessment revenue anticipated to be generated from the sum of the Platted Units and the Remaining Units is less than that of the Total Units, the Developer will be obligated to immediately remit, to the Trustee, for deposit into the redemption account pursuant to the Trust Indenture, an amount equal to the Total Assessment for the difference between the Total Units and the sum of the Platted Units and the Remaining Units. The payment is the principal amount of the Bonds allocated to each unit based on the methodology described herein plus applicable interest and as shown in Table 5 and Table 6 of Exhibit A of this Amended First Supplemental Report. The true-up computation will be required each time additional lots within the District are platted.

In the event that additional product types not currently included in this Report are added to the development plan, the methodology will be revised to include the new product types and the assessments will be revised accordingly as long as the assessments as originally adopted do not increase. In the event that any additional land not currently subject to the assessments as described herein is developed in such a manner as to receive special benefit from the improvements also described herein, it is contemplated that this assessment methodology will be re-applied to include such additional land. The additional land will, as a result of re-applying this allocation methodology, then be allocated an appropriate share of the special assessments while all currently assessed lands will receive a relative reduction in their assessments.

EXHIBIT A

ALLOCATION METHODOLOGY

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 1: PROJECT STATISTICS

PRODUCT	LOT SIZE	EAU (1)		UNITS	
		PER UNIT			
Single Family 60'	60'	1.00	3	Lots	
Single Family 70'	70'	1.17	107	Lots	
Single Family 75'	75'	1.25	92	Lots	
Single Family 80'	80'	1.33	149	Lots	
Single Family 85'	85'	1.42	1	Lots	
Single Family 90'	90'	1.50	5	Lots	
Single Family 95'	95'	1.58	2	Lots	
Single Family 100'	100'	1.67	73	Lots	
Single Family 110'	110'	1.83	22	Lots	
Commercial		2.00	50	1K SF	
TOTAL:			504		

(1) Equivalent Assessment Unit

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 2: INFRASTRUCTURE COST DETAIL

Phase 1 General Infrastructure

Roadways & Drainage	\$2,180,795
Utilities	\$922,410
Landscape / Irrigation	\$992,475
Subtotal	<u>\$4,095,680</u>

Professional Design Fees @ 8.00%	\$327,654
Construction Management Fees @ 3.00%	\$122,870

Total for Spine Road / Entry	<u>\$4,546,205</u>
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Parks and Recreation	\$1,150,000
Environmental	
Mitigation Area	\$200,000
Offsite Improvements (Utility upgrades, SR 20 work, etc.)	\$750,000
Subtotal	<u>\$2,100,000</u>

Professional Design Fees @ 8.00%	\$168,000
Construction Management Fees @ 3.00%	\$63,000

Total for Additional Infrastructure Items	<u>\$2,331,000</u>
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Total for Phase 1 General Infrastructure	<u>\$6,877,205</u>
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Phase 1 Subdivision Infrastructure – 454 Lots

Roadways & Drainage	Pod #1: 44 Lots	\$450,000
Utilities		\$164,000
Roadways & Drainage	Pod #2: 58 Lots	\$591,000
Utilities		\$240,000
Roadways & Drainage	Pod #3: 67 Lots	\$662,000
Utilities		\$272,000
Roadways & Drainage	Pod #4: 21 Lots	\$557,000
Utilities		\$233,000
Roadways & Drainage	Pod #5: 52 Lots	\$382,000
Utilities		\$184,000
Roadways & Drainage	Pod #6: 203 Lots	\$1,897,000
Utilities		\$534,000
Roadways & Drainage	Pod #7: 9 Lots	\$245,300
Utilities		\$105,000
Subtotal		<u>\$6,516,300</u>

Professional Design Fees @ 8.00%	\$521,305
Construction Management Fees @ 3.00%	\$195,490

Total for Phase 1 Subdivision Infrastructure	<u>\$7,233,095</u>
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Total Cost of Phase 1	<u>\$14,110,300</u>
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SOURCE: Cost estimated provided by district engineer.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 3: FINANCING INFORMATION - SERIES 2004A LONG TERM BONDS			
Coupon Rate (2024 Term)		6.15%	
Coupon Rate (2035 Term)		6.125%	
Term (Years)		31	
Principal Amortization Installments		30	
ISSUE SIZE		\$6,345,000	
Construction Fund		\$5,269,000	(2)
Capitalized Interest (Months)	12	\$376,193	(3)
Debt Service Reserve Fund	7.33%	\$465,122	(4)
Underwriter's Discount	1.80%	\$114,210	
+ Premium / - Discount		\$37,902	
Cost of Issuance		\$82,202	
Rounding		\$0	
ANNUAL ASSESSMENT			
Maximum Annual Debt Service (Principal plus Interest)		\$465,122	
Collection Costs and Discounts @	4.00%	\$19,380	
TOTAL ANNUAL ASSESSMENT		\$484,502	
(1) Based on an November 3, 2004 dated date with capitalized interest through the November 1, 2005 payment date.			
(2) Gross funded.			
(3) Net funded.			
(4) Based on maximum annual debt service.			

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 4: FINANCING INFORMATION - SERIES 2004B SHORT TERM BONDS			
Coupon Rate		5.375%	
Term (Years)		7	
Principal Amortization Installments		1	
ISSUE SIZE		\$10,810,000	
Construction Fund		\$8,840,930	(2)
Capitalized Interest (Months)	12.00	\$552,188	(3)
Debt Service Reserve Fund	10.00%	\$1,081,000	(4)
Underwriter's Discount	1.80%	\$194,580	
+ Premium / - Discount		\$0	
Cost of Issuance		\$140,048	
Rounding		\$1,254	
ANNUAL ASSESSMENT			
Maximum Annual Debt Service (Interest Only)		\$581,038	
Collection Costs and Discounts @	0.00%	\$0	
TOTAL ANNUAL ASSESSMENT		\$581,038	
TOTAL ASSESSMENT DUE AT MATURITY		\$11,100,519	
(1) Based on an November 3, 2004 dated date with capitalized interest through the November 1, 2005 payment date.			
(2) Gross funded.			
(3) Net funded.			
(4) Based on 10% of par.			

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS, SERIES 2004A
SPECIAL ASSESSMENT BONDS, SERIES 2004B**

TABLE 5: ALLOCATION METHODOLOGY - SERIES 2004A LONG TERM BONDS (1)

LAND USE	PER UNIT EAU	TOTAL EAUs	% OF EAUs	UNITS		LAND USE		PER UNIT	
						TOTAL PRINCIPAL	ANNUAL ASSMT. (2)	TOTAL PRINCIPAL	ANNUAL ASSMT. (2)
Single Family 60'	1.00	3.00	0.42%	3	Lots	\$26,601	\$2,031	\$8,867	\$677
Single Family 70'	1.17	124.83	17.44%	107	Lots	\$1,106,884	\$84,521	\$10,345	\$790
Single Family 75'	1.25	115.00	16.07%	92	Lots	\$1,019,693	\$77,863	\$11,084	\$846
Single Family 80'	1.33	198.67	27.76%	149	Lots	\$1,761,556	\$134,512	\$11,823	\$903
Single Family 85'	1.42	1.42	0.20%	1	Lots	\$12,561	\$959	\$12,561	\$959
Single Family 90'	1.50	7.50	1.05%	5	Lots	\$66,502	\$5,078	\$13,300	\$1,016
Single Family 95'	1.58	3.17	0.44%	2	Lots	\$28,078	\$2,144	\$14,039	\$1,072
Single Family 100'	1.67	121.67	17.00%	73	Lots	\$1,078,805	\$82,377	\$14,778	\$1,128
Single Family 110'	1.83	40.33	5.64%	22	Lots	\$357,631	\$27,309	\$16,256	\$1,241
Commercial	2.00	100.00	13.97%	50	1K SF	\$886,689	\$67,707	\$17,734	\$1,354
TOTAL		715.58	100.00%	504		\$6,345,000	\$484,502		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes principal, interest and collection costs.

TABLE 6: ALLOCATION METHODOLOGY - SERIES 2004B SHORT TERM BONDS (1)

LAND USE	PER UNIT EAU	TOTAL EAUs	% OF EAUs	UNITS		LAND USE		PER UNIT	
						TOTAL PRINCIPAL	ANNUAL ASSMT. (2)	TOTAL PRINCIPAL	ANNUAL ASSMT. (2)
Single Family 60'	1.00	3.00	0.49%	3	Lots	\$52,682	\$2,832	\$17,561	\$944
Single Family 70'	1.17	124.83	20.28%	107	Lots	\$2,192,146	\$117,828	\$20,487	\$1,101
Single Family 75'	1.25	115.00	18.68%	92	Lots	\$2,019,467	\$108,546	\$21,951	\$1,180
Single Family 80'	1.33	198.67	32.27%	149	Lots	\$3,488,702	\$187,518	\$23,414	\$1,259
Single Family 85'	1.42	1.42	0.23%	1	Lots	\$24,877	\$1,337	\$24,877	\$1,337
Single Family 90'	1.50	7.50	1.22%	5	Lots	\$131,704	\$7,079	\$26,341	\$1,416
Single Family 95'	1.58	3.17	0.51%	2	Lots	\$55,609	\$2,989	\$27,804	\$1,494
Single Family 100'	1.67	121.67	19.76%	73	Lots	\$2,136,537	\$114,839	\$29,268	\$1,573
Single Family 110'	1.83	40.33	6.55%	22	Lots	\$708,277	\$38,070	\$32,194	\$1,730
TOTAL		615.58	100.00%	454		\$10,810,000	\$581,038		

(1) Allocation of total assessment to each land use is based on percent of EAUs. Individual principal and annual assessment is calculated on a per unit basis.

(2) Includes interest only.

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT
AMENDED FIRST SUPPLEMENTAL ASSESSMENT REPORT**

FINAL ASSESSMENT ROLL				
FOLIO #	APPROXIMATE DEVELOPABLE	% OF	TOTAL ASSESSMENTS	
	ACRES	ACRES	PRINCIPAL	ANNUAL
08-1S-19-23000-001-0000	27.67	4.60%	\$789,067	\$49,011
16-1S-19-23000-010-0000	134.00	22.28%	\$3,821,284	\$237,350
17-1S-19-23000-001-0000	362.90	60.33%	\$10,348,836	\$642,792
20-1S-19-23000-001-0000	54.00	8.98%	\$1,539,921	\$95,648
21-1S-19-23000-001-0000	23.00	3.82%	\$655,892	\$40,739
TOTAL	601.57	100.00%	\$17,155,000	\$1,065,540

NOTES:

1. Initial allocation of the Total Assessments is to developable acres within each parcel. Assessments will be assigned to individual lots as lots are platted.
2. The annual assessment is the amount necessary to repay the bonds including principal, interest, collection fees and early payment discounts.
3. Repayment of principal and interest will be in 30 annual installments.

EXHIBIT C:

**HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
ENGINEER'S REPORT DATED MAY 2004**

AND

**FIRST SUPPLEMENTAL ENGINEER'S REPORT FOR THE
HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT DATED
AUGUST 2004**

Hammock Bay Community Development District Engineer's Report

Prepared for:

**Board of Supervisors
Hammock Bay
Community Development District**

Prepared by:

**Connelly & Wicker Inc.
12605 Emerald Coast Parkway West, Suite #1
Destin, FL 32550
(850) 837-4252**

May 2004

TABLE OF CONTENTS

INTRODUCTION TO THE HAMMOCK BAY COMMUNITY	1
<i>District Description</i>	2
PROPOSED IMPROVEMENTS	2
General Infrastructure	3
<i>Offsite Upgrades</i>	3
<i>Roads</i>	3
<i>Stormwater</i>	4
<i>Utilities</i>	4
Subdivision Infrastructure	4
<i>Roads</i>	5
<i>Stormwater</i>	5
<i>Utilities</i>	5
Parks and Recreation	5
PERMITTING	6
BASIS FOR THE COST ESTIMATE	6
Table 1 (Opinion of Probable Cost – Phase 1)	
Table 2 (Opinion of Probable Cost – Phase 2)	
Figures	

HAMMOCK BAY COMMUNITY DEVELOPMENT

DISTRICT

REPORT

*The purpose of this report is to introduce Hammock Bay,
describe the aspects of the proposed District,
and present an opinion of probable construction costs for bond issuance.*

INTRODUCTION TO THE HAMMOCK BAY COMMUNITY

The Hammock Bay Community, being proposed by Freeport 860, LLC, is a residential / commercial development that consists of approximately 3,100 acres of land nestled in the peaceful City of Freeport located in Walton County, Florida. Bordered by a 2-lane highway (State Road 20) to the north and the beautiful waters of Choctawhatchee Bay to the south, and encircled by County Road 83A (Bay Loop Road), Hammock Bay is poised to be a secluded enclave community - to be one of the most sought after communities in Walton County and the rapidly developing Florida Panhandle area. While this community has access to Choctawhatchee Bay, which is very desirable for a myriad of water activities, Hammock Bay is also just a 10-minute drive to the acclaimed beaches of South Walton County with sugar white sands and the pristine waters of the Gulf of Mexico -- South Walton County also includes the communities of Seaside and Watercolor to mention a few. And although Hammock Bay will offer privacy and a serene retreat from the hustle and bustle of busy city life, it is just a 15-minute drive to first-class shopping malls, and fine dining offered across the bay in nearby coastal communities of Sandestin and Destin.

Land for the development of Hammock Bay was purchased by Freeport 860, LLC as undeveloped land and was owned in the preceding 60 years by the paper company International Paper. The Hammock Bay Community will boast many amenities, including a 60-acre City / community park that will consist of a swimming pool, softball fields, soccer fields and an abundance of play area. The community will also have an 18-hole golf course, a 3,600 square foot Owners Clubhouse, and a 3,500 square foot Bay Club situated on Choctawhatchee Bay. In addition to these amenities, Hammock Bay will cater amenities to those wishing to take in the natural beauty of the surrounding, virtually undisturbed nature, including miles of winding trails, walkways and boardwalks connecting to small and large parks and lakes located throughout the community.

This report refers to the "District" as the 993-acre Hammock Bay CDD within the 3100-acre Hammock Bay Community, and to the "Site" as the total 3100-acre Hammock Bay Community.

At the present time, seven (7) residential areas, consisting of 550 lots, are proposed in the eastern portion of the District. Although land planning is not yet complete, approximately 900 lots will be developed in the western portion of the district. Upon completion, the Hammock Bay Community will have approximately 6,000 single family home sites, 400 townhome/multi-family sites, and up to 50,000 square feet of commercial space available for retail shops, restaurants, and offices.

The following chart gives an estimate of proposed land use within the 3100 acres:

Residential	50%
Lakes	6%
Conservation/Recreation/Parks	30%
Golf Course	6%
Roadways	6%
Commercial	2%

District Description:

The District was established by the City of Freeport via Ordinance 2004-1, passed unanimously on February 10, 2004 and became effective on February 13, 2004, for the purpose of planning, financing, constructing, operating and maintaining public infrastructure for the benefit of the District landowners.

The Hammock Bay Community Development District (CDD) consists of 993 acres, and is located in a portion of Sections 8, 16, 17, 18, 19, 20 and 21, Township 1 Range 19W.

Phase 1 within the 993-acre District will include off-site improvements (as described in the Proposed Improvements section below), the entryway off SR 20, the main access or "spine" road for the Site and 550 lots to the East of the spine road. The construction of these improvements is expected to begin in 2004 and be completed in late 2005.

Phase 2 within the 993-acre District will include an additional 900 homesites, connecting to the west of the main access roadway in the District. These homesites will be similar in nature to the Phase I lots. The construction for Phase 2 is expected to begin in 2006 and be completed in early 2008.

The general timeline outlined in this section can be lengthened or shortened based on developer sales and economic conditions.

PROPOSED IMPROVEMENTS

The District proposes to design, install, acquire and construct improvements grouped into the following categories:

General Infrastructure

Subdivision Infrastructure

Parks and Recreation

A summary of costs is presented in Table 1 and Table 2 for the elements listed above and proposed in Phase 1 and Phase 2, respectively.

General Infrastructure

The primary items listed under general infrastructure are items required, including offsite upgrades, to promote construction and utilization of the main roadway network through the District.

Offsite Upgrades:

The main access to the Site will be via SR 20. To allow for construction of the entryway and main access or connector / spine road in the District, several major offsite improvements are first required at the project site. These offsite improvements include widening activities on SR 20 (including deceleration and turning lanes) and the installation of approximately 2,400 feet of 12-inch PVC watermain along SR 20. The cost of these items are included in Table 1 and indicated as "Offsite Improvements".

Roads:

Access to and from Hammock Bay shall be provided from existing roadways located to the north, east and west of the property. The main road which will run north / south within the District will connect to existing State Road 20 at a point approximately 1.6 miles west of US 331 North, in the City of Freeport, Florida (see Figure 1). The east / west access road will also connect to existing County Road 83A at the eastern and western boundary of the District.

The first roadway construction in the District involves an area off of SR 20 and extending southward for approximately ½-mile into the development. The proposed roadway sections include: (1) two 22-foot wide segments at SR 20 and extending approximately 400 feet south, (2) one 28-foot wide segment for approximately 1,800 feet and (3) two 20-foot wide lanes with divided median for approximately 500 feet. See Figure 2 and Figure 3 for plan view drawing and cross-sectional drawing, respectively, of the 28-foot wide single-sloped roadway segment. The total length of roadway proposed from SR 20, location "A" shown on Figure 2, to the southern terminus, location "B" shown on Figure 2, is approximately 9,397 feet.

A 150-foot diameter "roundabout" is proposed at the southern terminus south of SR 20. The "roundabout", proposed with a 22-foot wide driving surface, will allow vehicles to easily pass to the north, west or east. The "roundabout" will be located approximately 5,870 feet west of the east leg of County Road 83A (Bay Loop Road). See Figure 4 for plan view drawing and cross-sectional drawing, respectively, of the proposed "roundabout".

A connector / access road is proposed from the southern terminus of the District, location "B" shown on Figure 2, to the east leg of CR 83A, location "C" shown on Figure 2. Location "C" is to be located approximately 1.0 mile south of SR 20. The proposed section between the "roundabout" and CR 83A will be a 28-foot wide roadway segment. Refer to Figures 2 & 3 for additional detail.

Also shown on Figure 2 is a connector / access road proposed between the proposed "roundabout" (location "B") and the west leg of CR 83A (location "D"). The length of the roadway segment between locations "B" and "D" is approximately 9,075 feet.

For the majority of roadway, the proposed right-of-way width is 100 feet. An 8-foot wide asphalt pedestrian path will meander along the roadway. On the west side of the right-of-way near the intersection with SR 20, a parking area and information building is proposed.

The construction of the main access road, as proposed, will impact some amount of existing wetland area. The estimated cost for wetland mitigation is included in the opinion of probable cost estimate.

For future ownership and maintenance purposes, the roadways in the development will be dedicated to the City of Freeport.

Stormwater:

Stormwater management (collection, routing, treatment) for the proposed main access road in the District is to be provided with the construction of a roadside swale, along the length of the main road. To achieve swale exemption status, a 20-foot shallow swell (12-foot wide bottom, 4:1 side slopes, 1-foot depth, 11,400-foot in length & 8 inch per hour soil permeability) is proposed. Stormwater from the roadside swale would be discharged at specific locations, and at regulated rates, from newly constructed crossdrain pipes.

To promote the acceptable performance of roadside swales, it was determined that attention had to be paid to the anticipated groundwater elevation at the site. The recommendation made by the geotechnical engineer for the District was to provide 3-foot separation between the road base and the groundwater. To achieve this, perforated underdrain pipe was proposed for installation along a portion of the main access road. Perforated pipe, ranging in size from 6-inch diameter to 10-inch diameter, is required on both sides of the proposed 20-foot wide ditch (2 pipe runs) and on the high side of the road (1 pipe run). The required perforated pipes are to be connected to new crossdrain pipes for discharge to existing wetlands.

See Figure 3 for a cross-sectional drawing of the proposed roadside ditch and underdrain system.

The drainage facilities will be owned by the District and maintained jointly by the District and the City of Freeport.

Utilities:

Along the main access roadway, through the District, water and sewer lines will be constructed inside the road right-of-way. The size of water and sewer lines proposed along the main access road in the District will be adequate for expected future growth. Facilities are proposed to connect to existing utilities located on SR 20 and CR 83A.

Utilities constructed in the roadway rights-of-way in the District will be dedicated and maintained by the City of Freeport.

Subdivision Infrastructure

Infrastructure items proposed in each residential area in the District include roads, utilities (water & sewer) and drainage elements. Most items are located within the right-of-way of each subdivision roadway. Some infrastructure items such as lift stations or outfall devices may be proposed on dedicated property (easement) or other. A typical residential right-of-way section drawing is provided in Figure 5.

Figures 6 – 11 are included to show the configuration of 6 of the 7 residential areas proposed in the eastern half of the District. The approximate location of Pod #7, with an anticipated 70 lots, is shown on Figure 2 (design of Pod #7 is not yet complete).

Roads:

The roadway segments in the subdivision areas will be normally crowned 20-foot wide sections with curb & gutter. The right-of-way width in these areas is shown at 50 feet. Easements, setback distances and all other building design are to comply with applicable City requirements. Refer to Figure 5 for additional detail.

Stormwater:

Stormwater in the subdivision areas will be collected in inlets and transported to ponds through a closed pipe system. Pipe sizes are dependent on specific drainage characteristics, such as topography and drainage area.

Discharge rates for each subdivision area were calculated using the Rational Equation. This equation to approximate discharge (Q) requires estimation of values for runoff coefficient (c), rainfall intensity (i) and drainage basin area (a). For an average lot size of approximately 0.30 acres, the post-Development runoff coefficient value for each lot is estimated at 0.40. Soil types vary throughout the District. The depth to groundwater at the site varies from near existing grade at wetland areas to over 7 feet.

Retention basins are designed to provide both adequate treatment volume (to meet Florida Department of Environmental Protection requirements) and attenuation volume (storage to allow rainfall from a 25-year, 24-hour design event to be held and discharged at the pre-Development rate). The discharge of treated stormwater will occur at above ground structures with the release rate controlled not to exceed the pre-Development rate. The discharge rate will be regulated through the use of orifices, weirs, etc. The ultimate disposal will be directed to natural low spots, wetlands or existing flow paths. Basins are proposed to operate as traditional "dry" retention basins or as "wet" basins (pond with fluctuating water surface elevation).

Utilities:

The subdivision areas will have utilities (water and sewer) adequate for the needs of the number of lots in each area. Each subdivision area will have gravity sewer collection systems that will feed a sewage lift station. The lift stations will pump sewage through small diameter forcemain pipes, typically 4-inch or 6-inch, and tie to a larger diameter "trunk" forcemain, varying 8-inch to 12-inch, located on the main access road. Potable water lines are sized for appropriate consumption and fire demands in each residential area.

The costs associated to the installation of utilities are based on construction within the rights-of-way of proposed roads and termination at property lines. Property owners will be responsible for connections.

Parks and Recreation

Proposed in the Site are a series of parks. In general, the parks in the District will vary in size and consist of approximately 11,780 feet of boardwalks and nature trails. The District will contain a large community park with approximately 5,890 feet of boardwalk and nature trails

connecting parks and lakes. The future community park in the District will consist of baseball / softball fields, soccer fields, restrooms & concessions, community center, swimming pool, lawn area with picnic shelters, trails & pathways connecting to the greenbelt, a playground area and parking. In addition, the Club House, located at the roundabout, will have a swimming pool and an amphitheater style lawn for recreation. The parks and recreation probable cost was based on the design of such parks and includes an estimate for structures, parking areas, utilities, etc.

PERMITTING

The regulatory agencies anticipated to be involved in the development of the District include the Florida Department of Transportation (FDOT), Florida Department of Environmental Protection (FDEP), U.S. Corp of Engineers (COE) and City of Freeport (City). At the present time, permit applications are being reviewed by the COE and FDEP for work in wetland areas and the FDOT for road modifications and required utility upgrades in the SR 20 right-of-way. It is anticipated that the right-of-way permit from FDOT will be received by June 2004 and the wetlands (dredge & fill) permit from FDEP and COE will be received by June 2004.

Permit applications are to be submitted in June 2004 to FDEP and the City for the construction of a potable water distribution system, a domestic wastewater collection / transmission system and a stormwater collection system. The applications will be submitted first to the City for preliminary approval before review and processing by the FDEP. The remaining permits should be approved and received by August 2004.

The plan presented herein has been prepared based upon current design and regulatory criteria. It is possible that design and regulatory criteria will evolve in the future, thus implementation of this plan could require modifications at a later date. If this occurs, future changes, if deemed significant in nature and magnitude, could be addressed and included as an addendum to the plan.

BASIS FOR THE COST ESTIMATE

The infrastructure contemplated by this plan is currently in different phases of design. Connelly & Wicker, Inc. prepared probable cost estimates based on design intent and proposed configuration at completion of construction. The cost estimates were derived utilizing data from past similar projects, historical price information and engineering judgment.

The opinion of probable cost estimate includes the following elements: cost of construction, design fee(s), construction management fee(s) and 10% contingency factor.

Associated costs that have not been included in the estimate include land acquisition costs, permitting fees, debt service costs, etc. Additionally, the estimate is based on current values, with no consideration of inflation, future price increases, material shortages, etc.

The exact location of some of the proposed facilities may change during the course of approval and implementation. Any changes that could occur will not diminish or alter the benefits to be received by the land, and any changes will result in the land receiving the same or greater benefits at no additional cost to the landowners. Therefore, the District retains the right to make reasonable adjustments in the plan to meet the requirements of any governmental agency and, at the same time, providing the same or greater benefits to the land.

Table 1
Hammock Bay Community Development District
Opinion of Probable Cost – Phase 1

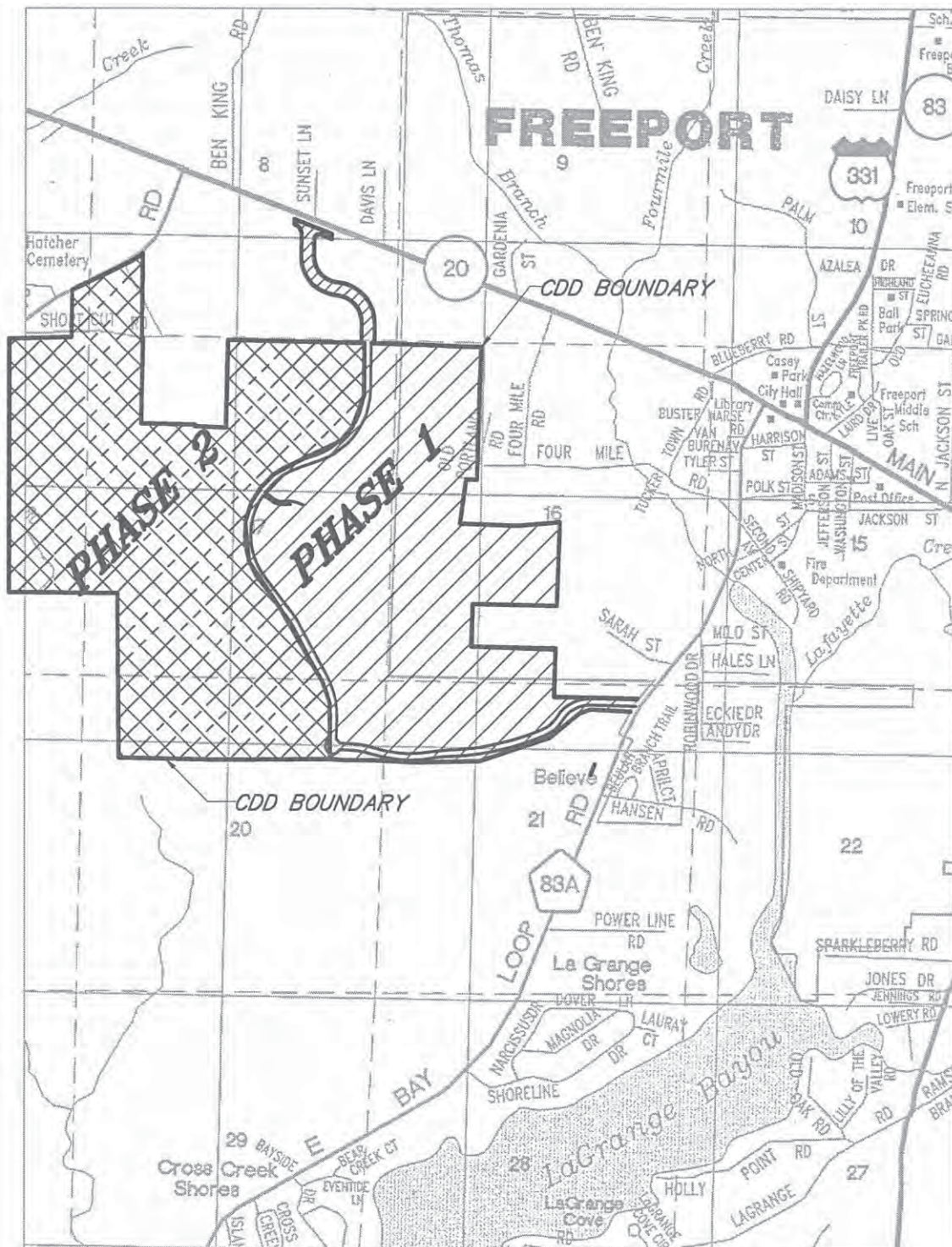
	Estimated Cost	Remarks / Notes
Phase 1 General Infrastructure		
Roadways & Drainage.....	\$2,180,795	Phase 1
Utilities.....	\$922,410	Spine Road / Entrance off SR 20
Landscape / Irrigation.....	\$992,475	Length ("A" to "B") – 9,397 LF
Subtotal.....	\$4,095,680	
Professional Design Fees (@ 8%).....	\$327,655	
Construction Management Fees (@ 3%).....	\$122,870	
Total for Spine Road / Entry = \$4,546,205		
Roadways & Drainage.....	\$976,800	Phase 1
Utilities.....	\$166,145	East / West Access Road
Landscape / Irrigation.....	\$256,055	Length ("B" to "C") – 5,870 LF
Subtotal.....	\$1,399,000	
Professional Design Fees (@ 8%).....	\$111,920	
Construction Management Fees (@ 3%).....	\$41,970	
Total for East / West Road ("B" to "C") = \$1,552,890		
Parks and Recreation.....	\$1,150,000	Phase 1
Environmental Mitigation Area.....	\$200,000	
Offsite Improvements (Utility upgrades, SR 20 work, etc.).....	\$750,000	
Subtotal.....	\$2,100,000	
Professional Design Fees (@ 8%).....	\$168,000	
Construction Management Fees (@ 3%).....	\$63,000	
Total for Additional Infrastructure Items = \$2,331,000		
Total for Phase 1 General Infrastructure = \$8,430,095		
Phase 1 Subdivision Infrastructure – 550 Lots		
Roadways & Drainage.....	\$562,000	Pod #1: 55 Lots
Utilities.....	\$205,000	
Roadways & Drainage.....	\$591,000	Pod #2: 58 Lots
Utilities.....	\$240,000	
Roadways & Drainage.....	\$662,000	Pod #3: 69 Lots
Utilities.....	\$272,000	
Roadways & Drainage.....	\$557,000	Pod #4: 21 Lots
Utilities.....	\$233,000	
Roadways & Drainage.....	\$382,000	Pod #5: 55 Lots
Utilities.....	\$184,000	
Roadways & Drainage.....	\$1,897,000	Pod #6: 222 Lots
Utilities.....	\$534,000	
Roadways & Drainage.....	\$572,347	Pod #7: 70 Lots
Utilities.....	\$245,100	
Subtotal.....	\$7,136,447	
Professional Design Fees (@ 8%).....	\$570,915	
Construction Management Fees (@ 3%).....	\$214,093	
Total for Phase 1 Subdivision Infrastructure = \$7,921,455		

Total Cost of Phase 1 = \$16,351,550

Table 2
Hammock Bay Community Development District
Opinion of Probable Cost – Phase 2

	Estimated Cost	Remarks / Notes
Phase 2 General Infrastructure		
Roadways & Drainage.....	\$1,415,524	Phase 2 Access Road ("B" to "D") – 9,075 LF
Subtotal	\$1,415,524	
Professional Design Fees (@ 8%)	\$113,242	
Construction Management Fees (@ 3%)	\$42,466	
Total for Phase 2 General Infrastructure = <u>\$1,571,232</u>		
Phase 2 Subdivision Infrastructure – 900 Lots		
Roadways & Drainage.....	\$8,117,500	
Utilities.....	\$2,911,250	
Subtotal	\$11,028,750	
Professional Design Fees (@ 8%)	\$882,300	
Construction Management Fees (@ 3%)	\$330,862	
Total for Phase 2 Subdivision Infrastructure = <u>\$12,241,912</u>		
<u>Total Cost of Phase 2 = \$13,813,144</u>		

<p>TOTAL CONSTRUCTION BUDGET PHASE 1 & PHASE 2 \$30,164,694</p>
--



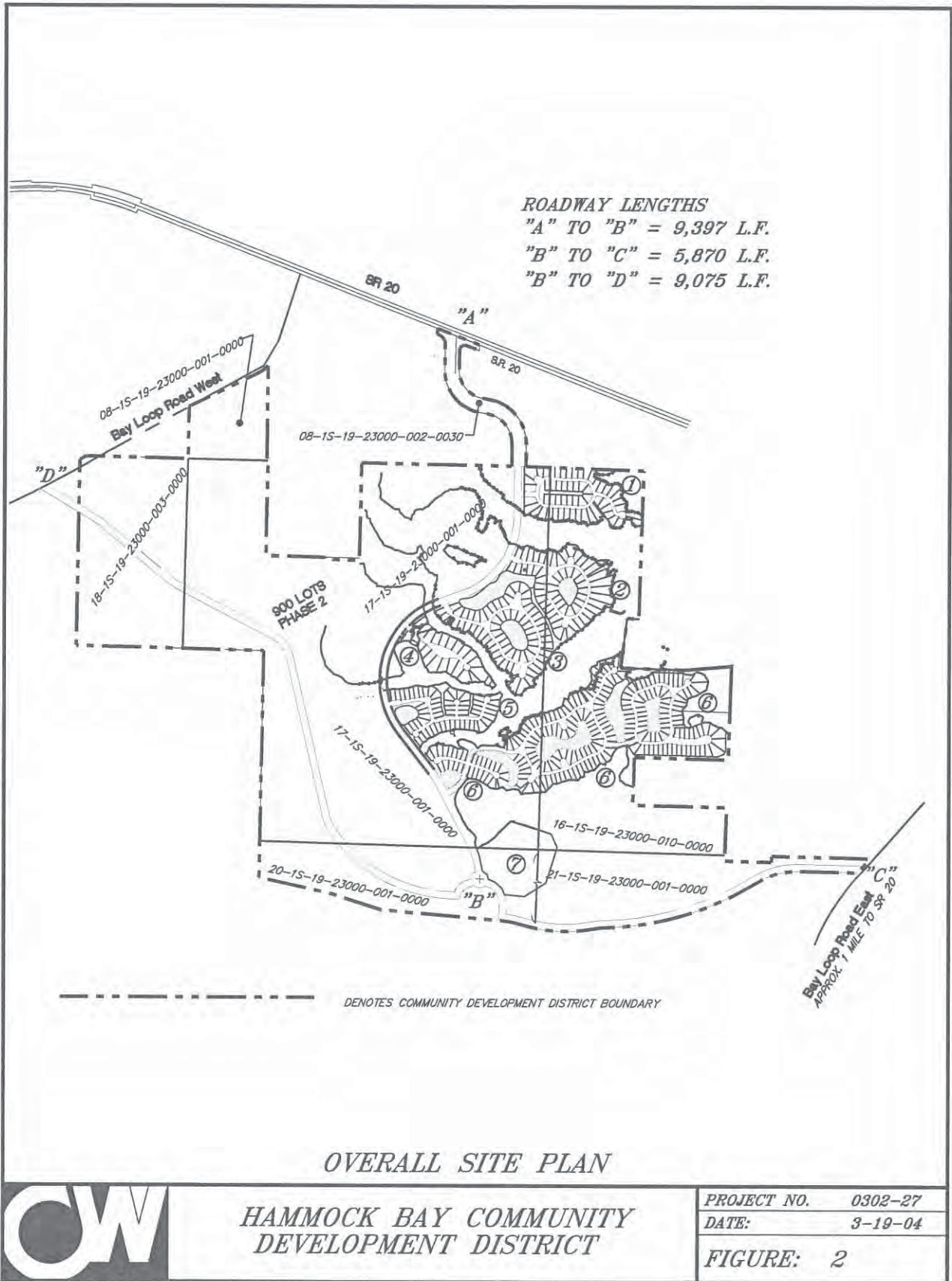
LOCATION MAP

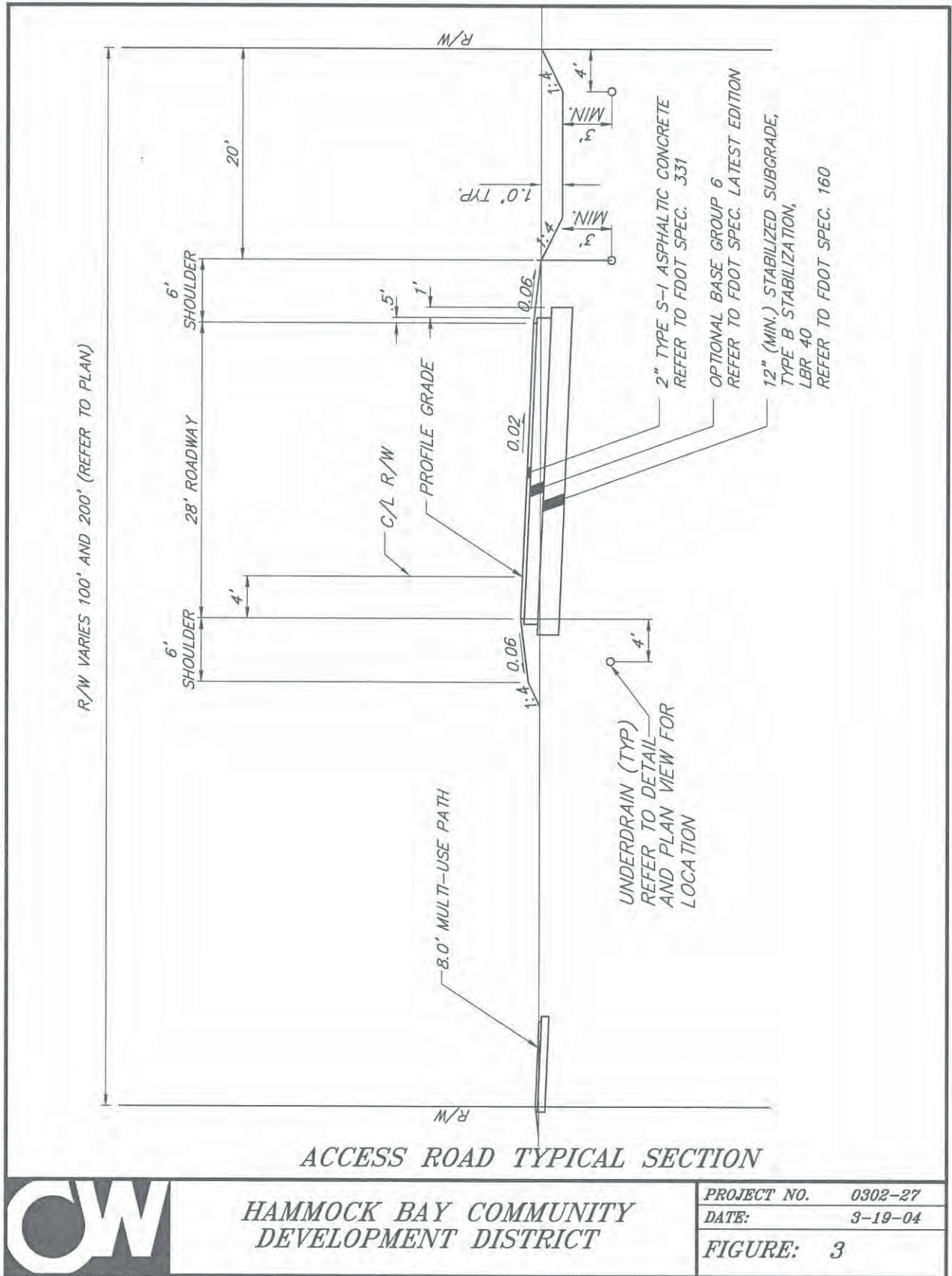


**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	1

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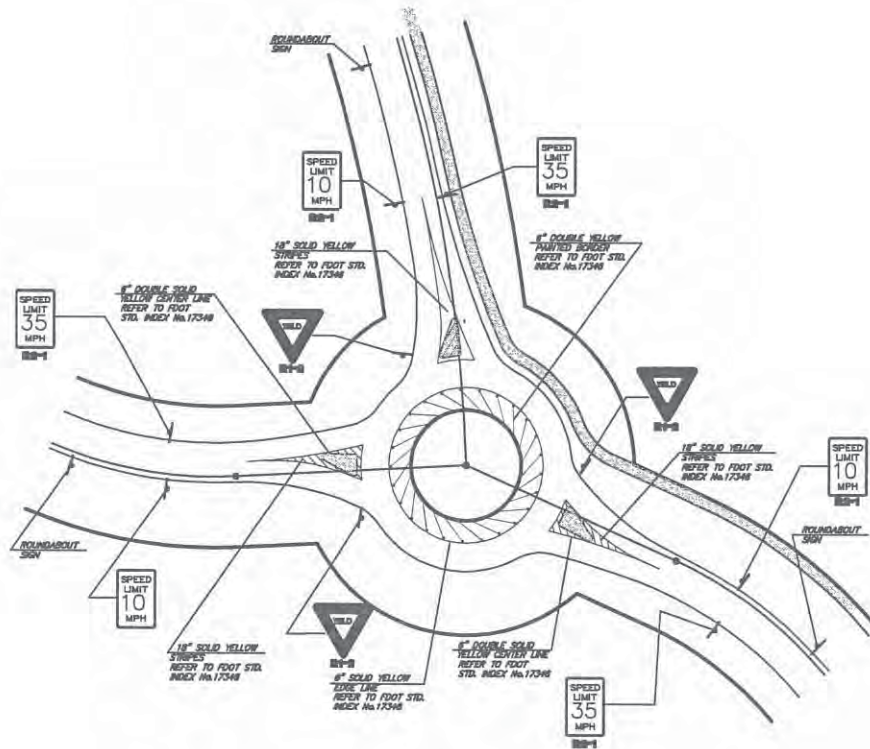




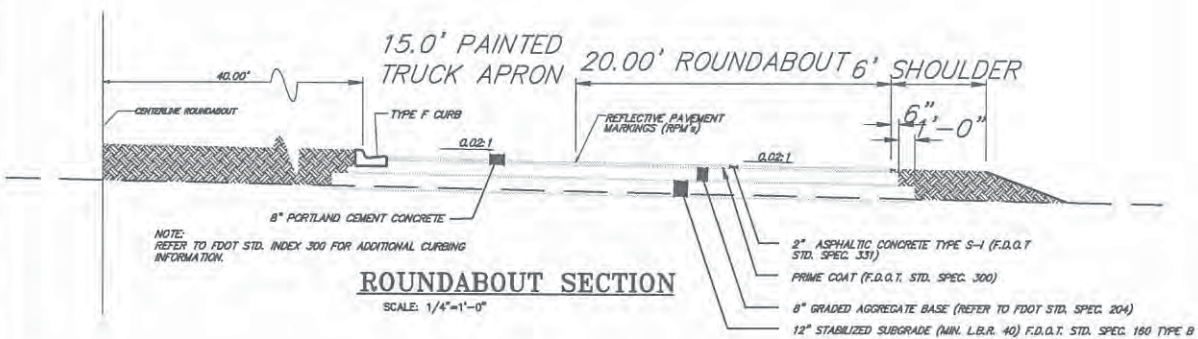
**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	3

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ROUNDABOUT PLAN

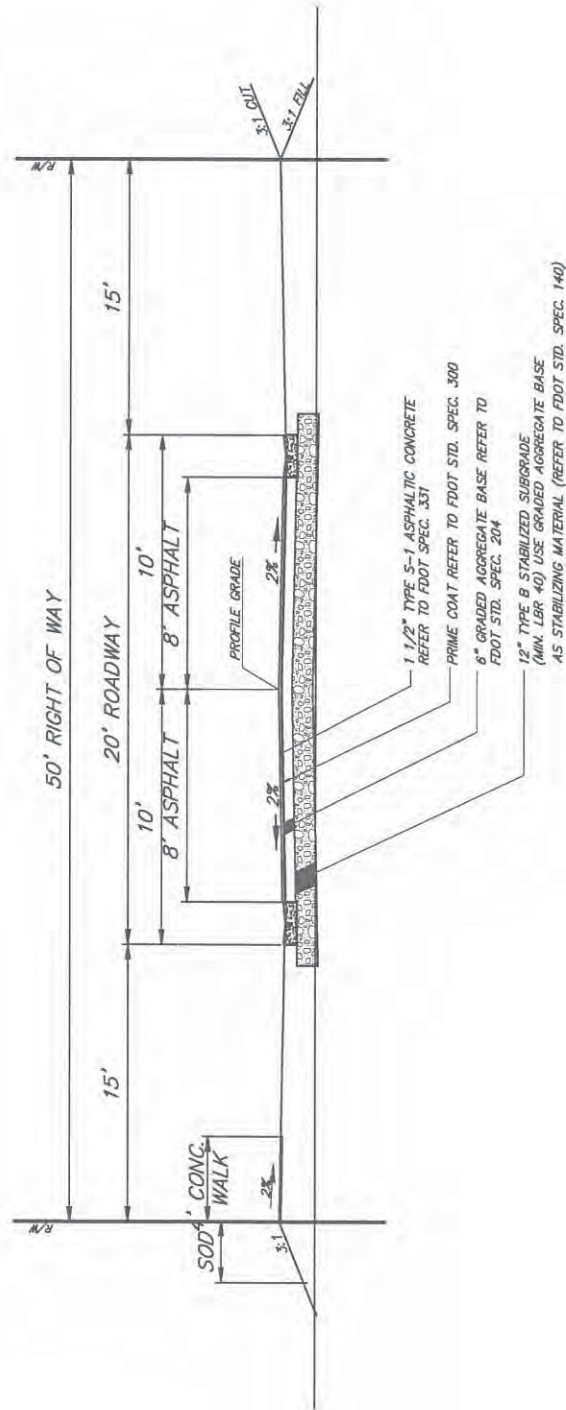


ROUNDABOUT PLAN AND SECTION



**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	4



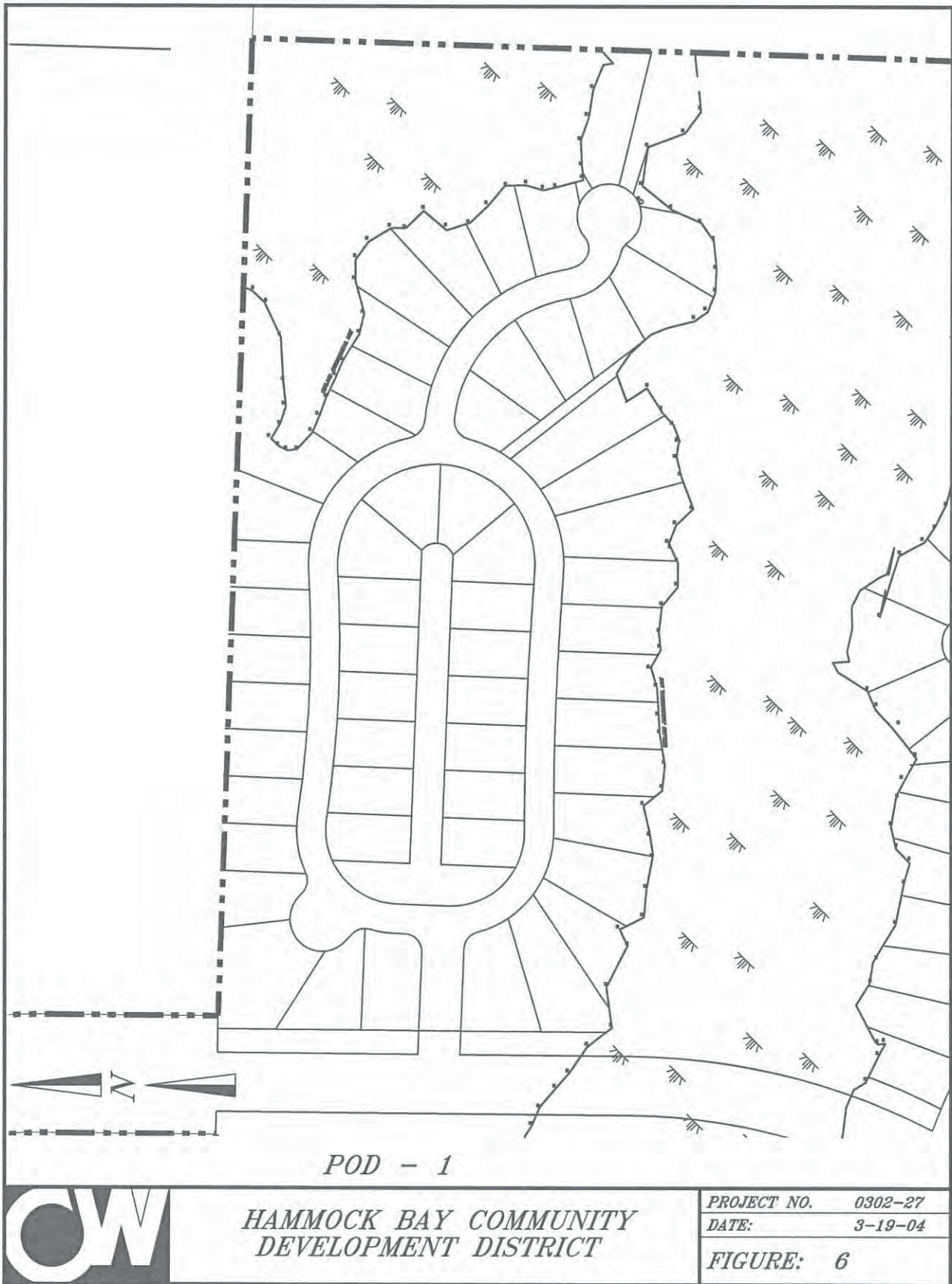
SUBDIVISION ROADWAY TYPICAL SECTION



HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	5

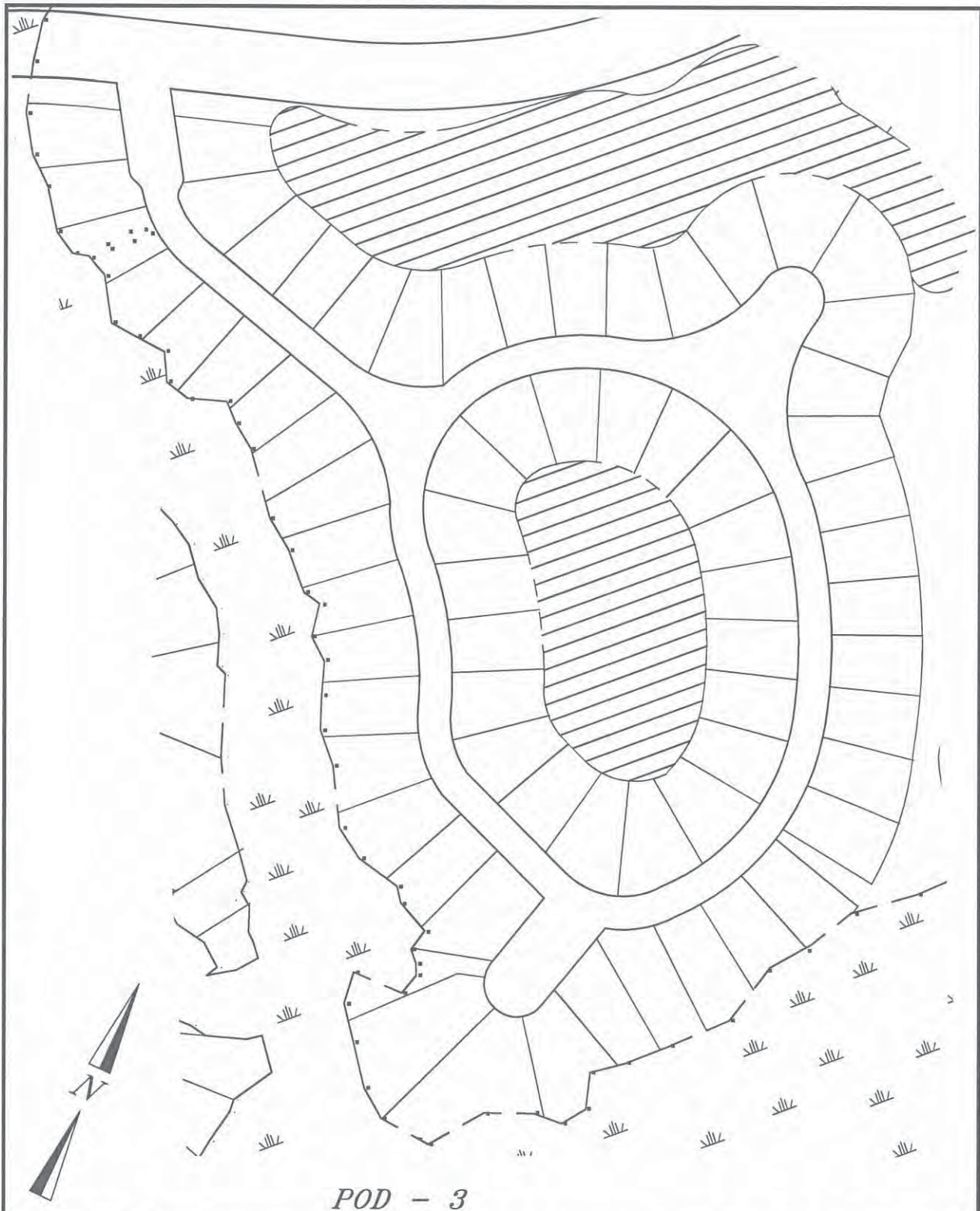
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POD - 3



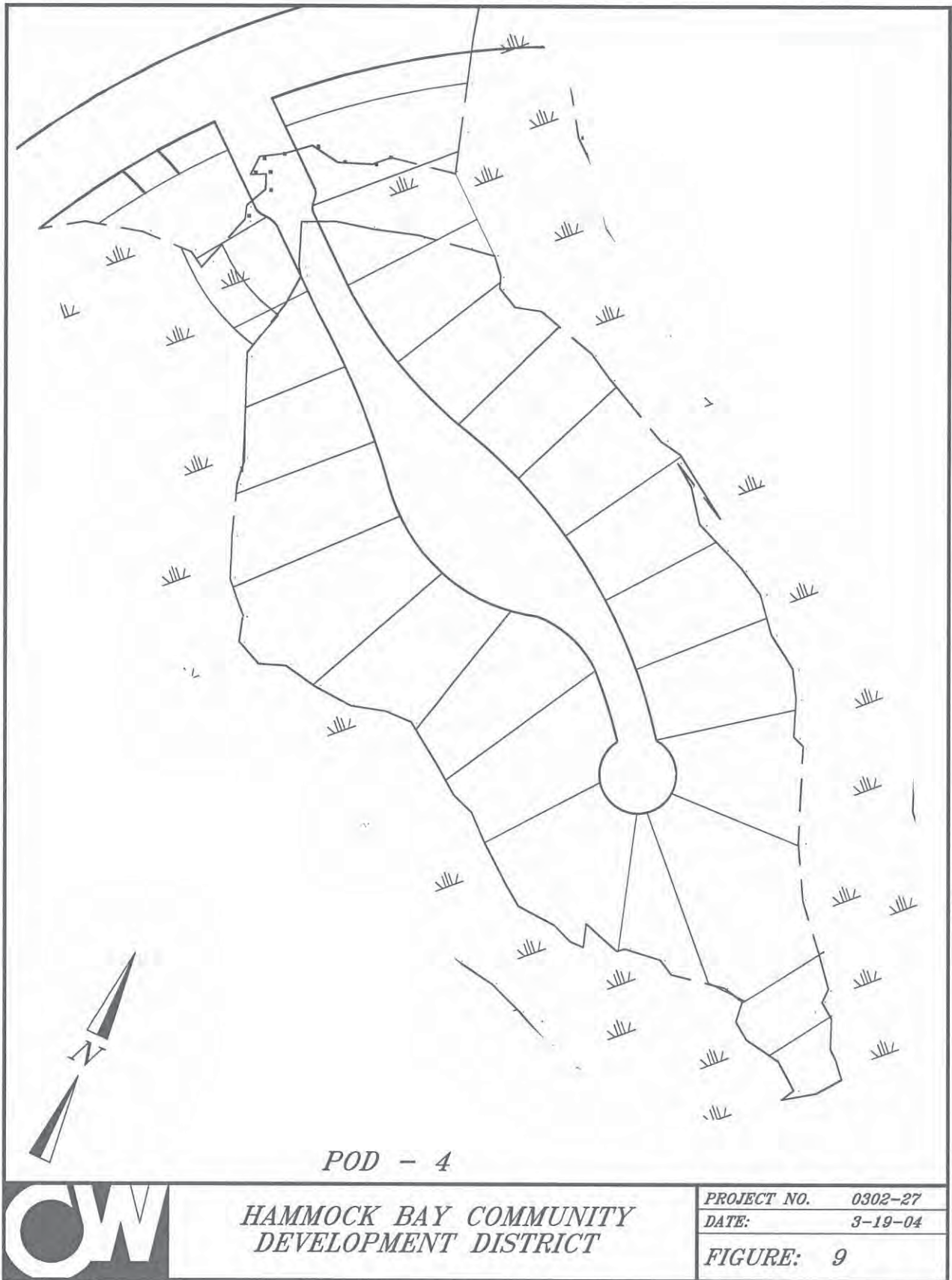
*HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT*

PROJECT NO. 0302-27

DATE: 3-19-04

FIGURE: 8

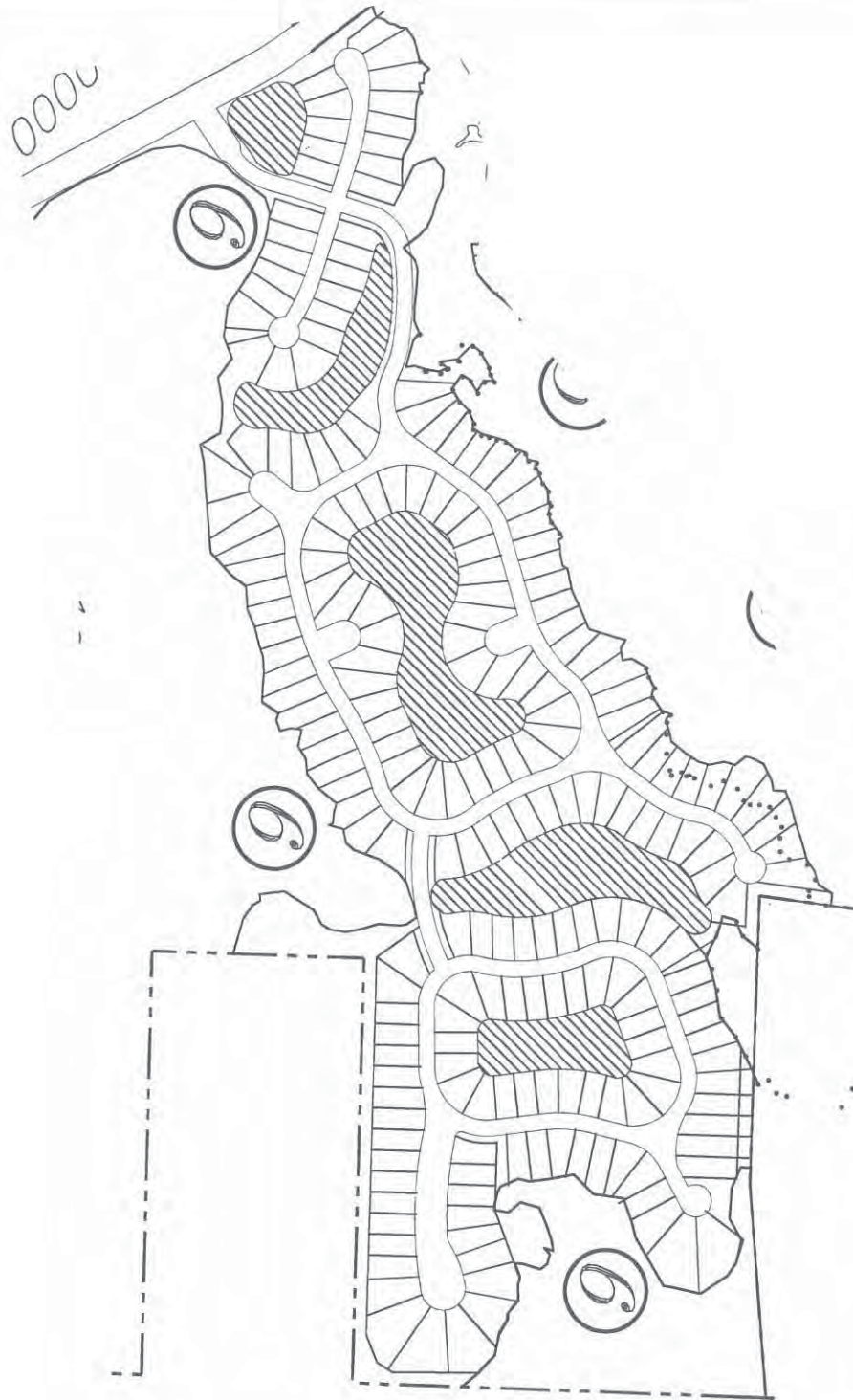
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POD - 6



*HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT*

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	11

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**First Supplemental Engineer's Report
for the
Hammock Bay
Community Development District**

Prepared for:

**Board of Supervisors
Hammock Bay
Community Development District**

Prepared by:

**Connelly & Wicker Inc.
12605 Emerald Coast Parkway West, Suite #1
Destin, FL 32550
(850) 837-4252**

August 2004

TABLE OF CONTENTS

INTRODUCTION	1
EXPLANATION OF COST ESTIMATE REVISIONS	1
PROPOSED LOT SIZES & NET AREAS	2
Table 1 (Revised Opinion of Probable Cost – Phase 1)	
Table 2 (Revised Opinion of Probable Cost – Phase 2)	
Revised Figures	

FIRST SUPPLEMENTAL ENGINEER'S REPORT FOR THE HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

INTRODUCTION

On May 12, 2004 the Board of Supervisors for the Hammock Bay Community Development District approved an Engineering Report that detailed the proposed construction and related costs. Since that time, it was determined that the number of proposed residential lots in Phase 1 exceeded the allowable approved amount. In addition, it was determined during the bond issuance evaluation phase that the amount of debt that could be secured for Phase 1 construction was limited to a maximum amount of \$15,000,000. This supplemental report is provided to indicate: (1) a reduction to the number of residential lots in Phase 1 from 550 to 499 and (2) a reduction in proposed Phase 1 infrastructure construction to decrease the amount of required initial financing.

EXPLANATION OF COST ESTIMATE REVISIONS

Seven (7) residential areas, consisting of 550 lots located in the proposed eastern portion of the District, was previously evaluated in the May 12, 2004 report. The number of lots has been reduced in several pods. Specifically, the number of lots in Pod #1 has been reduced to 44 from 55; the number of lots in Pod #3 has been reduced to 67 from 69; the number of lots in Pod #5 has been reduced to 54 from 55; the number of lots in Pod #6 has been reduced to 220 from 222; and the number of lots in Pod #7 has been reduced to 35 from 70. The number of lots reduced from Phase 1, and associated cost, has been added to Phase 2.

In the previous report the construction cost for roadways / drainage and utilities for 550 lots was estimated at \$7,136,447. It is anticipated that the reduction of 51 lots (from 550 to 499) will decrease the cost for subdivision infrastructure by approximately \$620,000.

In the previously approved report, approximately 2.9 miles of roadway (asphalt) was proposed for construction in Phase 1. Approximately 1.8 miles of "spine" roadway was estimated from State Road 20, located in the north end of the District, to a paved roundabout located near the south end of Phase 1 of the District. Previously, approximately 1.1 miles of access road (asphalt) was proposed from the roundabout eastward to Bay Loop Road (County Road 83A). The construction of the north / south "spine" road is ultimately necessary in Phase 1 to allow development and access to the proposed residential areas. The construction of the east / west access road, although a benefit, is not seen as critical to the success of Phase 1. With that in mind, it is considered feasible to delete the 1.1 miles of access road from Phase 1 and add it to the work items proposed in Phase 2.

The shifting to Phase 2 of the construction of approximately 1.1 miles of access road is anticipated to reduce the Phase 1 construction cost by more than \$1,500,000. Revised figures are provided at the end of this report to more correctly show the work proposed in each phase.

Provided below is the summarized cost estimate (in thousands) of the proposed construction.

Phase 1			
On-Site Infrastructure		Master	In-Tract
Roadways & Drainage	6,966	2,182	4,784
Utilities	2,654	922	1,732
Landscape / Irrigation	992	992	-
Parks & Recreation	1,150	1,150	-
Environmental Mitigation Area	200	200	-
Offsite Improvements (Utility upgrades, SR 20 work, etc.)	750	750	-
Professional Design Fees (@8%)	1,017	496	521
Construction Management Fees (@ 3%)	381	186	195
Phase 1			
Total Infrastructure	14,110	6,878	7,232
Phase 2			
On-Site Infrastructure		Master	In-Tract
Roadways & Drainage	10,878	2,392	8,486
Utilities	3,329	166	3,163
Landscape / Irrigation	256	256	-
Professional Design Fees (@8%)	1,157	225	932
Construction Management Fees (@ 3%)	434	84	350
Phase 2			
Total Infrastructure	16,054	3,123	12,931

Refer to Tables 1 & 2, provided herein, for more detailed information concerning construction costs.

PROPOSED LOT SIZES & NET AREAS

As indicated previously, 499 lots are proposed for development in Phase 1 of Hammock Bay. Due to varying lot widths, it is not possible to dedicate one set width in each pod. Provided below is a list of the average lot widths and their typical location in the District:

Pod 1: 100' wide lots	Pod 5: 60' – 80' wide lots
Pod 2: 80' wide lots	Pod 6: 60' – 80' wide lots
Pod 3: 80' wide lots	Pod 7: 60' wide lots
Pod 4: 100' wide lots	

It was indicated in the "Master Special Assessment Allocation Report" for the District that for Phase 1 there will be 160 lots with 60' width, 256 lots with 80' width, and 83 lots with 100' width.

As reviewed and verified with the Developer, the total developable area in the CDD is approximately 670 acres. Of this acreage, the net acreage for the lots within Phase I is approximately 145 acres. In addition to the 145 acres, approximately 6 acres will be utilized for 50,000 square feet of commercial space. These numbers were ultimately confirmed by measuring areas on proposed construction plans.

The average lot sizes proposed in Phase 1 of the District are estimated at 0.23 acres (10,020 square feet +/-) for 60' wide lots, 0.30 acres (13,070 square feet +/-) for 80' wide lots, and 0.38 acres (16,550 square feet +/-) for 100' wide lots. The average lot dimensions will be 60' x 167', 80' x 163', and 100' x 165.5'. The net area of 60' wide lots is estimated at approximately 36.8 acres. The net area of 80' wide lots is estimated at approximately 76.8 acres. The net area of 100' wide lots is estimated at approximately 31.5 acres.

The 951 residential lots proposed in Phase 2 of the development are anticipated to be similar in size and nature to lots designed in Phase 1. Following that premise, the following numbers of lots and lot widths are anticipated:

158 - 100' wide lots
488 - 80' wide lots
305 - 60' wide lots

It is estimated that the residential subdivision areas proposed in Phase 2 will be constructed on approximately 276 acres. The net area of 60' wide lots is estimated at approximately 70.1 acres. The net area of 80' wide lots is estimated at approximately 146.4 acres. The net area of 100' wide lots is estimated at approximately 60.0 acres. It is estimated that the total developable acreage for Phase 2 is approximately 513 acres.

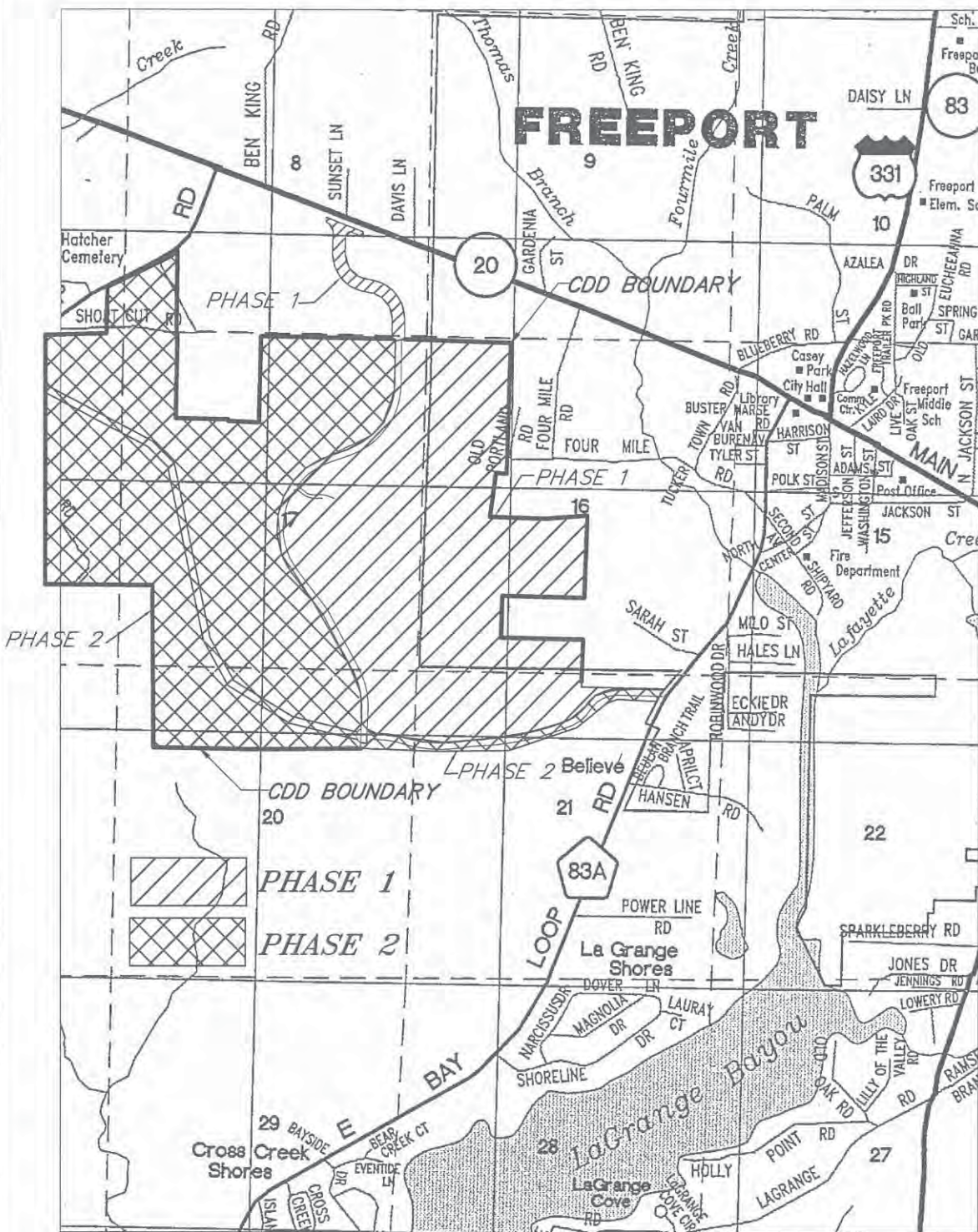
Table 1
Hammock Bay Community Development District
Revised Opinion of Probable Cost – Phase 1

	Estimated Cost	Remarks / Notes
Phase 1 General Infrastructure		
Roadways & Drainage	\$2,180,795	Phase 1 Spine Road / Entrance off SR 20 Length ("A" to "B") – 9,397 LF
Utilities	\$922,410	
Landscape / Irrigation	<u>\$992,475</u>	
Subtotal.....	\$4,095,680	
Professional Design Fees (@ 8%).....	\$327,655	
Construction Management Fees (@ 3%).....	\$122,870	
Total for Spine Road / Entry	<u>\$4,546,205</u>	
Parks and Recreation.....	\$1,150,000	Phase 1 Includes approx. 5,000 lf of trails / boardwalks, recreation areas, buildings, etc.
Environmental Mitigation Area	\$200,000	
Offsite Improvements (Utility upgrades, SR 20 work, etc.).....	<u>\$750,000</u>	
Subtotal.....	\$2,100,000	
Professional Design Fees (@ 8%).....	\$168,000	
Construction Management Fees (@ 3%).....	\$63,000	
Total for Additional Infrastructure Items	<u>\$2,331,000</u>	
Total for Phase 1 General Infrastructure.....	<u>\$6,877,205</u>	
Phase 1 Subdivision Infrastructure – 499 Lots		
Roadways & Drainage	\$450,000	Pod #1
Utilities	\$164,000	
Roadways & Drainage	\$591,000	Pod #2
Utilities	\$240,000	
Roadways & Drainage	\$662,000	Pod #3
Utilities	\$272,000	
Roadways & Drainage	\$557,000	Pod #4
Utilities	\$233,000	
Roadways & Drainage	\$382,000	Pod #5
Utilities	\$184,000	
Roadways & Drainage	\$1,897,000	Pod #6
Utilities	\$534,000	
Roadways & Drainage	\$245,300	Pod #7
Utilities	\$105,000	
Subtotal.....	\$6,516,300	
Professional Design Fees (@ 8%).....	\$521,305	
Construction Management Fees (@ 3%).....	\$195,490	
Total for Phase 1 Subdivision Infrastructure.....	<u>\$7,233,095</u>	
Total Cost of Phase 1 = \$14,110,300		

Table 2
Hammock Bay Community Development District
Revised Opinion of Probable Cost – Phase 2

	Estimated Cost	Remarks / Notes
Phase 2 General Infrastructure		
Roadways & Drainage	\$976,800	Phase 2 Access Road Length ("B" to "C") – 5,870 LF
Utilities	\$166,145	
Landscape / Irrigation	<u>\$256,055</u>	
Subtotal	\$1,399,000	
Professional Design Fees (@ 8%)	\$111,920	
Construction Management Fees (@ 3%)	\$41,970	
Total for Access Road ("B" to "C")	<u>\$1,552,890</u>	
Roadways & Drainage	\$1,415,525	Phase 2 Access Road ("B" to "D") – 9,075 LF
Subtotal	\$1,415,525	
Professional Design Fees (@ 8%)	\$113,240	
Construction Management Fees (@ 3%)	\$42,465	
Total for East / West Road ("B" to "D")	<u>\$1,571,230</u>	
Total for Phase 2 General Infrastructure	<u>\$3,124,120</u>	
Phase 2 Subdivision Infrastructure – 951 Lots		
Roadways & Drainage	\$8,486,070	
Utilities	\$3,162,825	
Subtotal	\$11,648,895	
Professional Design Fees (@ 8%)	\$931,912	
Construction Management Fees (@ 3%)	\$349,467	
Total for Phase 2 Subdivision Infrastructure	<u>\$12,930,274</u>	
Total Cost of Phase 2 = \$16,054,394		
<div style="border: 1px solid black; padding: 10px; text-align: center;"> TOTAL CONSTRUCTION BUDGET PHASE 1 & PHASE 2 \$30,164,694 </div>		

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LOCATION MAP

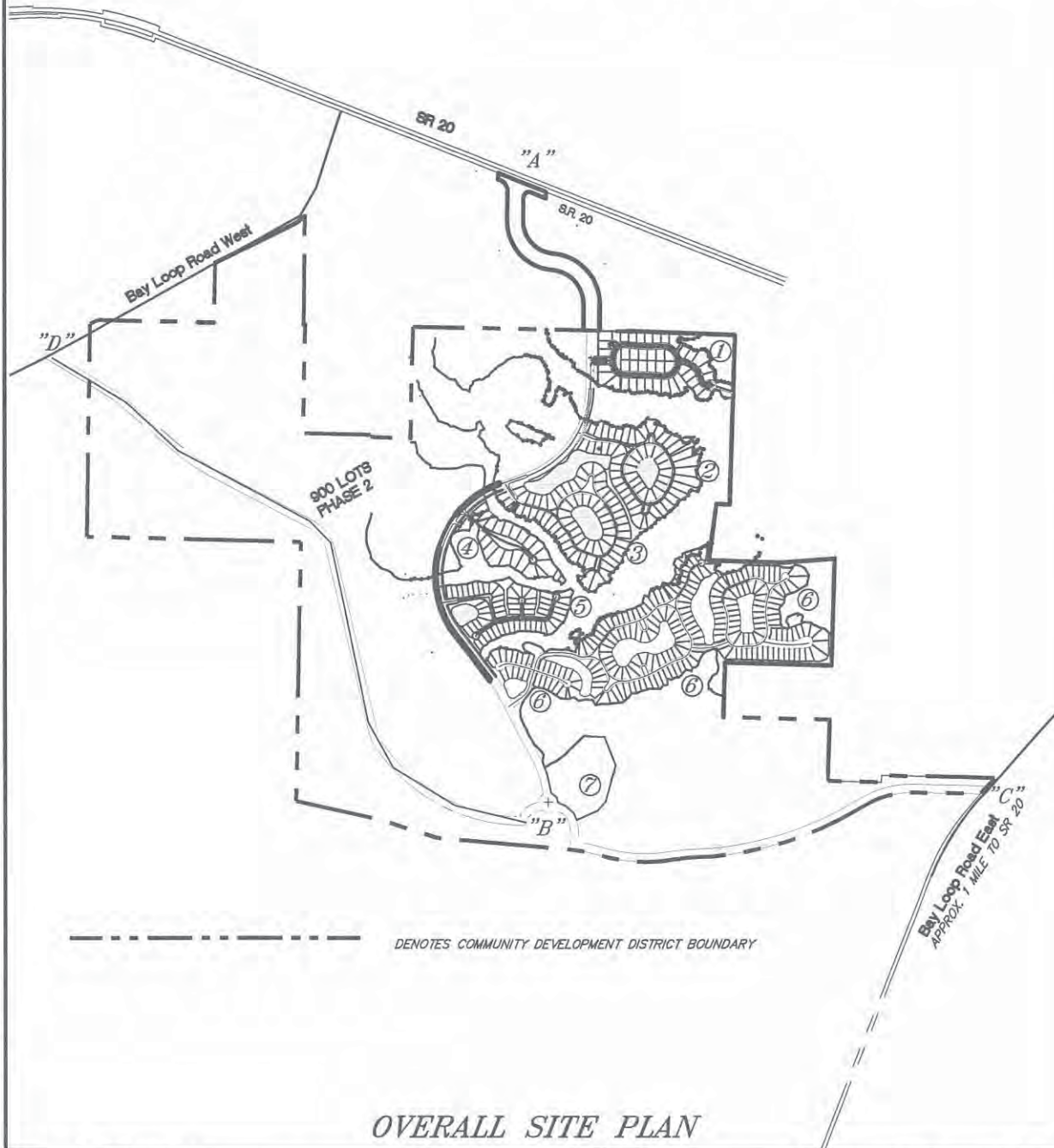


**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	7-9-04
FIGURE:	1

HAMMOCK BAY CDD

ROADWAY LENGTHS
 "A" TO "B" = 9,397 L.F.
 "B" TO "C" = 5,870 L.F.
 "B" TO "D" = 9,075 L.F.

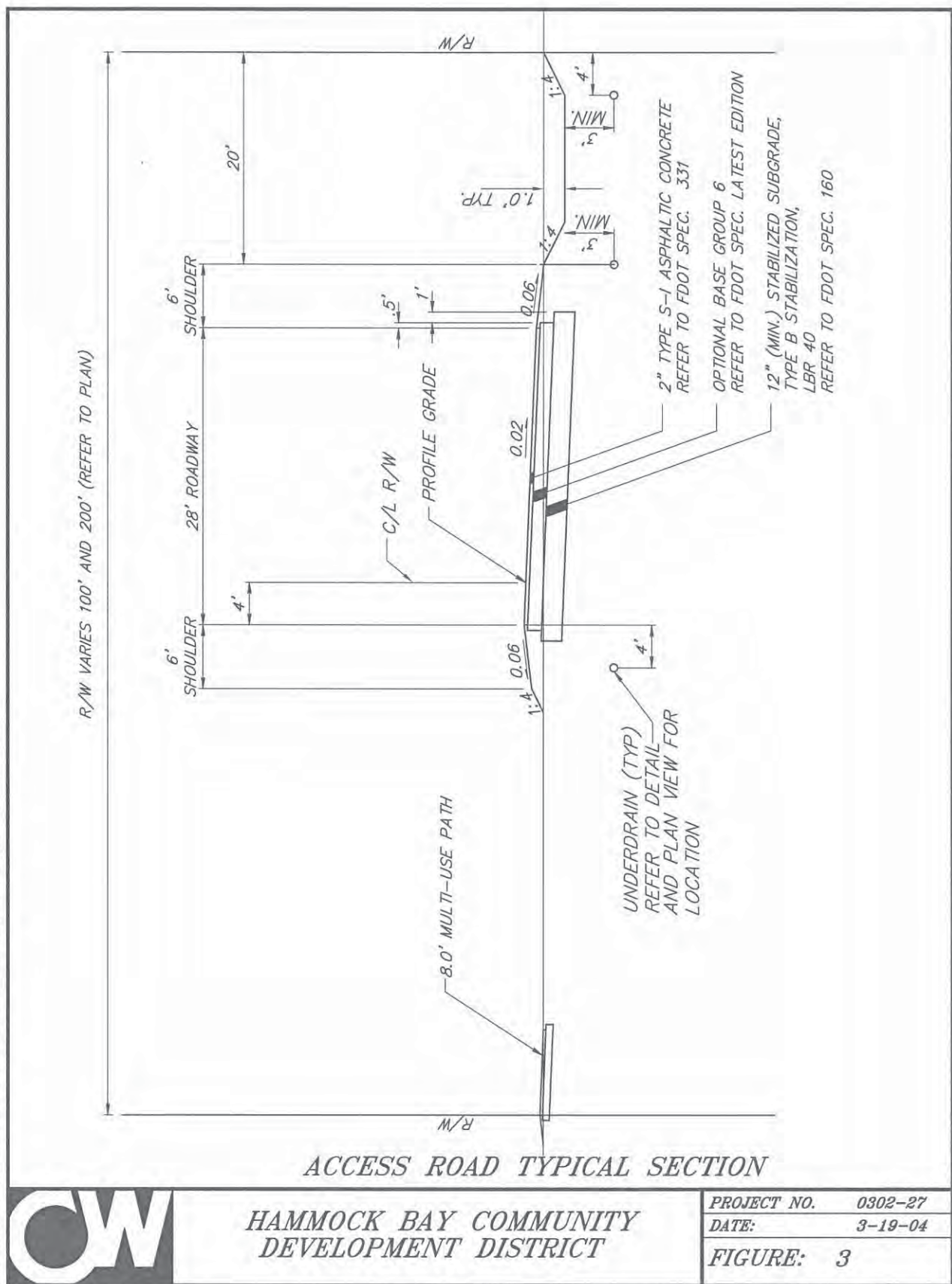


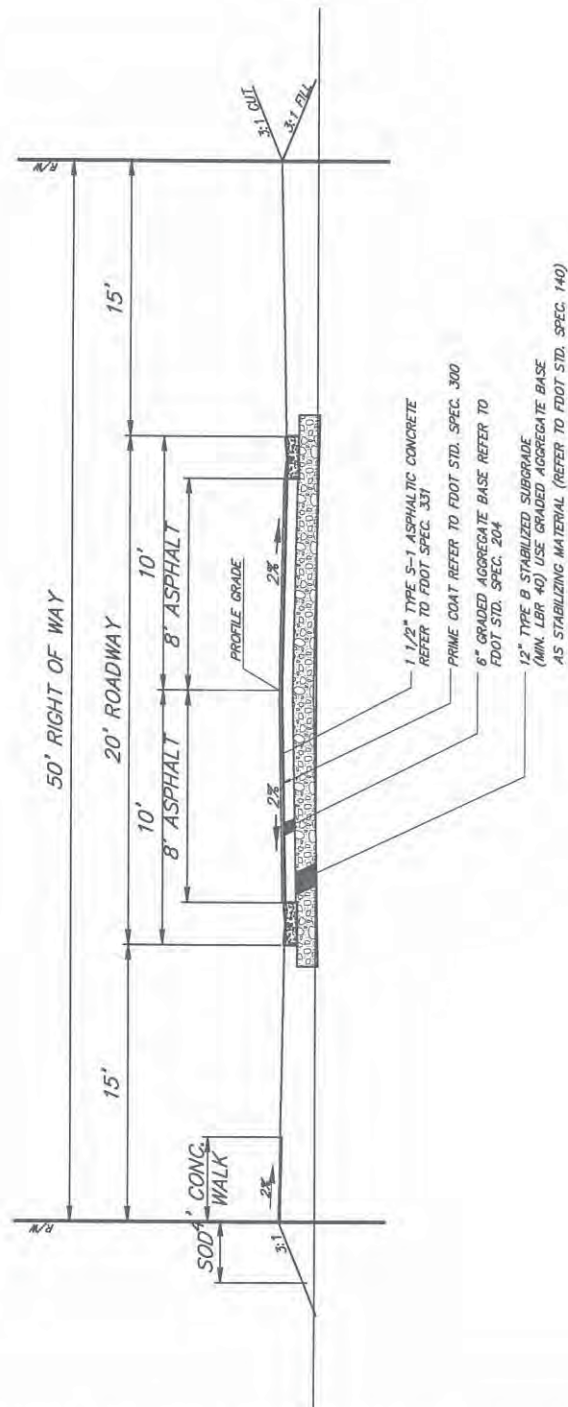
OVERALL SITE PLAN

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	7-12-04
FIGURE:	2







SUBDIVISION ROADWAY TYPICAL SECTION



HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	5

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*HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT*

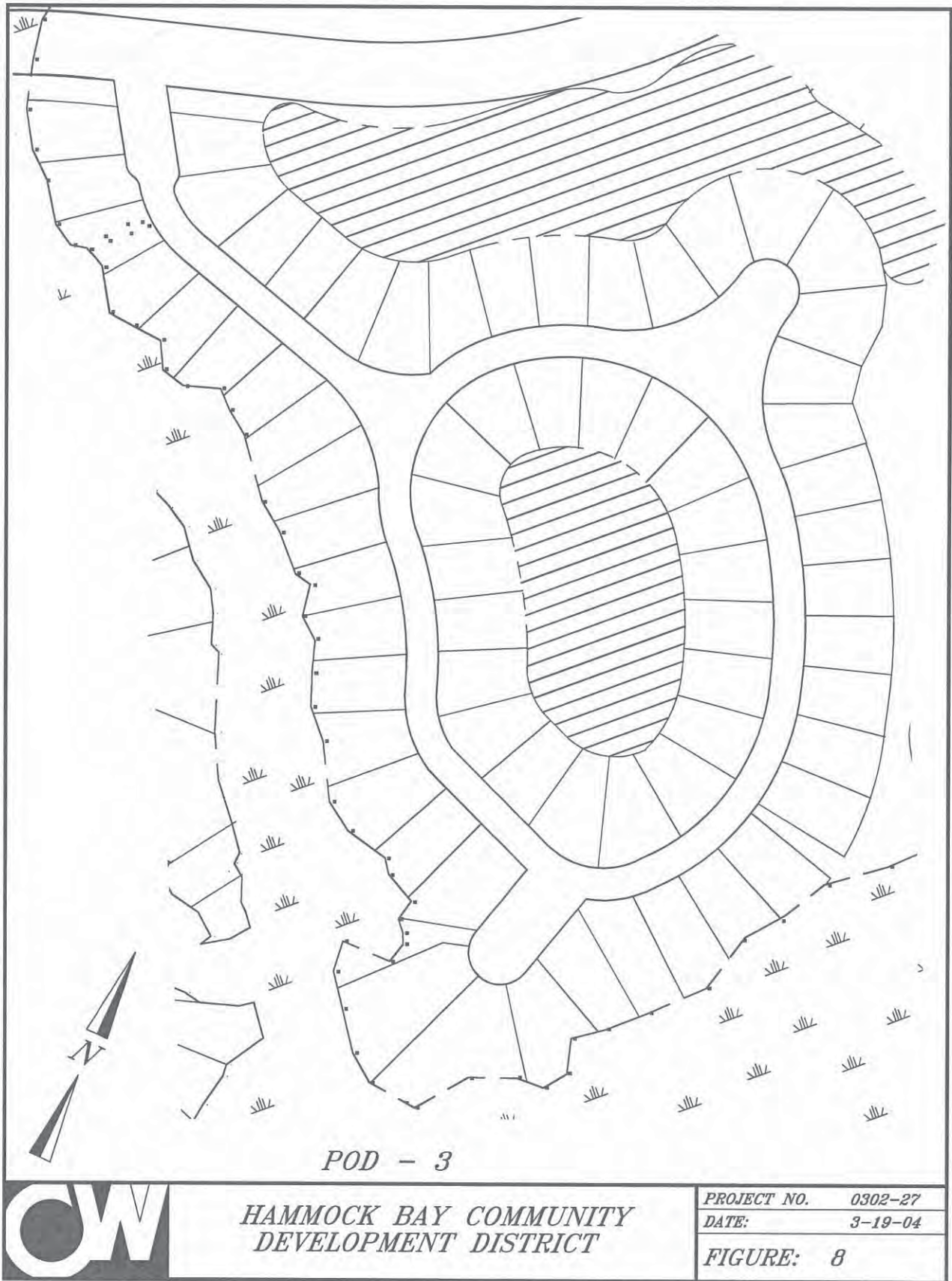
POD - 1

PROJECT NO.	0302-27
DATE:	7-9-04
FIGURE:	6

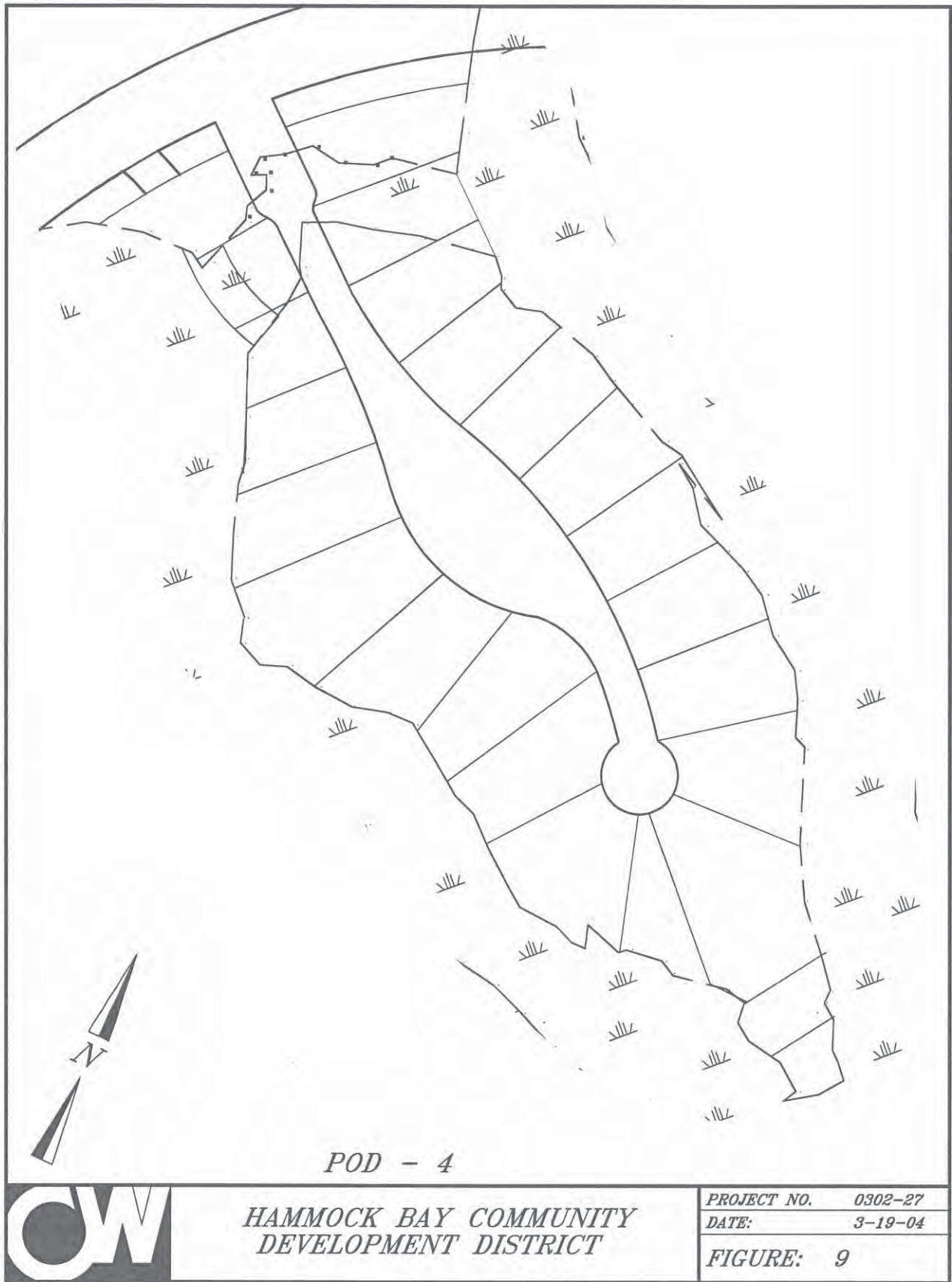
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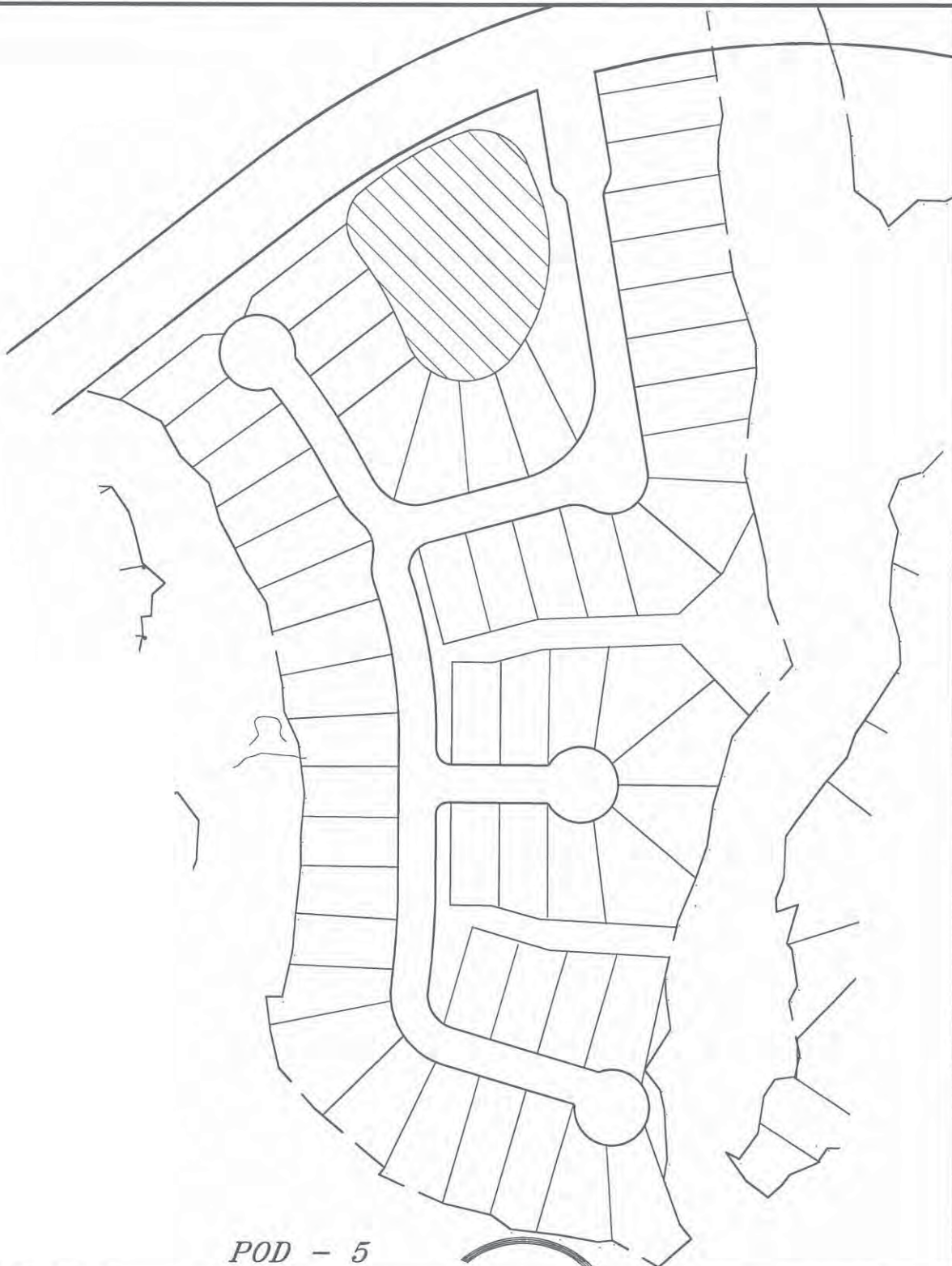


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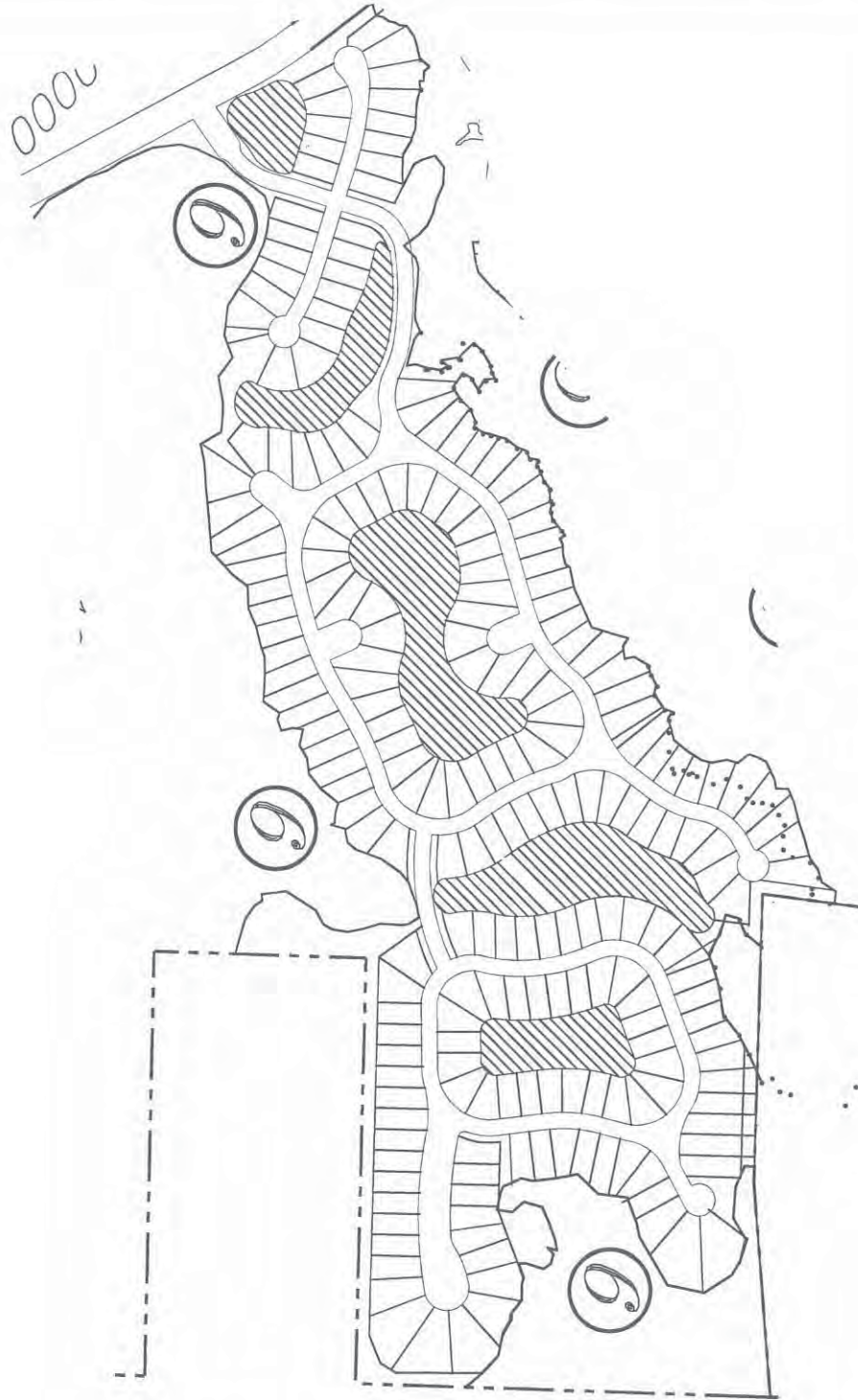
**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

POD - 5



PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	10

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POD - 6



**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

PROJECT NO.	0302-27
DATE:	3-19-04
FIGURE:	11

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

December 18, 2015 Minutes of Special Meeting

Minutes of the Special Meeting

The Special Meeting for the Hammock Bay Community Development District Board of Supervisors was held on Friday, December 18, 2015 at 9:00 a.m. (CST) at the **Hammock Bay Welcome Center**, located at 74 Great Hammock Bend, Freeport, FL 32439.

1. CALL TO ORDER/ROLL CALL

Mr. Lamb called the Special Meeting of the Hammock Bay Community Development District Board of Supervisors to order on Friday, December 18, 2015 at 9:05 a.m. (CST)

Board Members Present and Constituting a Quorum:

Trish Dalton	Chairman
Tim Edwards	Supervisor
Robert Sullivan	Supervisor
Manuel Vital	Supervisor

Staff Members Present:

Brian Lamb	District Manager, Meritus Districts
Tucker Mackie	District Counsel (<i>via speakerphone</i>)

Norman Kaiser
Manny Vitel
Mary Rosenheim

Mr. Lamb stated that Supervisor Manuel Vital had been administered the Oath of Office and sworn in.

2. AUDIENCE QUESTIONS AND COMMENTS ON AGENDA ITEMS

No audience members present.

3. STAFF REPORTS

- A. District Counsel
- B. District Engineer
- C. District Manager

There were no staff reports.

4. BUSINESS ADMINISTRATION

A. Consideration of Resolution 2016-01; Re-Designating Officers

Mr. Lamb explained Resolution 2016-01 to the Board and it was discussed. Robert Sullivan will be the Chairman, Tim Edwards will be the Vice Chairman, Brian Lamb will be the Secretary, Walter Morales will be the Treasurer, and Brian Howell, Trish Dalton and Manuel Vital will be Assistant Secretaries. Per District Counsels recommendation the Board will wait to place Norman Kaiser assigning him as an Assistant Secretary to the Board until after he is sworn in.

MOTION TO:	Approve Resolution 2016-01; Re-Designating Officers as stated.
MADE BY:	Supervisor Dalton
SECONDED BY:	Supervisor Sullivan
DISCUSSION:	None further
RESULT:	Called to Vote: motion PASSED
	4/0 - Motion passed unanimously

B. Consideration of the Board of Supervisors Meeting Minutes September 10, 2015

MOTION TO:	Approve September 10, 2015 meeting minutes.
MADE BY:	Supervisor Dalton
SECONDED BY:	Supervisor Edwards
DISCUSSION:	None further
RESULT:	Called to Vote: motion PASSED
	4/0 - Motion passed unanimously

C. Consideration of Operations and Maintenance Expenditures December 2015

MOTION TO:	Approve December O&M's.
MADE BY:	Supervisor Sullivan
SECONDED BY:	Supervisor Edwards
DISCUSSION:	Discussion by Mr. Lamb going over each service and requirement.
RESULT:	Called to Vote: motion PASSED
	4/0 - Motion passed unanimously

D. Review of Financial Statements Month Ending October 31, 2015

Mr. Lamb reviewed the financials with the Board and they were accepted.

5. BUSINESS ITEMS

A. Update on Refinancing

B. Trustmark Term Sheet

Mr. Lamb went over the timeline of the refinancing and explained the term sheet to the Board.

MOTION TO:	Approve Term Sheet and authorized Staff to bring back closing documents as soon as possible.
MADE BY:	Supervisor Dalton
SECONDED BY:	Supervisor Sullivan
DISCUSSION:	None Further.
RESULT:	Called to Vote: motion PASSED
	4/0 - Motion passed unanimously

C. Consideration of Arbitrage Rebate Report

MOTION TO:	Approve Arbitrage Rebate Report.
MADE BY:	Supervisor Dalton
SECONDED BY:	Supervisor Sullivan
DISCUSSION:	None Further.
RESULT:	Called to Vote: motion PASSED
	4/0 - Motion passed unanimously

D. Discussion on Controlled Burn

This was assigned to the HOA and Developer.

E. General Matters of the District

6. SUPERVISOR REQUESTS AND AUDIENCE COMMENTS

There was discussion regarding the next meeting to be held on any Friday in January at 10:00 a.m. CST.

7. ADJOURNMENT

MOTION TO:	Adjourn.
MADE BY:	Supervisor Sullivan
SECONDED BY:	Supervisor Dalton
DISCUSSION:	None further
RESULT:	Called to Vote: motion PASSED
	3/0 - Motion passed unanimously

* *The entire meeting is available on CD upon request.*

**These minutes were done in summary format.*

**Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that 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.*

Meeting minutes were approved at a meeting by vote of the Board of Supervisors at a publicly noticed meeting held on _____.

Signature

Printed Name

Title:

☐ **Secretary**

☐ **Assistant Secretary**

Signature

Printed Name

Title:

☐ **Chairman**

☐ **Vice Chairman**

Recorded by Records Administrator

Signature

Date

Official District Seal

Hammock Bay Community Development District Summary of Operations and Maintenance Invoices

Vendor	Invoice/Account Number	Amount	Vendor Total	Comments/Description
Monthly Contract				
AD Aussies LLC	57	\$ 27.50		Website Hosting - January
Meritus Districts	7225	2,880.47		Management Services - January
Monthly Contract Sub-Total		\$ 2,907.97		
Variable Contract				
US Bank	4146758	\$ 6,285.84		Trustee Fees - 11/01/14-10/31/16
Variable Contract Sub-Total		\$ 6,285.84		
Utilities				
Utilities Sub-Total		\$ 0.00		
Regular Services				
Supervisor: Manny Vital	MV121815	\$ 200.00		Supervisor Fees - 12/18/15
Supervisor: Robert Sullivan	RS121815	200.00		Supervisor Fees - 12/18/15
Supervisor: Tim Edwards	TE121815	200.00	\$ 600.00	Supervisor Fees - 12/18/15
Regular Services Sub-Total		\$ 600.00		
Additional Services				
Additional Services Sub-Total		\$ 0.00		
TOTAL:		\$ 9,793.81		

Approved (with any necessary revisions noted):

Hammock Bay Community Development District Summary of Operations and Maintenance Invoices

Vendor	Invoice/Account Number	Amount	Vendor Total	Comments/Description
--------	---------------------------	--------	-----------------	----------------------

Signature

Printed Name

Title (check one):

☐ Chairman ☐ Vice Chairman ☐ Assistant Secretary



AD Aussies LLC
(813) 629-1401
ADAussies@Gmail.com
Computers.ADAussies.com

Invoice

Date	Invoice #
12/15/2015	57

Bill To
Hammock Bay CDD C/O Meritus Corp 5680 W. Cypress Street Suite A Tampa, FL 33607

Terms
Net 30

Quantity	Description	Rate	Amount
1	Month Hosting (January)	15.00	15.00
0.25	Adding 2 Meeting Minutes. Pushing Updated Code to Production	50.00	12.50
<div>Approved 1/7/2016 by dthomas</div>			
Please make checks payable to:AD Aussies LLC 11318 Hascroft Forest Ct Riverview FL 33579		Total	\$27.50

Meritus Districts

5680 W. Cypress St.
Suite A
Tampa, FL 33607



INVOICE

Invoice Number: 7225
Invoice Date: Jan 1, 2016
Page: 1

Voice: 813-873-7300
Fax: 813-873-7070

Bill To:

Hammock Bay CDD
5680 W. Cypress Street
Ste A
Tampa, FL 33607

Ship to:

Customer ID	Customer PO	Payment Terms	
Hammock Bay CDD		Net Due	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Best Way		1/1/16

Quantity	Item	Description	Unit Price	Amount
11.00	DMS	District Management Services - January		2,878.33
	Postage	Postage - November		0.49
	Copies - B/W	Copies: B/W - November	0.15	1.65

Subtotal	2,880.47
Sales Tax	
Total Invoice Amount	2,880.47
Payment/Credit Applied	
TOTAL	2,880.47

Check/Credit Memo No:

Approved 12/28/2015 by wxavier



Corporate Trust Services
EP-MN-WN3L
60 Livingston Ave.
St. Paul, MN 55107

Invoice Number: 4146758
Account Number: 4076045913
Invoice Date: 11/25/2015
Direct Inquiries To: JAMES J. AUDETTE
Phone: 407-835-3820

HAMMOCK BAY CDD
C/O DISTRICT MANAGEMENT SERVICES LLC
5680 W CYPRESS ST SUITE 5680 A
TAMPA FL 33607

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
SPECIAL ASSESSMENT BONDS SERIES 2004 A & B

The following is a statement of transactions pertaining to your account. For further information, please review the attached.

STATEMENT SUMMARY

PLEASE REMIT BOTTOM COUPON PORTION OF THIS PAGE WITH CHECK PAYMENT OF INVOICE.

TOTAL AMOUNT DUE \$6,285.84

All invoices are due upon receipt.

Please detach at perforation and return bottom portion of the statement with your check, payable to U.S. Bank.

HAMMOCK BAY COMMUNITY DEVELOPMENT
DISTRICT
SPECIAL ASSESSMENT BONDS SERIES 2004 A & B

Invoice Number: 4146758
Account Number: 4076045913
Current Due: \$6,285.84

Direct Inquiries To: JAMES J. AUDETTE
Phone: 407-835-3820

Wire Instructions:
U.S. Bank
ABA # 091000022
Acct # 1-801-5013-5135
Trust Acct # 4076045913
Invoice # 4146758
Attn: Fee Dept St. Paul

Please mail payments to:
U.S. Bank
CM-9690
PO BOX 70870
St. Paul, MN 55170-9690

Approved 12/22/2015 by dhukill



Corporate Trust Services
EP-MN-WN3L
60 Livingston Ave.
St. Paul, MN 55107

Invoice Number: 4146758
Invoice Date: 11/25/2015
Account Number: 4076045913
Direct Inquiries To: JAMES J. AUDETTE
Phone: 407-835-3820

HAMMOCK BAY COMMUNITY DEVELOPMENT
DISTRICT
SPECIAL ASSESSMENT BONDS SERIES 2004 A & B

Accounts Included 21631 4076045904 4076045913 4076045922 4076045931 4076045940
In This Relationship:

CURRENT CHARGES SUMMARIZED FOR ENTIRE RELATIONSHIP

Detail of Current Charges	Volume	Rate	Portion of Year	Total Fees
04200 Trustee	1.00	4,887.50	100.00%	\$4,887.50
04120 Paying Agent	1.00	575.00	100.00%	\$575.00
Subtotal Administration Fees - In Advance 11/01/2015 - 10/31/2016				\$5,462.50
07030 Calculation Agent	1.00	400.00	100.00%	\$400.00
Subtotal Administration Fees - In Arrears 11/01/2014 - 10/31/2015				\$400.00
Incidental Expenses	5,462.50	0.0775		\$423.34
Subtotal Incidental Expenses				\$423.34
TOTAL AMOUNT DUE				\$6,285.84

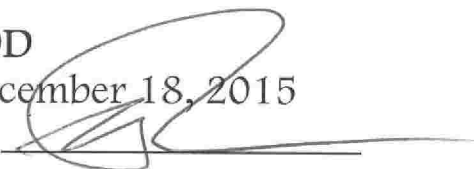
Approved 1/7/2016 by dthomas

The fees shown on this invoice are reflective of the most recent fee schedule or notice of fee adjustment provided by U.S. Bank.
Page 2 of 2

HAMMOCK BAY CDD

MEETING DATE: December 18, 2015

DMS Staff Signature



SUPERVISORS	CHECK IF IN ATTENDANCE	STATUS	PAYMENT AMOUNT
TRISH DALTON	✓	SALARY WAIVED	0.00
ROBERT SULLIVAN	✓	SALARY ACCEPTED	\$200.00
TIM EDWARDS	✓	SALARY ACCEPTED	\$200.00
NORMAN KAISER	N/A	SALARY ACCEPTED	\$200.00
MANNY VITAL	✓	SALARY ACCEPTED	\$200.00

RECEIVED

DEC 22 2015

Approved 12/28/2015 by wxavier

Hammock Bay Community Development District

Financial Statements
(Unaudited)

Period Ending
November 30, 2015



Meritus Districts
5680 West Cypress Street ~ Suite A ~ Tampa, Florida 33607
P (813) 278-5800 F (813) 278-5850

Hammock Bay Community Development District

Balance Sheet

As of 11/30/2015

(In Whole Numbers)

	General Fund	Debt Service Fund	General Fixed Assets Account Group	General Long-Term Debt Account Group
Assets				
Cash-Operating Account 2	98,324	0	0	0
Accounts Receivable - Other	0	0	0	0
Due From General Fund	0	26,443	0	0
Due From Debt Service Fund	0	0	0	0
Interest Receivable	0	0	0	0
Investments--Interest Account--Series 2004A	0	0	0	0
Investments--Prepayment Account-Series2004A	0	9,736	0	0
Investments--Reserve Account--Series 2004A	0	309,106	0	0
Investments--Revenue Account-Series 2004A	0	133,560	0	0
Investments--Sinking Fund--Series 2004A	0	0	0	0
Prepaid Items	0	0	0	0
Prepaid Prof Liab Insurance	0	0	0	0
Prepaid GL Insurance	0	0	0	0
Prepaid Trustee Fees	0	0	0	0
Improvements Other Than Buildings	0	0	14,553,296	0
Ancillary Cost	0	0	0	0
Amount Available-Debt Service	0	0	0	478,845
Amount To Be Provided-Debt Service	0	0	0	2,991,155
Total Assets	98,324	478,845	14,553,296	3,470,000
Liabilities				
Accounts Payable	9,401	0	0	0
Accounts Payable Other	0	0	0	0
Unallocated Funds	0	0	0	0
Due To General Fund	0	0	0	0
Due To Debt Service Fund	26,443	0	0	0
Accrued Interest Payable	0	0	0	0
Accrued Expenses Pivable	0	0	0	0

Hammock Bay Community Development District

Balance Sheet

As of 11/30/2015

(In Whole Numbers)

	General Fund	Debt Service Fund	General Fixed Assets Account Group	General Long-Term Debt Account Group
Revenue Bonds Payable --- Series 2004 A	0	0	0	3,470,000
Total Liabilities	35,844	0	0	3,470,000
Fund Equity & Other Credits				
Fund Balance-All Other Reserves	0	579,407	0	0
Fund Balance-Unreserved	76,858	0	0	0
Investment In General Fixed Assets	0	0	14,553,296	0
Other	(14,378)	(100,562)	0	0
Total Fund Equity & Other Credits	62,480	478,845	14,553,296	0
Total Liabilities & Fund Equity	98,324	478,845	14,553,296	3,470,000

Hammock Bay Community Development District

Statement of Revenues and Expenditures

001 - General Fund

From 10/1/2015 Through 11/30/2015

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Special Assessments - Service Charges				
Operations & Maintenance Assmts-Tax Roll	46,629	3,836	42,793	91.77%
Interfund Transfer				
Interfund Transfer	24,503	0	24,503	100.00%
Total Revenues	71,132	3,836	67,296	94.61%
Expenditures				
Legislative				
Supervisor Fees	1,200	0	1,200	100.00%
Financial & Administrative				
District Engineer	1,000	0	1,000	100.00%
Disclosure Report	500	1,500	(1,000)	(200.00)%
Trustees Fees	6,000	6,793	(793)	(13.21)%
Management & Accounting Services	34,540	5,757	28,783	83.33%
Auditing Services	6,500	0	6,500	100.00%
Arbitrage Rebate Calculation	650	650	0	0.00%
Financial Services	250	0	250	100.00%
Postage, Phone, Faxes, Copies	500	24	476	95.13%
Professional Liability Insurance	1,800	1,838	(38)	(2.11)%
Legal Advertising	750	96	654	87.24%
Bank Fees	500	110	390	77.95%
Dues, Licenses & Fees	185	175	10	5.40%
Website Administration	0	220	(220)	0.00%
Legal Counsel				
District Counsel	3,800	470	3,331	87.64%
Other Physical Environment				
General Liability Insurance	750	582	168	22.40%
HOA Maintenance Agreement	100	0	100	100.00%
Interfund Transfer				
Transfers	12,107	0	12,107	100.00%
Total Expenditures	71,132	18,215	52,918	74.39%
Excess Revenues Over (Under) Expenditures	0	(14,378)	14,378	0.00%

Hammock Bay Community Development District

Statement of Revenues and Expenditures

200 - Debt Service Fund

From 10/1/2015 Through 11/30/2015

(In Whole Numbers)

	Annual Budget	Current Period Actual	Budget To Actual Variance	Budget Percent Remaining
Revenues				
Special Assessments - Capital Improvements				
Debt Service Assmts-Tax Roll	301,560	26,443	275,117	91.23%
Interest Earnings				
Interest Earnings	0	6	(6)	0.00%
Total Revenues	<u>301,560</u>	<u>26,449</u>	<u>275,111</u>	<u>91.23%</u>
Expenditures				
Debt Service Payments				
Interest Payments	211,560	107,011	104,549	49.41%
Principal Payments	90,000	20,000	70,000	77.77%
Total Expenditures	<u>301,560</u>	<u>127,011</u>	<u>174,549</u>	<u>57.88%</u>
Excess Revenues Over (Under) Expenditures	<u>0</u>	<u>(100,562)</u>	<u>100,562</u>	<u>0.00%</u>

Hammock Bay Community Development District
Reconcile Cash Accounts

Summary

Cash Account: 10100 Cash-Operating Account 2
Reconciliation ID: 11/30/15
Reconciliation Date: 11/30/2015
Status: Locked

Bank Balance	98,323.68
Less Outstanding Checks/Vouchers	0.00
Plus Deposits in Transit	0.00
Plus or Minus Other Cash Items	0.00
Plus or Minus Suspense Items	<u>0.00</u>
Reconciled Bank Balance	98,323.68/
Balance Per Books	<u>98,323.68</u>
Unreconciled Difference	<u><u>0.00</u></u>

Click the Next Page toolbar button to view details.

Commercial Checking Acct Public Funds

Account number
Image count: 2

■ November 1, 2015 - November 30, 2015 ■ Page 1 of 2



HAMMOCK BAY COMMUNITY DEVELOPMENT
5680 W CYPRESS ST STE A
TAMPA FL 33607-1775

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A. (182)
PO Box 63020
San Francisco, CA 94163

Account summary

Commercial Checking Acct Public Funds

Account number	Beginning balance	Total credits	Total debits	Ending balance
	\$73,957.74	\$28,658.00	-\$4,292.06	\$98,323.68

Credits

Electronic deposits/bank credits

Effective date	Posted date	Amount	Transaction detail
	11/13	5,951.88	Rhonda Skipper W Tax Distr 151113 999991 Hammock Bay Fire Dist
	11/25	22,706.12	Rhonda Skipper W Tax Distr 151125 999991 Hammock Bay Fire Dist
		\$28,658.00	Total electronic deposits/bank credits
		\$28,658.00	Total credits

Debits

Electronic debits/bank debits

Effective date	Posted date	Amount	Transaction detail
	11/12	55.42	Client Analysis Srvc Chrg 151110 Svc Chge 1015 002000028695534
		\$55.42	Total electronic debits/bank debits

Checks paid

Number	Amount	Date	Number	Amount	Date
1547	2,898.08	11/09	1548	1,338.56	11/19
		\$4,236.64	Total checks paid		
		\$4,292.06	Total debits		