

This space reserved for use by the Clerk of
the Circuit Court

This Instrument Prepared by
and return to:

Somerset Community Development District
c/o Hopping Green & Sams, PA
123 South Calhoun Street
Tallahassee, Florida 32301

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

**Board of Supervisors¹
Somerset Community Development District**

Jason Comer
Chairman

Charles Reichman
Assistant Secretary

John Rosenberg
Vice Chairperson

George Hartley
Assistant Secretary

Andrew Womack
Assistant Secretary

Rizzetta & Company, Inc.
District Manager
3434 Colwell Avenue, Suite 200
Tampa, Florida 33614
(813)933-5571

District records are on file at the office of the District Manager and at the local records office at 9580 County Highway 30-A, Alys Beach, FL 32413. District records are available for public inspection upon request during normal business hours.

¹ This list reflects the composition of the Board of Supervisors as of July 1, 2008. For a more current list of Board members, please call the District Manager.

TABLE OF CONTENTS

Introduction.....1

What is the District and how is it governed?.....2

**What infrastructure improvements does the District provide
and how are the improvements paid for?.....3**

Dune Restoration Improvements4

Transportation Improvements.....4

Potable Water and Sanitary Sewer System Improvements.....4

Irrigation System Improvements.....4

Surface Water Treatment Improvements.....5

Public Safety and Security Improvements5

Refuse and Recycling Collection Improvements.....5

Assessments, Fees, and Charges 5

Method of Collection.....6

District Boundary Legal Description.....Exhibit A

**SOMERSET
COMMUNITY DEVELOPMENT DISTRICT**

INTRODUCTION

On behalf of the Board of Supervisors of the **Somerset 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, transportation improvements, water and sanitary sewer improvements, irrigation improvements and surface water treatment improvements.

The District is here to serve the needs of the community and we encourage your participation in District activities. Pursuant to section 190.009, Florida Statutes, a copy of this document will be available for public inspection in the property records of Walton County, Florida.

**DISCLOSURE OF PUBLIC FINANCING AND MAINTENANCE
OF IMPROVEMENTS TO REAL PROPERTY UNDERTAKEN BY
THE SOMERSET 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 Somerset 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 established by Walton County Ordinance No. 05-04 effective April 1, 2005. The District currently encompasses approximately 158.49 acres of land located entirely within Walton County, Florida. The legal description of the District's boundary is attached 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 ("Supervisors"), the members of which must be residents of the State of Florida ("State") and citizens of the United States. Initially, Supervisors were designated in the petition seeking establishment of the District and appointed in the ordinance establishing the District. Within ninety (90) days thereafter, the Supervisors were required to be elected on an at-large basis by the owners of the property within the District. Each landowner is entitled to one (1) vote for each acre of land owned by him or her and located within the District (with fractions thereof rounded upward to the nearest whole number). Thereafter, every two (2) years as terms expire, Supervisors are elected by landowners within the District. However, commencing six (6) years after the initial appointment of Supervisors and once the District reaches two hundred and fifty (250) qualified electors, the positions of two (2) Supervisors whose terms are expiring are filled by qualified electors of the District, and are elected by the qualified electors of the District for four (4) year terms. A "qualified elector" in this instance is a registered voter who is a resident of the District and the State and a citizen of the United States. The remaining Supervisor whose term is expiring will be elected for a four (4) year term by the landowners within the District and is not required to be a qualified elector. Thereafter, as terms expire, all Supervisors must be qualified electors and will be elected by qualified electors and serve four (4) year terms with staggered expiration dates. .

Notwithstanding the foregoing, if at any time the Board of Supervisors proposes to exercise its ad valorem taxing power, prior to the exercise of such power, it shall call an election at which all Supervisors shall be elected by and shall themselves be qualified electors of the District. Elections subsequent to such decision shall be held in a manner such that the

Supervisors will serve four (4) year terms with staggered expiration dates in the manner set forth in the Act.

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 158.49 acres within unincorporated Walton County, Florida. The public infrastructure necessary to support the District's development program includes master public infrastructure improvements. The public master infrastructure improvements include, but are not limited to, the following: dune restoration, transportation, potable water and sanitary sewer systems, irrigation systems, surface water treatment, public safety and security, and refuse and recycling collection. Each of these infrastructure improvements is described in more detail below.

These public master infrastructure improvements are being funded in part by the District's sale of bonds. On June 7, 2005, the First Judicial Circuit Court of the State of Florida, in and for Walton County, Florida, entered a Final Judgment validating the District's ability to issue not to exceed \$27,000,000 in Somerset Community Development District Capital Improvement Revenue Bonds. On July 12, 2005, the District issued its first series of bonds for the purposes of financing construction and/or acquisition costs of all or a portion of the public master infrastructure improvements. On that date, the District issued Somerset Community Development District (Walton County, Florida) Capital Improvement Revenue Bonds, Series 2005, in the amount of \$21,045,000 (the "Series 2005 Bonds")².

To plan the public master infrastructure improvements necessary for the District, the District developed a capital improvement plan ("CIP") as adopted in the Engineer's Report on District Improvements and Estimated Probable Construction Costs (dated April 8, 2005), which details the improvements contemplated for completion by the District ("Engineer's Report"). Copies of the Engineer's Report are available for review in the District's public records.

The District's Engineer, Moore Bass Consulting, has estimated the total cost of the CIP to be approximately \$19,434,000. A portion of the proceeds of the Series 2005 Bonds will be used to construction and/or acquire all or a portion of the CIP. If the construction fund proceeds of the Series 2005 Bonds are insufficient to complete the CIP, the primary developer of the lands within the District has agreed, pursuant to the terms of a completion agreement with the District

² A portion of the Series 2005 Bonds, with a par value of \$2,875,000, mature in 2015 and the remainder of the Series 2005 Bonds, with a par value of \$18,170,000, mature in 2037.

entered into in association with the delivery of the Series 2005 Bonds, to complete the portion of the CIP not financed by the construction fund proceeds of the Series 2005 Bonds.

Dune Restoration Improvements

Consistent with the Rural Preserve land use designation for lands within the District, the District intends to protect, maintain, preserve or enhance the beaches and dunes located within and adjacent to the District including, but not limited to, restoring or nourishing beach and dune systems, dune protection and restoration activities, construction of erosion control structures, supporting engineering and environmental studies, project monitoring, mitigation, and removal of derelict structures. All dune restoration improvements have been completed and are owned and maintained by the District.

Transportation Improvements

The District has upgraded the existing two lane County Road 30-A to a boulevard section throughout the limits of the District to accommodate ingress/egress to lands within the District and adequately accommodate through traffic on County Road 30-A. County Road 30-A improvements have been completed and are owned, operated and maintained by Walton County.

Potable Water and Sanitary Sewer System Improvements

Potable Water Improvements

The District is providing both offsite and onsite potable water system improvements. The offsite improvements include completed 6" and 8" pvc potable water distribution lines, fire hydrants, and appurtenances to be constructed within the County Road 30-A right-of-way. The onsite improvements consist of eight-inch water mains looping through the community, fire hydrants and appurtenances. Completed portions of the onsite potable water system improvements are conveyed to Regional Utilities for ownership, operation and maintenance.

Sanitary Sewer Improvements

The District onsite sanitary sewer improvements include 8" and 12" gravity sewer lines connecting to onsite pump stations. Completed portions of the sanitary sewer improvements are conveyed to Regional Utilities for ownership, operation and maintenance.

Irrigation System Improvements

The irrigation system improvements include shallow wells, pumps, distribution lines, and spray heads necessary for maintaining erosion control landscaping and vegetation. Completed portions of the irrigation facilities are owned, operated and maintained by the District.

Surface Water Treatment Improvements

Surface water runoff within the District is conveyed via pipe networks and overland flow. The stormwater is conveyed to a series of pervious parking courts, swales, depressed retention areas, natural vegetative areas, and exfiltration systems that serve as stormwater management facilities. The District is also providing landscaping for the roadways, perimeter, main entrances, and roadway systems to stabilize soil and prevent erosion during rainfall events. Completed surface water treatment facilities are owned, operated and maintained by the District.

Public Safety and Security Improvements

The District is constructing outdoor lighting along public streets, alleyways, and parking courts that will provide protection and added security. Outdoor lighting is designed to maximize visibility at night and adheres to all local, State and Federal requirements in shoreline areas affected by nesting sea turtles. Completed public safety and security improvements are owned, operated and maintained by the District.

Refuse and Recycling Collection Improvements

Refuse and recycling collection improvements are anticipated to be provided by the District to allow for collection of non-recyclable and recyclable refuse, including a trash compactor, refuse collection/transport vehicles, recycle bins and containers, and residential refuse containers and recycle bins. Refuse and recycling collection improvements will be owned, operated and maintained by the District.

Assessments, Fees, and Charges

The costs of all or a portion the District's CIP have been financed by the District through the sale of its Series 2005 Bonds. The Series 2005 Bonds are payable solely from and secured by non-ad valorem assessments levied against the lands within the District that benefit from the construction, acquisition, establishment, and operation of the District's CIP ("Debt Assessment"). The Debt Assessments are typically billed in the same manner as are county ad valorem taxes but may be billed directly by the District. The Debt Assessments are levied in accordance with the District's assessment methodology and represent an allocation of the costs of the CIP to the lands within the District benefiting from the construction, acquisition, establishment, and operation of the District's CIP. A copy of the District's assessment methodology is available for review in the District's public records.

The Debt Assessments described above exclude any operations and maintenance assessments ("O&M Assessments") which may be determined and calculated annually by the District's Board of Supervisors against all benefited lands in the District. O&M Assessments may also be billed in the same manner as are county ad valorem taxes or may be billed directly by the District. A detailed description of all costs and allocations which result in the formulation of assessments, fees and charges are available for public inspection upon request. A

summary of the non-ad valorem Debt Assessments securing the Series 2005 Bonds and current O&M Assessments is provided below.

**Somerset Community Development District
Assessment Summary FY 2007-2008**

Unit Type	Per Unit Series 2005 Debt Assmt.(1)	Per Unit O&M Assmt.(2)	Per Unit Total Assmt.
Hotel/Inn Unit	\$1,000	\$198	\$1,198
Single Family Lot	\$2,000	\$396	\$2,396
Commercial (1K SF)	\$1,500	\$297	\$1,797

(1) Debt Assessment is a fixed amount. Includes principal, interest and early payment discount costs.

(2) O&M Assessment levels depend on the annually adopted operations and maintenance budget. Property owners will be noticed in accordance with Florida law of the day, time and location of a public hearing where the annual operations and maintenance budget will be considered prior to adoption. O&M Assessment includes costs of collection and early payment discount costs.

Method of Collection

The District's Debt and 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 county tax collector in the same manner as county ad valorem taxes. Each property owner must pay both ad valorem and non-ad valorem assessments at the same time. Property owners will, however, be entitled to the same discounts as provided for ad valorem taxes. As with any tax bill, if all taxes and assessments due are not paid within the prescribed time limit, the tax collector is required to sell tax certificates which, if not timely redeemed, may result in the loss of title to the property. The District may also elect to collect the Debt and/or O&M Assessments directly.

This description of the District's operations, 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 Rizzetta & Company, Inc., District Manager, 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614 or call (813) 933-5571.

The information provided herein is a good faith effort to accurately and fully disclose information regarding the public financing and maintenance of improvements to real property undertaken by the District and should only be relied upon as such. The information contained herein is, and can only be, a status summary of the District's public financing and maintenance activities and is subject to supplementation and clarification from the actual documents and other sources from which this information is derived. In addition, the information contained herein may be subject to change over time, in the due course of the District's activities and in accordance with Florida law. Prospective and current residents and other members of the public should seek confirmation and/or additional information from the District Manager's office with regard to any questions or points of interest raised by the information presented herein.

IN WITNESS WHEREOF, this Disclosure of Public Financing and Maintenance of Improvements to Real Property Undertaken has been executed as of the 28 day of JULY, 2008, and recorded in the Official Records of Walton County, Florida.

SOMERSET COMMUNITY DEVELOPMENT DISTRICT

By: [Signature]
Chairman/Vice Chairman

[Signature]
Witness

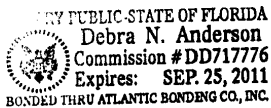
A.E. FOSTER, JR
Print Name

[Signature]
Witness

D. Anderson
Print Name

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this 28 day of JULY, 2008, by JASON COMER of the Somerset Community Development District, who is personally known to me or who has produced _____ as identification, and did not take the oath.



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

EXHIBIT A

LEGAL DESCRIPTION (OVERALL SITE)

THE WEST ONE-HALF (W 1/2) OF THE SOUTHWEST QUARTER (SW 1/4) OF SECTION 28, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA;
LESS AND EXCEPT: THE RIGHT-OF-WAY OF COUNTY ROAD C-30-A

AND

THE EAST ONE-HALF (E 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF FRACTIONAL SECTION 27, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA.
LESS AND EXCEPT: THE RIGHT-OF-WAY OF COUNTY ROAD C-30-A;
LESS AND EXCEPT: A 77.77 FEET WIDE STRIP OF LAND ALONG THE WEST LINE OF THE (E 1/2) OF THE SE 1/4 OF SAID SECTION 27, LYING NORTH OF COUNTY ROAD C-30-A, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT THE NORTHWEST CORNER OF THE (NE 1/4) OF THE (SE 1/4) OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA; THENCE NORTH 89°29'08" EAST ALONG THE NORTH LINE OF SAID (SE 1/4), FOR A DISTANCE OF 77.77 FEET; THENCE SOUTH 01°20'28" WEST, ALONG A LINE WHICH IS 77.77 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE (EAST 1/2) OF THE (SE 1/4) A DISTANCE OF 1283.85 FEET TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF COUNTY ROAD C-30-A; THENCE NORTH 66°55'13" WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE FOR A DISTANCE OF 83.72 FEET TO A POINT ON THE WEST LINE OF THE (E 1/2) OF THE (SE 1/4); THENCE NORTH 01°20'28" EAST, ALONG SAID WEST LINE FOR A DISTANCE OF 1251.72 FEET TO THE POINT OF BEGINNING.

ALSO LESS AND EXCEPT: A 93.54 FEET WIDE STRIP OF LAND ALONG THE WEST LINE OF THE EAST ONE-HALF (E 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF SAID SECTION 27, LYING SOUTH OF COUNTY ROAD C-30-A, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST (NW) CORNER OF THE (E 1/2) OF THE (SE 1/4) OF SECTION 27, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA; THENCE S.01°20'28"W. ALONG SAID WEST LINE OF THE EAST 1/2 (E 1/2) OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 27 FOR A DISTANCE OF 1359.37 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF COUNTY ROAD C-30-A AND THE POINT OF BEGINNING; THENCE S.66°55'13"E. ALONG SAID SOUTHERLY RIGHT-OF-WAY FOR A DISTANCE OF 100.51 FEET; THENCE S.01°22'00"W. ALONG A LINE WHICH IS 93.54 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF THE (EAST 1/2) OF THE (SE 1/4) FOR A DISTANCE OF 1050.00 FEET TO THE MEAN HIGH WATER LINE OF THE GULF OF MEXICO; THENCE N.65°25'37"W. ALONG THE MEANDER OF THE MEAN HIGH WATER LINE OF THE WATERS OF THE GULF OF MEXICO FOR A DISTANCE OF 101.77 FEET; THENCE RUN N.01°22'00"E FOR A DISTANCE OF 1047.15 FEET TO THE POINT OF BEGINNING.

AND

FRACTIONAL SECTION 34, TOWNSHIP 3 SOUTH, RANGE 18 WEST, WALTON COUNTY, FLORIDA. TOGETHER WITH ALL RIPARIAN AND LITTORAL RIGHTS AND ALL PRIVILEGES OF AN UPLAND OWNER APPERTAINING THERETO. PARCEL CONTAINS 158.49 ACRES, MORE OR LESS.