

## BOARD OF SUPERVISOR'S

# HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT

## AGENDA

**February 2, 2017**



### Board of Supervisor's

**Terrence Kirschner, Chairman**

**Nancy Lyons, Supervisor**

**John Wisz, Supervisor**

**Pauline Taxler, Supervisor**

**Michael Fisher, Supervisor**

James P. Ward  
District Manager  
2041 Northeast 6th Terrace  
Wilton Manors, Fl. 33305

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**[www.heritageharbournorthcdd.org](http://www.heritageharbournorthcdd.org)**

# HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT

January 24, 2016

Board of Supervisors  
Heritage Harbour North  
Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Heritage Harbour North Community Development District will be held on **Thursday, February 2, 2016 at 2:00 P.M.** at the **River Strand County Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Fl. 34212.**

1. Call to Order & Roll Call
2. Review of the Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees.
3. Consideration of Resolution 2017-1 re-designating the officer's of the District.
4. Consideration of Minutes
  - a) November 3, 2016 - Regular Meeting
5. Discussion of Re-financing options for the Series 2007 Bonds.
6. Consideration of Resolution 2017-2 amending the FY 2017 Adopted Budget.
7. Consideration of proposals for the continuation of Dissemination Agent Services for the Heritage Harbour North CDD.
8. Staff Reports
  - a) Attorney
  - b) Engineer
  - c) Manager
    - I. Financial Statements for the period ending December 31, 2016
9. Supervisor's Requests and Audience Comments
10. Adjournment



*James P. Ward*  
*District Manager*

2041 NORTHEAST 6<sup>TH</sup> TERRACE  
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The third order of business is consideration of Resolution 2017-1 which designates the officer's of the District.

The current officer's are as follows:

|                             |                            |
|-----------------------------|----------------------------|
| <b>Chairman:</b>            | <b>Mr. Terry Kirschner</b> |
| <b>Vice Chairman:</b>       | <b>VACANT</b>              |
| <b>Secretary/Treasurer:</b> | <b>Mr. James P. Ward</b>   |
| <b>Assistant Secretary:</b> | <b>Mr. John Wisz</b>       |
| <b>Assistant Secretary:</b> | <b>Mrs. Nancy Lyons</b>    |
| <b>Assistant Secretary:</b> | <b>VACANT</b>              |

A Board Member must be the Chair and Vice Chair, the remaining three member that do not fill the Chair or Vice Chair seats will be Assistant Secretaries.

The Secretary/Treasurer is an administrative position and is the District Manager fills that role.

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The fourth order of business deals with the approval of the November 3, 2016 minutes.

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The fifth order of business is a discussion regarding the refinancing opportunities for the Series 2007 bonds. The District has previously retained the firm of MBS Capital Markets (Mr. Brett Sealy) – who did the original issuance of the bonds for the District, and Mr. Sealy will be at the meeting to review the refinancing opportunities with the Board. Enclosed please find the analysis of the business deal itself, costs of refinance, and ESTIMATES of the bond rates for issuance for the refinance.

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The sixth order of business deals with consideration of Resolution 2017-2 which amends the FY 2017 adopted budget. The proposed amendment ONLY changes the distribution of the revenue to match up with the final assessment roll as submitted to the Property Appraiser.

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The seventh order of business is consideration of proposals to provide the required continuing disclosure reports for the District's Series 2007 and Series 2014 bonds..

In the way of some background, the current firm that is providing that service is Prager and Company, and recently, and as you may recall, the underwriter for the District is currently providing that service to the District under the Prager name. Recently, they have established a new firm name, called Disclosure Services, LLC, and as such, the District will need to amend it's existing agreement.



*James P. Ward*  
*District Manager*

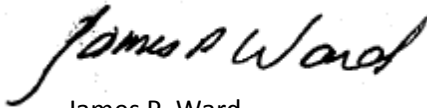
2041 NORTHEAST 6<sup>TH</sup> TERRACE  
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Additionally, the District has been contacted by the firm of Lerner Reporting Services who also provides the continuing disclosure services for bond issues, and as such, the firm has submitted a proposal to provide that service for the District.

Enclosed are both proposals, the fee structure for both firms is \$5,000.00 yearly for each series of bonds, and is the same fee that the District is currently paying for the service.

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,  
Heritage Harbour North  
Community Development District



James P. Ward  
District Manager

Enclosures

**The Fiscal Year 2017 schedule is as follows**

|                  |                   |
|------------------|-------------------|
| October 6, 2016  | November 3, 2016  |
| December 1, 2016 | January 5, 2017   |
| February 2, 2017 | March 2, 2017     |
| April 6, 2017    | May 4, 2017       |
| June 1, 2017     | July 6, 2017      |
| August 3, 2017   | September 7, 2017 |



*James P. Ward*  
*District Manager*

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# FLORIDA COMMISSION ON ETHICS



GUIDE to the  
SUNSHINE AMENDMENT  
and  
CODE of ETHICS  
for Public Officers and Employees

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**2016**

State of Florida  
COMMISSION ON ETHICS

**Stanley Weston, *Chair***  
Jacksonville

**Matthew F. Carlucci, *Vice Chair***  
Jacksonville

**Michelle Anchors**  
Ft. Walton Beach

**Michael Cox**  
Trinity

**I. Martin Ford**  
Vero Beach

**Tom Freeman**  
DeBary

**Wiley Horton**  
Tallahassee

**Susan Horovitz Maurer**  
Ft. Lauderdale

**Linda M. Robison**  
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**Virindia Doss**  
*Executive Director*  
P.O. Drawer 15709  
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[www.ethics.state.fl.us](http://www.ethics.state.fl.us)  
(850) 488-7864\*

\*Please direct all requests for information to this number.

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**FLORIDA COMMISSION ON ETHICS**  
**GUIDE TO THE SUNSHINE AMENDMENT**  
and  
**CODE OF ETHICS**  
for  
**PUBLIC OFFICERS and EMPLOYEES**

**I. HISTORY OF FLORIDA'S ETHICS LAWS**

Florida has been a leader among the states in establishing ethics standards for public officials and recognizing the right of citizens to protect the public trust against abuse. Our state Constitution was revised in 1968 to require a code of ethics, prescribed by law, for all state employees and non-judicial officers prohibiting conflict between public duty and private interests.

Florida's first successful constitutional initiative resulted in the adoption of the Sunshine Amendment in 1976, providing additional constitutional guarantees concerning ethics in government. In the area of enforcement, the Sunshine Amendment requires that there be an independent commission (the Commission on Ethics) to investigate complaints concerning breaches of public trust by public officers and employees other than judges.

The Code of Ethics for Public Officers and Employees is found in Chapter 112 (Part III) of the Florida Statutes. Foremost among the goals of the Code is to promote the public interest and maintain the respect of the people for their government. The Code is also intended to ensure that public officials conduct themselves independently and impartially, not using their offices for private gain other than compensation provided by law. While seeking to protect the integrity of government, the Code also seeks to avoid the creation of unnecessary barriers to public service.

Criminal penalties, which initially applied to violations of the Code, were eliminated in 1974 in favor of administrative enforcement. The Legislature created the Commission on Ethics that year "to serve as guardian of the standards of conduct" for public officials, state and local. Five of the Commission's nine members are appointed by the Governor, and two each are appointed by the President of the Senate and Speaker of the House of Representatives. No more than five Commission members may be members of the same political party, and none may be lobbyists, or hold any public employment during their two-year terms of office. A chair is selected from among the members to serve a one-year term and may not succeed himself or herself.

**II. ROLE OF THE COMMISSION ON ETHICS**

In addition to its constitutional duties regarding the investigation of complaints, the Commission:

- Renders advisory opinions to public officials;
- Prescribes forms for public disclosure;

- Prepares mailing lists of public officials subject to financial disclosure for use by Supervisors of Elections and the Commission in distributing forms and notifying delinquent filers;
- Makes recommendations to disciplinary officials when appropriate for violations of ethics and disclosure laws, since it does not impose penalties;
- Administers the Executive Branch Lobbyist Registration and Reporting Law;
- Maintains financial disclosure filings of constitutional officers and state officers and employees; and,
- Administers automatic fines for public officers and employees who fail to timely file required annual financial disclosure.

### III. THE ETHICS LAWS

The ethics laws generally consist of two types of provisions, those prohibiting certain actions or conduct and those requiring that certain disclosures be made to the public. The following descriptions of these laws have been simplified in an effort to provide notice of their requirements. Therefore, we suggest that you also review the wording of the actual law. Citations to the appropriate laws are in brackets.

The laws summarized below apply generally to all public officers and employees, state and local, including members of advisory bodies. The principal exception to this broad coverage is the exclusion of judges, as they fall within the jurisdiction of the Judicial Qualifications Commission.

Public Service Commission (PSC) members and employees, as well as members of the PSC Nominating Council, are subject to additional ethics standards that are enforced by the Commission on Ethics under Chapter 350, Florida Statutes. Further, members of the governing boards of charter schools are subject to some of the provisions of the Code of Ethics [Sec. 1002.33(26), Fla. Stat.], as are the officers, directors, chief executive officers and some employees of business entities that serve as the chief administrative or executive officer or employee of a political subdivision. [Sec. 112.3136, Fla. Stat.].

#### A. PROHIBITED ACTIONS OR CONDUCT

##### 1. *Solicitation and Acceptance of Gifts*

Public officers, employees, local government attorneys, and candidates are prohibited from soliciting or accepting anything of value, such as a gift, loan, reward, promise of future employment, favor, or service that is based on an understanding that their vote, official action, or judgment would be influenced by such gift. [Sec. 112.313(2), Fla. Stat.]

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** any gift from a political committee, lobbyist who has lobbied the official or his or her agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist or from a vendor doing business with the official's agency. [Sec. 112.3148, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees are prohibited from directly or indirectly **accepting** a gift worth more than \$100 from such a lobbyist, from a partner, firm,

employer, or principal of the lobbyist, or from a political committee or vendor doing business with their agency. [Sec.112.3148, Fla. Stat.]

**However**, effective in 2006 and notwithstanding Sec. 112.3148, Fla. Stat., no Executive Branch lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] Typically, this would include gifts valued at less than \$100 that formerly were permitted under Section 112.3148, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

Also, effective May 1, 2013, persons required to file Form 1 or Form 6, and state procurement employees and members of their immediate families, are prohibited from accepting any gift from a political committee. [Sec. 112.31485, Fla. Stat.]

## *2. Unauthorized Compensation*

Public officers or employees, local government attorneys, and their spouses and minor children are prohibited from accepting any compensation, payment, or thing of value when they know, or with the exercise of reasonable care should know, that it is given to influence a vote or other official action. [Sec. 112.313(4), Fla. Stat.]

## *3. Misuse of Public Position*

Public officers and employees, and local government attorneys are prohibited from corruptly using or attempting to use their official positions or the resources thereof to obtain a special privilege or benefit for themselves or others. [Sec. 112.313(6), Fla. Stat.]

## *4. Disclosure or Use of Certain Information*

Public officers and employees and local government attorneys are prohibited from disclosing or using information not available to the public and obtained by reason of their public position for the personal benefit of themselves or others. [Sec. 112.313(8), Fla. Stat.]

## *5. Solicitation or Acceptance of Honoraria*

Persons required to file financial disclosure FORM 1 or FORM 6 (see Part III F of this brochure), and state procurement employees, are prohibited from **soliciting** honoraria related to their public offices or duties. [Sec. 112.3149, Fla. Stat.]

Persons required to file FORM 1 or FORM 6, and state procurement employees, are prohibited from knowingly **accepting** an honorarium from a political committee, lobbyist who has lobbied the person's agency within the past 12 months, or the partner, firm, employer, or principal of such a lobbyist, or from a vendor doing business with the official's agency. However, they may accept the payment of expenses related to an honorarium event from such individuals or entities, provided that the expenses are disclosed. See Part III F of this brochure. [Sec. 112.3149, Fla. Stat.]

Lobbyists and their partners, firms, employers, and principals, as well as political committees and vendors, are prohibited from **giving** an honorarium to persons required to file FORM 1 or FORM 6 and to state procurement employees. Violations of this law may result in fines of up to \$5,000 and prohibitions against lobbying for up to two years. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no Executive Branch or legislative lobbyist or principal shall make, directly or indirectly, and no Executive Branch agency official who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.] This may include honorarium event related expenses that formerly were permitted under Sec. 112.3149, Fla. Stat. Similar rules apply to members and employees of the Legislature. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.]

## **B. PROHIBITED EMPLOYMENT AND BUSINESS RELATIONSHIPS**

### *1. Doing Business With One's Agency*

(a) A public employee acting as a purchasing agent, or public officer acting in an official capacity, is prohibited from purchasing, renting, or leasing any realty, goods, or services for his or her agency from a business entity in which the officer or employee or his or her spouse or child owns more than a 5% interest. [Sec. 112.313(3), Fla. Stat.]

(b) A public officer or employee, acting in a private capacity, also is prohibited from renting, leasing, or selling any realty, goods, or services to his or her own agency if the officer or employee is a state officer or employee, or, if he or she is an officer or employee of a political subdivision, to that subdivision or any of its agencies. [Sec. 112.313(3), Fla. Stat.]

### *2. Conflicting Employment or Contractual Relationship*

(a) A public officer or employee is prohibited from holding any employment or contract with any business entity or agency regulated by or doing business with his or her public agency. [Sec. 112.313(7), Fla. Stat.]

(b) A public officer or employee also is prohibited from holding any employment or having a contractual relationship which will pose a frequently recurring conflict between the official's private interests and public duties or which will impede the full and faithful discharge of the official's public duties. [Sec. 112.313(7), Fla. Stat.]

(c) Limited exceptions to this prohibition have been created in the law for legislative bodies, certain special tax districts, drainage districts, and persons whose professions or occupations qualify them to hold their public positions. [Sec. 112.313(7)(a) and (b), Fla. Stat.]

### *3. Exemptions*

*Pursuant to Sec. 112.313(12), Fla. Stat., the prohibitions against doing business with one's agency and having conflicting employment may not apply:*

- (a) When the business is rotated among all qualified suppliers in a city or county.
- (b) When the business is awarded by sealed, competitive bidding and neither the official nor his or her spouse or child have attempted to persuade agency personnel to enter the contract. NOTE: Disclosure of the interest of the official, spouse, or child and the nature of the business must be filed prior to or at the time of submission of the bid on Commission FORM 3A with the Commission on Ethics or Supervisor of Elections, depending on whether the official serves at the state or local level.
- (c) When the purchase or sale is for legal advertising, utilities service, or for passage on a common carrier.
- (d) When an emergency purchase must be made to protect the public health, safety, or welfare.
- (e) When the business entity is the only source of supply within the political subdivision and there is full disclosure of the official's interest to the governing body on Commission FORM 4A.
- (f) When the aggregate of any such transactions does not exceed \$500 in a calendar year.
- (g) When the business transacted is the deposit of agency funds in a bank of which a county, city, or district official is an officer, director, or stockholder, so long as agency records show that the governing body has determined that the member did not favor his or her bank over other qualified banks.
- (h) When the prohibitions are waived in the case of ADVISORY BOARD MEMBERS by the appointing person or by a two-thirds vote of the appointing body (after disclosure on Commission FORM 4A).
- (i) When the public officer or employee purchases in a private capacity goods or services, at a price and upon terms available to similarly situated members of the general public, from a business entity which is doing business with his or her agency.
- (j) When the public officer or employee in a private capacity purchases goods or services from a business entity which is subject to the regulation of his or her agency where the price and terms of the transaction are available to similarly situated members of the general public and the officer or employee makes full disclosure of the relationship to the agency head or governing body prior to the transaction.

#### *4. Additional Exemptions*

No elected public officer is in violation of the conflicting employment prohibition when employed by a tax exempt organization contracting with his or her agency so long as the officer is not directly or indirectly compensated as a result of the contract, does not participate in any way in the decision to enter into the contract, abstains from voting on any matter involving the employer, and makes certain disclosures. [Sec. 112.313(15), Fla. Stat.] A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from conflicts of interest arising from assets placed in the trust.

#### 5. *Lobbying State Agencies By Legislators*

A member of the Legislature is prohibited from representing another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals. [Art. II, Sec. 8(e), Fla. Const., and Sec. 112.313(9), Fla. Stat.]

#### 6. *Employees Holding Office*

A public employee is prohibited from being a member of the governing body which serves as his or her employer. [Sec. 112.313(10), Fla. Stat.]

#### 7. *Professional and Occupational Licensing Board Members*

An officer, director, or administrator of a state, county, or regional professional or occupational organization or association, while holding such position, may not serve as a member of a state examining or licensing board for the profession or occupation. [Sec. 112.313(11), Fla. Stat.]

#### 8. *Contractual Services: Prohibited Employment*

A state employee of the executive or judicial branch who participates in the decision-making process involving a purchase request, who influences the content of any specification or procurement standard, or who renders advice, investigation, or auditing, regarding his or her agency's contract for services, is prohibited from being employed with a person holding such a contract with his or her agency. [Sec. 112.3185(2), Fla. Stat.]

#### 9. *Local Government Attorneys*

Local government attorneys, such as the city attorney or county attorney, and their law firms are prohibited from representing private individuals and entities before the unit of local government which they serve. A local government attorney cannot recommend or otherwise refer to his or her firm legal work involving the local government unit unless the attorney's contract authorizes or mandates the use of that firm. [Sec. 112.313(16), Fla. Stat.]

#### 10. *Dual Public Employment*

Candidates and elected officers are prohibited from accepting public employment if they know or should know it is being offered for the purpose of influence. Further, public employment may not be accepted unless the position was already in existence or was created without the anticipation of the official's interest, was publicly advertised, and the officer had to meet the same qualifications and go through the same hiring process as other applicants. For elected public officers already holding public employment, no promotion given for the purpose of influence may be accepted, nor may promotions that are inconsistent with those given other similarly situated employees. [Sec. 112.3125, Fla. Stat.]

## **C. RESTRICTIONS ON APPOINTING, EMPLOYING, AND CONTRACTING WITH RELATIVES**

### *1. Anti-Nepotism Law*

A public official is prohibited from seeking for a relative any appointment, employment, promotion or advancement in the agency in which he or she is serving or over which the official exercises jurisdiction or control. No person may be appointed, employed, promoted, or advanced in or to a position in an agency if such action has been advocated by a related public official who is serving in or exercising jurisdiction or control over the agency; this includes relatives of members of collegial government bodies. NOTE: This prohibition does not apply to school districts (except as provided in Sec. 1012.23, Fla. Stat.), community colleges and state universities, or to appointments of boards, other than those with land-planning or zoning responsibilities, in municipalities of fewer than 35,000 residents. Also, the approval of budgets does not constitute "jurisdiction or control" for the purposes of this prohibition. This provision does not apply to volunteer emergency medical, firefighting, or police service providers. [Sec. 112.3135, Fla. Stat.]

### *2. Additional Restrictions*

A state employee of the executive or judicial branch or the PSC is prohibited from directly or indirectly procuring contractual services for his or her agency from a business entity of which a relative is an officer, partner, director, or proprietor, or in which the employee, or his or her spouse, or children own more than a 5% interest. [Sec. 112.3185(6), Fla. Stat.]

## **D. POST OFFICE HOLDING AND EMPLOYMENT (REVOLVING DOOR) RESTRICTIONS**

### *1. Lobbying by Former Legislators, Statewide Elected Officers, and Appointed State Officers*

A member of the Legislature or a statewide elected or appointed state official is prohibited for two years following vacation of office from representing another person or entity for compensation before the government body or agency of which the individual was an officer or member. Former members of the Legislature are also prohibited for two years from lobbying the executive branch. [Art. II, Sec. 8(e), Fla. Const. and Sec. 112.313(9), Fla. Stat.]

### *2. Lobbying by Former State Employees*

Certain employees of the executive and legislative branches of state government are prohibited from personally representing another person or entity for compensation before the agency with which they were employed for a period of two years after leaving their positions, unless employed by another agency of state government. [Sec. 112.313(9), Fla. Stat.] These employees include the following:

- (a) Executive and legislative branch employees serving in the Senior Management Service and Selected Exempt Service, as well as any person employed by the Department of the Lottery having authority over policy or procurement.

- (b) Persons serving in the following position classifications: the Auditor General; the director of the Office of Program Policy Analysis and Government Accountability (OPPAGA); the Sergeant at Arms and Secretary of the Senate; the Sergeant at Arms and Clerk of the House of Representatives; the executive director and deputy executive director of the Commission on Ethics; an executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, legislative analyst, or attorney serving in the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, the Senate Minority Party Office, the House Majority Party Office, or the House Minority Party Office; the Chancellor and Vice-Chancellors of the State University System; the general counsel to the Board of Regents; the president, vice presidents, and deans of each state university; any person hired on a contractual basis and having the power normally conferred upon such persons, by whatever title; and any person having the power normally conferred upon the above positions.

This prohibition does not apply to a person who was employed by the Legislature or other agency prior to July 1, 1989; who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994; or who reached normal retirement age and retired by July 1, 1991. It does apply to OPS employees.

PENALTIES: Persons found in violation of this section are subject to the penalties contained in the Code (see PENALTIES, Part V) as well as a civil penalty in an amount equal to the compensation which the person received for the prohibited conduct. [Sec. 112.313(9)(a)5, Fla. Stat.]

### *3. Additional Restrictions on Former State Employees*

A former executive or judicial branch employee or PSC employee is prohibited from having employment or a contractual relationship, at any time after retirement or termination of employment, with any business entity (other than a public agency) in connection with a contract in which the employee participated personally and substantially by recommendation or decision while a public employee. [Sec. 112.3185(3), Fla. Stat.]

A former executive or judicial branch employee or PSC employee who has retired or terminated employment is prohibited from having any employment or contractual relationship for two years with any business entity (other than a public agency) in connection with a contract for services which was within his or her responsibility while serving as a state employee. [Sec. 112.3185(4), Fla. Stat.]

Unless waived by the agency head, a former executive or judicial branch employee or PSC employee may not be paid more for contractual services provided by him or her to the former agency during the first year after leaving the agency than his or her annual salary before leaving. [Sec. 112.3185(5), Fla. Stat.]

These prohibitions do not apply to PSC employees who were so employed on or before Dec. 31, 1994.



#### *4. Lobbying by Former Local Government Officers and Employees*

A person elected to county, municipal, school district, or special district office is prohibited from representing another person or entity for compensation before the government body or agency of which he or she was an officer for two years after leaving office. Appointed officers and employees of counties, municipalities, school districts, and special districts may be subject to a similar restriction by local ordinance or resolution. [Sec. 112.313(13) and (14), Fla. Stat.]

#### **E. VOTING CONFLICTS OF INTEREST**

State public officers are prohibited from voting in an official capacity on any measure which they know would inure to their own special private gain or loss. A state public officer who abstains, or who votes on a measure which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, must make every reasonable effort to file a memorandum of voting conflict with the recording secretary in advance of the vote. If that is not possible, it must be filed within 15 days after the vote occurs. The memorandum must disclose the nature of the officer's interest in the matter.

No county, municipal, or other local public officer shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss, or which the officer knows would inure to the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate. The officer must publicly announce the nature of his or her interest before the vote and must file a memorandum of voting conflict on Commission Form 8B with the meeting's recording officer within 15 days after the vote occurs disclosing the nature of his or her interest in the matter. However, members of community redevelopment agencies and district officers elected on a one-acre, one-vote basis are not required to abstain when voting in that capacity.

No appointed state or local officer shall participate in any matter which would inure to the officer's special private gain or loss, the special private gain or loss of any principal by whom he or she is retained, of the parent organization or subsidiary or sibling of a corporate principal by which he or she is retained, of a relative, or of a business associate, without first disclosing the nature of his or her interest in the matter. The memorandum of voting conflict (Commission Form 8A or 8B) must be filed with the meeting's recording officer, be provided to the other members of the agency, and be read publicly at the next meeting.

If the conflict is unknown or not disclosed prior to the meeting, the appointed official must orally disclose the conflict at the meeting when the conflict becomes known. Also, a written memorandum of voting conflict must be filed with the meeting's recording officer within 15 days of the disclosure being made and must be provided to the other members of the agency, with the disclosure being read publicly at the next scheduled meeting. [Sec. 112.3143, Fla. Stat.]

A qualified blind trust established pursuant to Sec. 112.31425, Fla. Stat., may afford an official protection from voting conflicts of interest arising from assets placed in the trust.

## F. DISCLOSURES

Conflicts of interest may occur when public officials are in a position to make decisions that affect their personal financial interests. This is why public officers and employees, as well as candidates who run for public office, are required to publicly disclose their financial interests. The disclosure process serves to remind officials of their obligation to put the public interest above personal considerations. It also helps citizens to monitor the considerations of those who spend their tax dollars and participate in public policy decisions or administration.

All public officials and candidates do not file the same degree of disclosure; nor do they all file at the same time or place. Thus, care must be taken to determine which disclosure forms a particular official or candidate is required to file.

The following forms are described below to set forth the requirements of the various disclosures and the steps for correctly providing the information in a timely manner.

### 1. *FORM 1 - Limited Financial Disclosure*

Who Must File:

Persons required to file FORM 1 include all state officers, local officers, candidates for local elective office, and specified state employees as defined below (other than those officers who are required by law to file FORM 6).

STATE OFFICERS include:

1) Elected public officials not serving in a political subdivision of the state and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of each board, commission, authority, or council having statewide jurisdiction, excluding members of solely advisory bodies; but including judicial nominating commission members; directors of Enterprise Florida, Scripps Florida Funding Corporation, and CareerSource Florida, and members of the Council on the Social Status of Black Men and Boys; the Executive Director, governors, and senior managers of Citizens Property Insurance Corporation; governors and senior managers of Florida Workers' Compensation Joint Underwriting Association, board members of the Northeast Florida Regional Transportation Commission, and members of the board of Triumph Gulf Coast, Inc.; members of the board of Florida is for Veterans, Inc.; and members of the Technology Advisory Council within the Agency for State Technology.

3) The Commissioner of Education, members of the State Board of Education, the Board of Governors, and the local boards of trustees and presidents of state universities.

LOCAL OFFICERS include:

1) Persons elected to office in any political subdivision (such as municipalities, counties, and special districts) and any person appointed to fill a vacancy in such office, unless required to file full disclosure on Form 6.

2) Appointed members of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision: the governing body of the subdivision; a community college or junior college district board of trustees; a board having the power to enforce local code provisions; a planning or zoning board, board of adjustments or appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and similar groups who only have the power to make recommendations to planning or zoning boards; a pension board or retirement board empowered to invest pension or retirement funds or to determine entitlement to or amount of a pension or other retirement benefit.

3) Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

4) Persons holding any of these positions in local government: mayor; county or city manager; chief administrative employee or finance director of a county, municipality, or other political subdivision; county or municipal attorney; chief county or municipal building inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; appointed district school superintendent; community college president; district medical examiner; purchasing agent (regardless of title) having the authority to make any purchase exceeding \$20,000 for the local governmental unit.

5) Members of governing boards of charter schools operated by a city or other public entity.

6) The officers, directors, and chief executive officer of a corporation, partnership, or other business entity that is serving as the chief administrative or executive officer or employee of a political subdivision, and any business entity employee who is acting as the chief administrative or executive officer or employee of the political subdivision. [Sec. 112.3136, Fla. Stat.]

SPECIFIED STATE EMPLOYEE includes:

1) Employees in the Office of the Governor or of a Cabinet member who are exempt from the Career Service System, excluding secretarial, clerical, and similar positions.

2) The following positions in each state department, commission, board, or council: secretary or state surgeon general, assistant or deputy secretary, executive director, assistant or deputy executive director, and anyone having the power normally conferred upon such persons, regardless of title.

3) The following positions in each state department or division: director, assistant or deputy director, bureau chief, assistant bureau chief, and any person having the power normally conferred upon such persons, regardless of title.

4) Assistant state attorneys, assistant public defenders, criminal conflict and civil regional counsel, assistant criminal conflict and civil regional counsel, public counsel, full-time state employees serving as counsel or assistant counsel to a state agency, judges of compensation claims, administrative law judges, and hearing officers.

5) The superintendent or director of a state mental health institute established for training and research in the mental health field, or any major state institution or facility established for corrections, training, treatment, or rehabilitation.

6) State agency business managers, finance and accounting directors, personnel officers, grant coordinators, and purchasing agents (regardless of title) with power to make a purchase exceeding \$20,000.

7) The following positions in legislative branch agencies: each employee (other than those employed in maintenance, clerical, secretarial, or similar positions and legislative assistants exempted by the presiding officer of their house); and each employee of the Commission on Ethics.

#### What Must Be Disclosed:

FORM 1 requirements are set forth fully on the form. In general, this includes the reporting person's sources and types of financial interests, such as the names of employers and addresses of real property holdings. **NO DOLLAR VALUES ARE REQUIRED TO BE LISTED.** In addition, the form requires the disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

#### When to File:

CANDIDATES for elected local office must file FORM 1 together with and at the same time they file their qualifying papers.

STATE and LOCAL OFFICERS and SPECIFIED STATE EMPLOYEES are required to file disclosure by July 1 of each year. They also must file within thirty days from the date of appointment or the beginning of employment. Those appointees requiring Senate confirmation must file prior to confirmation.

#### Where to File:

Each LOCAL OFFICER files FORM 1 with the Supervisor of Elections in the county in which he or she permanently resides.

A STATE OFFICER or SPECIFIED STATE EMPLOYEE files with the Commission on Ethics. [Sec. 112.3145, Fla. Stat.]

2. *FORM 1F - Final Form 1 Limited Financial Disclosure*

FORM 1F is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 1 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

3. *FORM 2 - Quarterly Client Disclosure*

The state officers, local officers, and specified state employees listed above, as well as elected constitutional officers, must file a FORM 2 if they or a partner or associate of their professional firm represent a client for compensation before an agency at their level of government.

A FORM 2 disclosure includes the names of clients represented by the reporting person or by any partner or associate of his or her professional firm for a fee or commission before agencies at the reporting person's level of government. Such representations do not include appearances in ministerial matters, appearances before judges of compensation claims, or representations on behalf of one's agency in one's official capacity. Nor does the term include the preparation and filing of forms and applications merely for the purpose of obtaining or transferring a license, so long as the issuance of the license does not require a variance, special consideration, or a certificate of public convenience and necessity.

When to File:

This disclosure should be filed quarterly, by the end of the calendar quarter following the calendar quarter during which a reportable representation was made. FORM 2 need not be filed merely to indicate that no reportable representations occurred during the preceding quarter; it should be filed ONLY when reportable representations were made during the quarter.

Where To File:

LOCAL OFFICERS file with the Supervisor of Elections of the county in which they permanently reside.

STATE OFFICERS and SPECIFIED STATE EMPLOYEES file with the Commission on Ethics. [Sec. 112.3145(4), Fla. Stat.]

4. *FORM 6 - Full and Public Disclosure*

Who Must File:

Persons required by law to file FORM 6 include all elected constitutional officers and candidates for such office; the mayor and members of the city council and candidates for these offices in Jacksonville; the Duval County Superintendent of Schools; judges of compensation claims (pursuant to Sec. 440.442, Fla. Stat.); and members of the Florida Housing Finance Corporation Board and the Florida Prepaid College Board; and members of expressway authorities, transportation authorities (except the

Jacksonville Transportation Authority), bridge authority, or toll authorities created pursuant to Ch. 348 or 343, or 349, or other general law.

What Must be Disclosed:

FORM 6 is a detailed disclosure of assets, liabilities, and sources of income over \$1,000 and their values, as well as net worth. Officials may opt to file their most recent income tax return in lieu of listing sources of income but still must disclose their assets, liabilities, and net worth. In addition, the form requires the disclosure of certain relationships with, and ownership interests in, specified types of businesses such as banks, savings and loans, insurance companies, and utility companies.

When and Where To File:

Incumbent officials must file FORM 6 annually by July 1 with the Commission on Ethics. CANDIDATES must file with the officer before whom they qualify at the time of qualifying. [Art. II, Sec. 8(a) and (i), Fla. Const., and Sec. 112.3144, Fla. Stat.]

5. *FORM 6F - Final Form 6 Full and Public Disclosure*

This is the disclosure form required to be filed within 60 days after a public officer or employee required to file FORM 6 leaves his or her public position. The form covers the disclosure period between January 1 and the last day of office or employment within that year.

6. *FORM 9 - Quarterly Gift Disclosure*

Each person required to file FORM 1 or FORM 6, and each state procurement employee, must file a FORM 9, Quarterly Gift Disclosure, with the Commission on Ethics on the last day of any calendar quarter following the calendar quarter in which he or she received a gift worth more than \$100, other than gifts from relatives, gifts prohibited from being accepted, gifts primarily associated with his or her business or employment, and gifts otherwise required to be disclosed. FORM 9 NEED NOT BE FILED if no such gift was received during the calendar quarter.

Information to be disclosed includes a description of the gift and its value, the name and address of the donor, the date of the gift, and a copy of any receipt for the gift provided by the donor. [Sec. 112.3148, Fla. Stat.]

7. *FORM 10 - Annual Disclosure of Gifts from Government Agencies and Direct-Support Organizations and Honorarium Event Related Expenses*

State government entities, airport authorities, counties, municipalities, school boards, water management districts, and the South Florida Regional Transportation Authority, may give a gift worth more than \$100 to a person required to file FORM 1 or FORM 6, and to state procurement employees, if a public purpose can be shown for the gift. Also, a direct-support organization for a governmental entity may give such a gift to a person who is an officer or employee of that entity. These gifts are to be reported on FORM 10, to be filed by July 1.

The governmental entity or direct-support organization giving the gift must provide the officer or employee with a statement about the gift no later than March 1 of the following year. The officer or employee then must disclose this information by filing a statement by July 1 with his or her annual financial disclosure that describes the gift and lists the donor, the date of the gift, and the value of the total gifts provided during the calendar year. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3148, Fla. Stat.]

In addition, a person required to file FORM 1 or FORM 6, or a state procurement employee, who receives expenses or payment of expenses related to an honorarium event from someone who is prohibited from giving him or her an honorarium, must disclose annually the name, address, and affiliation of the donor, the amount of the expenses, the date of the event, a description of the expenses paid or provided, and the total value of the expenses on FORM 10. The donor paying the expenses must provide the officer or employee with a statement about the expenses within 60 days of the honorarium event.

The disclosure must be filed by July 1, for expenses received during the previous calendar year, with the officer's or employee's FORM 1 or FORM 6. State procurement employees file their statements with the Commission on Ethics. [Sec. 112.3149, Fla. Stat.]

However, notwithstanding Sec. 112.3149, Fla. Stat., no executive branch or legislative lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts or honorarium event related expenses that formerly were permitted under Sections 112.3148 and 112.3149. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts, which include anything not primarily related to political activities authorized under ch.106, are prohibited from political committees. [Sec. 112.31485 Fla. Stat.]

#### 8. *FORM 30 - Donor's Quarterly Gift Disclosure*

As mentioned above, the following persons and entities generally are prohibited from giving a gift worth more than \$100 to a reporting individual (a person required to file FORM 1 or FORM 6) or to a state procurement employee; a political committee; a lobbyist who lobbies the reporting individual's or procurement employee's agency, and the partner, firm, employer, or principal of such a lobbyist; and vendors. If such person or entity makes a gift worth between \$25 and \$100 to a reporting individual or state procurement employee (that is not accepted in behalf of a governmental entity or charitable organization), the gift should be reported on FORM 30. The donor also must notify the recipient at the time the gift is made that it will be reported.

The FORM 30 should be filed by the last day of the calendar quarter following the calendar quarter in which the gift was made. If the gift was made to an individual in the legislative branch, FORM 30 should be filed with the Lobbyist Registrar. [See page 35 for address.] If the gift was to any other reporting individual or state procurement employee, FORM 30 should be filed with the Commission on Ethics.

However, notwithstanding Section 112.3148, Fla. Stat., no executive branch lobbyist or principal shall make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or

FORM 6 shall knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. This may include gifts that formerly were permitted under Section 112.3148. [Sec. 112.3215, Fla. Stat.] Similar prohibitions apply to legislative officials and employees. However, these laws are not administered by the Commission on Ethics. [Sec. 11.045, Fla. Stat.] In addition, gifts from political committees are prohibited. [Sec. 112.31485, Fla. Stat.]

9. *FORM 1X AND FORM 6X - Amendments to Form 1 and Form 6*

These forms are provided for officers or employees to amend their previously filed Form 1 or Form 6.

#### **IV. AVAILABILITY OF FORMS**

LOCAL OFFICERS and EMPLOYEES who must file FORM 1 annually will be sent the form by mail from the Supervisor of Elections in the county in which they permanently reside not later than JUNE 1 of each year. Newly elected and appointed officials or employees should contact the heads of their agencies for copies of the form or download it from [www.ethics.state.fl.us](http://www.ethics.state.fl.us), as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

ELECTED CONSTITUTIONAL OFFICERS, OTHER STATE OFFICERS, and SPECIFIED STATE EMPLOYEES who must file annually FORM 1 or 6 will be sent these forms by mail from the Commission on Ethics by JUNE 1 of each year. Newly elected and appointed officers and employees should contact the heads of their agencies or the Commission on Ethics for copies of the form or download it from [www.ethics.state.fl.us](http://www.ethics.state.fl.us), as should those persons who are required to file their final disclosure statements within 60 days of leaving office or employment.

Any person needing one or more of the other forms described here may also obtain them from a Supervisor of Elections or from the Commission on Ethics, P.O. Drawer 15709, Tallahassee, Florida 32317-5709. They are also available on the Commission's website: [www.ethics.state.fl.us](http://www.ethics.state.fl.us).

#### **V. PENALTIES**

*A. Non-criminal Penalties for Violation of the Sunshine Amendment and the Code of Ethics*

There are no criminal penalties for violation of the Sunshine Amendment and the Code of Ethics. Penalties for violation of these laws may include: impeachment, removal from office or employment, suspension, public censure, reprimand, demotion, reduction in salary level, forfeiture of no more than one-third salary per month for no more than twelve months, a civil penalty not to exceed \$10,000, and restitution of any pecuniary benefits received, and triple the value of a gift from a political committee.

*B. Penalties for Candidates*

CANDIDATES for public office who are found in violation of the Sunshine Amendment or the Code of Ethics may be subject to one or more of the following penalties: disqualification from being on the ballot, public censure, reprimand, or a civil penalty not to exceed \$10,000, and triple the value of a gift received from a political committee.



### *C. Penalties for Former Officers and Employees*

FORMER PUBLIC OFFICERS or EMPLOYEES who are found in violation of a provision applicable to former officers or employees or whose violation occurred prior to such officer's or employee's leaving public office or employment may be subject to one or more of the following penalties: public censure and reprimand, a civil penalty not to exceed \$10,000, and restitution of any pecuniary benefits received, and triple the value of a gift received from a political committee.

### *D. Penalties for Lobbyists and Others*

An executive branch lobbyist who has failed to comply with the Executive Branch Lobbying Registration law (see Part VIII) may be fined up to \$5,000, reprimanded, censured, or prohibited from lobbying executive branch agencies for up to two years. Lobbyists, their employers, principals, partners, and firms, and political committees and committees of continuous existence who give a prohibited gift or honorarium or fail to comply with the gift reporting requirements for gifts worth between \$25 and \$100, may be penalized by a fine of not more than \$5,000 and a prohibition on lobbying, or employing a lobbyist to lobby, before the agency of the public officer or employee to whom the gift was given for up to two years. Any agent or person acting on behalf of a political committee giving a prohibited gift is personally liable for a civil penalty of up to triple the value of the gift.

Executive Branch lobbying firms that fail to timely file their quarterly compensation reports may be fined \$50 per day per principal for each day the report is late, up to a maximum fine of \$5,000 per report.

### *E. Felony Convictions: Forfeiture of Retirement Benefits*

Public officers and employees are subject to forfeiture of all rights and benefits under the retirement system to which they belong if convicted of certain offenses. The offenses include embezzlement or theft of public funds; bribery; felonies specified in Chapter 838, Florida Statutes; impeachable offenses; and felonies committed with intent to defraud the public or their public agency. [Sec. 112.3173, Fla. Stat.]

### *F. Automatic Penalties for Failure to File Annual Disclosure*

Public officers and employees required to file either Form 1 or Form 6 annual financial disclosure are subject to automatic fines of \$25 for each day late the form is filed after September 1, up to a maximum penalty of \$1,500. [Sec. 112.3144 and 112.3145, Fla. Stat.]

## **VI. ADVISORY OPINIONS**

Conflicts of interest may be avoided by greater awareness of the ethics laws on the part of public officials and employees through advisory assistance from the Commission on Ethics.

### *A. Who Can Request an Opinion*

Any public officer, candidate for public office, or public employee in Florida who is in doubt about the applicability of the standards of conduct or disclosure laws to himself or herself, or anyone who has

the power to hire or terminate another public employee, may seek an advisory opinion from the Commission about himself or herself or that employee.

*B. How to Request an Opinion*

Opinions may be requested by letter presenting a question based on a real situation and including a detailed description of the situation. Opinions are issued by the Commission and are binding on the conduct of the person who is the subject of the opinion, unless material facts were omitted or misstated in the request for the opinion. Published opinions will not bear the name of the persons involved unless they consent to the use of their names; however, the request and all information pertaining to it is a public record, made available to the Commission and to members of the public in advance of the Commission's consideration of the question.

*C. How to Obtain Published Opinions*

All of the Commission's opinions are available for viewing or download at its website: [www.ethics.state.fl.us](http://www.ethics.state.fl.us).

## **VII. COMPLAINTS**

*A. Citizen Involvement*

The Commission on Ethics cannot conduct investigations of alleged violations of the Sunshine Amendment or the Code of Ethics unless a person files a sworn complaint with the Commission alleging such violation has occurred, or a referral is received, as discussed below.

If you have knowledge that a person in government has violated the standards of conduct or disclosure laws described above, you may report these violations to the Commission by filing a sworn complaint on the form prescribed by the Commission and available for download at [www.ethics.state.fl.us](http://www.ethics.state.fl.us). The Commission is unable to take action based on learning of such misdeeds through newspaper reports, telephone calls, or letters.

You can obtain a complaint form (FORM 50), by contacting the Commission office at the address or phone number shown on the inside front cover of this booklet, or you can download it from the Commission's website: [www.ethics.state.fl.us](http://www.ethics.state.fl.us).

*B. Referrals*

The Commission may accept referrals from: the Governor, the Florida Department of Law Enforcement, a State Attorney, or a U.S. Attorney. A vote of six of the Commission's nine members is required to proceed on such a referral.

*C. Confidentiality*

The complaint or referral, as well as all proceedings and records relating thereto, is confidential until the accused requests that such records be made public or until the matter reaches a stage in the

Commission's proceedings where it becomes public. This means that unless the Commission receives a written waiver of confidentiality from the accused, the Commission is not free to release any documents or to comment on a complaint or referral to members of the public or press, so long as the complaint or referral remains in a confidential stage.

A COMPLAINT OR REFERRAL MAY NOT BE FILED WITH RESPECT TO A CANDIDATE ON THE DAY OF THE ELECTION, OR WITHIN THE 30 CALENDAR DAYS PRECEDING THE ELECTION DATE, UNLESS IT IS BASED ON PERSONAL INFORMATION OR INFORMATION OTHER THAN HEARSAY.

#### *D. How the Complaint Process Works*

Complaints which allege a matter within the Commission's jurisdiction are assigned a tracking number and Commission staff forwards a copy of the original sworn complaint to the accused within five working days of its receipt. Any subsequent sworn amendments to the complaint also are transmitted within five working days of their receipt.

Once a complaint is filed, it goes through three procedural stages under the Commission's rules. The first stage is a determination of whether the allegations of the complaint are legally sufficient: that is, whether they indicate a possible violation of any law over which the Commission has jurisdiction. If the complaint is found not to be legally sufficient, the Commission will order that the complaint be dismissed without investigation, and all records relating to the complaint will become public at that time.

In cases of very minor financial disclosure violations, the official will be allowed an opportunity to correct or amend his or her disclosure form. Otherwise, if the complaint is found to be legally sufficient, a preliminary investigation will be undertaken by the investigative staff of the Commission. The second stage of the Commission's proceedings involves this preliminary investigation and a decision by the Commission as to whether there is probable cause to believe that there has been a violation of any of the ethics laws. If the Commission finds no probable cause to believe there has been a violation of the ethics laws, the complaint will be dismissed and will become a matter of public record. If the Commission finds probable cause to believe there has been a violation of the ethics laws, the complaint becomes public and usually enters the third stage of proceedings. This stage requires the Commission to decide whether the law was actually violated and, if so, whether a penalty should be recommended. At this stage, the accused has the right to request a public hearing (trial) at which evidence is presented or the Commission may order that such a hearing be held. Public hearings usually are held in or near the area where the alleged violation occurred.

When the Commission concludes that a violation has been committed, it issues a public report of its findings and may recommend one or more penalties to the appropriate disciplinary body or official.

When the Commission determines that a person has filed a complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations, the complainant will be liable for costs plus reasonable attorney's fees incurred by the person complained against. The Department of Legal Affairs may bring a civil action to recover such fees and costs, if they are not paid voluntarily within 30 days.

*E. Dismissal of Complaints At Any Stage of Disposition*

The Commission may, at its discretion, dismiss any complaint at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the Commission will issue a public report stating with particularity its reasons for the dismissal. [Sec. 112.324(12), Fla. Stat.]

*F. Statute of Limitations*

All sworn complaints alleging a violation of the Sunshine Amendment or the Code of Ethics must be filed with the Commission within five years of the alleged violation or other breach of the public trust. Time starts to run on the day AFTER the violation or breach of public trust is committed. The statute of limitations is tolled on the day a sworn complaint is filed with the Commission. If a complaint is filed and the statute of limitations has run, the complaint will be dismissed. [Sec. 112.3231, Fla. Stat.]

### **VIII. EXECUTIVE BRANCH LOBBYING**

Any person who, for compensation and on behalf of another, lobbies an agency of the executive branch of state government with respect to a decision in the area of policy or procurement may be required to register as an executive branch lobbyist. Registration is required before lobbying an agency and is renewable annually. In addition, each lobbying firm must file a compensation report with the Commission for each calendar quarter during any portion of which one or more of the firm's lobbyists were registered to represent a principal. As noted above, no executive branch lobbyist or principal can make, directly or indirectly, and no executive branch agency official or employee who files FORM 1 or FORM 6 can knowingly accept, directly or indirectly, **any expenditure** made for the purpose of lobbying. [Sec. 112.3215, Fla. Stat.]

Paying an executive branch lobbyist a contingency fee based upon the outcome of any specific executive branch action, and receiving such a fee, is prohibited. A violation of this prohibition is a first degree misdemeanor, and the amount received is subject to forfeiture. This does not prohibit sales people from receiving a commission. [Sec. 112.3217, Fla. Stat.]

Executive branch departments, state universities, community colleges, and water management districts are prohibited from using public funds to retain an executive branch (or legislative branch) lobbyist, although these agencies may use full-time employees as lobbyists. [Sec. 11.062, Fla. Stat.]

Online registration and filing is available at [www.floridalobbyist.gov](http://www.floridalobbyist.gov). Additional information about the executive branch lobbyist registration system may be obtained by contacting the Lobbyist Registrar at the following address:

Executive Branch Lobbyist Registration  
Room G-68, Claude Pepper Building  
111 W. Madison Street  
Tallahassee, FL 32399-1425  
Phone: 850/922-4987

## **IX. WHISTLE-BLOWER'S ACT**

In 1986, the Legislature enacted a "Whistle-blower's Act" to protect employees of agencies and government contractors from adverse personnel actions in retaliation for disclosing information in a sworn complaint alleging certain types of improper activities. Since then, the Legislature has revised this law to afford greater protection to these employees.

While this language is contained within the Code of Ethics, the Commission has no jurisdiction or authority to proceed against persons who violate this Act. Therefore, a person who has disclosed information alleging improper conduct governed by this law and who may suffer adverse consequences as a result should contact one or more of the following: the Office of the Chief Inspector General in the Executive Office of the Governor; the Department of Legal Affairs; the Florida Commission on Human Relations; or a private attorney. [Sec. 112.3187 - 112.31895, Fla. Stat.]

## **X. ADDITIONAL INFORMATION**

As mentioned above, we suggest that you review the language used in each law for a more detailed understanding of Florida's ethics laws. The "Sunshine Amendment" is Article II, Section 8, of the Florida Constitution. The Code of Ethics for Public Officers and Employees is contained in Part III of Chapter 112, Florida Statutes.

Additional information about the Commission's functions and interpretations of these laws may be found in Chapter 34 of the Florida Administrative Code, where the Commission's rules are published, and in The Florida Administrative Law Reports, which until 2005 published many of the Commission's final orders. The Commission's rules, orders, and opinions also are available at [www.ethics.state.fl.us](http://www.ethics.state.fl.us).

If you are a public officer or employee concerned about your obligations under these laws, the staff of the Commission will be happy to respond to oral and written inquiries by providing information about the law, the Commission's interpretations of the law, and the Commission's procedures.

## **XI. TRAINING**

Constitutional officers and elected municipal officers are required to receive a total of four hours training, per calendar year, in the area of ethics, public records, and open meetings. The Commission on Ethics does not track compliance or certify providers.

Visit the training page on the Commission's website for up-to-date rules, opinions, audio/video training, and opportunities for live training conducted by Commission staff. A comprehensive online training course addressing Florida's Code of Ethics, as well as Sunshine Law, and Public Records Act is available via a link on the Commission's homepage.

**RESOLUTION 2017-1**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT RE-DESIGNATING CERTAIN OFFICERS OF THE DISTRICT; PROVIDING FOR SEVERABILITY AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the Board of Supervisors of the Heritage Harbour North Community Development District desire to appoint the below recited person(s) to the offices specified.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. DESIGNATION OF OFFICERS OF THE DISTRICT.** The following persons are appointed to the offices shown.

|                            |                      |
|----------------------------|----------------------|
| <b>Chairperson</b>         | _____                |
| <b>Vice-Chairperson</b>    | _____                |
| <b>Assistant Secretary</b> | _____                |
| <b>Assistant Secretary</b> | _____                |
| <b>Assistant Secretary</b> | _____                |
| <b>Treasurer</b>           | <u>James P. Ward</u> |
| <b>Secretary</b>           | <u>James P. Ward</u> |

**SECTION 2. REMOVAL OF CERTAIN OFFICERS.** Any other individuals are hereby removed as officers of the District.

**SECTION 3. SEVERABILITY AND INVALID PROVISIONS.** If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

**SECTION 4. CONFLICT.** That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor’s in conflict are hereby repealed to the extent of such conflict.

**SECTION 5. PROVIDING FOR AN EFFECTIVE DATE.** This Resolution shall become effective immediately upon passage.

**RESOLUTION 2017-1**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT RE-DESIGNATING CERTAIN OFFICERS OF THE DISTRICT; PROVIDING FOR SEVERABILITY AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**PASSED AND ADOPTED** this 2<sup>nd</sup> day of February, 2017

**Heritage Harbour North  
Community Development District**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Chairperson

**MINUTES OF MEETING OF HERITAGE HARBOUR NORTH  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Heritage Harbour North Community Development District's Board of Supervisors was held on Thursday, November 3, 2016, at 2:00 p.m., at the River Strand Golf and Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212.

**Present and constituting a quorum were:**

|                    |                     |
|--------------------|---------------------|
| Terrence Kirschner | Chairperson         |
| William Riley      | Vice Chairperson    |
| John Wisz          | Assistant Secretary |
| Nancy Lyons        | Assistant Secretary |

**Absent was:**

|             |                     |
|-------------|---------------------|
| David Negip | Assistant Secretary |
|-------------|---------------------|

**Also present were:**

|                               |                   |
|-------------------------------|-------------------|
| James P. Ward                 | District Manager  |
| Greg Urbancic (via telephone) | District Counsel  |
| Dave Underhill                | District Engineer |

**Audience present were:**

Pauline Tasler  
Mike Fisher

**1. Call to Order & Roll Call**

Mr. Ward called the meeting to order at 2:00 p.m., and roll call determined that all members of the Board were present with the exception of David Negip.

**2. Consideration of the Minutes of September 1, 2016 Regular Meeting**

Mr. Ward asked if there were any additions, corrections, or deletions to the minutes. There being none, he asked for a motion.

**Motion was made by Ms. Lyons and seconded by Mr. Wisz, to approve the September 1, 2016 minutes, and, with all in favor, the motion was approved.**



**3. Consideration of the Agreement with Aquaterra Utilities regarding the use of the District's irrigation system to provide irrigation water to the District.**

Mr. Ward gave some background on this item saying that part of the facilities that were built by the district from 2007 Bond proceeds are irrigation lines that are in the district and used by Aquaterra Utilities to provide irrigation water to the community itself. Mr. Ward stated that there was no previous agreement with them for this service.

Mr. Urbancic affirmed Mr. Ward's statement that there was not currently a formal agreement with Aquaterra Utilities. He stated that Aquaterra Utilities would be the ultimate owner of a water use permit issued by Southwest Florida Water Management District. He said that in the agreement they have outlined and shown by exhibit what the CDD owns in terms of irrigation lines. He stated that the agreement memorializes the fact that the CDD is going to allow Aquaterra to use their lines to deliver irrigation water to the community. The CDD will have ultimate maintenance authority of the lines. He said that the residents will continue to pay the current fee and the agreement will be in effect until 2036.

Mr. Ward added that there was an agreement with the Homeowners Association where they maintain any assets of the District.

Ms. Lyons asked what the consideration was for the service. Mr. Ward answered that it was providing less expensive water. He stated that the negotiators of the agreement did not look at consideration as an important issue; they just wanted to allow the use of the irrigation lines. She also asked if Aquaterra was a subsidiary of Lennar, and Mr. Ward confirmed this.

Mr. Ward stated that any fees that would be charged would end up being charged back to the residents.

Ms. Lyons asked if there was a way that this agreement could be used as an offset to the CDD operations maintenance section which would allow CDD taxes to go down. Mr. Ward stated that it could be used for that if Aquaterra agreed to it, but traditionally they have not agreed in the past.

Ms. Lyons asked for clarification of the reason for the 20-year initial contract and 10-year extensions. Mr. Ward said because it was consistent with what was being done in Heritage Harbour South.

Ms. Lyons asked if there were any matrices to look at to stipulate that the current rates will continue. Mr. Ward stated that the CDD does not have utility rate authority over Aquaterra Utilities, so they could not put in the agreement anything related to the rates that are charged.

Ms. Lyons asked if there was any competition. Mr. Ward stated that generally there is no competition across the State of Florida for utility companies. Ms. Lyons said she could understand that if they owned the lines; but if they do not, that presents an issue.

Mr. Urbancic added that he did not know if they could get a permit to draw water because of the existing water use permit.

Ms. Lyons stated that it was her understanding that the use permit belonged to Lennar, and it was going to be assigned over to Aquaterra. She then asked if someone would explain how that works.

Mr. Underhill explained it went back to the restrictions of the property that basically said that the CDD will use Aquaterra, and that was what governed. He also explained that it would be very costly to not use Aquaterra.

Ms. Lyons inquired as to where these restrictions could be found. Mr. Underhill stated that he thought they were in the Master Declaration. Mr. Urbancic confirmed, and stated he would try to get a copy for the Board.

Ms. Lyons stated that she would like more information before making a decision. Mr. Ward said frankly that there was not much that could be done since the Master Declaration stated that the water would be provided by Aquaterra and the current permits were in Aquaterra's name. Mr. Ward expressed that the agreement was not a bad agreement and it is unfortunate it was not put in place a number of years ago. He stated the agreement allowed less expensive water to be provided to the community than would otherwise have been provided because the County did not have irrigation water available for the community.

Mr. Ward stated that the rates they were paying were not out of line and were comparable to what other areas pay.

Ms. Lyons asked Mr. Urbancic to give his legal opinion on the agreement. He answered that the use permit was definitely in Lennar's name, and it was going to be converted over to Aquaterra. He stated that the covenant was read to him during the process and it does state that they needed to use Aquaterra. He stated that this offered the most cost effective manner possible for getting irrigation water. Mr. Urbancic stated that he had emailed the originator of this agreement and asked him to send the covenant so he could send it to the Board.

Mr. Ward stated that before an item can come to the Board it must be approved by Mr. Urbancic, and so by virtue of this procedure, he has given his opinion. Mr. Ward suggested that they add a signature page for Mr. Urbancic to approve formally. Mr. Urbancic agreed.

Ms. Lyons asked if the wording "certain restrictive covenants" could stipulate which paragraph out of which document. Mr. Urbancic said that could be done.

Mr. Ward asked if there were any other questions from the Board or the audience. None was asked.

**Motion was made by Mr. Kirschner and seconded by Mr. Wisz to approve the agreement with Aquaterra Utilities with the change noted above, and, with all in favor, the motion was approved.**

**4. Staff Reports**

- a. **Attorney** – Mr. Urbancic had nothing further to report.
- b. **Engineer** – Mr. Underhill had nothing further to report.
- c. **Manager** - Mr. Ward had nothing further to report.

**5. Supervisor’s Requests and Audience Comments**

Mr. Ward asked for comments from the Board or the audience, and there were none.

**6. Adjournment**

**Motion was made by Mr. Wisz and seconded by Ms. Lyons to adjourn the meeting, and, with all in favor, the motion was approved.**

The meeting was adjourned at 2:26 p.m.

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James P. Ward Secretary

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Terrence Kirschner, Chairman

Presented By: MBS Capital Markets



**MBS CAPITAL MARKETS, LLC**

# **Heritage Harbour North CDD**

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*February 1, 2017*



# The Series 2007 Bonds Overview

## Series 2007 Bonds Overview

### Overview Series 2007 Bonds:

- The District issued \$24,000,000 of the Series 2007 Bonds on October 3, 2007. The Series 2007 Bonds are due May 1, 2038 with an average coupon of 6.375%.
- The Series 2007 Bonds were issued as non-rated tax-exempt securities due to the concentration of ownership and the infancy stage of development at the time the Series 2007 Bonds were issued.
- The District’s only indebtedness outside of the Series 2007 Bonds includes its Series 2014 Bonds currently outstanding in the amount of \$7,830,000 which are secured by the Series 2014 Special Assessments. The District expanded its boundaries to include an additional 174.68 acres. Only residents living in the expansion area are subject to the Series 2014 Special Assessments.

### Current Status of the Series 2007 Bonds:

- The Series 2007 Bonds are currently outstanding in the amount of \$20,895,000.
- Callable: May 1, 2017 @ par.
- Currently, four (4) landowners have prepaid their Series 2007 Special Assessments in full; therefore, reducing the total Series 2017 Assessment Area to 1,361 assessable residential units.

| Series            | Coupon | Outstanding Par | First Call  | Maturity    |
|-------------------|--------|-----------------|-------------|-------------|
| Series 2007 Bonds | 6.375% | \$ 20,895,000   | May 1, 2017 | May 1, 2038 |



# Credit Considerations

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In order to obtain an investment grade rating from one of the rating agencies, a commitment from a bond insurer or a commitment letter from a bank (in the case of a private placement), the rating agencies, insurers or banks will review certain credit statistics including, without limitation, the following:

## Current Composition

- Level of vertical build-out
- Assessed value of the land within the assessment area
- Value to lien analysis of each individual land use and product type within the assessment area
- Size of the assessment area

## Diversification

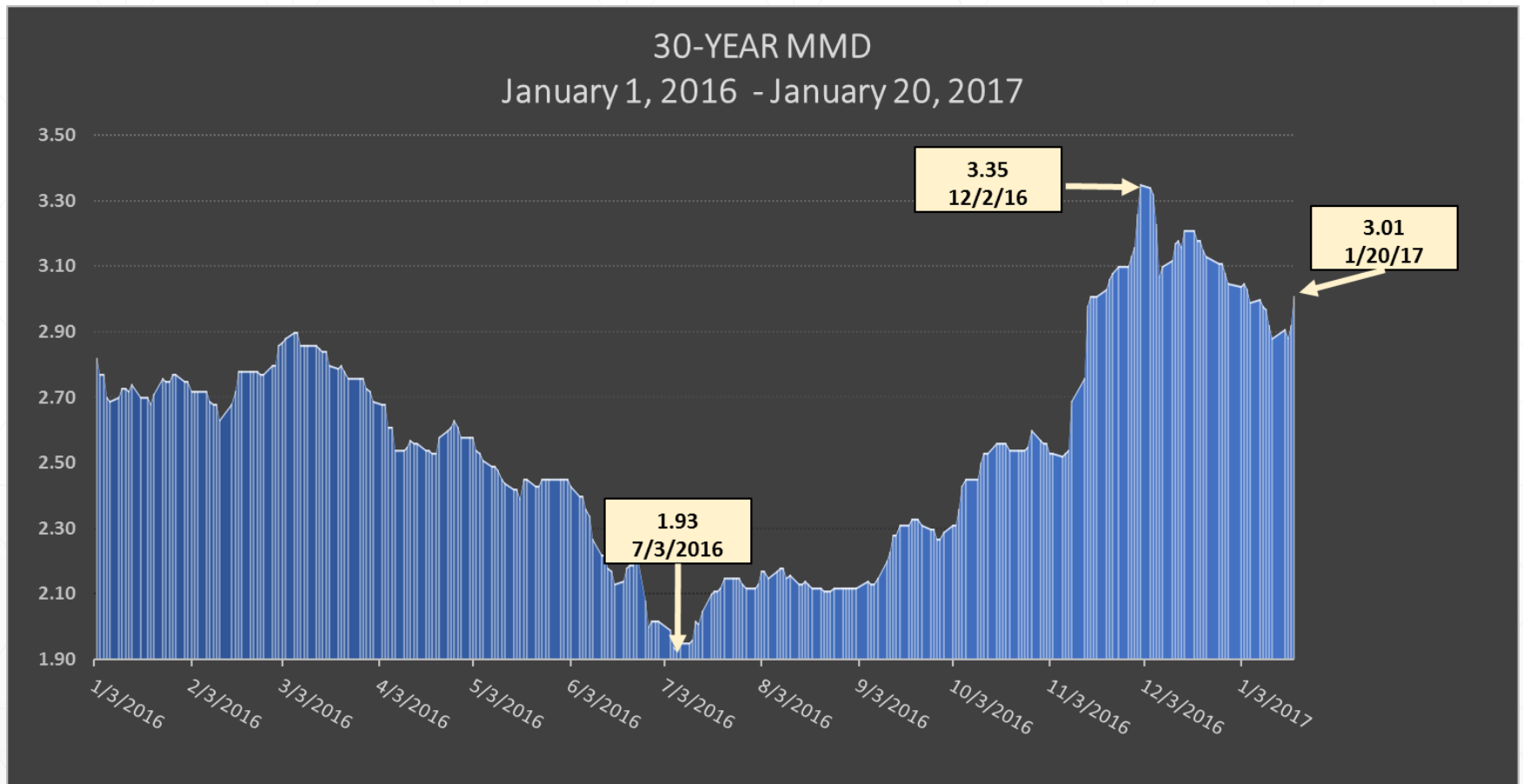
- Top ten tax payers in the assessment area
- Concentration of top ten tax payers

## Collection History

- History of delinquent taxes
- Success of tax certificate process
- Foreclosure, short sale and resale activity



# 30 Year MMD: January 2016 – YTD





# Annual Debt Service Savings

| Refunding Results   |              | Refunding Savings |
|---|--------------|-------------------|
| Dated/Delivery Date   | 04/01/2017   |                   |
| Refunding Par   | \$20,045,000 |                   |
| Refunded Par  | \$20,895,000 |                   |
| Average Coupon  | 4.14%        |                   |
| Final Maturity <sup>(6)</sup>                                 | May 1, 2038  |                   |
| DSRF Requirement  | 50% of MADS  |                   |
| NPV Savings <sup>(4)</sup>                                    | \$3,691,530  |                   |
| NPV Savings %   | 17.67%       |                   |
| Max Annual Debt Service <sup>(1)</sup>                        | \$1,428,170  |                   |
| Gross Annual Assessment Reduction % <sup>(2) &amp; (5)</sup>  | 19.23%       |                   |
| Gross Annual Assessment Reduction \$ <sup>(2) &amp; (5)</sup> | \$363,932    |                   |

| Product-Type      | # Units      | Current Gross Annual Assessment Per Unit <sup>(2)</sup> | Series 2017 Gross Annual Assessment Per Unit <sup>(2)</sup> | Projected Annual Savings | Series 2017 Refunding Savings Per Unit |
|-------------------|--------------|---|---|--------------------------|--|
| Single-Family 55' | 157          | \$1,334   | \$1,078   | \$257                    | 19.23%                                 |
| Single-Family 65' | 32           | 1,577   | 1,274   | 303                      | 19.23%                                 |
| Single-Family 75' | 123          | 1,818   | 1,468   | 350                      | 19.23%                                 |
| Single-Family 85' | 94           | 2,061   | 1,664   | 396                      | 19.23%                                 |
| Condominiums      | 610          | 1,210   | 977   | 233                      | 19.23%                                 |
| Townhouses        | 345          | 1,311   | 1,058   | 252                      | 19.23%                                 |
| <b>Total</b>      | <b>1,361</b> |   |   | <b>\$363,932</b>         | <b>19.23%</b>                          |





## Annual Debt Service Savings Con't

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1. The net annual debt service excludes 4% discount for early payment and the 2.5% collection fees charged by the Manatee County Tax Collector and Appraiser.
2. The projected gross annual assessments per unit includes the gross-up to provide for the 4% discount for early payment and the 2.5% collection fees charged by the Manatee County Tax Collector and Appraiser.
3. The principal amount of the refunding bonds is **not** estimated to increase. However, if an increase in principal did occur, it would result in the necessity to undertake the Chapter 170 assessment process which includes the notification and holding of a public hearing.
4. These figures are net of all costs and transfers from the existing trust estate.
5. The reduction of annual debt service is calculated based upon comparing the debt service on the Series 2007 Bonds and the debt service on the proposed refunding bonds
6. The maturity date on the proposed refunding bonds is 5/1/2038 which is consistent with the maturity date on the Series 2007.
7. The underwriter's discount or placement agent fee is 1.5%. This fee is contingent upon the closing of the refinancing transaction. The estimated costs of issuance of the refinancing are consistent with other similarly recently closed CDD refinancing transactions. Such costs are to be negotiated between the District and the various financing team members.
8. Assumed the District does not have any deferred cost liability remaining.



# Next Steps

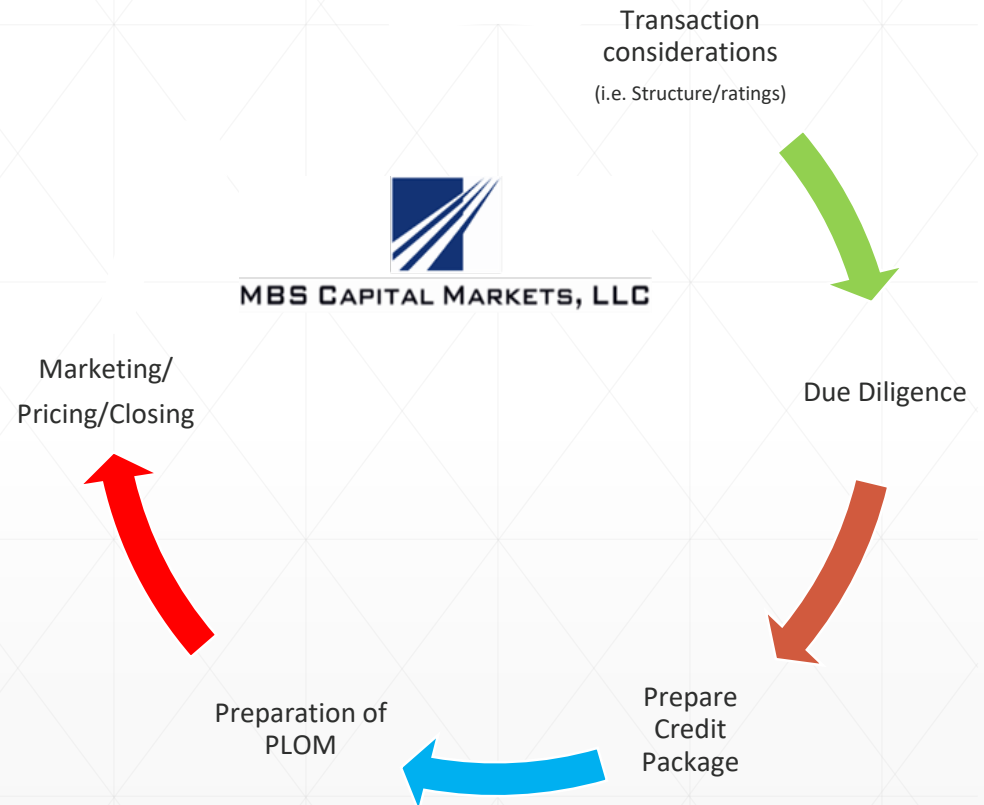
**Step 1:** Due Diligence including research and credit work

**Step 2:** Compile a credit package to submit to rating agencies to obtain an underlying credit rating

**Step 3:** Engage the working team to start on necessary bond documents

**Step 4:** Prepare offering document for wide-spectrum of Investors

**Step 5:** Market and Close the Bonds



*Timeline requires approximately 60 days to complete*



## **Disclosures Regarding Underwriter's Role – MSRB Rule G-17**

### **Disclosures Concerning the Underwriter's Role**

- i. Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- ii. The Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the District and it has financial and other interests that differ from those of the District;
- iii. Unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the District under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the District without regard to its own financial or other interests;
- iv. The Underwriter has a duty to purchase securities from the District at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- v. The Underwriter will review the official statement for the District's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

### **Disclosure Concerning the Underwriter's Compensation**

Underwriter's compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that it is unnecessary or to recommend that the size of the transaction be larger than is necessary.



## **Disclosures Regarding Underwriter's Role – MSRB Rule G-17**

**Payments to or from Third Parties.** There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.

**Profit-Sharing with Investors.** There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

**Credit Default Swaps.** There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

**Retail Order Periods.** For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with an District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

**Dealer Payments to District Personnel.** Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.

**RESOLUTION 2017-2**

**THE RESOLUTION OF THE HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") AMENDING THE FISCAL YEAR 2017 BUDGET WHICH BEGAN ON OCTOBER 1, 2016, AND ENDED ON SEPTEMBER 30, 2017; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the District previously adopted the Fiscal Year 2017 Budget; and

**WHEREAS**, the District desires to amend the Adopted Budget in accordance with Exhibit A attached hereto;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR NORTH COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. INCORPORATION OF WHEREAS CLAUSES.** That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

**SECTION 2. AMENDMENT OF FISCAL YEAR 2017 BUDGET.** The previously adopted Budget of the District is hereby amended in accordance with Exhibit A attached hereto and incorporated herein as if written into this Section.

**SECTION 3. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

**SECTION 4. CONFLICT.** That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

**SECTION 5. EFFECTIVE DATE.** This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour North Community Development District.

**PASSED AND ADOPTED** this 2<sup>nd</sup> day of February, 2017

ATTEST:

**HERITAGE HARBOUR NORTH  
COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_, Chairman

**Heritage Harbour North  
Community Development District**

**General Fund - Budget  
Fiscal Year 2017**

| Description                                | Fiscal Year<br>2016 Budget | Actual at<br>02/29/2016 | Anticipated<br>Year End<br>09/30/16 | Fiscal Year<br>2017 Budget | Amendment 1   | Fiscal Year<br>2017 Budget<br>Amended |
|--|----------------------------|-------------------------|-------------------------------------|----------------------------|---------------|---------------------------------------|
| <b>Revenues and Other Sources</b>          |                            |                         |                                     |                            |               |                                       |
| Carryforward                               | \$ -                       | \$ -                    | \$ -                                | \$ (10,000)                |               | \$ (10,000)                           |
| Interest Income - General Account          | \$ 150                     | \$ 127                  | \$ 300                              | \$ 150                     |               | \$ 150                                |
| Miscellaneous Revenue - Boundary           | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |
| <b>Expansion</b>                           |                            |                         |                                     |                            |               |                                       |
| <b>Special Assessment Revenue</b>          |                            |                         |                                     |                            |               |                                       |
| Special Assessment - On-Roll               | \$ 70,175                  | \$ 89,426               | \$ 89,426                           | \$ 100,092                 | \$ 2,651      | \$ 102,742                            |
| Special Assessment - Off-Roll              | \$ 32,862                  | \$ -                    | \$ -                                | \$ 19,786                  | \$ (2,473)    | \$ 17,313                             |
| <b>Total Revenue &amp; Other Sources</b>   | <b>\$ 103,187</b>          | <b>\$ 89,552</b>        | <b>\$ 89,726</b>                    | <b>\$ 130,028</b>          | <b>\$ 177</b> | <b>\$ 130,206</b>                     |
| <b>Expenditures and Other Uses</b>         |                            |                         |                                     |                            |               |                                       |
| <b>Legislative</b>                         |                            |                         |                                     |                            |               |                                       |
| Board of Supervisor's Fees                 | \$ 2,400                   | \$ 600                  | \$ 1,800                            | \$ 2,400                   |               | \$ 2,400                              |
| Board of Supervisor's - FICA               | \$ 184                     | \$ 46                   | \$ 138                              | \$ 184                     |               | \$ 184                                |
| <b>Executive</b>                           |                            |                         |                                     |                            |               |                                       |
| Executive Salaries                         | \$ 35,000                  | \$ 15,423               | \$ 35,000                           | \$ 35,000                  |               | \$ 35,000                             |
| Executive Salaries - FICA                  | \$ 2,678                   | \$ 1,392                | \$ 3,290                            | \$ 3,290                   |               | \$ 3,290                              |
| Executive Salaries - Insurance             | \$ 3,400                   | \$ 1,518                | \$ 3,644                            | \$ 3,300                   |               | \$ 3,300                              |
| <b>Financial and Administrative</b>        |                            |                         |                                     |                            |               |                                       |
| Audit Services                             | \$ 5,500                   | \$ -                    | \$ 5,500                            | \$ 5,500                   |               | \$ 5,500                              |
| Accounting Services                        | \$ 6,000                   | \$ 2,164                | \$ 5,000                            | \$ 5,500                   |               | \$ 5,500                              |
| Assessment Roll Preparation                | \$ 8,000                   | \$ 2,769                | \$ 8,000                            | \$ 8,000                   |               | \$ 8,000                              |
| Arbitrage Rebate Fees                      | \$ 500                     | \$ 500                  | \$ 500                              | \$ 500                     |               | \$ 500                                |
| <b>Other Contractual Services</b>          |                            |                         |                                     |                            |               |                                       |
| Recording and Transcription                | \$ 500                     | \$ -                    | \$ 200                              | \$ 500                     |               | \$ 500                                |
| Legal Advertising                          | \$ 1,500                   | \$ -                    | \$ 1,500                            | \$ 1,500                   |               | \$ 1,500                              |
| Trustee Services                           | \$ 7,500                   | \$ 11,802               | \$ 11,802                           | \$ 11,900                  |               | \$ 11,900                             |
| Dissemination Agent Services               | \$ 5,000                   | \$ -                    | \$ 5,000                            | \$ 5,000                   |               | \$ 5,000                              |
| Bank Service Fees                          | \$ 400                     | \$ 627                  | \$ 400                              | \$ 400                     |               | \$ 400                                |
| <b>Travel and Per Diem</b>                 | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |
| <b>Communications and Freight Services</b> |                            |                         |                                     |                            |               |                                       |
| Telephone                                  | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |
| Postage, Freight & Messenger               | \$ 400                     | \$ 287                  | \$ 400                              | \$ 400                     |               | \$ 400                                |
| <b>Rentals and Leases</b>                  |                            |                         |                                     |                            |               |                                       |
| Miscellaneous Equipment                    | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |
| Computer Services                          | \$ 7,700                   | \$ 2,792                | \$ 7,700                            | \$ 7,700                   |               | \$ 7,700                              |
| <b>Insurance</b>                           | \$ 6,000                   | \$ 5,665                | \$ 5,665                            | \$ 6,000                   |               | \$ 6,000                              |
| <b>Printing and Binding</b>                | \$ 1,200                   | \$ 12                   | \$ 500                              | \$ 1,200                   |               | \$ 1,200                              |
| <b>Office Supplies</b>                     | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |
| <b>Subscriptions and Memberships</b>       | \$ 175                     | \$ 175                  | \$ 175                              | \$ 175                     |               | \$ 175                                |
| <b>Legal Services</b>                      |                            |                         |                                     |                            |               |                                       |
| General Counsel                            | \$ 4,000                   | \$ 536                  | \$ 1,200                            | \$ 4,000                   |               | \$ 4,000                              |
| Boundary Expansion                         | \$ -                       | \$ -                    | \$ -                                | \$ -                       |               | \$ -                                  |

**Heritage Harbour North  
Community Development District**

**General Fund - Budget  
Fiscal Year 2017**

| Description  | Fiscal Year<br>2016 Budget | Actual at<br>02/29/2016 | Anticipated<br>Year End<br>09/30/16 | Fiscal Year<br>2017 Budget | Amendment 1 | Fiscal Year<br>2017 Budget<br>Amended |
|--|----------------------------|-------------------------|-------------------------------------|----------------------------|-------------|---------------------------------------|
| <b>Other General Government Services</b>                   |                            |                         |                                     |                            |             |                                       |
| Engineering Services                                       | \$ 600                     | \$ -                    | \$ -                                | \$ 600                     |             | \$ 600                                |
| Contingencies  | \$ -                       | \$ -                    | \$ -                                | \$ -                       |             | \$ -                                  |
| Capital Outlay   | \$ -                       | \$ -                    | \$ -                                | \$ -                       |             | \$ -                                  |
| <b>Other Fees and Charges</b>                              |                            |                         |                                     |                            |             |                                       |
| Discounts, Tax Collector Fee and<br>Property Appraiser Fee | \$ 4,550                   | \$ -                    | \$ 4,550                            | \$ 6,980                   |             | \$ 7,170                              |
| <b>Total Expenditures and Other Uses</b>                   | <b>\$ 103,187</b>          | <b>\$ 46,308</b>        | <b>\$ 101,963</b>                   | <b>\$ 110,028</b>          |             | <b>\$ 110,218</b>                     |
| <b>Net Increase/(Decrease) in Fund</b>                     |                            |                         |                                     |                            |             |                                       |
| <b>Balance</b>   | \$ -                       | \$ 43,244               | \$ (12,237)                         | \$ 20,000                  |             | \$ 19,987                             |
| <b>Fund Balance - Beginning</b>                            | \$ 16,421                  | \$ 16,421               | \$ 16,421                           | \$ 4,183                   |             | \$ 4,183                              |
| <b>Fund Balance - Ending (Projected)</b>                   | <b>\$ 16,421</b>           | <b>\$ 59,665</b>        | <b>\$ 4,183</b>                     | <b>\$ 24,183</b>           |             | <b>\$ 24,171</b>                      |

**Assessment Comparison**

|                      | Number<br>of Units | Fiscal Year 2016 |          | Fiscal Year 2016 |          |          |
|----------------------|--------------------|------------------|----------|------------------|----------|----------|
|                      |                    | Off-Roll         | On-Roll  | Off-Roll         | On-Roll  | On-Roll  |
| Single Family 55'    | 331                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |
| Single Family 65'    | 177                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |
| Single Family 75     | 147                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |
| Single Family 85'    | 105                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |
| TH/Coach/SF Attached | 478                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |
| Condominium          | 636                | \$ 52.66         | \$ 56.19 | \$ 60.32         | \$ 60.32 | \$ 64.75 |

Heritage Harbour North  
Community Development District

Series 2007 Bonds - Debt Service Fund - Budget  
Fiscal Year 2017

| Description  | Fiscal Year 2016<br>Budget | Actual at<br>02/29/2016 | Anticipated<br>Year End<br>09/30/16 | Fiscal Year 2017<br>Budget | Amendment 1       | Fiscal Year 2017<br>Budget Amended |
|--|----------------------------|-------------------------|-------------------------------------|----------------------------|-------------------|------------------------------------|
| <b>Revenues and Other Sources</b>                            |                            |                         |                                     |                            |                   |                                    |
| Carryforward   | \$ 31,456                  | \$ -                    | \$ -                                | \$ -                       |                   | \$ -                               |
| Interest Income  | \$ -                       | \$ 1,467                | \$ 3,000                            | \$ 1,500                   | \$ -              | \$ 1,500                           |
| <b>Special Assessment Revenue</b>                            |                            |                         |                                     |                            |                   |                                    |
| Special Assessment - On-Roll                                 | \$ 1,552,796               | \$ 1,523,398            | \$ 1,523,398                        | \$ 1,753,938               | \$ 7,302          | \$ 1,761,241                       |
| Special Assessment - Off-Roll                                | \$ 328,895                 | \$ -                    | \$ -                                | \$ 142,637                 | \$ (8,074)        | \$ 134,562                         |
| <b>Total Revenue &amp; Other Sources</b>                     | <b>\$ 1,913,147</b>        | <b>\$ 1,524,865</b>     | <b>\$ 1,526,398</b>                 | <b>\$ 1,898,075</b>        | <b>\$ (772)</b>   | <b>\$ 1,897,303</b>                |
| <b>Expenditures and Other Uses</b>                           |                            |                         |                                     |                            |                   |                                    |
| <b>Debt Service</b>  |                            |                         |                                     |                            |                   |                                    |
| <b>Principal Debt Service - Mandatory</b>                    |                            |                         |                                     |                            |                   |                                    |
| Series 2007 Bonds  | \$ 420,000                 | \$ -                    | \$ 420,000                          | \$ 450,000                 |                   | \$ 450,000                         |
| <b>Principal Debt Service - Early Redemptions</b>            |                            |                         |                                     |                            |                   |                                    |
| Series 2007 Bonds  | \$ -                       | \$ -                    | \$ -                                | \$ -                       |                   | \$ -                               |
| <b>Interest Expense</b>                                      |                            |                         |                                     |                            |                   |                                    |
| Series 2007 Bonds  | \$ 1,360,106               | \$ 680,053              | \$ 1,360,106                        | \$ 1,333,331               |                   | \$ 1,333,331                       |
| <b>Operating Transfers Out</b>                               | \$ 31,456                  | \$ 1,467                | \$ 1,467                            | \$ -                       |                   | \$ -                               |
| <b>Other Fees and Charges</b>                                |                            |                         |                                     |                            |                   |                                    |
| Discounts, Tax Collector Fees and<br>Property Appraiser Fees | \$ 101,585                 | \$ -                    | \$ 45,000                           | \$ 114,744                 |                   | \$ 115,221                         |
| <b>Total Expenditures and Other Uses</b>                     | <b>\$ 1,913,147</b>        | <b>\$ 681,520</b>       | <b>\$ 1,826,573</b>                 | <b>\$ 1,898,075</b>        | <b>\$ 478</b>     | <b>\$ 1,898,553</b>                |
| <b>Net Increase/(Decrease) in Fund<br/>Balance</b>           |                            |                         |                                     |                            |                   |                                    |
|  | \$ -                       | \$ 843,345              | \$ (300,175)                        | \$ -                       |                   | \$ -                               |
| <b>Fund Balance - Beginning</b>                              | <b>\$ 2,434,785</b>        | <b>\$ 2,434,785</b>     | <b>\$ 2,434,785</b>                 | <b>\$ 2,133,110</b>        |                   | <b>\$ 2,131,860</b>                |
| <b>Fund Balance - Ending (Projected)</b>                     |                            | <b>\$ 3,278,130</b>     | <b>\$ 2,134,610</b>                 | <b>\$ 2,133,110</b>        | <b>\$ (1,250)</b> | <b>\$ 2,131,860</b>                |
| <b>Restricted Fund Balance:</b>                              |                            |                         |                                     |                            |                   |                                    |
| Reserve Account Requirement                                  |                            |                         | \$ 1,566,450                        |                            |                   |                                    |
| Restricted for November 1, 2017 Interest Payment             |                            |                         | \$ 652,322                          |                            |                   |                                    |
| <b>Total - Restricted Fund Balance:</b>                      |                            |                         | <b>\$ 2,218,772</b>                 |                            |                   |                                    |



Heritage Harbour North  
Community Development District

Series 2014 Bonds - Debt Service Fund - Budget  
Fiscal Year 2017

| Description  | Fiscal Year<br>2016 Budget | Actual at<br>02/29/2016 | Year End<br>09/30/16 | Fiscal Year 2017<br>Budget | Amendment 1     | Fiscal Year 2017<br>Budget Amended |
|--|----------------------------|-------------------------|----------------------|----------------------------|-----------------|------------------------------------|
| <b>Revenues and Other Sources</b>                            |                            |                         |                      |                            |                 |                                    |
| Carryforward   | \$ -                       | \$ -                    | \$ -                 | \$ -                       |                 | \$ -                               |
| Interest Income  | \$ -                       | \$ 46                   | \$ 60                | \$ -                       |                 | \$ -                               |
| <b>Special Assessment Revenue</b>                            |                            |                         |                      |                            |                 |                                    |
| Special Assessment - On-Roll                                 | \$ 158,907                 | \$ 191,840              | \$ 543,393           | \$ 300,078                 | \$ 40,743       | \$ 340,821                         |
| Special Assessment - Off-Roll                                | \$ 369,164                 | \$ -                    | \$ -                 | \$ 241,478                 | \$ (38,078)     | \$ 203,400                         |
| Bond Proceeds  | \$ -                       | \$ -                    | \$ -                 |                            |                 |                                    |
| <b>Total Revenue &amp; Other Sources</b>                     | <b>\$ 528,071</b>          | <b>\$ 191,886</b>       | <b>\$ 543,453</b>    | <b>\$ 541,556</b>          | <b>\$ 2,665</b> | <b>\$ 544,222</b>                  |
| <b>Expenditures and Other Uses</b>                           |                            |                         |                      |                            |                 |                                    |
| <b>Debt Service</b>  |                            |                         |                      |                            |                 |                                    |
| <b>Principal Debt Service - Mandatory</b>                    |                            |                         |                      |                            |                 |                                    |
| Series 2014 Bonds  | \$ 115,000                 | \$ -                    | \$ 115,000           | \$ 125,000                 | \$ -            | \$ 125,000                         |
| <b>Principal Debt Service - Early Redemptions</b>            |                            |                         |                      |                            |                 |                                    |
| Series 2014 Bonds  | \$ -                       | \$ -                    | \$ -                 | \$ -                       |                 | \$ -                               |
| <b>Interest Expense</b>                                      |                            |                         |                      |                            |                 |                                    |
| Series 2014 Bonds  | \$ 402,675                 | \$ 201,338              | \$ 402,675           | \$ 396,925                 | \$ -            | \$ 396,925                         |
| Operating Transfers Out                                      | \$ -                       | \$ -                    | \$ -                 | \$ -                       |                 | \$ -                               |
| <b>Other Fees and Charges</b>                                |                            |                         |                      |                            |                 |                                    |
| Discounts, Tax Collector Fees and<br>Property Appraiser Fees | \$ 10,396                  | \$ -                    | \$ 10,396            | \$ 19,631                  | \$ 2,665        | \$ 22,297                          |
| <b>Total Expenditures and Other Uses</b>                     | <b>\$ 528,071</b>          | <b>\$ 201,338</b>       | <b>\$ 528,071</b>    | <b>\$ 541,556</b>          | <b>\$ 2,665</b> | <b>\$ 544,222</b>                  |
| <b>Net Increase/(Decrease) in Fund</b>                       |                            |                         |                      |                            |                 |                                    |
| Balance  | \$ -                       | \$ (9,452)              | \$ 15,382            | \$ -                       |                 | \$ -                               |
| Fund Balance - Beginning                                     | \$ 460,839                 | \$ 460,839              | \$ 460,839           | \$ 476,221                 |                 | \$ 476,221                         |
| Fund Balance - Ending (Projected)                            |                            | \$ 451,387              | \$ 476,221           | \$ 476,221                 |                 | \$ 476,221                         |
| <b>Restricted Fund Balance:</b>                              |                            |                         |                      |                            |                 |                                    |
| Reserve Account Requirement                                  |                            |                         | \$ 259,400           |                            |                 |                                    |
| Restricted for November 1, 2017 Interest Payment             |                            |                         | \$ 195,338           |                            |                 |                                    |
| <b>Total - Restricted Fund Balance:</b>                      |                            |                         | <b>\$ 454,738</b>    |                            |                 |                                    |

**Assessment Comparison**

|                   | Number<br>of Units | Fiscal Year 2016 |             | Fiscal Year 2017 |           |             |
|-------------------|--------------------|------------------|-------------|------------------|-----------|-------------|
|                   |                    | Off-Roll         | On-Roll     | Off-Roll         | On-Roll   | On-Roll     |
| Single Family 55' | 173                | \$ 886.19        | \$ 948.22   | \$ 914.12        | \$ 63.99  | \$ 978.11   |
| Single Family 65' | 145                | \$ 1,318.22      | \$ 1,410.50 | \$ 1,283.22      | \$ 89.83  | \$ 1,373.04 |
| Single Family 75' | 24                 | \$ 1,628.52      | \$ 1,742.52 | \$ 1,641.89      | \$ 114.93 | \$ 1,756.82 |
| Single Family 85' | 11                 | \$ 1,778.92      | \$ 1,903.44 | \$ 1,793.52      | \$ 125.55 | \$ 1,919.07 |
| Twin Villas       | 130                | \$ 701.65        | \$ 750.76   | \$ 707.41        | \$ 49.52  | \$ 756.93   |
| Condominium       | 26                 | \$ 1,015.44      | \$ 1,086.52 | \$ 1,023.78      | \$ 71.66  | \$ 1,095.44 |
| <b>Total:</b>     | <b>509</b>         |                  |             |                  |           |             |

# **DISCLOSURE SERVICES, LLC**

## **DISSEMINATION AGREEMENT Heritage Harbour North Community Development District**

October 4, 2016

Board of Supervisors  
**Heritage Harbour North Community Development District**

Dear Supervisors:

**DISCLOSURE SERVICES, LLC** ("Dissemination Agent") hereby agrees with the Heritage Harbour North Community Development District (the "District") to act as the District's Dissemination Agent. The duties of the Dissemination Agent are set forth in this Dissemination Agreement (the "Agreement"). The purpose of this Agreement is to facilitate the District's compliance with the Securities and Exchange Commission's (the "SEC's") Rule 15c2-12(b)(5) (the "Rule") related to continuing disclosure. The Dissemination Agent is acting as an independent contractor for purposes of facilitating the District's Rules obligations and is not an agent of the District. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Continuing Disclosure Agreements.

1. **Duties:** The Dissemination Agent shall have only such duties as are specifically set forth in the Continuing Disclosure Agreements.
2. **Fees:** The Dissemination Agent will be responsible for all out-of-pocket expenses. The annual fee for the Dissemination Agent's services under this Agreement is \$1,000 for each of the District's outstanding bond issuances, plus \$1,000 for each additional bond issue of the District, subject to these disclosure requirements.
3. **Assignment:** The Dissemination Agent reserves the right to engage a third party for the purpose of carrying out the services outlined in this Agreement.
4. **Termination:** Both the District and the Dissemination Agent will have the right to terminate this Agreement upon 30 days prior written notice.
5. **Representation of the District:** The District represents and warrants that it will not withhold any information necessary for the Dissemination Agent to carry out its duties under this Agreement and that it will supply all information requested by the Dissemination Agent.

# DISCLOSURE SERVICES, LLC

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Page 2

6. **Indemnification**: To the extent permitted by law, the District will indemnify the Dissemination Agent for any action or actions brought by Owners as a result of the failure (including omission and misrepresentation) of the District to meet its requirements under this Agreement and the Continuing Disclosure Agreement as determined by a court of competent jurisdiction. To the extent permitted by law, the Dissemination Agent will indemnify the District for any action or actions brought by Owners as a result of the Dissemination Agent's gross negligence or willful misconduct as determined by a court of competent jurisdiction.
  
7. **Responsibility for Information**: The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be produced by the District. The Dissemination Agent's duties are those of collection and collation and not of authorship or production, consequently the Dissemination Agent shall have no responsibility for the content of the information disseminated by it and any and all securities law liabilities, including compliance with the Rule, will remain with the District.
  
8. **Agreement Governed by Florida Law**: The terms and conditions of this Agreement shall be governed by the laws of the State of Florida.

This Agreement shall be effective upon the District's acceptance hereof.

Very truly yours,

**DISCLOSURE SERVICES, LLC**



Robert Gardner  
Manager

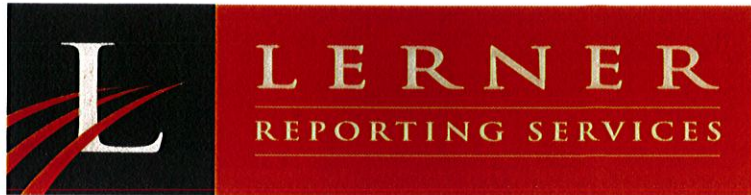
*Approved and Accepted:*

Heritage Harbour North Community Development District

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



September 21, 2016

Board of Supervisors  
Heritage Harbour North Community Development District  
c/o Jim Ward, District Manager

Dear Supervisors,

I would like to request that the Board consider the enclosed proposal for Lerner Reporting Services, Inc. (LRS) to assume the role of Dissemination Agent on behalf of the Heritage Harbour North Community Development District.

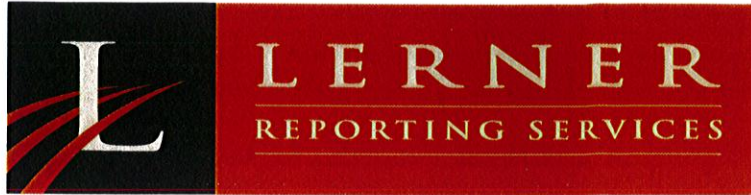
In light of the SEC's increased scrutiny over compliance reporting, LRS customizes a unique disclosure report for each District that provides comprehensive financial and development analytics. Our firm has the simultaneous goal of ensuring the District is protected from Continuing Disclosure Agreement compliance violations administered by the SEC and facilitates the investor's comprehension of the District's performance to preserve a quality credit rating and aid in future financing, refinancing, or restructuring of the District's debt. We have supplied copies of disclosure reports for various Districts we are actively engaged in to facilitate understanding of the level of service our firm provides.

Our team is extremely familiar with the operations of the Heritage Harbour North community and we believe that this knowledge will allow us to provide an enhanced level of continuing disclosure reporting under the Securities and Exchange Commission's Rule 15c2-12(b)(5). We believe this enhanced level of reporting will protect and benefit the District, while also serving to provide the current, and potentially, future investors of the District's bonds with timely and accurate financial, entitlement and development information particularly with the anticipated ramp-up of builder activity within the community.

We propose an annual fee of \$5,000 for dissemination agent services. Thank you for your consideration and please feel free to contact me directly should you have any questions with regard to our proposal.

Sincerely,

Scott H. Campbell  
Vice President  
Lerner Reporting Services, Inc.



September 21, 2016

Board of Supervisors  
Heritage Harbour North Community Development District  
c/o Jim Ward, District Manager

Dear Supervisors:

Lerner Reporting Services, Inc. ("LRS, Inc." or the "Dissemination Agent") hereby agrees with the Heritage Harbour North Community Development District (the "District") to act as the District's Dissemination Agent effective for the District's 2016-2017 fiscal year. The duties of the Dissemination Agent are set forth in this Dissemination Agreement (the "Agreement") and in that certain Continuing Disclosure Agreements dated October 11, 2007 and November 13, 2014 (the "Continuing Disclosure Agreement"). The purpose of this Agreement is to facilitate the District's compliance with the Securities and Exchange Commission's (the "SEC's") Rule 15c2-12(b)(5) (the "Rule") related to continuing disclosure. LRS, Inc. is acting as an independent contractor for purposes of facilitating the District's Rules obligations and is not an agent of the District. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Continuing Disclosure Agreement.

1. Duties:

The Dissemination Agent's duties shall consist of the following:

- (a) To assist the District in developing information collection systems to be used in complying with the requirements of the Continuing Disclosure Agreement.
- (b) To collect, from District Management, the Developer, Landowner, or other parties, as appropriate, financial data and other factual information required by the Continuing Disclosure Agreement information noted in the attached and to distribute such information supplied to us by the respective parties, including quarterly and annual development and financial data, the audited financial statements for the District (collectively, the "Annual Report"), to the Electronic Municipal Market Access system ("EMMA").
- (c) To work with the District and the Trustee and report any "Significant Events", disclosed to LRS, Inc. by the District, all in accordance with the Continuing Disclosure Agreement.

- (d) To file quarterly and annual reports through EMMA detailing development updates, financial performance, and all other relevant data.
- (e) To collect and disseminate directly to the Beneficial Owners through the use of EMMA the following Annual Financial information in an Annual Report, which is beyond the requirements of the Rule, and as is set forth in more detail in the Continuing Disclosure Agreement:
  - (i) The amount of Assessments levied for the most recent prior Fiscal Year.
  - (ii) The amount of Assessments collected from the property owners during the most recent prior Fiscal Year.
  - (iii) If available, the amount of delinquencies greater than one hundred fifty (150) days, and, in the event that delinquencies amount to more than ten percent (10%) of the amounts of the Assessments due in any year, a list of delinquent property owners.
  - (iv) If available, the amount of tax certificates sold, if any, and the balance, if any, remaining for sale from the most recent Fiscal Year.
  - (v) All fund balances in all Funds and Accounts for the Bonds. The Issuer shall provide any Bondholder with this information no more frequently than annually within thirty (30) days of the written request of the Bondholder.
  - (vi) The total amount of Bonds of each Series Outstanding.
  - (vii) The amount of principal and interest to be paid on the Bonds in the current Fiscal Year.
  - (viii) The most recent audited financial statements of the Issuer.
- (f) To work with the District and the Trustee to prepare reports no later than thirty (30) days after the end of each quarter of the calendar year and file these reports with EMMA and the Beneficial Owners. These quarterly reports may address the following information requirements of the Beneficial Owners, as supplied to LRS, Inc. by the District and all as controlled by the Continuing Disclosure Agreement:
  - (i) The number of lots owned in the Development by the Primary Landowner.
  - (ii) The number of lots in the Development under contract with a homebuilder and the name of such builder.
  - (iii) The number of homes under construction and the number of homes constructed in the Development.
  - (iv) The number of homes under contract with homebuyers in the Development.
  - (v) The number of homes closed with homebuyers (delivered to end users) in the Development.

(vi) Any Change to the number of lots planned to be developed in the Development.

(g) To collect and disseminate directly to the Beneficial Owners any additional information specifically requested by the Beneficial Owners at the time of closing or subsequent to the closing of the Bonds.

(h) To comply with the terms of the Continuing Disclosure Agreement as Dissemination Agent for the duration of this Agreement.

2. Fees:

LRS, Inc. will be responsible for all out-of-pocket expenses. The annual fee for LRS, Inc.'s services under this Agreement is \$5,000 for the Capital Improvement Bonds, Series 2007 and Special Assessment Bonds, Series 2014, subject to these disclosure requirements.

3. Termination:

Both the District and LRS, Inc. will have the right to terminate this Agreement upon 30 days prior written notice.

4. Representation of the District:

The District represents and warrants that it will not withhold any information necessary for LRS, Inc. to carry out its duties under this Agreement and that it will supply all information requested by LRS, Inc.

5. Indemnification:

To the extent permitted by law, the District will indemnify LRS, Inc. for any action or actions brought by Beneficial Owners as a result of the failure (including omission and misrepresentation) of the District to meet its requirements under this Agreement and the Continuing Disclosure Agreement.

6. Responsibility for Information:

The District acknowledges and agrees that the information to be collected and disseminated by the Dissemination Agent will be produced by the District and the Developer. The Dissemination Agent's duties are those of the collection and collation and not of authorship or production, consequently the Dissemination Agent shall have no responsibility for the content of the information disseminated by it and any and all securities law liabilities, including compliance with the Rule, will remain with the District and the Developer.

7. Waiver of Jury Trial:

EACH OF THE DISTRICT AND LRS. INC. KNOWINGLY WAIVES ANY RIGHT TO TRIAL BY JURY.

8. Agreement Governed by Florida Law:

The terms and conditions of this Agreement shall be governed by the laws of the State of Florida.

This Agreement shall be effective upon the District's acceptance hereof.

Very truly yours,



Scott Campbell  
Vice President  
Lerner Reporting Services, Inc.

Approved and Accepted:

Heritage Harbour North Community Development District

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



ESTANCIA AT WIREGRASS COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2013 BONDS

QUARTERLY DISCLOSURE REPORT  
PERIOD ENDING JUNE 30, 2016



PREPARED BY:

**LERNER REPORTING SERVICES, INC.**

5020 W. LINEBAUGH AVENUE, SUITE 250

TAMPA, FL 33624

PHONE: 813-915-3449 FAX: 813-915-0649

[WWW.LERNERADVISORS.COM](http://WWW.LERNERADVISORS.COM)

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PREPARED BY:  
**LERNER REPORTING SERVICES, INC.**

5020 W. LINEBAUGH AVENUE, SUITE 250  
TAMPA, FLORIDA 33624  
PHONE: 813-915-3449 FAX: 813-915-0649  
WWW.LERNERADVISORS.COM

## Project Overview

The Estancia at Wiregrass Community Development District is a master-planned, single-family residential development located within Pasco County, Florida and comprising approximately 677 acres. The Series 2013 Bonds financed public infrastructure servicing the development, consisting of 1,143 lots at final buildout. The target market for the Development is first time and move up homebuyers, with estimated average home prices ranging from \$250,000 to \$640,000 for a single-family 45' to a single-family 120' home, respectively. Public amenities include an amenity center, cabana, pool/deck, a playground, tennis and basketball courts, and other amenities. Standard Pacific of Florida is the exclusive developer/builder of the project and is actively selling homes.

*Lerner Reporting Services* (“LRS”) has been engaged as the dissemination agent tasked with submission of quarterly, annual, and material event disclosures, as outlined within the Continuing Disclosure Agreement of the Series 2013 Bonds.

**All questions pertaining to the data supplied within the attached should be directed to LRS at 813-915-3449.**

## Financial Snapshot

The District issued \$15,430,000 in Series 2013 Capital Improvement Revenue Bonds to service public infrastructure, with assessment liens on assessable, private property securing the bonds. Series 2013 assessments commenced in 2015, with the District collecting 100% of direct-billed assessments levied for the Fiscal Year 2014/2015. To date, the District has collected 66% of the FY2015/2016 annual assessment levy, with direct-billed assessments representing the District’s remaining receivable balance.

## Landowner Composition and Product Absorption

To date, Standard Pacific has closed 197 homes, representing 23% of the 859 units planned for Phases 1-3.

**FINANCIAL OVERVIEW:**

|  | FISCAL YEAR 2015/2016 TRUST ESTATE ASSETS: |               |               |                 |               |               |                 |               |               |                 |           |       |
|--|--|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|-----------|-------|
|  | As of 12/31/2015                           |               |               | As of 3/31/2016 |               |               | As of 6/30/2016 |               |               | As of 9/30/2016 |           |       |
| <b>SERIES 2013 SPECIAL ASSESSMENT BOND OVERVIEW:</b> | 297321AA9                                  | 297321AB7     | TOTAL         | 297321AA9       | 297321AB7     | TOTAL         | 297321AA9       | 297321AB7     | TOTAL         | 297321AA9       | 297321AB7 | TOTAL |
| Par Amount of Bonds Outstanding:                     | \$ 2,640,000                               | \$ 12,790,000 | \$ 15,430,000 | \$ 2,640,000    | \$ 12,790,000 | \$ 15,430,000 | \$ 2,640,000    | \$ 12,790,000 | \$ 15,430,000 | \$ -            | \$ -      | \$ -  |
| % of Bonds Prepaid                                   | 0%   | 0%            |               | 0%              | 0%            |               | 0%              | 0%            |               | 0%              | 0%        |       |
| <b>Combined Trust Estate Assets:</b>                 |  |               | \$ 1,174,517  |                 |               | \$ 1,195,911  |                 |               | \$ 1,088,693  |                 |           | \$ -  |
| Interest Fund Balance:                               |  |               | \$ -          |                 |               | \$ -          |                 |               | \$ -          |                 |           | \$ -  |
| Revenue Fund Balance:                                |  |               | \$ 374,515    |                 |               | \$ 395,909    |                 |               | \$ 288,690    |                 |           | \$ -  |
| Reserve Fund Balance:                                |  |               | \$ 799,916    |                 |               | \$ 799,916    |                 |               | \$ 799,916    |                 |           | \$ -  |
| Prepayment Fund Balance:                             |  |               | \$ 86         |                 |               | \$ 86         |                 |               | \$ 4,334      |                 |           | \$ -  |

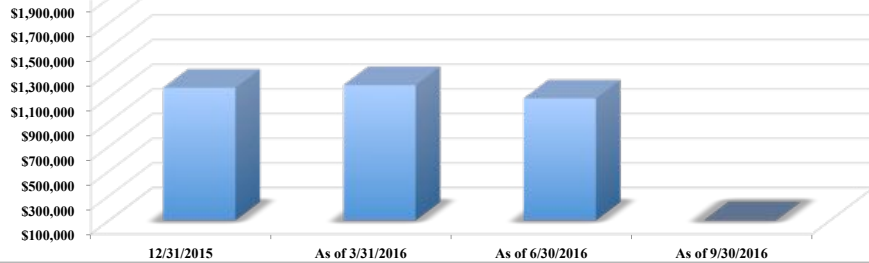
  

|  | FISCAL YEAR 2015/2016 DEBT SERVICE ANALYSIS: |            |            |                 |           |       |                 |            |            |                 |           |       | Funds Required to Service 2016/2017 Payment: |
|--|--|------------|------------|-----------------|-----------|-------|-----------------|------------|------------|-----------------|-----------|-------|--|
|  | As of 12/31/2015                             |            |            | As of 3/31/2016 |           |       | As of 6/30/2016 |            |            | As of 9/30/2016 |           |       |  |
| <b>SEMI-ANNUAL DEBT SERVICE PAYMENTS DUE:</b>    | 297321AA9                                    | 297321AB7  | TOTAL      | 297321AA9       | 297321AB7 | TOTAL | 297321AA9       | 297321AB7  | TOTAL      | 297321AA9       | 297321AB7 | TOTAL | TOTAL  |
| November 1, 2015:                                | \$ 84,150                                    | \$ 447,650 | \$ 531,800 | \$ -            | \$ -      | \$ -  | \$ -            | \$ -       | \$ -       | \$ -            | \$ -      | \$ -  | \$ -   |
| May 1, 2016:                                     | \$ -   | \$ -       | \$ -       | \$ -            | \$ -      | \$ -  | \$ 84,150       | \$ 447,650 | \$ 531,800 | \$ -            | \$ -      | \$ -  | \$ -   |
| Fiscal Year 2016/2017 Debt Service Payments Due: | \$ -   | \$ -       | \$ -       | \$ -            | \$ -      | \$ -  | \$ -            | \$ -       | \$ -       | \$ -            | \$ -      | \$ -  | \$ 1,233,022                                 |
| <b>Total Debt Service Payments Due:</b>          | \$ 84,150                                    | \$ 447,650 | \$ 531,800 | \$ -            | \$ -      | \$ -  | \$ 84,150       | \$ 447,650 | \$ 531,800 | \$ -            | \$ -      | \$ -  | \$ 1,233,022                                 |

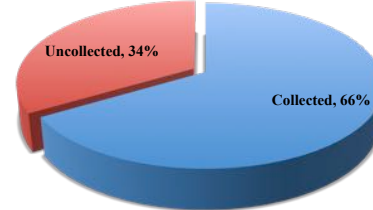
  

| <b>SPECIAL ASSESSMENT LEVY:</b>   |                |                |              |              |              |              |              |              |              |      |      |      |      |
|---|----------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------|------|------|------|
| <b>Capitalized Interest Proceeds:</b>                                   |                |                |              |              |              |              |              |              |              |      |      |      |      |
| Capitalized Interest Funds Utilized to Service Payment:                 | \$ -           | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ - | \$ - | \$ - | \$ - |
| <b>Tax Levy and District Invoicing:</b>                                 |                |                |              |              |              |              |              |              |              |      |      |      |      |
| Tax-Levied Assessments:   | \$ 406,290     | \$ 406,290     | \$ 406,290   | \$ 406,290   | \$ 406,290   | \$ 406,290   | \$ 406,290   | \$ 406,290   | \$ 406,290   | \$ - | \$ - | \$ - | \$ - |
| Direct-Billed Assessments:  | \$ 833,311     | \$ 833,311     | \$ 833,311   | \$ 833,311   | \$ 833,311   | \$ 833,311   | \$ 833,311   | \$ 833,311   | \$ 833,311   | \$ - | \$ - | \$ - | \$ - |
| <b>Total District Assessment Levy:</b>                                  | \$ 1,239,601   | \$ 1,239,601   | \$ 1,239,601 | \$ 1,239,601 | \$ 1,239,601 | \$ 1,239,601 | \$ 1,239,601 | \$ 1,239,601 | \$ 1,239,601 | \$ - | \$ - | \$ - | \$ - |
| <b>Total Assessment Collections:</b>                                    |                |                |              |              |              |              |              |              |              |      |      |      |      |
| Tax-Levied Collections (Servicing May and Nov 2016 Payments)            | \$ -           | \$ -           | \$ 395,607   | \$ 395,607   | \$ 395,607   | \$ 395,607   | \$ 406,535   | \$ 406,535   | \$ 406,535   | \$ - | \$ - | \$ - | \$ - |
| Direct-Billed Collections (Servicing May and Nov 2016 Payments)         | \$ -           | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ 416,655   | \$ 416,655   | \$ 416,655   | \$ - | \$ - | \$ - | \$ - |
| <b>Total Assessment Collections:</b>                                    | \$ -           | \$ -           | \$ 395,607   | \$ 395,607   | \$ 395,607   | \$ 395,607   | \$ 823,190   | \$ 823,190   | \$ 823,190   | \$ - | \$ - | \$ - | \$ - |
| <b>Assessment Collections Surplus/(Shortfall):</b>                      | \$ (1,239,601) | \$ (1,239,601) | \$ (843,994) | \$ (843,994) | \$ (843,994) | \$ (416,411) | \$ (416,411) | \$ (416,411) | \$ (416,411) | \$ - | \$ - | \$ - | \$ - |
| <b>Assessment Collections Rate:</b>                                     | 0%             |                | 32%          |              | 66%          |              | 0%           |              |              |      |      |      |      |
| <b>Delinquent Assessment Overview:</b>                                  |                |                |              |              |              |              |              |              |              |      |      |      |      |
| Amount of delinquencies greater than 150 days (if greater than 10% of 1 | \$ -           | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ - | \$ - | \$ - | \$ - |
| Amount of tax certificates sold, if any:                                | \$ -           | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ - | \$ - | \$ - | \$ - |
| Balance remaining for sale from the most recent Fiscal Year:            | \$ -           | \$ -           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ - | \$ - | \$ - | \$ - |

**Combined Trust Estate Assets:**



**2016 Assessment Collections Rate. Figure corresponds with payments to be made for the May 2016 and November 2016 periods, as District levies assessments in this capacity.**



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\$2,640,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2026, 6.375% CUSIP - 2

\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000% CUSIP -

**DEBT SERVICE REQUIREMENTS FOR 2013 BONDS, CUSIP 297321AA9:**

*Coupon Rate 6.375%*

|              | <b>Principal</b>       |           | <b>Interest</b>     |           | <b>Total</b>        |
|--------------|------------------------|-----------|---------------------|-----------|---------------------|
| 5/1/14       | \$ -                   | \$        | 87,688.45           | \$        | 87,688.45           |
| 11/1/14      | \$ -                   | \$        | 84,150.00           | \$        | 84,150.00           |
| 5/1/15       | \$ -                   | \$        | 84,150.00           | \$        | 84,150.00           |
| 11/1/15      | \$ -                   | \$        | 84,150.00           | \$        | 84,150.00           |
| 5/1/16       | \$ -                   | \$        | 84,150.00           | \$        | 84,150.00           |
| 11/1/16      | \$ 175,000.00          | \$        | 84,150.00           | \$        | 259,150.00          |
| 5/1/17       | \$ -                   | \$        | 78,571.88           | \$        | 78,571.88           |
| 11/1/17      | \$ 185,000.00          | \$        | 78,571.88           | \$        | 263,571.88          |
| 5/1/18       | \$ -                   | \$        | 72,675.00           | \$        | 72,675.00           |
| 11/1/18      | \$ 195,000.00          | \$        | 72,675.00           | \$        | 267,675.00          |
| 5/1/19       | \$ -                   | \$        | 66,459.38           | \$        | 66,459.38           |
| 11/1/19      | \$ 210,000.00          | \$        | 66,459.38           | \$        | 276,459.38          |
| 5/1/20       | \$ -                   | \$        | 59,765.63           | \$        | 59,765.63           |
| 11/1/20      | \$ 220,000.00          | \$        | 59,765.63           | \$        | 279,765.63          |
| 5/1/21       | \$ -                   | \$        | 52,753.13           | \$        | 52,753.13           |
| 11/1/21      | \$ 235,000.00          | \$        | 52,753.13           | \$        | 287,753.13          |
| 5/1/22       | \$ -                   | \$        | 45,262.50           | \$        | 45,262.50           |
| 11/1/22      | \$ 250,000.00          | \$        | 45,262.50           | \$        | 295,262.50          |
| 5/1/23       | \$ -                   | \$        | 37,293.75           | \$        | 37,293.75           |
| 11/1/23      | \$ 265,000.00          | \$        | 37,293.75           | \$        | 302,293.75          |
| 5/1/24       | \$ -                   | \$        | 28,846.88           | \$        | 28,846.88           |
| 11/1/24      | \$ 285,000.00          | \$        | 28,846.88           | \$        | 313,846.88          |
| 5/1/25       | \$ -                   | \$        | 19,762.50           | \$        | 19,762.50           |
| 11/1/25      | \$ 300,000.00          | \$        | 19,762.50           | \$        | 319,762.50          |
| 5/1/26       | \$ -                   | \$        | 10,200.00           | \$        | 10,200.00           |
| 11/1/26      | \$ 320,000.00          | \$        | 10,200.00           | \$        | 330,200.00          |
| <b>TOTAL</b> | <b>\$ 2,640,000.00</b> | <b>\$</b> | <b>1,451,619.70</b> | <b>\$</b> | <b>4,091,619.70</b> |

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\$2,640,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2026, 6.375%

\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000%

**DEBT SERVICE REQUIREMENTS FOR 2013 BONDS, CUSIP 297321AB7:**

*Coupon Rate 7.000%*

|            | <b>Principal</b> | <b>Interest</b> | <b>Total</b>  |
|------------|------------------|-----------------|---------------|
| 5/1/14 \$  | -                | \$ 464,792.71   | \$ 464,792.71 |
| 11/1/14 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/15 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/15 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/16 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/16 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/17 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/17 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/18 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/18 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/19 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/19 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/20 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/20 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/21 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/21 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/22 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/22 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/23 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/23 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/24 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/24 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/25 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/25 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/26 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/26 \$ | -                | \$ 447,650.00   | \$ 447,650.00 |
| 5/1/27 \$  | -                | \$ 447,650.00   | \$ 447,650.00 |
| 11/1/27 \$ | 340,000.00       | \$ 447,650.00   | \$ 787,650.00 |
| 5/1/28 \$  | -                | \$ 435,750.00   | \$ 435,750.00 |
| 11/1/28 \$ | 365,000.00       | \$ 435,750.00   | \$ 800,750.00 |
| 5/1/29 \$  | -                | \$ 422,975.00   | \$ 422,975.00 |
| 11/1/29 \$ | 390,000.00       | \$ 422,975.00   | \$ 812,975.00 |
| 5/1/30 \$  | -                | \$ 409,325.00   | \$ 409,325.00 |
| 11/1/30 \$ | 420,000.00       | \$ 409,325.00   | \$ 829,325.00 |
| 5/1/31 \$  | -                | \$ 394,625.00   | \$ 394,625.00 |
| 11/1/31 \$ | 450,000.00       | \$ 394,625.00   | \$ 844,625.00 |
| 5/1/32 \$  | -                | \$ 378,875.00   | \$ 378,875.00 |
| 11/1/32 \$ | 480,000.00       | \$ 378,875.00   | \$ 858,875.00 |
| 5/1/33 \$  | -                | \$ 362,075.00   | \$ 362,075.00 |
| 11/1/33 \$ | 515,000.00       | \$ 362,075.00   | \$ 877,075.00 |
| 5/1/34 \$  | -                | \$ 344,050.00   | \$ 344,050.00 |
| 11/1/34 \$ | 550,000.00       | \$ 344,050.00   | \$ 894,050.00 |
| 5/1/35 \$  | -                | \$ 324,800.00   | \$ 324,800.00 |
| 11/1/35 \$ | 590,000.00       | \$ 324,800.00   | \$ 914,800.00 |
| 5/1/36 \$  | -                | \$ 304,150.00   | \$ 304,150.00 |

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\$2,640,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2026, 6.375%  
\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000%

**DEBT SERVICE REQUIREMENTS FOR 2013 BONDS, CUSIP 297321AB7:**

*Coupon Rate 7.000%*

|              | <b>Principal</b>        | <b>Interest</b>         | <b>Total</b>            |
|--------------|-------------------------|-------------------------|-------------------------|
| 11/1/36 \$   | 630,000.00              | \$ 304,150.00           | \$ 934,150.00           |
| 5/1/37 \$    | -                       | \$ 282,100.00           | \$ 282,100.00           |
| 11/1/37 \$   | 675,000.00              | \$ 282,100.00           | \$ 957,100.00           |
| 5/1/38 \$    | -                       | \$ 258,475.00           | \$ 258,475.00           |
| 11/1/38 \$   | 720,000.00              | \$ 258,475.00           | \$ 978,475.00           |
| 5/1/39 \$    | -                       | \$ 233,275.00           | \$ 233,275.00           |
| 11/1/39 \$   | 770,000.00              | \$ 233,275.00           | \$ 1,003,275.00         |
| 5/1/40 \$    | -                       | \$ 206,325.00           | \$ 206,325.00           |
| 11/1/40 \$   | 825,000.00              | \$ 206,325.00           | \$ 1,031,325.00         |
| 5/1/41 \$    | -                       | \$ 177,450.00           | \$ 177,450.00           |
| 11/1/41 \$   | 880,000.00              | \$ 177,450.00           | \$ 1,057,450.00         |
| 5/1/42 \$    | -                       | \$ 146,650.00           | \$ 146,650.00           |
| 11/1/42 \$   | 945,000.00              | \$ 146,650.00           | \$ 1,091,650.00         |
| 5/1/43 \$    | -                       | \$ 113,575.00           | \$ 113,575.00           |
| 11/1/43 \$   | 1,010,000.00            | \$ 113,575.00           | \$ 1,123,575.00         |
| 5/1/44 \$    | -                       | \$ 78,225.00            | \$ 78,225.00            |
| 11/1/44 \$   | 1,080,000.00            | \$ 78,225.00            | \$ 1,158,225.00         |
| 5/1/45 \$    | -                       | \$ 40,425.00            | \$ 40,425.00            |
| 11/1/45 \$   | 1,155,000.00            | \$ 40,425.00            | \$ 1,195,425.00         |
| <b>TOTAL</b> | <b>\$ 12,790,000.00</b> | <b>\$ 22,377,592.71</b> | <b>\$ 35,167,592.71</b> |

Estancia at Wiregrass Community Development District

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\$2,640,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2026, 6.375% CUSIP - 297321AA9

\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000% CUSIP - 297321AB7

**LANDOWNERS COMPRISING DELINQUENT ASSESSMENTS:**

| <b>DELINQUENT LANDOWNERS, AS DELINEATED BY % OF DELINQUENT ASSESSMENTS:</b>  | <b>AMOUNT OF DELINQUENT ASSESSMENTS:</b> | <b>% OF DELINQUENT ASSESSMENTS:</b> |
|--|--|-------------------------------------|
| <b>LANDOWNER NAME:</b>   |  |                                     |
| There are no delinquent landowners as of the 3Q FY2015/2016. Direct-billed invoices are provided semi-annually in accordance with coupon payment dates. The May 1, 2016 payment was collected in full, and the November 1, 2016 payment will be collected in October 2016. |  |                                     |
|  | \$ -                                     | \$ -                                |
|  | \$ -                                     | \$ -                                |

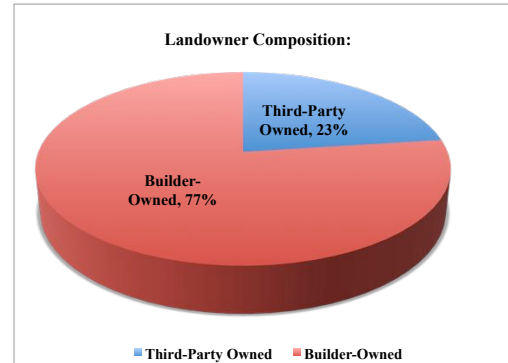


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\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000% CUSIP - 297321AB7

**BOND ALLOCATION AND CAPITAL IMPROVEMENT OVERVIEW:**

| PROPERTY SECURING SERIES 2013 BONDS, BY PRODUCT TYPE: | Potential Development Plan (1) | SERIES 2013 BONDS          |                         |                              |                           |
|---|--------------------------------|----------------------------|-------------------------|------------------------------|---------------------------|
|   |                                | Par Value, Per Product (2) | Par Value, Per Unit (2) | Annual Asmt. Per Product (2) | Annual Asmt, Per Unit (2) |
| Phase 1:  |                                |                            |                         |                              |                           |
| Single-Family 45'                                     | 70                             | \$ 941,948                 | \$ 13,456               | \$ 80,640                    | \$ 1,152                  |
| Single-Family 55'                                     | 88                             | \$ 1,367,555               | \$ 15,540               | \$ 116,600                   | \$ 1,325                  |
| Single-Family 65'                                     | 81                             | \$ 1,468,562               | \$ 18,130               | \$ 125,550                   | \$ 1,550                  |
| Single-Family 80'                                     | 61                             | \$ 1,279,377               | \$ 20,973               | \$ 109,068                   | \$ 1,788                  |
| Phase 2A:   |                                |                            |                         |                              |                           |
| Villas  | 98                             | \$ 1,468,373.20            | \$ 14,983               | \$ 125,342                   | \$ 1,279                  |
| Phase 2B:   |                                |                            |                         |                              |                           |
| Single-Family 65'                                     | 146                            | \$ 2,941,812               | \$ 20,149               | \$ 251,266                   | \$ 1,721                  |
| Single-Family 80'                                     | 101                            | \$ 2,348,189               | \$ 23,249               | \$ 200,485                   | \$ 1,985                  |
| Phase 3:  |                                |                            |                         |                              |                           |
| Single-Family 45'                                     | 33                             | \$ 494,452                 | \$ 14,983               | \$ 42,207                    | \$ 1,279                  |
| Single-Family 55'                                     | 181                            | \$ 3,117,073               | \$ 17,221               | \$ 266,251                   | \$ 1,471                  |
| Principal Redemption Upon Final Platting              |                                | \$ 2,656                   |                         |                              |                           |
| <b>Total Units:</b>                                   | <b>859</b>                     | <b>\$ 15,430,000</b>       | <b>\$ 158,688</b>       | <b>\$ 1,317,409</b>          | <b>\$ 13,550</b>          |

| LANDOWNER COMPOSITION:                    | Units (1)  | Acreage  | % of Total  | Estimated Buildout Date: |
|---|------------|----------|-------------|--------------------------|
| <b>Third-Party Owned:</b>                 |            |          |             | <i>TBD</i>               |
| Villas                                    | -          | -        | 0%          |                          |
| Single Family 45'                         | 44         | -        | 5%          |                          |
| Single-Family 55'                         | 52         | -        | 6%          |                          |
| Single-Family 65'                         | 51         | -        | 6%          |                          |
| Single-Family 80'                         | 50         | -        | 6%          |                          |
| <b>Total Third-Party Owned Units:</b>     | <b>197</b> | <b>-</b> | <b>23%</b>  |                          |
| <b>Builder-Owned (Standard Pacific):</b>  |            |          |             |                          |
| Villas                                    | 98         | -        | 11%         |                          |
| Single Family 45'                         | 59         | -        | 7%          |                          |
| Single-Family 55'                         | 217        | -        | 25%         |                          |
| Single-Family 65'                         | 176        | -        | 20%         |                          |
| Single-Family 80'                         | 112        | -        | 13%         |                          |
| <b>Total Developer-Held Units:</b>        | <b>662</b> | <b>-</b> | <b>77%</b>  |                          |
| <b>Total Development Acreage/Density:</b> | <b>859</b> | <b>-</b> | <b>100%</b> |                          |



| CAPITAL IMPROVEMENT PROGRAM OVERVIEW:  |                      |
|--|----------------------|
| Improvements Financed With Series 2013 Bonds:  | \$ 12,002,319        |
| Estimated Additional CIP Construction Costs Funded by Developer or Future Bonds (District issued 2015 Series): | \$ 32,196,545        |
| <b>Total Capital Improvement Plan Cost Estimate:</b>   | <b>\$ 44,198,864</b> |

| SERIES 2013 FINANCING OVERVIEW:                                  |   |                 |                 |                 |
|--|---|-----------------|-----------------|-----------------|
|  | As of 12/31/2015  | As of 3/31/2016 | As of 6/30/2016 | As of 9/30/2016 |
| Percentage of total construction proceeds spent:                 |   |                 |                 |                 |
| Estimated cost to complete capital improvement plan:             | <i>Series 2013 capital proceeds fully utilized with all contemplated capital infrastructure improvements completed.</i> |                 |                 |                 |
| Remaining capital proceeds available to facilitate capital plan: |   |                 |                 |                 |

**Notations:**

(1) Original plan of development contemplated 1,181 units; density subsequently reduced to 1,143 units; Bond assessments are allocated on a first platted, first assigned basis with an allocation of probable assessments demonstrated above and contingent upon final platting

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| HOMEBUILDER ABSORPTION STATISTICS (STANDARD PACIFIC):                             |                    |                   |                            |                    |                         |  |                                      |
|---|--------------------|-------------------|----------------------------|--------------------|-------------------------|--|--------------------------------------|
| As of 6/30/2016   |                    |                   |                            |                    |                         |  |                                      |
|   | Under Construction | Fully Constructed | Under Contract w/ End-User | Closed to End-User | Increase from 3/31/2016 | Builder Inventory Not Closed or Under Contract | Average Sales Prices of Homes Closed |
| <b>PHASES 1, 2, AND 3A (SEE ATTACHED MAP FOR GRAPHICAL DEPICTION OF PHASING):</b> |                    |                   |                            |                    |                         |  |                                      |
| <b>Standard Pacific:</b>  |                    |                   |                            |                    |                         |  |                                      |
| Villa   | 18                 | 2                 | 7                          | -                  | -                       | 91   | 385,443                              |
| Single Family 45'   | 8                  | 48                | 7                          | 44                 | 5                       | 52   | 323,888                              |
| Single-Family 55'   | 11                 | 58                | 10                         | 52                 | 12                      | 207  | 426,892                              |
| Single-Family 65'   | 3                  | 56                | 4                          | 51                 | 2                       | 172  | 514,944                              |
| Single-Family 80'   | 3                  | 52                | -                          | 50                 | 4                       | 112  | 781,716                              |
| <b>Total Units:</b>   | <b>43</b>          | <b>216</b>        | <b>28</b>                  | <b>197</b>         | <b>23</b>               | <b>634</b>                                     |                                      |

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## DEVELOPMENT CHANGES AND STATUS UPDATES:

1. Detailed description of construction status: Phase 1A-1D all platted and actively selling.

Phase 2A – Villas all platted and actively selling.

Phase 2B1 - (65s & 80s) – 64 platted of the 65s and 59 platted of the 80s – selling soon

Phase 2B2 – (65s & 80s) – 82 of the 65s not platted to be platted at later date and 43 of the 80s not platted to be platted at a later date

Phase 3A – (45s) – all 97 platted, no sales yet

2. Status of sales activity within the Development: See Homebuilder Absorption

3. Amount of delinquent tax-levied and direct-billed assessments for fiscal year 2015/2016 (2015 tax year). If applicable, do sufficient reserves exist to bridge deficit in collections?. (See Financial Overview)

4. Any bulk sales of land within the District other than in the ordinary course of business. None to report.

5. The anchor (more than 10% of the square footage) tenants of non-residential property, if any: N/A

6. The status of development approvals for the Development: Development approvals being obtained on an ongoing/as needed basis. Future phases are being platted and developed as lot supply warrants it

7. Any materially adverse changes or determinations to permits/approvals for the Development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person. None to report.

8. The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount, interest rate and terms of repayment. No data to report.

9. Sale, Assignment, or Transfer of ownership of real property in the Assessment Area to a third party, which will in turn be an Obligated Person? No sales to report.

### **Notations:**

(1) Assessments assigned on a first platted, first assessed basis. Units demonstrated on the basis of potential development plan, with 859 units ultimately subject to Series 2013 assessments and 284 units subject to Series 2015 assessments.

Estancia at Wiregrass Community Development District  
Pasco County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

\$2,640,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2026, 6.375% CUSIP - 297321AA9

\$12,790,000 Capital Improvement Revenue Bonds Series 2013 Term Bond, November 1, 2045, 7.000% CUSIP - 297321AB7

**PROJECT MAP**

PHASE 1 – VILLAGES A, B, C, D, AND E

PHASE 2 – VILLAGES F, G, H, AND I

PHASE 3 – VILLAGES J, K, L, AND N

PHASE 4 – VILLAGE M



WATERFORD ESTATES COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2006 BONDS

QUARTERLY DISCLOSURE REPORT  
PERIOD ENDING JUNE 30, 2016



PREPARED BY:

**LERNER REPORTING SERVICES, INC.**

5020 W. LINEBAUGH AVENUE, SUITE 250

TAMPA, FL 33624

PHONE: 813-915-3449 FAX: 813-915-0649

[WWW.LERNERADVISORS.COM](http://WWW.LERNERADVISORS.COM)

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**PREPARED BY:  
LERNER REPORTING SERVICES, INC.**

5020 W. LINEBAUGH AVENUE, SUITE 250  
TAMPA, FLORIDA 33624  
PHONE: 813-915-3449 FAX: 813-915-0649  
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## Project Overview

The Waterford Estates Community Development District is a master-planned, single-family residential community located within Charlotte County, Florida and comprising approximately 193.42 acres. The Series 2006 Bonds financed public infrastructure improvements, as noted below, and serving an estimated 701 units at final buildout. The original developer, Touse Homes, Inc., is no longer affiliated with the development. Maxcy Development Group Holdings-Waterford Estates, Inc., an SPE established for the benefit of the Trustee and Bondholders, presently retains ownership of all private property subject to bond assessments excluding 76 units taken down by DR Horton. The development information contained herein has been provided by Lerner Real Estate Advisors, an asset management firm engaged to manage SPE-held assets. The District Manager and Trustee have provided all financial data supplied herein.

*Lerner Reporting Services* (“LRS”) has been engaged as the dissemination agent tasked with submission of quarterly, annual, and material event disclosures, as outlined within the Continuing Disclosure Agreement of the Series 2006 Bonds.

**All questions pertaining to the data supplied within the attached should be directed to LRS at 813-915-3449.**

## Financial Snapshot

The District is presently holding Series 2006 capital assessments in abeyance, subject to disposition of SPE-held assets.

## Landowner Composition and Product Absorption

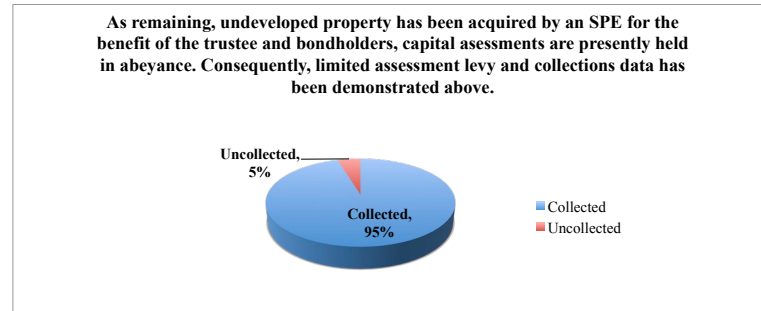
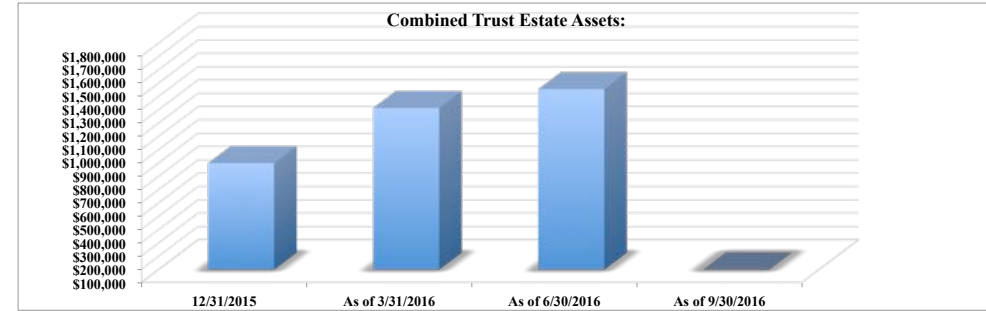
DR Horton has acquired 105 developed lots and subsequently sold 81 of the units. All other privately-held lots are presently owned by the SPE.

**FINANCIAL OVERVIEW:**

| SERIES 2006 SPECIAL ASSESSMENT BOND OVERVIEW: | FISCAL YEAR 2015/2016 TRUST ESTATE ASSETS: |              |               |                 |              |               |                 |              |               |                 |             |       |
|---|--|--------------|---------------|-----------------|--------------|---------------|-----------------|--------------|---------------|-----------------|-------------|-------|
|   | As of 12/31/2015                           |              |               | As of 3/31/2016 |              |               | As of 6/30/2016 |              |               | As of 9/30/2016 |             |       |
|   | 2006A Bonds                                | 2006B Bonds  | TOTAL         | 2006A Bonds     | 2006B Bonds  | TOTAL         | 2006A Bonds     | 2006B Bonds  | TOTAL         | 2006A Bonds     | 2006B Bonds | TOTAL |
| Par Amount of Bonds Outstanding:              | \$ 5,755,000                               | \$ 6,200,000 | \$ 11,955,000 | \$ 5,755,000    | \$ 6,200,000 | \$ 11,955,000 | \$ 5,755,000    | \$ 6,200,000 | \$ 11,955,000 | \$ -            | \$ -        | \$ -  |
| % of Bonds Prepaid:                           | 2%   | 10%          |               | 2%              | 10%          |               | 2%              | 10%          |               | 0%              | 0%          |       |
| Combined Trust Estate Assets:                 | \$ 717,335                                 | \$ 182,003   | \$ 899,338    | \$ 828,918      | \$ 484,071   | \$ 1,312,990  |                 | \$ 610,138   | \$ 1,454,512  | \$ -            | \$ -        | \$ -  |
| Construction Fund Balance:                    | \$ -                                       | \$ 366,650   | \$ 366,650    | \$ -            | \$ 363,465   | \$ 363,465    | \$ -            | \$ 363,511   | \$ 363,511    | \$ -            | \$ -        | \$ -  |
| Prepayment Fund Balance:                      | \$ 16,008                                  | \$ 117,600   | \$ 133,608    | \$ 42,510       | \$ 321,825   | \$ 364,335    | \$ 67,377       | \$ 456,088   | \$ 523,465    | \$ -            | \$ -        | \$ -  |
| Reserve Fund Balance:                         | \$ 86,553                                  | \$ 3,323     | \$ 89,876     | \$ 86,561       | \$ 3,324     | \$ 89,885     | \$ 86,572       | \$ 3,324     | \$ 89,896     | \$ -            | \$ -        | \$ -  |
| Revenue Fund Balance:                         | \$ -                                       | \$ 12        | \$ 12         | \$ -            | \$ 12        | \$ 12         | \$ -            | \$ 12        | \$ 12         | \$ -            | \$ -        | \$ -  |
| Expenditure Fund Balance:                     | \$ -                                       | \$ 3,581     | \$ 3,581      | \$ -            | \$ 3,582     | \$ 3,582      | \$ -            | \$ 3,582     | \$ 3,582      | \$ -            | \$ -        | \$ -  |
| Interest Fund Balance:                        | \$ 244,542                                 | \$ 61,068    | \$ 305,610    | \$ 332,800      | \$ 158,910   | \$ 491,710    | \$ 323,320      | \$ 150,726   | \$ 474,046    | \$ -            | \$ -        | \$ -  |

| FISCAL YEAR 2016/ DEBT SERVICE ANALYSIS: **  | As of 12/31/2015  |                   |                   | As of 3/31/2016  |             |                  | As of 6/30/2016   |                   |                   | As of 9/30/2016 |             |             | FISCAL YEAR 2016/2017 DEBT SERVICE PAYMENTS DUE: |
|--|-------------------|-------------------|-------------------|------------------|-------------|------------------|-------------------|-------------------|-------------------|-----------------|-------------|-------------|--|
| SEMI-ANNUAL DEBT SERVICE PAYMENTS DUE:   | 2006A Bonds       | 2006B Bonds       | TOTAL             | 2006A Bonds      | 2006B Bonds | TOTAL            | 2006A Bonds       | 2006B Bonds       | TOTAL             | 2006A Bonds     | 2006B Bonds | TOTAL       |  |
| November 1, 2015:  | \$ 140,800        | \$ 176,684        | \$ 317,484        | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| May 1, 2016:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ 265,800        | \$ 176,684        | \$ 442,484        | \$ -            | \$ -        | \$ -        | \$ -   |
| Fiscal Year 2016/2017 Debt Service Payments Due:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | 758,094  |
| <b>Total FY2015/2016 Debt Service Payments Due:</b>  | <b>\$ 140,800</b> | <b>\$ 176,684</b> | <b>\$ 317,484</b> | <b>\$ -</b>      | <b>\$ -</b> | <b>\$ -</b>      | <b>\$ 265,800</b> | <b>\$ 176,684</b> | <b>\$ 442,484</b> | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 758,094</b>                                |
| <b>SPECIAL ASSESSMENT LEVY:</b>  |                   |                   |                   |                  |             |                  |                   |                   |                   |                 |             |             | FY 2016/2017                                     |
| Capitalized Interest Proceeds:   |                   |                   |                   |                  |             |                  |                   |                   |                   |                 |             |             |  |
| Capitalized Interest Funds Utilized to Service Payment:  | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| Tax Levy and District Invoicing:   |                   |                   |                   |                  |             |                  |                   |                   |                   |                 |             |             |  |
| Tax-Levied Assessments:  | \$ 46,395         | \$ -              | \$ 46,395         | \$ 46,395        | \$ -        | \$ 46,395        | \$ 46,395         | \$ -              | \$ 46,395         | \$ -            | \$ -        | \$ -        | \$ -   |
| Direct-Billed Assessments:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| <b>Total District Assessment Levy:</b>   | <b>\$ 46,395</b>  | <b>\$ -</b>       | <b>\$ 46,395</b>  | <b>\$ 46,395</b> | <b>\$ -</b> | <b>\$ 46,395</b> | <b>\$ 46,395</b>  | <b>\$ -</b>       | <b>\$ 46,395</b>  | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>                                      |
| Total Assessment Collections:  |                   |                   |                   |                  |             |                  |                   |                   |                   |                 |             |             |  |
| Tax-Levied Collections:  | \$ -              | \$ -              | \$ -              | \$ 42,946        | \$ -        | \$ 42,946        | \$ 44,228         | \$ -              | \$ 44,228         | \$ -            | \$ -        | \$ -        | \$ -   |
| Direct-Billed Collections:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| <b>Total Assessment Collections:</b>   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ 42,946</b> | <b>\$ -</b> | <b>\$ 42,946</b> | <b>\$ 44,228</b>  | <b>\$ -</b>       | <b>\$ 44,228</b>  | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>                                      |
| Assessment Collections Surplus/(Shortfall):  | \$ (46,395)       | \$ -              | \$ (46,395)       | \$ (3,449)       | \$ -        | \$ (3,449)       | \$ (2,167)        | \$ -              | \$ (2,167)        | \$ -            | \$ -        | \$ -        | \$ -   |
| Assessment Collections Rate:   | 0%                | 0%                | 0%                | 93%              | 0%          | 93%              | 95%               | 0%                | 95%               | 0%              | 0%          | 0%          | 0%   |
| Delinquent Assessment Overview:  |                   |                   |                   |                  |             |                  |                   |                   |                   |                 |             |             |  |
| Amount of delinquencies greater than 150 days (if greater than 10% of levy, list of landowners on second tab): | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| Amount of tax certificates sold, if any:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |
| Balance remaining for sale from the most recent Fiscal Year:   | \$ -              | \$ -              | \$ -              | \$ -             | \$ -        | \$ -             | \$ -              | \$ -              | \$ -              | \$ -            | \$ -        | \$ -        | \$ -   |

\*\*Refer to notation regarding abeyance of capital assessments for additional detail concerning annual payments to the Trustee.





Waterford Estates Community Development District  
 Charlotte County, Florida  
 Quarterly Disclosure Report, Period Ending June 30, 2016  
 \$5,900,000 Special Assessment Bonds Series 2006A Term Bond, May 1, 2037, 5.500% CUSIP - 941386AA2  
 \$6,895,000 Special Assessment Bonds Series 2006B Term Bond, May 1, 2013, 5.125% CUSIP - 941386AB0

**DEBT SERVICE REQUIREMENTS FOR 2006A BONDS:**

*Coupon Rate 5.500%*

|              | Principal              | Interest               | Total                   |
|--------------|------------------------|------------------------|-------------------------|
| 11/1/06 \$   | - \$                   | 81,125.00 \$           | 81,125.00               |
| 5/1/07 \$    | - \$                   | 162,250.00 \$          | 162,250.00              |
| 11/1/07 \$   | - \$                   | 162,250.00 \$          | 162,250.00              |
| 5/1/08 \$    | 80,000.00 \$           | 162,250.00 \$          | 242,250.00              |
| 11/1/08 \$   | - \$                   | 160,050.00 \$          | 160,050.00              |
| 5/1/09 \$    | 85,000.00 \$           | 160,050.00 \$          | 245,050.00              |
| 11/1/09 \$   | - \$                   | 157,712.50 \$          | 157,712.50              |
| 5/1/10 \$    | 90,000.00 \$           | 157,712.50 \$          | 247,712.50              |
| 11/1/10 \$   | - \$                   | 155,237.50 \$          | 155,237.50              |
| 5/1/11 \$    | 95,000.00 \$           | 155,237.50 \$          | 250,237.50              |
| 11/1/11 \$   | - \$                   | 152,625.00 \$          | 152,625.00              |
| 5/1/12 \$    | 100,000.00 \$          | 152,625.00 \$          | 252,625.00              |
| 11/1/12 \$   | - \$                   | 149,875.00 \$          | 149,875.00              |
| 5/1/13 \$    | 105,000.00 \$          | 149,875.00 \$          | 254,875.00              |
| 11/1/13 \$   | - \$                   | 146,987.50 \$          | 146,987.50              |
| 5/1/14 \$    | 110,000.00 \$          | 146,987.50 \$          | 256,987.50              |
| 11/1/14 \$   | - \$                   | 143,962.50 \$          | 143,962.50              |
| 5/1/15 \$    | 115,000.00 \$          | 143,962.50 \$          | 258,962.50              |
| 11/1/15 \$   | - \$                   | 140,800.00 \$          | 140,800.00              |
| 5/1/16 \$    | 125,000.00 \$          | 140,800.00 \$          | 265,800.00              |
| 11/1/16 \$   | - \$                   | 137,362.50 \$          | 137,362.50              |
| 5/1/17 \$    | 130,000.00 \$          | 137,362.50 \$          | 267,362.50              |
| 11/1/17 \$   | - \$                   | 133,787.50 \$          | 133,787.50              |
| 5/1/18 \$    | 140,000.00 \$          | 133,787.50 \$          | 273,787.50              |
| 11/1/18 \$   | - \$                   | 129,937.50 \$          | 129,937.50              |
| 5/1/19 \$    | 145,000.00 \$          | 129,937.50 \$          | 274,937.50              |
| 11/1/19 \$   | - \$                   | 125,950.00 \$          | 125,950.00              |
| 5/1/20 \$    | 155,000.00 \$          | 125,950.00 \$          | 280,950.00              |
| 11/1/20 \$   | - \$                   | 121,687.50 \$          | 121,687.50              |
| 5/1/21 \$    | 160,000.00 \$          | 121,687.50 \$          | 281,687.50              |
| 11/1/21 \$   | - \$                   | 117,287.50 \$          | 117,287.50              |
| 5/1/22 \$    | 170,000.00 \$          | 117,287.50 \$          | 287,287.50              |
| 11/1/22 \$   | - \$                   | 112,612.50 \$          | 112,612.50              |
| 5/1/23 \$    | 180,000.00 \$          | 112,612.50 \$          | 292,612.50              |
| 11/1/23 \$   | - \$                   | 107,662.50 \$          | 107,662.50              |
| 5/1/24 \$    | 190,000.00 \$          | 107,662.50 \$          | 297,662.50              |
| 11/1/24 \$   | - \$                   | 102,437.50 \$          | 102,437.50              |
| 5/1/25 \$    | 200,000.00 \$          | 102,437.50 \$          | 302,437.50              |
| 11/1/25 \$   | - \$                   | 96,937.50 \$           | 96,937.50               |
| 5/1/26 \$    | 215,000.00 \$          | 96,937.50 \$           | 311,937.50              |
| 11/1/26 \$   | - \$                   | 91,025.00 \$           | 91,025.00               |
| 5/1/27 \$    | 225,000.00 \$          | 91,025.00 \$           | 316,025.00              |
| 11/1/27 \$   | - \$                   | 84,837.50 \$           | 84,837.50               |
| 5/1/28 \$    | 240,000.00 \$          | 84,837.50 \$           | 324,837.50              |
| 11/1/28 \$   | - \$                   | 78,237.50 \$           | 78,237.50               |
| 5/1/29 \$    | 250,000.00 \$          | 78,237.50 \$           | 328,237.50              |
| 11/1/29 \$   | - \$                   | 71,362.50 \$           | 71,362.50               |
| 5/1/30 \$    | 265,000.00 \$          | 71,362.50 \$           | 336,362.50              |
| 11/1/30 \$   | - \$                   | 64,075.00 \$           | 64,075.00               |
| 5/1/31 \$    | 280,000.00 \$          | 64,075.00 \$           | 344,075.00              |
| 11/1/31 \$   | - \$                   | 56,375.00 \$           | 56,375.00               |
| 5/1/32 \$    | 295,000.00 \$          | 56,375.00 \$           | 351,375.00              |
| 11/1/32 \$   | - \$                   | 48,262.50 \$           | 48,262.50               |
| 5/1/33 \$    | 315,000.00 \$          | 48,262.50 \$           | 363,262.50              |
| 11/1/33 \$   | - \$                   | 39,600.00 \$           | 39,600.00               |
| 5/1/34 \$    | 330,000.00 \$          | 39,600.00 \$           | 369,600.00              |
| 11/1/34 \$   | - \$                   | 30,525.00 \$           | 30,525.00               |
| 5/1/35 \$    | 350,000.00 \$          | 30,525.00 \$           | 380,525.00              |
| 11/1/35 \$   | - \$                   | 20,900.00 \$           | 20,900.00               |
| 5/1/36 \$    | 370,000.00 \$          | 20,900.00 \$           | 390,900.00              |
| 11/1/36 \$   | - \$                   | 10,725.00 \$           | 10,725.00               |
| 5/1/37 \$    | 390,000.00 \$          | 10,725.00 \$           | 400,725.00              |
| <b>TOTAL</b> | <b>\$ 5,900,000.00</b> | <b>\$ 6,545,550.00</b> | <b>\$ 12,445,550.00</b> |

**Waterford Estates Community Development District**

**Charlotte County, Florida**

**Quarterly Disclosure Report, Period Ending June 30, 2016**

**\$5,900,000 Special Assessment Bonds Series 2006A Term Bond, May 1, 2037, 5.500% CUSIP - 941386**

**\$6,895,000 Special Assessment Bonds Series 2006B Term Bond, May 1, 2013, 5.125% CUSIP - 941386**

**DEBT SERVICE REQUIREMENTS FOR 2006B BONDS: (1)**

*Coupon Rate 5.125%*

|              | <b>Principal</b>       |           | <b>Interest</b>     |           | <b>Total</b>        |
|--------------|------------------------|-----------|---------------------|-----------|---------------------|
| 11/1/06      | \$ -                   | \$        | 88,342.25           | \$        | <b>88,342.25</b>    |
| 5/1/07       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/07      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/08       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/08      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/09       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/09      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/10       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/10      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/11       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/11      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/12       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 11/1/12      | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| 5/1/13       | \$ -                   | \$        | 176,684.38          | \$        | <b>176,684.38</b>   |
| <b>TOTAL</b> | <b>\$ 6,895,000.00</b> | <b>\$</b> | <b>2,385,239.13</b> | <b>\$</b> | <b>2,385,239.13</b> |

Waterford Estates Community Development District

Charlotte County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

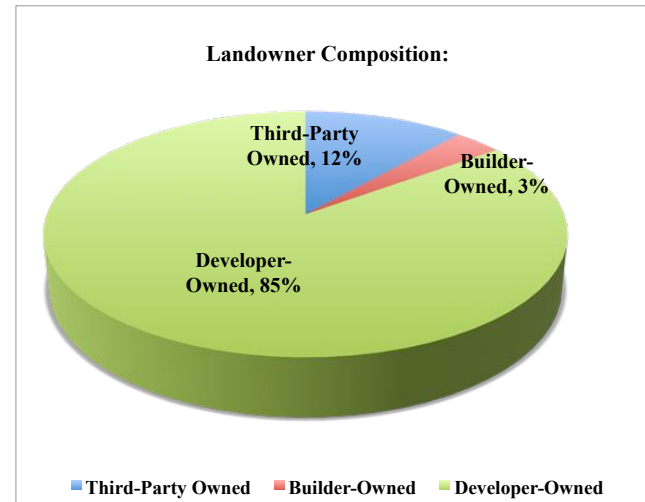
\$5,900,000 Special Assessment Bonds Series 2006A Term Bond, May 1, 2037, 5.500% CUSIP - 941386AA2

\$6,895,000 Special Assessment Bonds Series 2006B Term Bond, May 1, 2013, 5.125% CUSIP - 941386AB0

**BOND ALLOCATION AND CAPITAL IMPROVEMENT OVERVIEW:**

| PROPERTY SECURING SERIES 2006 BONDS, BY PRODUCT TYPE: | Units      | SERIES 2006 BONDS      |                     | SERIES 2006 BONDS         |                        |
|---|------------|------------------------|---------------------|---------------------------|------------------------|
|   |            | Par Value, Per Product | Par Value, Per Unit | Annual Assmt, Per Product | Annual Assmt, Per Unit |
| Single-Family:  | 211        | 5,078,527              | 24,069              | 148,755                   | 705                    |
| Villa:  | 266        | 4,481,620              | 16,848              | 150,024                   | 564                    |
| Townhome:   | 224        | 3,234,853              | 14,441              | 105,280                   | 470                    |
| <b>Total Units:</b>                                   | <b>701</b> | <b>12,795,000</b>      |                     | <b>404,059</b>            |                        |

| LANDOWNER COMPOSITION:                    | Units      | Acreage  | % of Total  | Estimated Buildout Date:                                    |
|---|------------|----------|-------------|---|
| <b>Third-Party Owned:</b>                 |            |          |             |   |
| Single-Family:                            | 81         | -        | 12%         |   |
| Villa:                                    | -          | -        | 0%          |   |
| Townhome:                                 | -          | -        | 0%          |   |
| <b>Total Third-Party Owned Units:</b>     | <b>81</b>  | <b>-</b> | <b>12%</b>  |   |
| <b>Builder-Owned (DR Horton):</b>         |            |          |             |   |
| Single-Family:                            | 24         | -        | 3%          | <i>To be determined upon disposition of SPE-held assets</i> |
| Villa:                                    | -          | -        | 0%          |   |
| Townhome:                                 | -          | -        | 0%          |   |
| <b>Total Developer-Held Units:</b>        | <b>24</b>  | <b>-</b> | <b>3%</b>   |   |
| <b>Developer-Held (SPE):</b>              |            |          |             |   |
| Single-Family:                            | 106        | -        | 15%         |   |
| Villa:                                    | 266        | -        | 38%         |   |
| Townhome:                                 | 224        | -        | 32%         |   |
| <b>Total Developer-Held Units:</b>        | <b>596</b> | <b>-</b> | <b>85%</b>  |   |
| <b>Total Development Acreage/Density:</b> | <b>701</b> | <b>-</b> | <b>100%</b> |   |



**CAPITAL IMPROVEMENT PROGRAM OVERVIEW:**

|  |                      |
|--|----------------------|
| Improvements Financed With Series 2006 Bonds:        | \$ 11,097,149        |
| Infrastructure Costs Required to Complete CIP:       | \$ -                 |
| <b>Total Capital Improvement Plan Cost Estimate:</b> | <b>\$ 11,097,149</b> |

**SERIES 2006 FINANCING OVERVIEW:**

|  | As of 12/31/2015 | As of 3/31/2016 | As of 6/30/2016 | As of 9/30/2016 |
|--|------------------|-----------------|-----------------|-----------------|
| Percentage of total construction proceeds spent:                 | 96.70%           | 96.72%          | 96.72%          | 0.00%           |
| Estimated cost to complete capital improvement plan:             | \$366,650        | \$363,465       | \$363,511       | \$0             |
| Remaining capital proceeds available to facilitate capital plan: | \$366,650        | \$363,465       | \$363,511       | \$0             |

**Waterford Estates Community Development District**

**Charlotte County, Florida**

**Quarterly Disclosure Report, Period Ending June 30, 2016**

**\$5,900,000 Special Assessment Bonds Series 2006A Term Bond, May 1, 2037, 5.500% CUSIP - 941386AA2**

**\$6,895,000 Special Assessment Bonds Series 2006B Term Bond, May 1, 2013, 5.125% CUSIP - 941386AB0**

| <b>DEVELOPER (MAXCY DEVELOPMENT GROUP HOLDINGS - WATERFORD ESTATES, INC) ABSORPTION STATISTICS:</b> |                              |                                |  |   |
|---|------------------------------|--------------------------------|--|---|
|   | <b>As of 6/30/2016</b>       |                                |  |   |
|   | <b>Closed to Homebuilder</b> | <b>Increase from 3/31/2016</b> | <b>Under Contract w/<br/>Homebuilder</b> | <b>Not Closed or Under<br/>Contract</b> |
| <b>DR Horton:</b>   |                              |                                |  |   |
| Single-Family:  | <b>105</b>                   | <b>8</b>                       | -  |   |
| Villa:  | -                            | -                              | -  |   |
| Townhome:   | -                            | -                              | -  |   |
| <b>Total Units:</b>   | <b>105</b>                   | <b>8</b>                       | -  |   |
| <b>Total Absorption:</b>  |                              |                                |  |   |
| Single-Family:  | <b>105</b>                   | <b>8</b>                       | -  | <b>106</b>                              |
| Villa:  | -                            | -                              | -  | <b>266</b>                              |
| Townhome:   | -                            | -                              | -  | <b>224</b>                              |
| <b>Total Units:</b>   | <b>105</b>                   | <b>8</b>                       | -  | <b>596</b>                              |

Waterford Estates Community Development District

Charlotte County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

\$5,900,000 Special Assessment Bonds Series 2006A Term Bond, May 1, 2037, 5.500% CUSIP - 941386AA2

\$6,895,000 Special Assessment Bonds Series 2006B Term Bond, May 1, 2013, 5.125% CUSIP - 941386AB0

| HOMEBUILDER ABSORPTION STATISTICS (DR HORTON): |                    |                   |                            |                    |                         |                                   |  |
|--|--------------------|-------------------|----------------------------|--------------------|-------------------------|-----------------------------------|--|
|  | As of 6/30/2016    |                   |                            |                    |                         |                                   |  |
|  | Under Construction | Fully Constructed | Under Contract w/ End-User | Closed to End-User | Increase from 3/31/2016 | Average Sales Price of Homes Sold | Builder Inventory Not Closed or Under Contract |
| <b>DR Horton:</b>                              |                    |                   |                            |                    |                         |                                   |  |
| Single-Family:                                 | 17                 | 86                | 16                         | 81                 | 18                      | -                                 | 8  |
| Villa:   | -                  | -                 | -                          | -                  | -                       | -                                 | -  |
| Townhome:                                      | -                  | -                 | -                          | -                  | -                       | -                                 | -  |
| <b>Total Units:</b>                            | <b>17</b>          | <b>86</b>         | <b>16</b>                  | <b>81</b>          | <b>18</b>               | <b>-</b>                          | <b>8</b>                                       |

## DEVELOPMENT CHANGES AND STATUS UPDATES:

1. Detailed description of construction status: Phase I construction is complete and all infrastructure is in place. Phase II is 90% Complete. The second lift of asphalt and utility acceptance of Phase II is pending. The amenity clubhouse, playground and pool pavilion have been completed and opened to residents.
2. Status of sales activity within the Development: See absorption summary
3. Amount of delinquent tax-levied and direct-billed assessments for fiscal year 2015/2016 year (2015 tax year). If applicable, do sufficient reserves exist to bridge deficit in collections?: Assessments are presently held in abeyance.
4. Any bulk sales of land within the District other than in the ordinary course of business? None to report
5. The anchor (more than 10% of the square footage) tenants of non-residential property, if any: N/A
6. The status of development approvals for the Development: All of phase 1 is developed and phase 2 is 90% developed, and fully entitled with development approvals in compliance.
7. Any materially adverse changes or determinations to permits/approvals for the Development which necessitates changes to the Developer's land use plans, including a change in the number of lots planned for the Development? The number of lots planned for the Development has not changed, however there have been delays in the builder take down of lots stemming from concern about stray bullets from the adjacent County gun range. The County has constructed certain improvements to the gun range to address these concerns, but a lawsuit has been filed by the Developer against the Sheriff's Office and the County regarding the current and future use of the gun range
8. District or Developer material events: None to report
9. Updated plan of finance (i.e., status of any credit enhancement, issuance of additional bonds to complete project, draw on credit line of Developer, additional mortgage debt, etc.): None reported

### **NOTATIONS:**

- (1) The Estimated Cost To Complete CIP is based on the completion of Phase 1 improvements (211 SF lots) subject to DR Horton's contract. All improvements contemplated as part of the Series 2006 Project are complete. Only a portion of the original CIP was completed; however, 6-7 years have elapsed since completion. As a result, additional funds are assumed to be required to complete the CIP and bring the project up to County standards and acceptance.
- (2) Landowner of remaining unsold property is Maxcy Development Group Holdings-Waterford Estates, Inc. Land is held in the form of a special purpose entity for the benefit of bondholders. As such, apital assessments are held in abeyance until further notice is provided.
- (3) Property description, plan of development, square footage, and pricing depicts the original plans corresponding with the development at the time of bond issuance, which is subject to modification as the SPE negotiates the disposition of remaining property.
- (4) During Q413 DR Horton suspended homebuilding operations in the community following the discovery of the existence and operation of a Charlotte County Sherrif's Department shooting range in close proximity to the community. DR Horton and the SPE are in discussions with Charlotte County and the City of Punta Gorda in an effort to determine the impact(s) to the community, as well as potential solutions to discontinuing and/or relocating the shooting range to an alternative location. A timeframe for resolution is not currently known. During Q1 2015 DR Horton recommenced operations, but limited activity to specific areas of phase 1 pending resolution of the gun range situation.

SOUTH BAY COMMUNITY DEVELOPMENT DISTRICT  
SERIES 2015 BONDS

QUARTERLY DISCLOSURE REPORT  
PERIOD ENDING JUNE 30, 2016



PREPARED BY:

**LERNER REPORTING SERVICES, INC.**

5020 W. LINEBAUGH AVENUE, SUITE 250

TAMPA, FL 33624

PHONE: 813-915-3449 FAX: 813-915-0649

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**PREPARED BY:  
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## Project Overview

The South Bay Community Development District is a master-planned, single-family residential development located within Hillsborough County, Florida and comprising approximately 367 acres. The Series 2015 Bonds exchanged the previously issued Series 2005 Bonds and served to delineate the builder/end-user occupied sector from lands acquired by the SPE. This project offers a distinct competitive advantage due to its proximity to the Tampa Bay and Little Manatee River. South Bay CDD Holdings, Inc. (an SPE) was established, for the benefit of the trustee and bondholders, to acquire the balance of the undeveloped property formerly owned by the developer. The development information contained herein has been provided by development entities associated with the undeveloped property. The District Manager and Trustee have provided all financial data supplied herein.

*Lerner Reporting Services* (“LRS”) has been engaged as the dissemination agent tasked with submission of quarterly, annual, and material event disclosures, as outlined within the Continuing Disclosure Agreement of the Series 2015 Bonds.

**All questions pertaining to the data supplied within the attached should be directed to LRS at 813-915-3449.**

## Financial Snapshot

The Series 2015A-1 and 2015B-1 bonds encumber all properties not acquired by the District and carry current-interest terms, while the Series 2015A-2 and 2015B-2 bonds encumber SPE-held lands and are subject to a convertible capital appreciation bond structure.

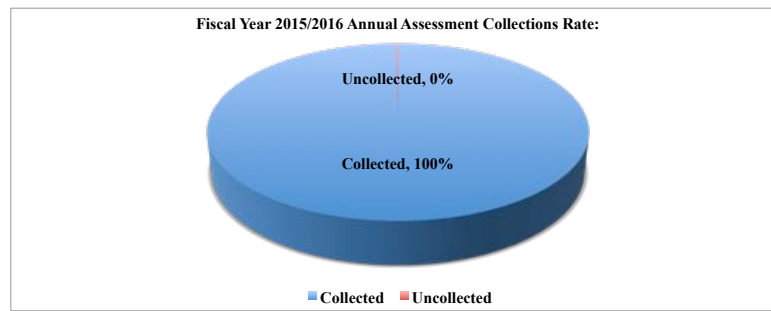
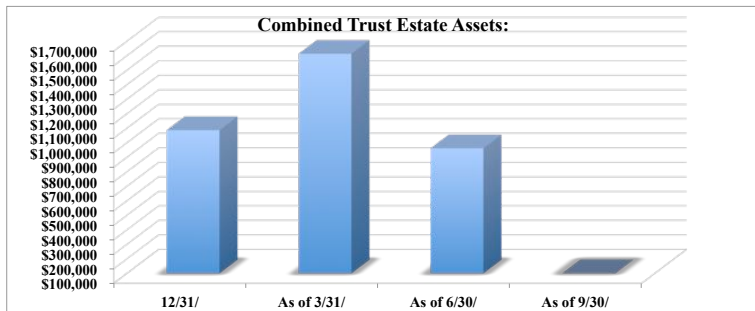
## Landowner Composition and Product Absorption

Platted lands are end-user occupied, while undeveloped lands are pending development and/or resale. To date, the only undeveloped property with a pending contract for resale is the Serenity Bay single-family tract, as noted herein.

**FINANCIAL OVERVIEW (SERIES 2015A-1 AND 2015B-1 BONDS, SECURED BY END-USER OCCUPIED AND BUILDER-OWNED UNITS):**

|   | FISCAL YEAR 2014/2015 TRUST ESTATE ASSETS |              |               |                 |              |               |                 |              |               |                 |         |       |
|---|---|--------------|---------------|-----------------|--------------|---------------|-----------------|--------------|---------------|-----------------|---------|-------|
|   | As of 12/31/2015                          |              |               | As of 3/31/2016 |              |               | As of 6/30/2016 |              |               | As of 9/30/2016 |         |       |
| SERIES 2015 SPECIAL ASSESSMENT BOND OVERVIEW: | 2015A-1                                   | 2015B-1      | TOTAL         | 2015A-1         | 2015B-1      | TOTAL         | 2015A-1         | 2015B-1      | TOTAL         | 2015A-1         | 2015B-1 | TOTAL |
| Par Amount of Bonds Outstanding:              | \$ 9,830,000                              | \$ 9,070,000 | \$ 18,900,000 | \$ 9,830,000    | \$ 9,070,000 | \$ 18,900,000 | \$ 9,590,000    | \$ 9,070,000 | \$ 18,660,000 | \$ -            | \$ -    | \$ -  |
| % of Bonds Prepaid                            | 1%  | 9%           |               | 1%              | 9%           |               | 4%              | 9%           |               | 0%              | 0%      |       |
| Combined Trust Estate Assets:                 | \$ 413,082                                | \$ 673,006   | \$ 1,086,088  | \$ 413,082      | \$ 1,199,293 | \$ 1,612,375  | \$ 413,082      | \$ 547,894   | \$ 960,976    | \$ -            | \$ -    | \$ -  |
| Costs of Issuance Fund Balance:               | \$ -                                      | \$ 1,686     | \$ 1,686      | \$ -            | \$ 1,686     | \$ 1,686      | \$ -            | \$ 1,686     | \$ 1,686      | \$ -            | \$ -    | \$ -  |
| Interest Fund Balance:                        | \$ -                                      | \$ 9,273     | \$ 9,273      | \$ -            | \$ 237,056   | \$ 237,056    | \$ -            | \$ 9,276     | \$ 9,276      | \$ -            | \$ -    | \$ -  |
| Reserve Fund Balance:                         | \$ 411,396                                | \$ 232,419   | \$ 643,815    | \$ 411,396      | \$ 232,419   | \$ 643,815    | \$ 411,396      | \$ 232,419   | \$ 643,815    | \$ -            | \$ -    | \$ -  |
| Revenue Fund Balance:                         | \$ -                                      | \$ 431,314   | \$ 431,314    | \$ -            | \$ 729,818   | \$ 729,818    | \$ -            | \$ 306,199   | \$ 306,199    | \$ -            | \$ -    | \$ -  |

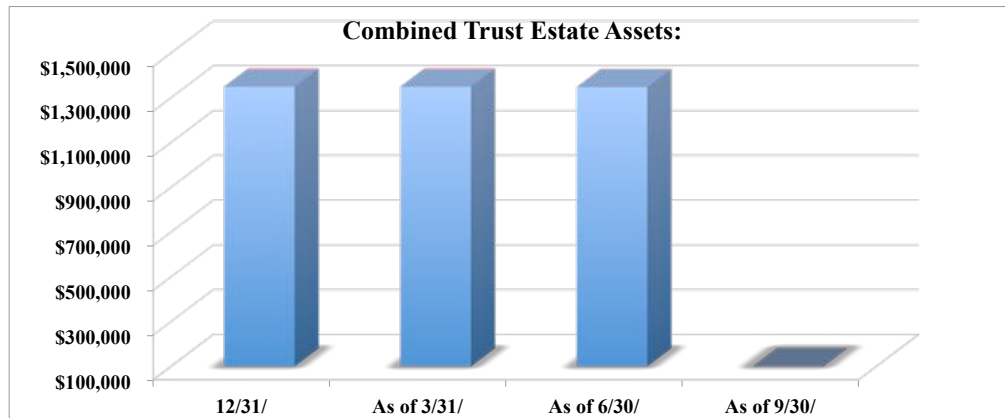
| FISCAL YEAR 2015/2016 DEBT SERVICE ANALYSIS:                                  | As of 12/31/2015  |                   |                     | As of 3/31/2016   |                   |                     | As of 6/30/2016   |                   |                     | As of 9/30/2016 |             |             | FISCAL YEAR 2016/2017 DEBT SERVICE PAYMENTS DUE: |
|---|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|-----------------|-------------|-------------|--|
| SEMI-ANNUAL DEBT SERVICE PAYMENTS DUE:  | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1         | 2015B-1     | TOTAL       |  |
| November 1, 2015:   | \$ 292,443        | \$ 232,419        | \$ 524,861          | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ -   |
| May 1, 2016:  | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ 532,443        | \$ 232,419        | \$ 764,861          | \$ -            | \$ -        | \$ -        | \$ -   |
| Fiscal Year 2016/2017 Debt Service Payments Due:                              | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ 464,838                                       |
| <b>Total Debt Service Payments Due:</b>                                       | <b>\$ 292,443</b> | <b>\$ 232,419</b> | <b>\$ 524,861</b>   | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ 532,443</b> | <b>\$ 232,419</b> | <b>\$ 764,861</b>   | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 464,838</b>                                |
| SPECIAL ASSESSMENT LEVY:  | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1           | 2015B-1           | TOTAL               | 2015A-1         | 2015B-1     | TOTAL       |  |
| Capitalized Interest Proceeds:  |                   |                   |                     |                   |                   |                     |                   |                   |                     |                 |             |             |  |
| Capitalized Interest Funds Utilized to Service Payment:                       | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ -   |
| Tax Levy and District Invoicing:  |                   |                   |                     |                   |                   |                     |                   |                   |                     |                 |             |             |  |
| Tax-Levied Assessments:   | \$ 626,775        | \$ -              | \$ 626,775          | \$ 626,775        | \$ -              | \$ 626,775          | \$ 626,775        | \$ -              | \$ 626,775          | \$ -            | \$ -        | \$ -        | \$ -   |
| Direct-Billed Assessments:  | \$ 184,468        | \$ 237,055        | \$ 421,523          | \$ 184,468        | \$ 237,055        | \$ 421,523          | \$ 245,957        | \$ 241,692        | \$ 487,649          | \$ -            | \$ -        | \$ -        | \$ -   |
| <b>Total Capitalized Interest and District Assessment Levy:</b>               | <b>\$ 811,243</b> | <b>\$ 237,055</b> | <b>\$ 1,048,298</b> | <b>\$ 811,243</b> | <b>\$ 237,055</b> | <b>\$ 1,048,298</b> | <b>\$ 872,732</b> | <b>\$ 241,692</b> | <b>\$ 1,114,424</b> | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>                                      |
| Total Assessment Collections:   |                   |                   |                     |                   |                   |                     |                   |                   |                     |                 |             |             |  |
| Tax-Levied Collections:   | \$ -              | \$ -              | \$ -                | \$ 583,781        | \$ -              | \$ 583,781          | \$ 625,198        | \$ -              | \$ 625,198          | \$ -            | \$ -        | \$ -        | \$ -   |
| Direct-Billed Collections:  | \$ -              | \$ -              | \$ -                | \$ 184,468        | \$ 237,055        | \$ 421,523          | \$ 245,957        | \$ 241,692        | \$ 487,649          | \$ -            | \$ -        | \$ -        | \$ -   |
| <b>Total Assessment Collections:</b>  | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>         | <b>\$ 768,249</b> | <b>\$ 237,055</b> | <b>\$ 1,005,304</b> | <b>\$ 871,155</b> | <b>\$ 241,692</b> | <b>\$ 1,112,847</b> | <b>\$ -</b>     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>                                      |
| Assessment Collections Surplus/(Shortfall):                                   | \$ (811,243)      | \$ (237,055)      | \$ (1,048,298)      | \$ (42,994)       | \$ -              | \$ (42,994)         | \$ (1,577)        | \$ -              | \$ (1,577)          | \$ -            | \$ -        | \$ -        | \$ -   |
| Assessment Collections Rate:  | 0%                | 0%                | 0%                  | 95%               | 100%              | 96%                 | 100%              | 100%              | 100%                | 0%              | 0%          | 0%          | 0%   |
| Delinquent Assessment Overview:   |                   |                   |                     |                   |                   |                     |                   |                   |                     |                 |             |             |  |
| Amount of delinquencies greater than 150 days (if greater than 10% of total): | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ -   |
| Amount of tax certificates sold, if any:                                      | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ -   |
| Balance remaining for sale from the most recent Fiscal Year:                  | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -              | \$ -              | \$ -                | \$ -            | \$ -        | \$ -        | \$ -   |



**FINANCIAL OVERVIEW (SERIES 2015A-2 AND 2015B-2 BONDS, SECURED BY SPE-HELD LANDS):**

|  | FISCAL YEAR 2015/2016 TRUST ESTATE ASSETS |              |               |                 |              |               |                 |              |               |                 |         |       |
|--|---|--------------|---------------|-----------------|--------------|---------------|-----------------|--------------|---------------|-----------------|---------|-------|
|  | As of 12/31/2015                          |              |               | As of 3/31/2016 |              |               | As of 6/30/2016 |              |               | As of 9/30/2016 |         |       |
|  | 2015A-2                                   | 2015B-2      | TOTAL         | 2015A-2         | 2015B-2      | TOTAL         | 2015A-2         | 2015B-2      | TOTAL         | 2015A-2         | 2015B-2 | TOTAL |
| <b>SERIES 2015 SPECIAL ASSESSMENT BOND OVERVIEW:</b> |   |              |               |                 |              |               |                 |              |               |                 |         |       |
| Par Amount of Bonds Outstanding:                     | \$ 11,280,000                             | \$ 4,175,000 | \$ 15,455,000 | \$ 11,280,000   | \$ 4,175,000 | \$ 15,455,000 | \$ 11,280,000   | \$ 4,175,000 | \$ 15,455,000 | \$ -            | \$ -    | \$ -  |
| % of Bonds Prepaid                                   | 0%  | 0%           |               | 0%              | 0%           |               | 0%              | 0%           |               | 0%              | 0%      |       |
| Combined Trust Estate Assets:                        | \$ 1,073,260                              | \$ 275,550   | \$ 1,348,810  | \$ 1,073,336    | \$ 275,550   | \$ 1,348,886  | \$ 1,071,260    | \$ 275,550   | \$ 1,346,810  | \$ -            | \$ -    | \$ -  |
| Costs of Issuance Fund:                              | \$ -                                      | \$ -         | \$ -          | \$ -            | \$ -         | \$ -          | \$ -            | \$ -         | \$ -          | \$ -            | \$ -    | \$ -  |
| Reserve Fund:  | \$ 1,073,260                              | \$ 275,550   | \$ 1,348,810  | \$ 1,073,260    | \$ 275,550   | \$ 1,348,810  | \$ 1,071,260    | \$ 275,550   | \$ 1,346,810  | \$ -            | \$ -    | \$ -  |
| Prepayment Fund:                                     | \$ -                                      | \$ -         | \$ -          | \$ -            | \$ -         | \$ -          | \$ -            | \$ -         | \$ -          | \$ -            | \$ -    | \$ -  |
| Revenue Fund:  | \$ -                                      | \$ -         | \$ -          | \$ 76           | \$ -         | \$ 76         | \$ -            | \$ -         | \$ -          | \$ -            | \$ -    | \$ -  |

| FISCAL YEAR 2015/2016 DEBT SERVICE ANALYSIS:          | As of 12/31/2015  |         |       | As of 3/31/2016 |         |       | As of 6/30/2016 |         |       | As of 9/30/2016 |         |       |
|---|---|---------|-------|-----------------|---------|-------|-----------------|---------|-------|-----------------|---------|-------|
| SEMI-ANNUAL DEBT SERVICE PAYMENTS DUE:                | 2015A-2   | 2015B-2 | TOTAL | 2015A-2         | 2015B-2 | TOTAL | 2015A-2         | 2015B-2 | TOTAL | 2015A-2         | 2015B-2 | TOTAL |
| November 1, 2015:                                     |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| May 1, 2016:  |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| <b>Total FY2015/2016 Debt Service Payments Due:</b>   |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| <b>SPECIAL ASSESSMENT LEVY:</b>                       | <i>Bonds are structured as Convertible Capital Appreciation Bonds. No annual debt service is payable over the CAB period.</i> |         |       |                 |         |       |                 |         |       |                 |         |       |
| Gross Assessment Levy:                                |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| Net Assessment Levy:                                  |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| Net Collections:                                      |   |         |       |                 |         |       |                 |         |       |                 |         |       |
| Surplus/(Deficit) in Funds Collected to Service Debt: |   |         |       |                 |         |       |                 |         |       |                 |         |       |



South Bay Community Development District

Hillsborough County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

\$9,970,000 Capital Improvement Revenue Refunding Bonds Series 2015A-1, May 1, 2036, 5.95% CUSIP - 836454AD0

\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8

\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5

\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

**DEBT SERVICE REQUIREMENTS FOR 2015A-1 BONDS:**

Coupon Rate 5.950%

|              | Principal              | Interest               | Total                   |
|--------------|------------------------|------------------------|-------------------------|
| 5/1/15 \$    | 140,000.00             | \$ 59,321.50           | \$ 199,321.50           |
| 11/1/15 \$   | -                      | \$ 292,442.50          | \$ 292,442.50           |
| 5/1/16 \$    | 240,000.00             | \$ 292,442.50          | \$ 532,442.50           |
| 11/1/16 \$   | -                      | \$ 285,302.50          | \$ 285,302.50           |
| 5/1/17 \$    | 255,000.00             | \$ 285,302.50          | \$ 540,302.50           |
| 11/1/17 \$   | -                      | \$ 277,716.25          | \$ 277,716.25           |
| 5/1/18 \$    | 275,000.00             | \$ 277,716.25          | \$ 552,716.25           |
| 11/1/18 \$   | -                      | \$ 269,535.00          | \$ 269,535.00           |
| 5/1/19 \$    | 290,000.00             | \$ 269,535.00          | \$ 559,535.00           |
| 11/1/19 \$   | -                      | \$ 260,907.50          | \$ 260,907.50           |
| 5/1/20 \$    | 310,000.00             | \$ 260,907.50          | \$ 570,907.50           |
| 11/1/20 \$   | -                      | \$ 251,685.00          | \$ 251,685.00           |
| 5/1/21 \$    | 325,000.00             | \$ 251,685.00          | \$ 576,685.00           |
| 11/1/21 \$   | -                      | \$ 242,016.25          | \$ 242,016.25           |
| 5/1/22 \$    | 345,000.00             | \$ 242,016.25          | \$ 587,016.25           |
| 11/1/22 \$   | -                      | \$ 231,752.50          | \$ 231,752.50           |
| 5/1/23 \$    | 370,000.00             | \$ 231,752.50          | \$ 601,752.50           |
| 11/1/23 \$   | -                      | \$ 220,745.00          | \$ 220,745.00           |
| 5/1/24 \$    | 390,000.00             | \$ 220,745.00          | \$ 610,745.00           |
| 11/1/24 \$   | -                      | \$ 209,142.50          | \$ 209,142.50           |
| 5/1/25 \$    | 415,000.00             | \$ 209,142.50          | \$ 624,142.50           |
| 11/1/25 \$   | -                      | \$ 196,796.25          | \$ 196,796.25           |
| 5/1/26 \$    | 440,000.00             | \$ 196,796.25          | \$ 636,796.25           |
| 11/1/26 \$   | -                      | \$ 183,706.25          | \$ 183,706.25           |
| 5/1/27 \$    | 465,000.00             | \$ 183,706.25          | \$ 648,706.25           |
| 11/1/27 \$   | -                      | \$ 169,872.50          | \$ 169,872.50           |
| 5/1/28 \$    | 495,000.00             | \$ 169,872.50          | \$ 664,872.50           |
| 11/1/28 \$   | -                      | \$ 155,146.25          | \$ 155,146.25           |
| 5/1/29 \$    | 525,000.00             | \$ 155,146.25          | \$ 680,146.25           |
| 11/1/29 \$   | -                      | \$ 139,527.50          | \$ 139,527.50           |
| 5/1/30 \$    | 555,000.00             | \$ 139,527.50          | \$ 694,527.50           |
| 11/1/30 \$   | -                      | \$ 123,016.25          | \$ 123,016.25           |
| 5/1/31 \$    | 590,000.00             | \$ 123,016.25          | \$ 713,016.25           |
| 11/1/31 \$   | -                      | \$ 105,463.75          | \$ 105,463.75           |
| 5/1/32 \$    | 630,000.00             | \$ 105,463.75          | \$ 735,463.75           |
| 11/1/32 \$   | -                      | \$ 86,721.25           | \$ 86,721.25            |
| 5/1/33 \$    | 665,000.00             | \$ 86,721.25           | \$ 751,721.25           |
| 11/1/33 \$   | -                      | \$ 66,937.50           | \$ 66,937.50            |
| 5/1/34 \$    | 705,000.00             | \$ 66,937.50           | \$ 771,937.50           |
| 11/1/34 \$   | -                      | \$ 45,963.75           | \$ 45,963.75            |
| 5/1/35 \$    | 750,000.00             | \$ 45,963.75           | \$ 795,963.75           |
| 11/1/35 \$   | -                      | \$ 23,651.25           | \$ 23,651.25            |
| 5/1/36 \$    | 795,000.00             | \$ 23,651.25           | \$ 818,651.25           |
| <b>TOTAL</b> | <b>\$ 9,970,000.00</b> | <b>\$ 7,735,416.50</b> | <b>\$ 17,705,416.50</b> |

South Bay Community Development District

Hillsborough County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

\$9,970,000 Capital Improvement Revenue Refunding Bonds Series 2015A-1, May 1, 2036, 5.95% CUSIP - 836454AD0

\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8

\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5

\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

**DEBT SERVICE REQUIREMENTS FOR 2015A-2 BONDS:**

Coupon Rate 6.600%

|              | Initial Principal Value | Accreted Interest, Through<br>CAB Period | Total Bond Value | Principal        | Interest        | Total            |
|--------------|-------------------------|--|------------------|------------------|-----------------|------------------|
| 5/1/15       | \$ 8,928,571.20         | \$ 58,204.80                             | \$ 8,986,776.00  | \$ -             | \$ -            | \$ -             |
| 11/1/15      | \$ 8,928,571.20         | \$ 354,756.00                            | \$ 9,283,327.20  | \$ -             | \$ -            | \$ -             |
| 5/1/16       | \$ 8,928,571.20         | \$ 661,120.80                            | \$ 9,589,692.00  | \$ -             | \$ -            | \$ -             |
| 11/1/16      | \$ 8,928,571.20         | \$ 977,637.60                            | \$ 9,906,208.80  | \$ -             | \$ -            | \$ -             |
| 5/1/17       | \$ 8,928,571.20         | \$ 1,304,532.00                          | \$ 10,233,103.20 | \$ -             | \$ -            | \$ -             |
| 11/1/17      | \$ 8,928,571.20         | \$ 1,642,142.40                          | \$ 10,570,713.60 | \$ -             | \$ -            | \$ -             |
| 5/1/18       | \$ 8,928,571.20         | \$ 1,991,032.80                          | \$ 10,919,604.00 | \$ -             | \$ -            | \$ -             |
| 11/1/18      | \$ 8,928,571.20         | \$ 2,351,428.80                          | \$ 11,280,000.00 | \$ -             | \$ -            | \$ -             |
| 5/1/19       | \$ -                    | \$ -                                     | \$ -             | \$ 340,000.00    | \$ 372,240.00   | \$ 712,240.00    |
| 11/1/19      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 361,020.00   | \$ 361,020.00    |
| 5/1/20       | \$ -                    | \$ -                                     | \$ -             | \$ 360,000.00    | \$ 361,020.00   | \$ 721,020.00    |
| 11/1/20      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 349,140.00   | \$ 349,140.00    |
| 5/1/21       | \$ -                    | \$ -                                     | \$ -             | \$ 385,000.00    | \$ 349,140.00   | \$ 734,140.00    |
| 11/1/21      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 336,435.00   | \$ 336,435.00    |
| 5/1/22       | \$ -                    | \$ -                                     | \$ -             | \$ 410,000.00    | \$ 336,435.00   | \$ 746,435.00    |
| 11/1/22      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 322,905.00   | \$ 322,905.00    |
| 5/1/23       | \$ -                    | \$ -                                     | \$ -             | \$ 440,000.00    | \$ 322,905.00   | \$ 762,905.00    |
| 11/1/23      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 308,385.00   | \$ 308,385.00    |
| 5/1/24       | \$ -                    | \$ -                                     | \$ -             | \$ 470,000.00    | \$ 308,385.00   | \$ 778,385.00    |
| 11/1/24      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 292,875.00   | \$ 292,875.00    |
| 5/1/25       | \$ -                    | \$ -                                     | \$ -             | \$ 500,000.00    | \$ 292,875.00   | \$ 792,875.00    |
| 11/1/25      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 276,375.00   | \$ 276,375.00    |
| 5/1/26       | \$ -                    | \$ -                                     | \$ -             | \$ 535,000.00    | \$ 276,375.00   | \$ 811,375.00    |
| 11/1/26      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 258,720.00   | \$ 258,720.00    |
| 5/1/27       | \$ -                    | \$ -                                     | \$ -             | \$ 570,000.00    | \$ 258,720.00   | \$ 828,720.00    |
| 11/1/27      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 239,910.00   | \$ 239,910.00    |
| 5/1/28       | \$ -                    | \$ -                                     | \$ -             | \$ 610,000.00    | \$ 239,910.00   | \$ 849,910.00    |
| 11/1/28      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 219,780.00   | \$ 219,780.00    |
| 5/1/29       | \$ -                    | \$ -                                     | \$ -             | \$ 655,000.00    | \$ 219,780.00   | \$ 874,780.00    |
| 11/1/29      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 198,165.00   | \$ 198,165.00    |
| 5/1/30       | \$ -                    | \$ -                                     | \$ -             | \$ 700,000.00    | \$ 198,165.00   | \$ 898,165.00    |
| 11/1/30      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 175,065.00   | \$ 175,065.00    |
| 5/1/31       | \$ -                    | \$ -                                     | \$ -             | \$ 745,000.00    | \$ 175,065.00   | \$ 920,065.00    |
| 11/1/31      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 150,480.00   | \$ 150,480.00    |
| 5/1/32       | \$ -                    | \$ -                                     | \$ -             | \$ 795,000.00    | \$ 150,480.00   | \$ 945,480.00    |
| 11/1/32      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 124,245.00   | \$ 124,245.00    |
| 5/1/33       | \$ -                    | \$ -                                     | \$ -             | \$ 850,000.00    | \$ 124,245.00   | \$ 974,245.00    |
| 11/1/33      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 96,195.00    | \$ 96,195.00     |
| 5/1/34       | \$ -                    | \$ -                                     | \$ -             | \$ 910,000.00    | \$ 96,195.00    | \$ 1,006,195.00  |
| 11/1/34      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 66,165.00    | \$ 66,165.00     |
| 5/1/35       | \$ -                    | \$ -                                     | \$ -             | \$ 970,000.00    | \$ 66,165.00    | \$ 1,036,165.00  |
| 11/1/35      | \$ -                    | \$ -                                     | \$ -             | \$ -             | \$ 34,155.00    | \$ 34,155.00     |
| 5/1/36       | \$ -                    | \$ -                                     | \$ -             | \$ 1,035,000.00  | \$ 34,155.00    | \$ 1,069,155.00  |
| <b>TOTAL</b> |                         |  |                  | \$ 11,280,000.00 | \$ 7,992,270.00 | \$ 19,272,270.00 |

**South Bay Community Development District**

**Hillsborough County, Florida**

**Quarterly Disclosure Report, Period Ending June 30, 2016**

**\$9,970,000 Capital Improvement Revenue Refunding Bonds Series 2015A-1, May 1, 2036, 5.95% CUSIP - 836454AD0**

**\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8**

**\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5**

**\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3**

**DEBT SERVICE REQUIREMENTS FOR 2015B-1 BONDS:**

*Coupon Rate 5.125%*

|              | <b>Principal</b>       |           | <b>Interest</b>     |           | <b>Total</b>         |
|--------------|------------------------|-----------|---------------------|-----------|----------------------|
| 5/1/15       | \$ -                   | \$        | 46,483.75           | \$        | <b>46,483.75</b>     |
| 11/1/15      | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 5/1/16       | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 11/1/16      | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 5/1/17       | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 11/1/17      | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 5/1/18       | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 11/1/18      | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 5/1/19       | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 11/1/19      | \$ -                   | \$        | 232,418.75          | \$        | <b>232,418.75</b>    |
| 5/1/20       | \$ 9,070,000.00        | \$        | 232,418.75          | \$        | <b>9,302,418.75</b>  |
| <b>TOTAL</b> | <b>\$ 9,070,000.00</b> | <b>\$</b> | <b>2,370,671.25</b> | <b>\$</b> | <b>11,440,671.25</b> |

South Bay Community Development District  
Hillsborough County, Florida

Quarterly Disclosure Report, Period Ending June 30, 2016

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\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8

\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5

\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

**DEBT SERVICE REQUIREMENTS FOR 2015B-2 BONDS:**

Coupon Rate 6.600%

|              | Initial Principal Value | Accreted Interest, Thru<br>CAB Period | Total Bond Value | Principal              | Interest               | Total                  |
|--------------|-------------------------|---------------------------------------|------------------|------------------------|------------------------|------------------------|
| 5/1/15       | \$ 3,304,679.50         | \$ 21,543.00                          | \$ 3,326,222.50  | \$ -                   | \$ -                   | \$ -                   |
| 11/1/15      | \$ 3,304,679.50         | \$ 131,303.75                         | \$ 3,435,983.25  | \$ -                   | \$ -                   | \$ -                   |
| 5/1/16       | \$ 3,304,679.50         | \$ 244,696.75                         | \$ 3,549,376.25  | \$ -                   | \$ -                   | \$ -                   |
| 11/1/16      | \$ 3,304,679.50         | \$ 361,847.25                         | \$ 3,666,526.75  | \$ -                   | \$ -                   | \$ -                   |
| 5/1/17       | \$ 3,304,679.50         | \$ 482,838.75                         | \$ 3,787,518.25  | \$ -                   | \$ -                   | \$ -                   |
| 11/1/17      | \$ 3,304,679.50         | \$ 607,796.50                         | \$ 3,912,476.00  | \$ -                   | \$ -                   | \$ -                   |
| 5/1/18       | \$ 3,304,679.50         | \$ 736,929.25                         | \$ 4,041,608.75  | \$ -                   | \$ -                   | \$ -                   |
| 11/1/18      | \$ 3,304,679.50         | \$ 870,320.50                         | \$ 4,175,000.00  | \$ -                   | \$ -                   | \$ -                   |
| 5/1/19       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/19      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/20       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/20      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/21       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/21      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/22       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/22      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/23       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/23      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/24       | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 11/1/24      | \$ -                    | \$ -                                  | \$ -             | \$ -                   | \$ 137,775.00          | \$ 137,775.00          |
| 5/1/25       | \$ -                    | \$ -                                  | \$ -             | \$ 4,175,000.00        | \$ 137,775.00          | \$ 4,312,775.00        |
| <b>TOTAL</b> |                         |                                       |                  | \$ <b>4,175,000.00</b> | \$ <b>1,791,075.00</b> | \$ <b>5,966,075.00</b> |

**South Bay Community Development District**

**Hillsborough County, Florida**

**Quarterly Disclosure Report, Period Ending June 30, 2016**

**\$9,970,000 Capital Improvement Revenue Refunding Bonds Series 2015A-1, May 1, 2036, 5.95% CUSIP - 836454AD0**

**\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8**

**\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5**

**\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3**



| <b>DELINQUENT LANDOWNERS, AS DELINEATED BY % OF DELINQUENT ASSESSMENTS:</b> |  |
|---|--|
| <b>LANDOWNER NAME:</b>  | <b>AMOUNT OF DELINQUENT ASSESSMENTS:</b> |
| No delinquent landowners  |  |
|   | \$ -                                     |
|   | \$ -                                     |
|   | \$ -                                     |
|   | \$ -                                     |



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\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8

\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5

\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

**BOND ALLOCATION AND CAPITAL IMPROVEMENT OVERVIEW:**

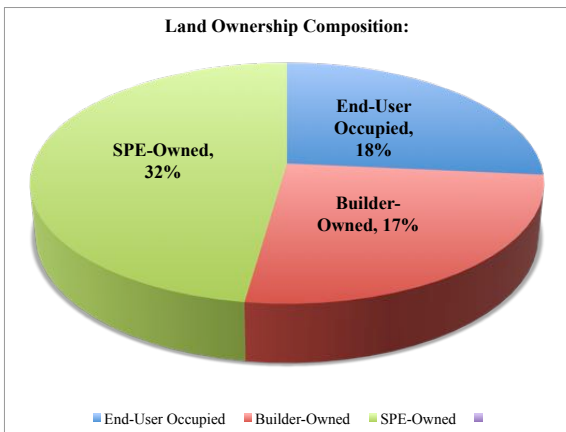
| PROPERTY SECURING SERIES 2015A-1 AND SERIES 2015B-1 BONDS, BY PRODUCT TYPE (BUILDER AND END-USER OCCUPIED LOTS - SEE NOTATION 1): | SERIES 2015A-1 BOND ALLOCATION |                            |           |                                     |          | SERIES 2015B-1 BOND ALLOCATION |                    |                   |                             |      |
|---|--------------------------------|----------------------------|-----------|-------------------------------------|----------|--------------------------------|--------------------|-------------------|-----------------------------|------|
|   | Units                          | Par Debt, Per Product Type |           | Annual Assessment, Per Product Type |          | Par Debt, Per Product Type     | Par Debt, Per Unit |                   | Annual Assessment, Per Unit |      |
|   |                                |                            |           |                                     |          |                                |                    |                   |                             |      |
| Hotel (Retail)  | 94.00                          | \$ 523,672                 | \$ 5,571  | \$ 43,206                           | \$ 460   | \$ -                           | \$ -               | \$ -              | \$ -                        | \$ - |
| Townhomes (Retail)  | 154.00                         | \$ 3,386,569               | \$ 21,991 | \$ 279,415                          | \$ 1,814 | \$ 7,132,955                   | \$ 10,881-\$19,950 | \$ 365,565        | \$ 558-\$1,022              |      |
| Townhomes (Builder)   | 66.00                          | \$ -                       | \$ -      | \$ -                                | \$ -     | \$ 1,316,724                   | \$ 19,950          | \$ 67,481         | \$ 1,022                    |      |
| Single-Family Homes (Builder)   | 198.00                         | \$ 5,805,547               | \$ 29,321 | \$ 478,997                          | \$ 2,419 | \$ -                           | \$ -               | \$ -              | \$ -                        |      |
| Commercial/Retail (Builder)   | 8.50                           | \$ -                       | \$ -      | \$ -                                | \$ -     | \$ 258,446                     | \$ 29,926-\$32,644 | \$ 13,245         | \$ 1,533-\$1,673            |      |
| Boat Slips (Builder)  | 11.57                          | \$ 254,213                 | \$ 43,981 | \$ 20,974                           | \$ 3,629 | \$ 361,876                     | \$ 31,277          | \$ 18,547         | \$ 1,603                    |      |
| <b>Total Units:</b>   | <b>438.07</b>                  | <b>\$ 9,446,328</b>        |           |                                     |          | <b>\$ 9,070,000</b>            |                    | <b>\$ 464,838</b> |                             |      |

| PROPERTY SECURING SERIES 2015 BONDSA-2 AND SERIES 2015B-2 BONDS, BY PRODUCT TYPE (SPE-HELD LOTS - SEE NOTATION 2): | SERIES 2015A-2 BOND ALLOCATION |                            |           |                                     |          | SERIES 2015B-2 BOND ALLOCATION |                    |                   |                             |  |
|--|--------------------------------|----------------------------|-----------|-------------------------------------|----------|--------------------------------|--------------------|-------------------|-----------------------------|--|
|  | Units                          | Par Debt, Per Product Type |           | Annual Assessment, Per Product Type |          | Par Debt, Per Product Type     | Par Debt, Per Unit |                   | Annual Assessment, Per Unit |  |
|  |                                |                            |           |                                     |          |                                |                    |                   |                             |  |
| Condominiums   | 20                             | \$ 530,200                 | \$ 26,510 | \$ 50,447                           | \$ 2,522 | \$ 695,833                     | \$ 34,792          | \$ 45,925         | \$ 2,296                    |  |
| Townhomes (K, N, and P)  | 100                            | \$ 2,650,999               | \$ 26,510 | \$ 252,235                          | \$ 2,522 | \$ 974,167                     | \$ 34,792          | \$ 229,625        | \$ 2,296                    |  |
| Townhomes (Q-Riverton Tract)   | 86                             | \$ 1,709,894               | \$ 19,882 | \$ 162,692                          | \$ 1,892 | \$ 1,113,333                   | \$ -               | \$ -              | \$ -                        |  |
| Single-Family Homes (Q-Riverton Tract)   | 241                            | \$ 6,388,907               | \$ 26,510 | \$ 607,886                          | \$ 2,522 | \$ 1,391,667                   | \$ -               | \$ -              | \$ -                        |  |
| <b>Total Units:</b>  | <b>447</b>                     | <b>\$ 11,280,000</b>       |           |                                     |          | <b>\$ 4,175,000</b>            |                    | <b>\$ 275,550</b> |                             |  |

**SERIES 2015 FINANCING OVERVIEW:**

|  | As of 12/31/2015   | As of 3/31/2016 | As of 6/30/2016 | As of 9/30/2016 |
|--|--|-----------------|-----------------|-----------------|
| Percentage of total construction proceeds spent:                 |  |                 |                 |                 |
| Estimated cost to complete capital improvement plan:             | <i>All capital proceeds were utilized prior to the 2015 refunding.</i> |                 |                 |                 |
| Remaining capital proceeds available to facilitate capital plan: |  |                 |                 |                 |

| LANDOWNER COMPOSITION:                    | Units           | Acreage | % of Total  | Estimated Buildout Date: |
|---|-----------------|---------|-------------|--------------------------|
| <b>End-User Occupied:</b>                 |                 |         |             |                          |
| Hotel                                     | 94              | -       | 7%          |                          |
| Townhomes                                 | 154             | -       | 11%         |                          |
| <b>Total End-User Occupied Units:</b>     | <b>248</b>      |         | <b>18%</b>  |                          |
| <b>Builder-Owned:</b>                     |                 |         |             |                          |
| Condos                                    | 483             | -       | 34%         |                          |
| Single-Family                             | 198             | -       | 14%         |                          |
| Commercial/Retail                         | 8.50            | -       | 1%          |                          |
| Boat Slips                                | 17.35           | -       | 1%          |                          |
| <b>Total End-User Occupied Units:</b>     | <b>706.85</b>   |         | <b>0.50</b> | <i>TBD</i>               |
| <b>SPE-Owned:</b>                         |                 |         |             |                          |
| Condos                                    | 20              | -       | 1%          |                          |
| Townhomes (K, N, and P)                   | 100             | -       | 7%          |                          |
| Townhomes (Q-Riverton Tract)              | 86              | -       | 6%          |                          |
| Single-Family Homes (Q-Riverton Tract)    | 241             | -       | 17%         |                          |
| <b>Total SPE-Owned:</b>                   | <b>447</b>      |         | <b>32%</b>  |                          |
| <b>Total Development Acreage/Density:</b> | <b>1,401.85</b> |         | <b>100%</b> |                          |



South Bay Community Development District

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\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8

\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5

\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

**DEVELOPER (SPE) ABSORPTION STATISTICS (SECURING 2015A-2 AND SERIES 2015B-2 BONDS):**

|  | As of 6/30/2016       |                         |                                  |                              |
|--|-----------------------|-------------------------|----------------------------------|------------------------------|
|  | Closed to Homebuilder | Increase from 3/31/2016 | Under Contract w/<br>Homebuilder | Not Closed or Under Contract |
| <b>Total Absorption:</b>               |                       |                         |                                  |                              |
| Condominiums                           | -                     | -                       | -                                | 20                           |
| Townhomes (K, N, and P)                | -                     | -                       | -                                | 100                          |
| Townhomes (Q-Riverton Tract)           | -                     | -                       | -                                | 86                           |
| Single-Family Homes (Q-Riverton Tract) | -                     | -                       | -                                | 241                          |
| <b>Total Units:</b>                    | -                     | -                       | -                                | 447                          |

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\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8  
\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5  
\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3

### HOMEBUILDER SALES PRIOR TO 2015 RESTRUCTURING (RETAIL-OWNED UNITS)

|                            | As of 6/30/2016    |                   |                |        |                         |                                   |  |
|----------------------------|--------------------|-------------------|----------------|--------|-------------------------|-----------------------------------|--|
|                            | Under Construction | Fully Constructed | Under Contract | Closed | Increase from 3/31/2016 | Average Sales Price of Homes Sold | Inventory Not Closed or Under Contract |
| <b>Retail-Owned Units:</b> |                    |                   |                |        |                         |                                   |  |
| Hotel                      | -                  | -                 | -              | 94     | -                       |                                   |  |
| Townhomes                  | -                  | -                 | -              | 154    | -                       |                                   | N/A                                    |
| <b>Total Units:</b>        | -                  | -                 | -              | 248    | -                       |                                   |  |

### HOMEBUILDER ABSORPTION STATISTICS:

|  | As of 6/30/2016    |                   |                |        |                         |                                   |  |
|--|--------------------|-------------------|----------------|--------|-------------------------|-----------------------------------|--|
|  | Under Construction | Fully Constructed | Under Contract | Closed | Increase from 3/31/2016 | Average Sales Price of Homes Sold | Inventory Not Closed or Under Contract |
| <b>Lennar Homes (Former Serenity Bay):</b> |                    |                   |                |        |                         |                                   |  |
| Single-Family                              | -                  | -                 | -              | -      | -                       | -                                 | 198                                    |
| <b>Total Units:</b>                        | -                  | -                 | -              | -      | -                       | -                                 | 198                                    |
| <b>Harborside Suites:</b>                  |                    |                   |                |        |                         |                                   |  |
| Condos                                     | -                  | -                 | -              | -      | -                       | -                                 | 483                                    |
| Commercial/Retail                          | -                  | -                 | -              | -      | -                       | -                                 | 8.50                                   |
| <b>Boat Slips:</b>                         |                    |                   |                |        |                         |                                   |  |
| Boat Slips                                 | -                  | -                 | -              | -      | -                       | -                                 | 17.35                                  |
| <b>Total Absorption:</b>                   |                    |                   |                |        |                         |                                   |  |
| Condos                                     | -                  | -                 | -              | -      | -                       | -                                 | 483                                    |
| Single-Family                              | -                  | -                 | -              | -      | -                       | -                                 | 198                                    |
| Commercial/Retail                          | -                  | -                 | -              | -      | -                       | -                                 | 8.50                                   |
| Boat Slips                                 | -                  | -                 | -              | -      | -                       | -                                 | 17.35                                  |
| <b>Total Units:</b>                        | -                  | -                 | -              | -      | -                       | -                                 | 706.85                                 |

### TOTAL ABSORPTION OF INVENTORY SECURED BY 2015A-1 AND 2015B-1 BONDS (EXEMPTS SPE-HELD UNITS):

|                     | As of 6/30/2016    |                   |                |        |                         |                                   |  |
|---------------------|--------------------|-------------------|----------------|--------|-------------------------|-----------------------------------|--|
|                     | Under Construction | Fully Constructed | Under Contract | Closed | Increase from 3/31/2016 | Average Sales Price of Homes Sold | Inventory Not Closed or Under Contract |
| Hotel               | -                  | -                 | -              | 94     | -                       |                                   | -                                      |
| Condos              | -                  | -                 | -              | -      | -                       |                                   | 483                                    |
| Townhomes           | -                  | -                 | -              | 154    | -                       |                                   | -                                      |
| Single-Family       | -                  | -                 | -              | -      | -                       |                                   | 198                                    |
| Commercial/Retail   | -                  | -                 | -              | -      | -                       |                                   | 8.50                                   |
| Boat Slips          | -                  | -                 | -              | -      | -                       |                                   | 17.35                                  |
| <b>Total Units:</b> | -                  | -                 | -              | 248    | -                       |                                   | 706.85                                 |

**South Bay Community Development District**

**Hillsborough County, Florida**

**Quarterly Disclosure Report, Period Ending June 30, 2016**

**\$9,970,000 Capital Improvement Revenue Refunding Bonds Series 2015A-1, May 1, 2036, 5.95% CUSIP - 836454AD0**

**\$9,070,000 Capital Improvement Revenue Refunding Bonds Series 2015B-1, May 1, 2020, 5.125% CUSIP - 836454AE8**

**\$11,280,000 Capital Improvement Revenue Refunding Bonds Series 2015A-2, May 1, 2036, 6.60% CUSIP - 836454AF5**

**\$4,175,000 Capital Improvement Revenue Refunding Bonds Series 2015B-2, May 1, 2025, 6.60% CUSIP - 836454AG3**

## **DETAILED DEVELOPMENT OVERVIEW:**

1. Detailed description of construction status: All master infrastructure is in place for the multi-family pods and lot development is completed for all the single family pods with the exception of Riverton.
2. Status of sales activity within the Development: See the builder report for details on sales activity.
3. Amount of delinquent tax-levied and direct-billed assessments for fiscal year 2015-2016 year (2015 tax year). If applicable, do sufficient reserves exist to bridge deficit in collections?. No delinquencies to report.
4. Any bulk sales of land within the District other than in the ordinary course of business. Carter Hospitality (Harbourside Suites) purchased the "hammerhead" multifamily area from Peninsula Bank. This most recent Qtr, Lennar Homes, Tampa purchased 198 units from Florida Community Bank (Serenity Bay)
5. The anchor (more than 10% of the square footage) tenants of non-residential property, if any: N/A
6. The status of development approvals for the Development: The Zoning is approved and in compliance. The hammerhead area has been approved for 330 Condo-Hotel Units on 10-15-2015
7. Any materially adverse changes or determinations to permits/approvals for the Development of the Assessment Area which necessitate changes to the land use plans of any Obligated Person. None known.
8. The occurrence of any new or modified mortgage debt on the land owned by the Obligated Person in the Assessment Area, including the amount, interest rate and terms of repayment. The Bond debt was restructured in 2015.
9. Sale, Assignment, or Transfer of ownership of real property in the Assessment Area to a third party, which will in turn be an Obligated Person. No data to report.

**Notations:**

- (1) Series 2015A-1 and 2-15B-1 Bonds are secured by lots held by a combination of builders/developers, and third-party held lots. Bonds are current-interest bearing securities.
- (2) Series 2015A-2 and 2015B-2 lots are secured by SPE-held property. Assessments have been restructured as Convertible CABs.

**BOARD OF SUPERVISOR'S**

**HERITAGE HARBOUR NORTH  
COMMUNITY DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS  
December 31, 2016**



James P. Ward  
District Manager  
2041 NE 6 Terrace  
Wilton Manors, Florida 33305

Phone: 954-658-4900  
E-mail:  
JimWard@jpwardassociates.com



**Heritage Harbour North Community Development District**

**Balance Sheet - All Funds and Account Groups  
as of December 31, 2016**

|  | Governmental Funds  |                     |                   |                       |              | Account Groups            |                         | Totals<br>(Memorandum Only) |
|--|---------------------|---------------------|-------------------|-----------------------|--------------|---------------------------|-------------------------|-----------------------------|
|  | General Fund        | Debt Service Funds  |                   | Capital Projects Fund |              | General Long<br>Term Debt | General Fixed<br>Assets |                             |
|  | Operations          | Series 2007         | Series 2014       | Series 2007           | Series 2014  |                           |                         |                             |
| <b>Assets</b>                                      |                     |                     |                   |                       |              |                           |                         |                             |
| <b>Cash and Investments</b>                        |                     |                     |                   |                       |              |                           |                         |                             |
| General Fund - Invested Cash                       | \$ 1,158,055        | \$ -                | \$ -              | \$ -                  | \$ -         | \$ -                      | \$ -                    | \$ 1,158,055                |
| Capital Projects Fund                              |                     |                     |                   |                       |              |                           |                         |                             |
| Construction Account                               | -                   | -                   | -                 | -                     | 67           | -                         | -                       | 67                          |
| Deferred Cost Account                              | -                   | -                   | -                 | 39,997                | -            | -                         | -                       | 39,997                      |
| Cost of Issuance                                   | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| Debt Service Funds                                 |                     |                     |                   |                       |              |                           |                         |                             |
| Revenue Account                                    | -                   | 273,754             | 76,557            | -                     | -            | -                         | -                       | 350,312                     |
| Reserve Account                                    | -                   | 1,567,304           | 259,091           | -                     | -            | -                         | -                       | 1,826,395                   |
| Prepayment Account                                 | -                   | 0                   | 310               | -                     | -            | -                         | -                       | 310                         |
| Capitalized Interest                               | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| <b>Due from Other Funds</b>                        |                     |                     |                   |                       |              |                           |                         |                             |
| General Fund                                       | -                   | 936,221             | 181,195           | -                     | -            | -                         | -                       | 1,117,416                   |
| Debt Service Fund - Series 2007                    | -                   | -                   | 3,317             | -                     | -            | -                         | -                       | 3,317                       |
| Capital Projects Fund - Series 2007                | -                   | 31,851              | -                 | -                     | -            | -                         | -                       | 31,851                      |
| <b>Due from Other Governments</b>                  | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| <b>Accrued Interest Receivable</b>                 | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| <b>Accounts Receivable</b>                         | 741                 | -                   | -                 | -                     | -            | -                         | -                       | 741                         |
| <b>Prepaid Expenses</b>                            | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| <b>Amount Available in Debt Service Funds</b>      | -                   | -                   | -                 | -                     | -            | 3,329,601                 | -                       | 3,329,601                   |
| <b>Amount to be Provided by Debt Service Funds</b> | -                   | -                   | -                 | -                     | -            | 17,565,399                | -                       | 17,565,399                  |
| <b>General Fixed Assets</b>                        | -                   | -                   | -                 | -                     | -            | -                         | 14,416,957              | 14,416,957                  |
| <b>Total Assets</b>                                | <b>\$ 1,158,796</b> | <b>\$ 2,809,132</b> | <b>\$ 520,470</b> | <b>\$ 39,997</b>      | <b>\$ 67</b> | <b>\$ 20,895,000</b>      | <b>\$ 14,416,957</b>    | <b>\$ 39,840,418</b>        |

**Heritage Harbour North Community Development District**

**Balance Sheet - All Funds and Account Groups  
as of December 31, 2016**

|   | Governmental Funds  |                     |                   |                       |              | Account Groups            |                         | Totals<br>(Memorandum Only) |
|---|---------------------|---------------------|-------------------|-----------------------|--------------|---------------------------|-------------------------|-----------------------------|
|   | General Fund        | Debt Service Funds  |                   | Capital Projects Fund |              | General Long<br>Term Debt | General Fixed<br>Assets |                             |
|   | Operations          | Series 2007         | Series 2014       | Series 2007           | Series 2014  |                           |                         |                             |
| <b>Liabilities</b>                                      |                     |                     |                   |                       |              |                           |                         |                             |
| <b>Accounts Payable &amp; Payroll Liabilities</b>       | \$ -                | \$ -                | \$ -              | \$ -                  | \$ -         | \$ -                      | \$ -                    | \$ -                        |
| <b>Due to Other Governments</b>                         | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| <b>Due to Other Funds</b>                               |                     |                     |                   |                       |              |                           |                         |                             |
| General Fund  | -                   | -                   | -                 | -                     | -            | -                         | -                       | -                           |
| Debt Service Fund - Series 2007                         | 936,221             | -                   | -                 | 31,851                | -            | -                         | -                       | 968,072                     |
| Debt Service Fund - Series 2014                         | 181,195             | 3,317               | -                 | -                     | -            | -                         | -                       | 184,512                     |
| <b>Bonds Payable - Series 2007</b>                      | -                   | -                   | -                 | -                     | -            | 20,895,000                | -                       | 20,895,000                  |
| <b>Total Liabilities</b>                                | <u>\$ 1,117,416</u> | <u>\$ 3,317</u>     | <u>\$ -</u>       | <u>\$ 31,851</u>      | <u>\$ -</u>  | <u>\$ 20,895,000</u>      | <u>\$ -</u>             | <u>\$ 22,047,584</u>        |
| <b>Fund Equity and Other Credits</b>                    |                     |                     |                   |                       |              |                           |                         |                             |
| <b>Investment in General Fixed Assets</b>               | -                   | -                   | -                 | -                     | -            | -                         | 14,416,957              | 14,416,957                  |
| <b>Fund Balance</b>                                     |                     |                     |                   |                       |              |                           |                         |                             |
| <b>Restricted</b>                                       |                     |                     |                   |                       |              |                           |                         |                             |
| Beginning: October 1, 2016                              | -                   | 2,348,682           | 502,656           | 7,406                 | 1,018,799    | -                         | -                       | 3,877,542                   |
| Results from Current Operations                         | -                   | 457,133             | 17,814            | 740                   | (1,018,732)  | -                         | -                       | (543,045)                   |
| <b>Unassigned</b>                                       |                     |                     |                   |                       |              |                           |                         |                             |
| Beginning: October 1, 2016                              | 16,565              | -                   | -                 | -                     | -            | -                         | -                       | 16,565                      |
| Results from Current Operations                         | 24,814              | -                   | -                 | -                     | -            | -                         | -                       | 24,814                      |
| <b>Total Fund Equity and Other Credits</b>              | <u>41,379</u>       | <u>2,805,815</u>    | <u>520,470</u>    | <u>8,146</u>          | <u>67</u>    | <u>-</u>                  | <u>14,416,957</u>       | <u>17,792,833</u>           |
| <b>Total Liabilities, Fund Equity and Other Credits</b> | <u>\$ 1,158,796</u> | <u>\$ 2,809,132</u> | <u>\$ 520,470</u> | <u>\$ 39,997</u>      | <u>\$ 67</u> | <u>\$ 20,895,000</u>      | <u>\$ 14,416,957</u>    | <u>\$ 39,840,418</u>        |

**Heritage Harbour North Community Development District**

**General Fund**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|   | <b>October</b> | <b>November</b>  | <b>December</b>  | <b>Year to Date</b> | <b>Annual<br/>Budget</b> | <b>% of<br/>Budget</b> |
|---|----------------|------------------|------------------|---------------------|--------------------------|------------------------|
| <b>Revenue and Other Sources</b>        |                |                  |                  |                     |                          |                        |
| Carryforward                            | \$ -           | \$ -             | \$ -             | \$ -                | \$ (10,000)              | N/A                    |
| Miscellaneous Revenue                   | -              | -                | -                | -                   | -                        | N/A                    |
| <b>Interest</b>                         |                |                  |                  |                     |                          |                        |
| Interest - General Checking             | 0              | 5                | 38               | 44                  | 150                      | 29%                    |
| <b>Special Assessment Revenue</b>       |                |                  |                  |                     |                          |                        |
| Special Assessments - Uniform Method    | 311            | 26,132           | 39,387           | 65,830              | 93,112                   | 71%                    |
| Special Assessments - Non-Uniform Mthd  | -              | -                | -                | -                   | 19,787                   | 0%                     |
| <b>Total Revenue and Other Sources:</b> | <b>\$ 311</b>  | <b>\$ 26,137</b> | <b>\$ 39,426</b> | <b>\$ 65,874</b>    | <b>\$ 103,049</b>        | <b>64%</b>             |
| <b>Expenditures and Other Uses</b>      |                |                  |                  |                     |                          |                        |
| <b>Legislative</b>                      |                |                  |                  |                     |                          |                        |
| Board of Supervisor's Fees              | \$ -           | \$ 600           | \$ -             | \$ 600              | \$ 2,400                 | 25%                    |
| Board of Supervisor's - FICA            | -              | 46               | -                | 46                  | 184                      | 25%                    |
| <b>Executive</b>                        |                |                  |                  |                     |                          |                        |
| Executive Salaries                      | 2,692          | 2,692            | 4,039            | 9,424               | 35,000                   | 27%                    |
| Executive Salaries - FICA               | 253            | 253              | 380              | 886                 | 3,290                    | 27%                    |
| Executive Salaries - Insurance          | 324            | 324              | 324              | 972                 | 3,300                    | 29%                    |
| <b>Financial and Administrative</b>     |                |                  |                  |                     |                          |                        |
| Audit Services                          | -              | -                | 4,500            | 4,500               | 5,500                    | 82%                    |
| Accounting Services                     | 68             | 45               | 709              | 821                 | 5,500                    | 15%                    |
| Assessment Roll Preparation             | 615            | 615              | 923              | 2,153               | 8,000                    | 27%                    |
| Arbitrage Rebate Services               | -              | -                | -                | -                   | 500                      | 0%                     |
| Manager Services                        | -              | -                | -                | -                   | -                        | N/A                    |
| <b>Professional Services</b>            |                |                  |                  |                     |                          |                        |
| District Manager Services               | -              | -                | -                | -                   | -                        | N/A                    |
| <b>Other Contractual Services</b>       |                |                  |                  |                     |                          |                        |
| Recording and Transcription             | -              | 77               | -                | 77                  | 500                      | 15%                    |
| Legal Advertising                       | -              | -                | 99               | 99                  | 1,500                    | 7%                     |
| Trustee Services                        | -              | -                | 7,475            | 7,475               | 11,900                   | 63%                    |



**Heritage Harbour North Community Development District**

**General Fund**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|  | <b>October</b>   | <b>November</b>  | <b>December</b>  | <b>Year to Date</b> | <b>Annual<br/>Budget</b> | <b>% of<br/>Budget</b> |
|--|------------------|------------------|------------------|---------------------|--------------------------|------------------------|
| Dissemination Agent Services                 | -                | -                | -                | -                   | 5,000                    | 0%                     |
| Property Appraiser Fees                      | -                | -                | -                | -                   | -                        | N/A                    |
| Bank Services                                | 97               | 98               | 119              | 314                 | 400                      | 78%                    |
| <b>Travel and Per Diem</b>                   | -                | -                | -                | -                   | -                        | N/A                    |
| <b>Communications &amp; Freight Services</b> |                  |                  |                  |                     |                          |                        |
| Telephone                                    | -                | -                | -                | -                   | -                        | N/A                    |
| Postage, Freight & Messenger                 | -                | 19               | -                | 19                  | 400                      | 5%                     |
| <b>Rentals &amp; Leases</b>                  |                  |                  |                  |                     |                          |                        |
| Miscellaneous Equipment Leasing              | -                | -                | -                | -                   | -                        | N/A                    |
| Computer Services                            | 559              | 559              | 559              | 1,676               | 7,700                    | 22%                    |
| <b>Insurance</b>                             | 5,778            | -                | -                | 5,778               | 6,000                    | 96%                    |
| <b>Printing &amp; Binding</b>                | -                | -                | -                | -                   | 1,200                    | 0%                     |
| <b>Office Supplies</b>                       | -                | -                | -                | -                   | -                        | N/A                    |
| <b>Subscription &amp; Memberships</b>        | 175              | -                | -                | 175                 | 175                      | 100%                   |
| <b>Legal Services</b>                        |                  |                  |                  |                     |                          |                        |
| Legal - General Counsel                      | -                | -                | 4,696            | 4,696               | 4,000                    | 117%                   |
| <b>Other General Government Services</b>     |                  |                  |                  |                     |                          |                        |
| Engineering Services - General Fund          | -                | -                | 1,350            | 1,350               | 600                      | 225%                   |
| <b>Capital Outlay</b>                        | -                | -                | -                | -                   | -                        | N/A                    |
| <b>Total Expenditures and Other Uses:</b>    | <b>\$ 10,561</b> | <b>\$ 5,327</b>  | <b>\$ 25,172</b> | <b>\$ 41,060</b>    | <b>\$ 103,049</b>        | <b>40%</b>             |
| Net Increase/ (Decrease) of Fund Balance     | (10,249)         | 20,810           | 14,254           | 24,814              | -                        |                        |
| Fund Balance - Beginning                     | 16,565           | 6,316            | 27,126           | 16,565              | 24,183                   |                        |
| Fund Balance - Ending                        | <b>\$ 6,316</b>  | <b>\$ 27,126</b> | <b>\$ 41,379</b> | <b>\$ 41,379</b>    | <b>\$ 24,183</b>         |                        |

**Heritage Harbour North Community Development District**

**Debt Service Fund - Series 2007 Bonds**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|   | <u>October</u>      | <u>November</u>     | <u>December</u>     | <u>Year to Date</u> | <u>Budget</u>       | <u>% of<br/>Budget</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|
| <b>Revenue and Other Sources</b>          |                     |                     |                     |                     |                     |                        |
| <b>Carryforward</b>                       | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | N/A                    |
| <b>Interest Income</b>                    |                     |                     |                     |                     |                     |                        |
| Revenue Account                           | 229                 | 82                  | 5                   | 316                 | 1,500               | N/A                    |
| Reserve Account                           | 498                 | 178                 | 128                 | 804                 | -                   | N/A                    |
| Prepayment Account                        | 4                   | 2                   | -                   | 6                   | -                   | N/A                    |
| <b>Gain (loss) on Investments</b>         | 939                 |                     |                     | 939                 | -                   | N/A                    |
| <b>Special Assessment Revenue</b>         |                     |                     |                     |                     |                     |                        |
| Special Assessments - Uniform Method      | 6,161               | 460,620             | 675,683             | 1,142,464           | 1,639,194           | 70%                    |
| Special Assessments - Non-Uniform Mthd    | -                   | -                   | -                   | -                   | 142,637             | 0%                     |
| Special Assessments - Prepaid             | -                   | -                   | -                   | -                   | -                   | N/A                    |
| <b>Operating Transfers In</b>             | -                   | -                   | -                   | -                   | -                   | N/A                    |
| <b>Total Revenue and Other Sources:</b>   | <b>\$ 7,831</b>     | <b>\$ 460,881</b>   | <b>\$ 675,817</b>   | <b>\$ 1,144,529</b> | <b>\$ 1,783,331</b> | <b>64%</b>             |
| <b>Expenditures and Other Uses</b>        |                     |                     |                     |                     |                     |                        |
| <b>Debt Service</b>                       |                     |                     |                     |                     |                     |                        |
| Principal - Mandatory                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ 450,000          | 0%                     |
| Principal - Early Redemptions             | -                   | 20,000              | -                   | 20,000              | -                   | N/A                    |
| Interest Expense                          | -                   | 666,666             | -                   | 666,666             | 1,333,331           | 50%                    |
| <b>Operating Transfers Out</b>            | 731                 | -                   | -                   | 731                 | -                   | N/A                    |
| <b>Total Expenditures and Other Uses:</b> | <b>\$ 731</b>       | <b>\$ 686,666</b>   | <b>\$ -</b>         | <b>\$ 687,397</b>   | <b>\$ 1,783,331</b> | <b>39%</b>             |
| Net Increase/ (Decrease) of Fund Balance  | 7,100               | (225,784)           | 675,817             | 457,133             | -                   |                        |
| Fund Balance - Beginning                  | 2,348,682           | 2,355,782           | 2,129,997           | 2,348,682           | 2,133,110           |                        |
| Fund Balance - Ending                     | <u>\$ 2,355,782</u> | <u>\$ 2,129,997</u> | <u>\$ 2,805,815</u> | <u>\$ 2,805,815</u> | <u>\$ 2,133,110</u> |                        |

**Heritage Harbour North Community Development District**

**Debt Service Fund - Series 2014 Bonds**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|   | <u>October</u>    | <u>November</u>   | <u>December</u>   | <u>Year to Date</u> | <u>Budget</u>     | <u>% of<br/>Budget</u> |
|---|-------------------|-------------------|-------------------|---------------------|-------------------|------------------------|
| <b>Revenue and Other Sources</b>          |                   |                   |                   |                     |                   |                        |
| <b>Carryforward</b>                       | \$ -              | \$ -              | \$ -              | \$ -                | \$ -              | N/A                    |
| <b>Interest Income</b>                    |                   |                   |                   |                     |                   |                        |
| Capitalized Interest                      | -                 | -                 | -                 | -                   | -                 | N/A                    |
| Revenue Account                           | 20                | 21                | 4                 | 44                  | -                 | N/A                    |
| Reserve Account                           | 21                | 22                | 21                | 64                  | -                 | N/A                    |
| Prepayment Account                        | 0                 | 0                 | 0                 | 0                   | -                 | N/A                    |
| <b>Special Assessment Revenue</b>         |                   |                   |                   |                     |                   |                        |
| Special Assessments - Uniform Method      | 1,055             | 80,370            | 134,742           | 216,167             | 280,447           | 77%                    |
| Special Assessments - Non-Uniform Mthd    | -                 | -                 | -                 | -                   | 241,478           | 0%                     |
| <b>Other Financing Sources</b>            |                   |                   |                   |                     |                   |                        |
| Debt Proceeds                             | -                 | -                 | -                 | -                   | -                 | N/A                    |
| <b>Operating Transfers In</b>             | -                 | -                 | -                 | -                   | -                 | N/A                    |
| <b>Total Revenue and Other Sources:</b>   | <b>\$ 1,096</b>   | <b>\$ 80,413</b>  | <b>\$ 134,767</b> | <b>\$ 216,276</b>   | <b>\$ 521,925</b> | <b>41%</b>             |
| <b>Expenditures and Other Uses</b>        |                   |                   |                   |                     |                   |                        |
| <b>Debt Service</b>                       |                   |                   |                   |                     |                   |                        |
| Principal - Mandatory                     | \$ -              | \$ -              | \$ -              | \$ -                | \$ 125,000        | 0%                     |
| Principal - Early Redemptions             | -                 | -                 | -                 | -                   | -                 | N/A                    |
| Interest Expense                          | -                 | 198,463           | -                 | 198,463             | 396,925           | 50%                    |
| <b>Operating Transfers Out</b>            | -                 | -                 | -                 | -                   | -                 | N/A                    |
| <b>Total Expenditures and Other Uses:</b> | <b>\$ -</b>       | <b>\$ 198,463</b> | <b>\$ -</b>       | <b>\$ 198,463</b>   | <b>\$ 521,925</b> | <b>38%</b>             |
| <br>                                      |                   |                   |                   |                     |                   |                        |
| Net Increase/ (Decrease) of Fund Balance  | 1,096             | (118,050)         | 134,767           | 17,814              | -                 |                        |
| Fund Balance - Beginning                  | 502,656           | 503,752           | 385,703           | 502,656             | 476,221           |                        |
| Fund Balance - Ending                     | <u>\$ 503,752</u> | <u>\$ 385,703</u> | <u>\$ 520,470</u> | <u>\$ 520,470</u>   | <u>\$ 476,221</u> |                        |

**Heritage Harbour North Community Development District**

**Capital Projects Fund - Series 2007 Bonds**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|  | <u>October</u>  | <u>November</u> | <u>December</u> | <u>Year to Date</u> | <u>Budget</u>    | <u>% of<br/>Budget</u> |
|--|-----------------|-----------------|-----------------|---------------------|------------------|------------------------|
| <b>Revenue and Other Sources</b>             |                 |                 |                 |                     |                  |                        |
| Carryforward                                 | \$ -            | \$ -            | \$ -            | \$ -                | \$ -             | N/A                    |
| <b>Interest Income</b>                       |                 |                 |                 |                     |                  |                        |
| Deferred Cost Account                        | 2               | 1               | 3               | 6                   | -                | N/A                    |
| Gain (loss) on Investments                   | 3               | -               | -               | 3                   | -                | N/A                    |
| Operating Transfers In                       | 731             | -               | -               | 731                 | -                | N/A                    |
| <b>Total Revenue and Other Sources:</b>      | <b>\$ 736</b>   | <b>\$ 1</b>     | <b>\$ 3</b>     | <b>740</b>          | <b>\$ -</b>      | <b>N/A</b>             |
| <b>Expenditures and Other Uses</b>           |                 |                 |                 |                     |                  |                        |
| <b>Flood Control - Stormwater Management</b> |                 |                 |                 |                     |                  |                        |
| Engineering Services                         | \$ -            | \$ -            | \$ -            | \$ -                | \$ -             | N/A                    |
| Legal Services                               | -               | -               | -               | -                   | -                | N/A                    |
| Capital Outlay                               | -               | -               | -               | -                   | -                | N/A                    |
| Operating Transfers Out                      | -               | -               | -               | -                   | -                | N/A                    |
| <b>Total Expenditures and Other Uses:</b>    | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ -</b>     | <b>-</b>            | <b>\$ -</b>      | <b>N/A</b>             |
| Net Increase/ (Decrease) of Fund Balance     | 736             | 1               | 3               | 740                 | -                |                        |
| Fund Balance - Beginning                     | 7,406           | 8,142           | 8,143           | 7,406               | 21,044           |                        |
| Fund Balance - Ending                        | <u>\$ 8,142</u> | <u>\$ 8,143</u> | <u>\$ 8,146</u> | <u>\$ 8,146</u>     | <u>\$ 21,044</u> |                        |

**Heritage Harbour North Community Development District**

**Capital Projects Fund - Series 2014 Bonds**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending December 31, 2016**

|  | <u>October</u>      | <u>November</u>     | <u>December</u> | <u>Year to Date</u> | <u>Budget</u>       | <u>% of<br/>Budget</u> |
|--|---------------------|---------------------|-----------------|---------------------|---------------------|------------------------|
| <b>Revenue and Other Sources</b>             |                     |                     |                 |                     |                     |                        |
| <b>Carryforward</b>                          | \$ -                | \$ -                | \$ -            | \$ -                | \$ 1,018,242        | N/A                    |
| <b>Interest Income</b>                       |                     |                     |                 |                     |                     |                        |
| Construction Account                         | 84                  | 86                  | 67              | 237                 | -                   | N/A                    |
| Cost of Issuance                             | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Other Financing Sources</b>               |                     |                     |                 |                     |                     |                        |
| Debt Proceeds                                | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Operating Transfers In</b>                | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Total Revenue and Other Sources:</b>      | <b>\$ 84</b>        | <b>\$ 86</b>        | <b>\$ 67</b>    | <b>\$ 237</b>       | <b>\$ 1,018,242</b> | <b>0%</b>              |
| <b>Expenditures and Other Uses</b>           |                     |                     |                 |                     |                     |                        |
| <b>Financial and Administrative</b>          |                     |                     |                 |                     |                     |                        |
| Special Assessment Methodology               | \$ -                | \$ -                | \$ -            | \$ -                | \$ -                | N/A                    |
| District Manager Services                    | -                   | -                   | -               | -                   | -                   | N/A                    |
| Underwriters' Services                       | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Other Contractual Services</b>            |                     |                     |                 |                     |                     |                        |
| Trustee Services                             | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Printing &amp; Binding</b>                | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Legal Services</b>                        | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Flood Control - Stormwater Management</b> |                     |                     |                 |                     |                     |                        |
| Engineering Services                         | -                   | -                   | -               | -                   | -                   | N/A                    |
| Legal Services                               | -                   | -                   | -               | -                   | -                   | N/A                    |
| Capital Outlay                               | -                   | 1,018,968           | -               | 1,018,968           | 1,018,242           | 100%                   |
| <b>Other Financing Uses</b>                  |                     |                     |                 |                     |                     |                        |
| Original Issue Discount                      | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Operating Transfers Out</b>               | -                   | -                   | -               | -                   | -                   | N/A                    |
| <b>Total Expenditures and Other Uses:</b>    | <b>\$ -</b>         | <b>\$ 1,018,968</b> | <b>\$ -</b>     | <b>\$ 1,018,968</b> | <b>\$ 1,018,242</b> | <b>100%</b>            |
| <br>   |                     |                     |                 |                     |                     |                        |
| Net Increase/ (Decrease) of Fund Balance     | 84                  | (1,018,882)         | 67              | (1,018,732)         | -                   |                        |
| Fund Balance - Beginning                     | 1,018,799           | 1,018,882           | -               | 1,018,799           | 1,018,242           |                        |
| Fund Balance - Ending                        | <u>\$ 1,018,882</u> | <u>\$ -</u>         | <u>\$ 67</u>    | <u>\$ 67</u>        | <u>\$ 1,018,242</u> |                        |