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and return to:**

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**DISCLOSURE OF PUBLIC FINANCING AND MAINTENANCE  
OF IMPROVEMENTS TO REAL PROPERTY UNDERTAKEN BY  
THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT**

**Board of Supervisors<sup>1</sup>  
Deer Run Community Development District**

**Nancy Rossman**  
Chairperson

**Vince Viscomi**  
Assistant Secretary

**Allan Goldberg**  
Vice Chairman

**Tom Phillips**  
Assistant Treasurer

**William W. Cole, Jr.**  
Assistant Secretary

District Manager  
Governmental Management Services- Central Florida, LLC.  
201 East Pine Street, Suite 950  
Orlando, Florida 32801  
(407) 841-5524

All District records are on file at the District Manager's office and certain records are on file at the District's local records office, 200 South Church Street, Bunnell, Florida 32110. All records are available for public inspection upon request during normal business hours.

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<sup>1</sup> This list reflects the composition of the Board of Supervisors as of July 10, 2008. For a current list, please contact the District Manager.

**TABLE OF CONTENTS**

**Introduction ..... 3**

**What is the District and how is it governed?..... 4**

**What infrastructure improvements does the District provide  
and how are the improvements paid for? ..... 5**

**Surface Water Management System..... 5**

**Roadway Improvements..... 6**

**Water & Sewer Facilities..... 6**

**Landscaping Improvements..... 6**

**Assessments, Fees, and Charges ..... 6**

**Method of Collection..... 8**

**DEER RUN  
COMMUNITY DEVELOPMENT DISTRICT**

**INTRODUCTION**

On behalf of the Board of Supervisors of the Deer Run Community Development District (“District”), the following information is provided to give you a description of the District’s services and the assessments that have been levied within the District to pay for certain community infrastructure, and the manner in which the District is operated. The District is a local unit of special-purpose government created pursuant to and existing under the provisions of Chapter 190, Florida Statutes. Unlike city and county governments, the District has only certain limited powers and responsibilities. These powers and responsibilities include, for example, certain community recreation improvements, water management and drainage control facilities, roadway improvements, utility facilities, and the provision of landscaping improvements.

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

**DISCLOSURE OF PUBLIC FINANCING AND MAINTENANCE  
OF IMPROVEMENTS TO REAL PROPERTY UNDERTAKEN BY  
THE DEER RUN COMMUNITY DEVELOPMENT DISTRICT**

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

**What is the District and how is it governed?**

The District is an independent special taxing district, created pursuant to and existing under the provisions of Chapter 190, Florida Statutes, and was established by Ordinance No. 2007-17 of the City Commission of the City of Bunnell, Florida effective on May 15, 2007. The District currently encompasses approximately 690 acres of land located entirely within the jurisdictional boundaries of the City of Bunnell, Florida. The legal description of the lands that encompass the District is attached hereto as Exhibit "A". As a local unit of special-purpose government, the District provides an alternative means for planning, financing, constructing, operating and maintaining various public improvements and community facilities within its jurisdiction.

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

Board meetings are noticed in the local newspaper and are conducted in a public forum in which public participation is permitted. Consistent with Florida's public

records laws, the records of the District are available for public inspection during normal business hours. Elected members of the Board are similarly bound by the State's open meetings law and are subject to the same disclosure requirements as other elected officials under the State's ethics laws.

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

The District is comprised of approximately 690 acres located in the City of Bunnell, Florida. The public infrastructure necessary to support the Deer Run development program includes, but is not limited to the following: surface water management system, roadway improvements, water and sewer facilities, and landscaping improvements ("Improvements"). Each of these infrastructure improvements is more fully detailed below.

To plan the infrastructure improvements necessary for the District, the District adopted an Engineer's Report dated April 8, 2008 as supplemented (the "Improvement Plan"), which details all of the improvements contemplated for the completion of the infrastructure of the District. Copies of the Improvement Plan are available for review in the District's public records.

The Improvements are funded in part by the District's sale of bonds. On July 9, 2007, the Circuit Court of the Seventh Judicial Circuit of the State of Florida, in and for Flagler County, Florida, entered a Final Judgment validating the District's ability to issue an aggregate principal amount not to exceed \$40,000,000 in Special Assessment Bonds for the infrastructure needs of the District. On May 1, 2008, the District issued its first series of bonds to begin financing the infrastructure improvements. The District issued Special Assessment Bonds, Series 2008, in the amount of \$8,165,000 (the "Series 2008 Bonds"). Proceeds of the Series 2008 Bonds have been used to finance a portion of the cost of the acquisition, construction, installation and equipping of the infrastructure and improvements.

**Surface Water Management System**

The stormwater management facilities provides for the collection, transmission, attenuation and treatment of stormwater runoff from the roadways for all property within the District. These facilities include drainage catch basins, inlets, underground storm piping and the site fill required to provide a complete stormwater management. Additionally, the District's stormwater drainage improvements will be required to serve the District in compliance with City of Bunnell and St. John's River Water Management District permits. The District and golf course owns, operates and maintains the surface water management system.

## **Roadway Improvements**

The District will fund and construct the main boulevard through the entire District, which is a public road. This roadway will consist of a two-lane undivided roadway. The roadway will serve the various land uses within the Development. Construction of the roadway will consist of the asphaltic concrete surface, sidewalks, upgraded signing, and striping, landscaping, lighting and hardscape features. The roadways will be designed and constructed in accordance with the applicable City of Bunnell and Florida Department of Transportation (“FDOT”) standards as required. The FDOT and City of Bunnell will assume ownership and maintenance responsibilities of off-site and on-site transportation improvements respectively.

## **Water & Sewer Facilities**

The City of Bunnell will provide water and wastewater services for the District. The potable water facilities will include both on-site and off-site distribution mains along with necessary valving, fire hydrants and water services to individual lots, recreational facilities, and amenity areas, which will be constructed and funded by watermains.

The wastewater facilities will include gravity collection mains, collection system pumpstations, and on-site and off-site forcemains, which will be constructed and funded by the District. Upon completion, the water distribution and sanitary sewer collection systems improvements will be conveyed to, operated and maintained by the City of Bunnell.

## **Landscaping Improvements**

The District will provide landscaping and other improvements at entry features, within public common areas of the development, within the district. These improvements include sod, annual flowers, shrubs, ground cover and trees. The District owns and maintains these improvements.

Further information regarding any of the planned improvements can be obtained from the Improvement Plan on file in the District’s public records.

## **Assessments, Fees, and Charges**

The costs of acquisition or construction of a portion of the Improvements have been financed by the District through the sale of its Special Assessment Bonds, Series 2008, in the amount of \$8,165,000 (the “Series 2008 Bonds”). The amortization schedule for the Series 2008 Bonds is attached hereto as Exhibit “B.”

The annual debt service payments, including interest due thereon, for the Series 2008 Bonds are payable solely from and secured by the levy of non-ad valorem or special assessments against lands within the District which benefit from the construction, acquisition, establishment and operation of the District’s improvements. The annual debt

service obligations of the District which must be defrayed by annual assessments upon each parcel of land or platted lot will depend upon the type of property purchased. Provided below are the current maximum annual assessment levels for the Series 2008 Bonds. Interested persons are encouraged to contact the District Manager for information regarding special assessments on a particular lot or parcel of lands. A copy of the District's assessment methodology and assessment roll are available for review in the District's public records.

The current maximum annual debt assessment for the Series 2008 Bonds for a parcel or a platted lot is as follows:

<b>Product Type</b>	<b>Maximum Annual Assessment Level *</b>
Oak Branch 75' Lot	\$1,057
Oak Branch 60' Lot	\$846
Oak Branch 50' Lot	\$705
Oak Branch Townhome	\$493
Oak Branch Commercial	\$0.50 **
Oak Branch Golf Course	\$1,258
Deer Run Multi Family	\$658
Deer Run Commercial	\$0.50 **

\* The maximum annual assessments level amounts have been grossed up 6% to cover collection fees and early payment discounts when collected on the Flagler County Tax Bill.

\*\* Commercial units are measured in square feet.

The amounts described above exclude any operations and maintenance assessments ("O&M Assessments") which are determined and calculated annually by the District's Board of Supervisors and are levied against all benefitted lands in the District.

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

The District may undertake the construction, acquisition, or installation of other future improvements and facilities, which may be financed by bonds, notes or other methods authorized by Chapter 190, Florida Statutes.

### **Method of Collection**

The District's O&M Assessments may appear on that portion of the annual real estate tax bill entitled "non-ad valorem assessments," and may be collected by the Flagler County Tax Collector in the same manner as county ad valorem taxes. Each property owner subject to the collection of special assessments by this method must pay both ad valorem and non-ad valorem assessments at the same time. Property owners will, however, be entitled to the same discounts as provided for ad valorem taxes. As with any tax bill, if all taxes and assessments due are not paid within the prescribed time limit, the tax collector is required to sell tax certificates which, if not timely redeemed, may result in the loss of title to the property. The District may also elect to collect the assessment directly.

The debt service assessments for the Series 2008 Bonds are or will be collected by the Flagler County Tax Collector in the same manner as are Flagler County ad valorem taxes. As indicated above, each property owner subject to the collection of special assessments, including debt service assessments, by this method must pay both ad valorem and non-ad valorem assessments at the same time. Property owners will, however, be entitled to the same discounts as provided for ad valorem taxes. As with any tax bill, if all taxes and assessments due are not paid within the prescribed time limit, the tax collector is required to sell tax certificates which, if not timely redeemed, may result in the loss of title to the property.

This description of the Deer Run Community Development District's operation, services and financing structure is intended to provide assistance to landowners and purchasers concerning the important role that the District plays in providing infrastructure improvements essential to the development of new communities. If you have questions or would simply like additional information about the District, please write to: District Manager, Deer Run Community Development District, 201 East Pine Street, Suite 950, Orlando, Florida 32801 or call (407) 841-5524.



IN WITNESS WHEREOF, this Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken by the Deer Run Community Development District has been executed as of the 28<sup>th</sup> day of August, 2008, to be recorded in the Official Records of Flagler County, Florida.

**DEER RUN COMMUNITY  
DEVELOPMENT DISTRICT**

By: [Signature]  
Nancy Rossman, Chairperson

[Signature]  
Witness

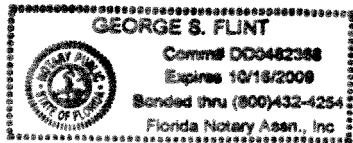
[Signature]  
Print Name

[Signature]  
Witness

WILLIAM W. COLE JR  
Print Name

**STATE OF FLORIDA**  
**COUNTY OF Flagler**

The foregoing instrument was acknowledged before me this 28<sup>th</sup> day of August, 2008, by Nancy Rossman, Chairperson of the Deer Run Community Development District, who  is personally known to me or who  has produced \_\_\_\_\_ as identification, and did  or did not  take the oath.



[Signature]  
Notary Public, State of Florida

Print Name: George S. Flint  
Commission No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

- Exhibit A - Legal Description
- Exhibit B - Amortization Schedule

EXHIBIT A

LEGAL DESCRIPTION

Legal for  
C/O at Flagler

Exhibit "A"

LEGAL DESCRIPTION

A PORTION OF LAND LYING IN SECTIONS 2, 3, & 11, TOWNSHIP 12 SOUTH, RANGE 30 EAST FLAGLER COUNTY FLORIDA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM THE SOUTHEAST CORNER OF SAID SECTION 3 AS A POINT OF BEGINNING, BEAR S.88°41'43"W ALONG THE SOUTH LINE OF SECTION 3 A DISTANCE OF 2846.55' TO THE SOUTH 1/4 CORNER OF SECTION 3; THENCE CONTINUE ALONG THE SOUTH LINE OF SECTION 3 S.88°43'05"W A DISTANCE OF 682.81'; THENCE LEAVING THE SOUTH LINE OF SECTION 3 N.00°46'24"W A DISTANCE OF 860.30'; THENCE N.88°36'20"E A DISTANCE OF 158.16'; THENCE N.15°18'17"E A DISTANCE OF 361.20'; THENCE N.74°41'43"W A DISTANCE OF 582.00' TO THE EASTERLY RIGHT-OF-WAY OF US HIGHWAY #1 (100' PUBLIC R/W); THENCE ALONG SAID RIGHT-OF-WAY N.15°18'17"E A DISTANCE OF 808.93'; THENCE LEAVING THE RIGHT-OF-WAY S.75°24'35"E A DISTANCE OF 720.00'; THENCE N.02°18'48"W A DISTANCE OF 806.00' NON-TANGENTIALLY TO A POINT ON A CURVE; THENCE ALONG THE CURVE, CONCAVE NORTHEASTERLY, AN ARC LENGTH OF 1581.76', HAVING A DELTA OF 19°49'35", A RADIUS OF 4800.00', A CHORD BEARING OF S.88°35'10"E, AND A CHORD DISTANCE OF 1583.83'; THENCE N.04°57'15"W A DISTANCE OF 590.00'; THENCE N.84°19'26"E A DISTANCE OF 483.00'; THENCE N.40°18'05"E A DISTANCE OF 496.78' TO A POINT OF CURVATURE; THENCE ALONG THE CURVE, CONCAVE NORTHWESTERLY, AN ARC LENGTH OF 83.05', HAVING A DELTA OF 9°28'30", A RADIUS OF 80.00', A CHORD BEARING OF N.10°18'47"E, AND A CHORD DISTANCE OF 79.37' TO A POINT OF REVERSE CURVATURE; THENCE ALONG THE CURVE, CONCAVE NORTHEASTERLY, AN ARC LENGTH OF 183.32', HAVING A DELTA OF 38°59'28", A RADIUS OF 240.00', A CHORD BEARING OF N.00°03'36"E, AND A CHORD DISTANCE OF 180.19'; THENCE N.18°57'15"E A DISTANCE OF 449.59' TO A POINT OF CURVATURE; THENCE ALONG THE CURVE, CONCAVE SOUTHEASTERLY, AN ARC LENGTH OF 204.86', HAVING A DELTA OF 27°28'39", A RADIUS OF 500.00', A CHORD BEARING OF N.30°41'35"E, AND A CHORD DISTANCE OF 203.45' TO A POINT OF REVERSE CURVATURE; THENCE ALONG THE CURVE, CONCAVE NORTHWESTERLY, AN ARC LENGTH OF 285.80', HAVING A DELTA OF 46°45'11", A RADIUS OF 350.00', A CHORD BEARING OF N.18°03'18"E, AND A CHORD DISTANCE OF 277.74' TO A POINT OF REVERSE CURVATURE; THENCE ALONG THE CURVE, CONCAVE SOUTHEASTERLY, AN ARC LENGTH OF 217.83', HAVING A DELTA OF 64°00'14", A RADIUS OF 195.00', A CHORD BEARING OF N.27°48'34"E, AND A CHORD DISTANCE OF 206.88' TO A POINT ON THE SOUTH LINE OF THE LEHIGH PORTLAND CEMENT RAILROAD (100' R/W); THENCE N.89°15'09"E ALONG THE SAID RIGHT-OF-WAY A DISTANCE OF 2474.51' TO THE NORTHWESTERLY CORNER OF EASTHAMPTON-SECTION 34, PALM COAST, AS RECORDED IN MAP BOOK 11, PAGES 30-49, PUBLIC RECORDS OF FLAGLER COUNTY; THENCE LEAVING FORESAID RIGHT-OF-WAY BEAR S.00°43'39"E ALONG THE SAID WESTERLY BOUNDARY LINE A DISTANCE OF 4718.20' TO THE SOUTH 1/4 OF SECTION 2; THENCE LEAVING SAID BOUNDARY LINE S.06°34'19"W A DISTANCE OF 405.28'; THENCE S.01°07'59"E A DISTANCE OF 1589.39' TO A 4"x4" CONCRETE DEPARTMENT OF TRANSPORTATION MONUMENT; THENCE S.88°13'14"W A DISTANCE OF 800.88' TO AN ESTABLISHED CONCRETE MONUMENT MARKING THE NORTHWEST CORNER OF THE OLD FLAGLER COUNTY JAIL AND THE NORTHEAST CORNER OF THE PROPERTY DESCRIBED IN BOOK 814, Pg. 1978 OFFICIAL RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE WESTERLY ALONG THE NORTH LINE OF SAID PROPERTY AND EXTENSION THEREOF S.89°13'50"W 300.00' TO THE NORTHWEST CORNER OF THE PROPERTY DESCRIBED IN BOOK 803, Pg. 527 OFFICIAL RECORDS OF SAID FLAGLER COUNTY; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID PROPERTY S.00°28'27"E 638.96' TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 11; THENCE S.89°24'18"W ALONG SAID LINE 80.00'; THENCE LEAVING SAID LINE, RUN N.00°29'09"W 634.46'; THENCE N.89°52'23"W 1289.45' TO THE NORTHEAST CORNER OF TRACT 21, BLOCK B, BUNNELL DEVELOPMENT COMPANY; THENCE ALONG THE NORTH LINE OF SAID TRACT 21 S.89°07'13"W 325.24'; THENCE N.00°47'39"W 1903.80' TO THE POINT OF BEGINNING.

LESS AND EXCEPT:

FROM THE SOUTHWEST CORNER OF SAID SECTION 3 AS A POINT OF REFERENCE, BEAR N.88°50'10"E, 300.00'; THENCE S.48°45'48"E, 935.05' TO THE POINT OF BEGINNING; THENCE N.88°55'47"E, 324.21'; THENCE S.00°37'16"E, 853.75'; THENCE S.89°05'35"W, 323.70'; THENCE N.00°38'56"W, 652.84' TO THE POINT OF BEGINNING.

Legal for  
Old Investors

Exhibit "A"

Page 1 of 2

LEGAL DESCRIPTION:

A PARCEL OF LAND LYING IN GOVERNMENT SECTION 11 AND SECTION 12, TOWNSHIP 12 SOUTH, RANGE 30 EAST, BEING A PORTION OF BLOCK A OF SECTION 11, AND PART OF BLOCK B, SECTION 12, OF THE BUNNELL DEVELOPMENT COMPANY'S SUBDIVISION OF SAID SECTIONS, ACCORDING TO PLAT BOOK 1, PAGE 1, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; BEING MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

THE POINT OF BEGINNING BEING THE NORTHEAST CORNER OF SAID SECTION 11; ALSO BEING A CORNER OF PALM COAST EASTHAMPTON - SECTION 34, SEMINOLE WOODS, A SUBDIVISION AS RECORDED IN PLAT BOOK 11, PAGES 30 THRU 54 IN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE ALONG SAID SUBDIVISION BOUNDARY S 00°22'11" E 1304.13'; THENCE N 88°38'25" E 1068.85'; THENCE LEAVING SAID SUBDIVISION BOUNDARY RUN S 01°04'24" E 1100.41' TO THE NORTH RIGHT-OF-WAY LINE OF S.R. 100 (200' R/W), SAID POINT BEING 500.00' EAST OF THAT PROPERTY DESCRIBED IN O.R. 728, Pg. 812; THENCE S 88°52'09" W ALONG SAID RIGHT-OF-WAY LINE 500.00'; THENCE LEAVING S.R. 100 RUN N 00°29'38" W ALONG THE WEST LINE OF O.R. 729, Pg. 812 434.28' TO THE SOUTHEAST CORNER OF THAT PROPERTY DESCRIBED IN O.R. 352, Pg. 18; THENCE ALONG SAID PROPERTY LINE THE FOLLOWING CALLS: S 88°46'44" W 1084.84'; THENCE N 00°29'06" W 41.50'; THENCE S 88°56'48" W 737.70'; THENCE N 00°46'27" W 819.88' TO NORTHEAST CORNER OF THAT PROPERTY DESCRIBED IN O.R. 18 Pg. 234, ALSO BEING THE SOUTHERLY LINE OF TRACTS 3 AND 4, BLOCK A, BUNNELL DEVELOPMENT COMPANY, AS MOUNTAINED AND OCCUPIED THENCE S 88°55'43" W ALONG SAID PROPERTY 582.82'; THENCE N 01°04'21" W 889.92'; THENCE S 88°49'25" W 1317.02'; THENCE N 08°34'19" E 405.28' TO A CORNER OF AFORESAID PALM COAST EASTHAMPTON - SECTION 34, THENCE N 88°49'01" E ALONG THE SOUTH LINE OF EASTHAMPTON 2587.48' TO THE POINT OF BEGINNING.

CONTINUED ON NEXT PAGE.

Exhibit "A"

Page 2 of 2.

**LESS AND EXCEPT:** PARCEL 127

COMMENCE AT A 5/8" IRON ROD WITH CAP STAMPED "FLA. D.O.T. 1/4" -T" MARKING THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 30 EAST, FLAGLER COUNTY, FLORIDA; THENCE RUN N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 23.39 FEET TO A 4"x4" CONCRETE MONUMENT WITH CAP STAMPED "LS 8422" AT THE INTERSECTION OF SAID WEST LINE OF SECTION 12 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 100 AS SHOWN ON THE FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAP, SECTION 7302D-2500 AND F.P. No.237988 1; THENCE CONTINUE N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 100.00 FEET TO A POINT ON THE CENTERLINE OF SURVEY OF SAID STATE ROAD 100; THENCE N.88°55'20"E ALONG SAID SURVEY LINE 1064.28 FEET TO A POINT; THENCE DEPARTING SAID CENTERLINE OF SURVEY, RUN N.00°34'00"W, PERPENDICULAR TO SAID CENTERLINE OF SURVEY, A DISTANCE OF 100.00 FEET TO THE NORTH RIGHT-OF-WAY OF STATE ROAD 100 AND THE POINT OF BEGINNING, SAID POINT OF BEGINNING ALSO BEING THE SOUTHWEST CORNER OF LANDS DESCRIBED IN OFFICIAL RECORDS BOOK 352, PAGE 19, PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA;

THENCE CONTINUE N.00°38'00"W ALONG THE WEST LINE OF SAID OFFICIAL RECORDS BOOK 352, PAGE 19 A DISTANCE OF 22.00 FEET; THENCE DEPARTING SAID WEST LINE, RUN N.88°55'20"E, ALONG A LINE 122.00 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF SURVEY OF STATE ROAD 100, A DISTANCE OF 1049.49 FEET; THENCE S.01°04'40"E 2.00 FEET; THENCE N.88°55'20"E, ALONG A LINE 120.00 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF SURVEY OF STATE ROAD 100, A DISTANCE OF 107.75 FEET TO ITS INTERSECTION WITH THE EASTERLY LINE OF SAID LANDS DESCRIBED IN O.R. 352, PAGE 19, SAID LINE ALSO BEING THE THE WESTERLY LINE OF LANDS DESCRIBED IN O.R. 362, PAGE 22, ALL WITHIN THE PUBLIC RECORDS OF FLAGLER COUNTY, FLORIDA; THENCE CONTINUE N.88°55'20"E ALONG A LINE 120.00 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF SURVEY OF STATE ROAD 100, A DISTANCE OF 1369.07 FEET TO THE EAST LINE OF SAID LANDS DESCRIBED IN O.R. 352, PAGE 22; THENCE S.00°58'03"E ALONG SAID EAST LINE 20.00 FEET TO ITS INTERSECTION WITH THE ADJACENT NORTH RIGHT-OF-WAY LINE OF STATE ROAD 100; THENCE S.88°55'20"W ALONG SAID NORTH RIGHT-OF-WAY LINE, 1360.16 FEET TO ITS INTERSECTION WITH THE COMMON LINE BETWEEN SAID O.R. 352, PAGE 19 AND O.R. 352, PAGE 22; THENCE CONTINUE S.88°55'20"W ALONG SAID NORTH RIGHT-OF-WAY LINE, 448.33 FEET TO THE POINT OF BEGINNING.

**LESS & EXCEPT:** WATER RETENTION AREA - POND 3

COMMENCE AT A 5/8" IRON ROD WITH CAP STAMPED "FLA. D.O.T. 1/4" -T" MARKING THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 30 EAST, FLAGLER COUNTY, FLORIDA; THENCE RUN N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 23.39 FEET TO A 4"x4" CONCRETE MONUMENT WITH CAP STAMPED "LS 8422" AT THE INTERSECTION OF SAID WEST LINE OF SECTION 12 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 100 AS SHOWN ON THE FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAP, SECTION 7302D-2500 AND F.P. No.237988 1; THENCE CONTINUE N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 100.00 FEET TO A POINT ON THE CENTERLINE OF SURVEY OF SAID STATE ROAD 100; THENCE N.88°55'20"E ALONG SAID SURVEY LINE 1248.87 FEET TO A POINT; THENCE DEPARTING SAID CENTERLINE OF SURVEY, RUN N.01°04'40"W, A DISTANCE OF 122.00 FEET; THENCE N.24°49'58"E 49.16 FEET; THENCE N.09°25'18"E A DISTANCE OF 188.77 FEET; THENCE N.02°51'21"E A DISTANCE OF 181.83 FEET; THENCE N.17°45'15"W 284.42 FEET; THENCE N.30°41'15"W A DISTANCE OF 30.84 FEET TO THE POINT OF BEGINNING.

THENCE CONTINUE N.30°41'15"W A DISTANCE OF 65.88 FEET; THENCE N.20°25'40"E, A DISTANCE OF 298.18 FEET; THENCE N.88°12'18"E A DISTANCE OF 195.45 FEET; THENCE S.38°52'42"E, A DISTANCE OF 318.74 FEET; THENCE S.31°39'51"W A DISTANCE OF 75.53; THENCE S.87°08'13"W 417.08 FEET TO THE POINT OF BEGINNING.

**SUBJECT TO:** PERPETUAL STORM SEWER & MAINTENANCE ROAD EASEMENT

COMMENCE AT A 5/8" IRON ROD WITH CAP STAMPED "FLA. D.O.T. 1/4" -T" MARKING THE NORTHWEST CORNER OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 12 SOUTH, RANGE 30 EAST, FLAGLER COUNTY, FLORIDA; THENCE RUN N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 23.39 FEET TO A 4"x4" CONCRETE MONUMENT WITH CAP STAMPED "LS 8422" AT THE INTERSECTION OF SAID WEST LINE OF SECTION 12 WITH THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 100 AS SHOWN ON THE FLORIDA DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY MAP, SECTION 7302D-2500 AND F.P. No.237988 1; THENCE CONTINUE N.00°33'54"W ALONG THE WEST LINE OF SAID SECTION 12 A DISTANCE OF 100.00 FEET TO A POINT ON THE CENTERLINE OF SURVEY OF SAID STATE ROAD 100; THENCE N.88°55'20"E ALONG SAID SURVEY LINE 1248.87 FEET TO A POINT; THENCE DEPARTING SAID CENTERLINE OF SURVEY, RUN N.01°04'40"W, PERPENDICULAR TO SAID CENTERLINE OF SURVEY OF STATE ROAD 100, DISTANCE OF 122.00 FEET TO THE POINT OF BEGINNING.

THENCE N.24°49'58"E 49.16 FEET; THENCE N.09°25'18"E 188.77 FEET; THENCE N.02°21'51"E 191.83 FEET; THENCE N.17°45'15"W 284.42 FEET; THENCE N.30°41'15"W 20.84 FEET; THENCE N.87°08'13"E 102.88 FEET; THENCE S.11°13'05"W 80.78 FEET; THENCE S.17°45'15"E 222.01 FEET; THENCE S.02°51'21"W 207.17 FEET; THENCE S.00°25'18"W 181.29 FEET; THENCE S.24°49'58"W 26.38 FEET TO A POINT 122.00 FEET NORTH OF SAID CENTERLINE OF SURVEY OF SAID STATE ROAD 100; THENCE S.88°55'20"W 122.00 FEET NORTH OF AND PARALLEL WITH SAID CENTERLINE OF SURVEY, A DISTANCE OF 72.26 FEET TO THE POINT OF BEGINNING.

## EXHIBIT B

### DEBT SERVICE REQUIREMENTS

The following table sets forth the scheduled debt service on the 2008 Bonds.

<u>Period Ending November 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ ---	\$ 311,290.63*	\$ 311,290.63*
2009	---	622,581.26*	622,581.26*
2010	75,000	619,721.88	694,721.88
2011	80,000	613,812.50	693,812.50
2012	85,000	607,521.88	692,521.88
2013	90,000	600,850.01	690,850.01
2014	100,000	593,606.26	693,606.26
2015	105,000	585,790.63	690,790.63
2016	115,000	577,403.13	692,403.13
2017	125,000	568,253.13	693,253.13
2018	135,000	558,340.63	693,340.63
2019	145,000	547,665.63	692,665.63
2020	155,000	536,228.13	691,228.13
2021	170,000	523,837.51	693,837.51
2022	185,000	510,303.13	695,303.13
2023	195,000	495,815.63	690,815.63
2024	215,000	480,184.38	695,184.38
2025	230,000	463,218.75	693,218.75
2026	250,000	444,918.75	694,918.75
2027	265,000	425,284.38	690,284.38
2028	290,000	404,125.01	694,125.01
2029	310,000	381,250.01	691,250.01
2030	335,000	356,659.38	691,659.38
2031	365,000	329,971.88	694,971.88
2032	390,000	301,187.51	691,187.51
2033	420,000	270,306.26	690,306.26
2034	455,000	236,946.88	691,946.88
2035	490,000	200,918.75	690,918.75
2036	530,000	162,031.25	692,031.25
2037	575,000	119,903.13	694,903.13
2038	620,000	74,343.76	694,343.76
2039**	<u>665,000</u>	<u>25,353.13</u>	<u>690,353.13</u>
Total	<u>\$ 8,165,000</u>	<u>\$ 13,549,625.18</u>	<u>\$ 21,714,625.18</u>

\* Capitalized from 2008 Bond proceeds and estimated earnings thereon. Interest on 2008 Bonds is capitalized through November 1, 2009.

\*\* Final Maturity May 1, 2039.

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