

***Northern Riverwalk
Community Development District***

November 7, 2016

Northern Riverwalk

Community Development District

5385 N. Nob Hill Road, Sunrise, Florida 33351
Phone: 954-721-8681 - Fax: 954-721-9202

October 31, 2016

Board of Supervisors Northern Riverwalk Community Development District

Dear Board Members:

A **special** meeting of the Board of Supervisors of the **Northern Riverwalk Community Development District** will be held on **November 7, 2016** at 11:00 a.m. at the offices of **Allied Capital and Development of South Florida, LLC, 115 Front Street, Suite 300, Jupiter, FL 33477**. Following is a copy of the advance agenda:

1. Roll Call
2. Approval of the Minutes of the October 5, 2016 Meeting
3. Public Hearing to Consider the Imposition of Special Assessments
 - A. Motion to Open the Public Hearing
 - B. Consideration of Engineers Report
 - C. Consideration of Assessment Methodology Report
 - D. Consideration of **Resolution #2017-03** Authorizing District Projects; Equalizing, Approving, Confirming, and Levying Special Assessments
 - E. Motion to Close the Public Hearing
4. Consideration of **Resolution #2017-04** Approving the Form of and Authorizing the Execution of a First Amendment to the Trust Indenture Dated September 29, 2016
5. Consideration of Engagement Letter and Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016
6. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
7. Supervisors Requests and Audience Comments
8. Adjournment

Enclosed for your review is a copy of the minutes from the October 5, 2016 meeting.

The third order of business is the public hearing to consider the imposition of special assessments. Enclosed for your review are copies of the engineers report, assessment methodology report, and **Resolution #2017-03** Authorizing District Projects; Equalizing, Approving, Confirming, and Levying Special Assessments.

The fourth order of business is consideration of **Resolution #2017-04** Approving the Form of and Authorizing the Execution of a First Amendment to the Trust Indenture Dated September 29, 2016. A copy of the resolution is enclosed for your review.

The fifth order of business is consideration of engagement letter and addendum to engagement letter with Grau & Associates to perform the audit for fiscal year ending September 30, 2016. Copies of both are enclosed for your review.

The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any other support documentation will be provided under separate cover as soon as it becomes available or presented at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,



Rich Hans
Manager

cc: William Capko
Mike Williams

Ryan Thomas
Mark Raymonds

Nate Eckloff
Alfred Malefatto

Wes Bradish
Ken Guckenberger

**MINUTES OF MEETING
NORTHERN RIVERWALK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Northern Riverwalk Community Development District was held on Wednesday, October 5, 2016 at 11:00 a.m. at the offices of Allied Capital and Development of South Florida, LLC, 115 Front Street, Suite #300, Jupiter, Florida.

Present and constituting a quorum were:

Nick Mastroianni II	Chairman
John Oliver	Vice Chairman
Nick Mastroianni III	Assistant Secretary
Sandy Albanese	Assistant Secretary
Mark Giresi	Assistant Secretary

Also present were:

Lisa Derryberry	District Manager
William Capko	District Counsel

FIRST ORDER OF BUSINESS

Roll Call

Ms. Derryberry called the meeting to order and stated we have a quorum.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Consideration of Appointment of Supervisor to Fill Unexpired Term of Office (11/2017)

B. Oath Of Office for Newly Appointed Supervisor

Ms. Derryberry: The next item on the agenda is organizational matters. We have consideration of appointment of supervisor to fill unexpired term of office through November, 2017. Seat #4 is open and if the board would like to appoint someone to fill that seat now would be the time to do that.

Mr. Mastroianni II: We'll appoint John Oliver.

Ms. Derryberry: Ok. So at this time I will read you the oath of office and after I say the word "I" you would just state your name for the record and then at the end you would just say, "I will" or "I do", so "I".

Mr. Oliver: "John Oliver."

Ms. Derryberry: A resident of the State of Florida and citizen of the United States of America, being a Supervisor of the Northern Riverwalk Community Development District and recipient of public funds on behalf of the District, due hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly, and impartially discharge the duties devolving upon me in the office of Supervisor of the Northern Riverwalk Community Development District, Palm Beach County, Florida.

Mr. Oliver: "I do."

Ms. Derryberry: Great. I'm going to give you the form and if you could fill that out please and I will notarize it so before you leave the room and I will need your driver's license in order to notarize that.

Mr. Oliver: Of course.

Ms. Derryberry: Then behind that packet is all of the information related to serving as a board member and the instructions as to where to file the financial disclosure form in the county in which you reside.

Mr. Oliver: Ok, we can go over that afterwards, so we don't tie everybody up.

Ms. Derryberry: Certainly.

C. Election of Officers

Ms. Derryberry: Ok so at this time, with a new board member we can elect officers to hold the positions on the board. Currently we have Nicholas Mastroianni II as chairman, Nicholas Mastroianni III as vice chairman, Sandy Albanese and Mark Giresi as assistant secretaries, Patti Powers of my office is the treasurer, Rich Hans is the secretary, and I also serve as an assistant secretary. Mr. Oliver can serve one or any of those positions, a chairman, vice chairman or assistant secretary. Do you have a preference as to what the slate should be?

Mr. Mastroianni II: We can make John vice chairman.

Ms. Derryberry: Ok so we have John Oliver as vice chairman, and who will be chairman? Will you continue as chairman?

Mr. Mastroianni II: Yes.

Ms. Derryberry: Ok, and then all the other members of the board will be assistant secretaries.

Mr. Mastroianni II: Sure.

Ms. Derryberry: Ok, great. So we just need a motion to that affect, with Nicholas Mastroianni II as chairman, John Oliver as vice chairman, and Sandy, Mark and Nicholas Mastroianni III as assistant secretaries. Is there a motion?

On MOTION by Ms. Albanese seconded by Mr. Mastroianni II with all in favor, election of officers, with Nicholas Mastroianni III as chairman, John Oliver as vice chairman and the remaining board members as assistant secretaries, also Patti Powers as treasurer, Rich Hans as secretary and Lisa Derryberry as an assistant secretary as stated on the record was approved.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 25, 2016 Meeting

Ms. Derryberry: The next item on the agenda is the approval of the minutes of the August 25, 2016 meeting. I will take any questions or comments or changes at this time. If there are none, a motion approving the minutes would be in order.

On MOTION by Mr. Giresi seconded by Mr. Mastroianni III with all in favor, the Minutes of the August 25, 2016 Meeting were approved.

FOURTH ORDER OF BUSINESS

Discussion of Financing Matters

A. Consideration of Engineers Report

B. Consideration of Assessment Methodology Report

Ms. Derryberry: Moving on to item No. 4, discussion of financing matters. In your book behind tab 4A you will find a copy of the engineers report. This is the amended report dated December 23, 2015. It was reviewed and approved at a prior meeting. At this point there is nothing really to do with this, it was just provided for your information. Behind tab B is the third supplemental assessment methodology report. There is a loose copy in your packets because there was a typographical error on page 3 of 6 in table 3. Again, it was just a typographical error with regard to the accrued interest amount. So what this report does is it describes the terms of the 10 year note with an interest rate of 4.20%. This is to extend the current 7 year note to a 10 year note.

Mr. Oliver: So what this is, this is going back and going from the 7 year to the 10 year, my only concern with this was, when we do this, and we were talking before the meeting started, do we have to do the 10 year, does this force our hand to do the 10 year because we're 45 days out and we don't know what the rate would be. If the rate is a lot higher than 3.99% it would be in the best interest of the District just to say at 7 years.

Mr. Mastroianni II: Right.

Mr. Oliver: So that was our question.

Mr. Mastroianni II: And what's the answer?

Mr. Oliver: We don't know the answer.

Mr. Capko: Right, so any action today would not affect that, if you're stuck with going to the 10 year, and we'd have to look back at the documents, the certificates that were signed that said everybody was going to use their best efforts to go to the 10 year term. So there may be a way around that and we'll talk with John about that.

Mr. Oliver: Obviously we would go back, and one hopefully we're out of LIBOR and we don't have to deal with them, but if we did, it would be in their best interest to stay with the 7 years at 3.99% versus who knows at the end. This is just a plug number at this point the 4.2%, and it was based off the term sheet that we got.

Mr. Mastroianni II: Well let's get the answer to that.

Mr. Oliver: Yes, plus the unknown that Wes couldn't give us of what those interim costs would be because he just keeps saying they'll be built into the rate, and that's not good enough because that's us, we have to pay it, and we paid enough in closing costs the first time.

Mr. Mastroianni II: There will be no additional payments to Wes for any additional term, so let's make that clear to him, there will be no additional compensation paid to him at all.

Mr. Oliver: Right, and anything we do going forward we're going to put out for bid.

Mr. Mastroianni II: Make sure they know it though.

Mr. Oliver: Right.

Mr. Mastroianni II: Send him an email and copy me and Bill.

Mr. Oliver: Ok.

Ms. Derryberry: So Bill we take no action on this at this time or do we have a motion?

Mr. Capko: Well you can still have a motion to accept the report.

Ms. Derryberry: Ok.

Mr. Mastroianni II: Yes we'll accept the report, but the opinion of the attorney is subject to the outcome of Bill's research.

Mr. Capko: Yes and that's what we'll be doing is the next item we'll be setting up a public hearing, more than a month from today to take final action on that, so we'll have a month to determine whether or not to go ahead.

Mr. Mastroianni II: Ok.

Mr. Giresi: So we don't have to make that determination until then anyway.

Mr. Capko: Right, correct.

Mr. Oliver: We're just setting the wheels in motion.

Mr. Giresi: Yes, ok.

Ms. Derryberry: So a motion accepting the preliminary third supplemental assessment methodology report would be in order.

On MOTION by Mr. Mastroianni II seconded by Mr. Oliver with all in favor, accepting the Third Supplemental Assessment Methodology Report dated October 5, 2016 was approved.

C. Consideration of Resolution #2017-01 Declaring Special Assessments

Ms. Derryberry: Moving on to tab C in your agenda packet is resolution #2017-01 declaring the special assessments. This merely states that the estimated costs of the improvements as stated in the engineers report as to what the assessments will be to repay the 2016 refunding note, and that's it. Is there a motion to approve resolution #2017-01 declaring special assessments?

On MOTION by Mr. Mastroianni II seconded by Mr. Mastroianni III with all in favor, Resolution #2017-01 declaring Special Assessments was approved.

D. Consideration of Resolution #2017-02 Calling for a Public Hearing to Impose Special Assessments

Ms. Derryberry: Then the next item is resolution #2017-02, and this is the resolution calling for a public hearing to impose the special assessments. As Bill said, a public hearing has to be at least 30 days from today and the next regularly scheduled and advertised meeting is within the 30 days, so we can pick the next advertised meeting beyond 30 days which would be December 7th at this location at 11:00 a.m. or any day 30 days after today.

Mr. Mastroianni II: That works, the 7th.

Ms. Derryberry: Ok so does December 7th work for everyone?

Mr. Capko: For some reason I'm remembering that somebody had said during the term of the discussion that they were planning on having the decision and closing on that in November, but I don't know if that's accurate.

Mr. Oliver: No.

Mr. Capko: Ok.

Mr. Mastroianni II: I think Rich said something.

Ms. Derryberry: We can schedule a meeting in November before December 7th but it has to be at least 30 days from today, where the other advertised meeting was November 2nd which does not meet the 30 day requirement. So it's really up to the board as to when they would like to meet or when we should advertise, so if December 7th meeting with everyone's approval we can go ahead with that.

Mr. Oliver: We don't need it sooner?

Mr. Capko: I just remember that somebody was suggesting that but maybe it was Rich.

Mr. Mastroianni: Ok let's try the 7th of November.

Ms. Derryberry: Ok so Monday, November 7th?

Mr. Mastroianni: Yes.

Ms. Derryberry: At 11:00 a.m. at this location, ok we can certainly do that. So then we would just need a motion approving resolution #2017-02 with a public hearing date of Monday, November 7th at 11:00 a.m. at this location would be in order.

On MOTION by Mr. Mastroianni III seconded by Ms. Albanese with all in favor, Resolution #2017-02 calling for a Public Hearing to impose Special Assessments on November 7, 2016 at 11:00 a.m. at 115 Front Street, Suite #300, Jupiter, Florida was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

Ms. Derryberry: Moving on to Staff Reports, Bill do you have anything?

A. Attorney

Mr. Capko: No, nothing to report.

B. Engineer

Ms. Derryberry: The engineer was unable to be here today due to the pending storm.

C. Manager

Ms. Derryberry: As for the Manager, the only thing I have again is to remind you that the next advertised meeting is November 2nd, but with the proposed meeting on November 7th we may not have the November 2nd meeting.

SIXTH ORDER OF BUSINESS

Financial Reports

A. Summary of Invoices

B. Combined Balance Sheet

Ms. Derryberry: Moving on, behind tab No. 6 in your agenda packet is the financial reports. We have the summary of our invoices, behind tab A, and the combined balance sheet behind tab B. If there are any questions or comments I can take those at this time, otherwise, a motion approving both would be in order.

On MOTION by Mr. Mastroianni II seconded by Mr. Oliver with all in favor, the summary of invoices and the combined balance sheet were approved.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Ms. Derryberry: Item No. 7 is supervisors requests, are there any requests from the supervisors? Not hearing any, we can let the record reflect there is no audience present today.

EIGHTH ORDER OF BUSINESS

Adjournment

Ms. Derryberry: Then just a motion to adjourn the meeting would be in order.

On MOTION by Mr. Mastroianni III seconded by Mr. Oliver with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**Northern Riverwalk
Community Development District**

**NORTHERN RIVERWALK
COMMUNITY DEVELOPMENT DISTRICT**

ENGINEER'S REPORT

Amended December 23, 2015

Prepared by:



125 W. Indiantown Road Suite 206
Jupiter FL, 33458
(p)561-203-7503 (f)954-202-7070

Project# F110118

**Northern Riverwalk
Community Development District**

SECTION 1.0

INTRODUCTION

Harbourside (the "Development") comprises the boundaries of Northern Riverwalk Community Development District (the "District") located within the jurisdictional boundaries of the Town of Jupiter (the "Town") Palm Beach County (the "County"), Florida. The District contains approximately 9.974 acres and is generally located at the northwest corner of the intersection of Indiantown Road (S.R. 706) and U.S. Highway 1 (S.R. 5). The Development is bordered on the west and north by the Intracoastal Waterway (Loxahatchee River/Lake Worth Creek).

The District was established by ordinance 1-09, approved by the Town of Jupiter on May 19, 2009 and the Development Plan was approved by the Town on December 2, 2008. The development infrastructure is now complete with first certificate of occupancy being received in November 2014.

The following pages in this report summarize the development and construction costs of the public and common infrastructure.

**Northern Riverwalk
Community Development District**

SECTION 2.0 (UNALTERED FROM ORIGINAL REPORT)

2.1 HISTORY OF THE PROJECT

All property within the District is owned by Harbourside Place, LLC, the Town of Jupiter, Ionso Development Company, TS Investment Company. A large part of this site was originally the site of the Brio Beach Club and previous to that was the famous Sand Dollar Restaurant. The other properties that make up this project include the Toxicon Property, a vacant parking lot to the south and the old First Union Building. Allied Capital and Development of South Florida (the "Developer") created the master plan to develop the commercial, retail, cultural and marina components of the property. The property will be developed according to the Town's Planning and Zoning Standards. This phase that is the subject of this project is limited to the Riverwalk and timber dock facility.

The development review of the development Harbourside is being conducted under the Town's design standards. Site Plan Approval was granted on December 2, 2008. Planned development is expected to consist of approximately 113,275 square feet office/retail, 31,638 square feet of restaurant, 178 hotel keys, 2,500 square feet of cultural use, garage and on-street parking for 824 spaces and a 22 slip marina.

2.2 STATUS OF PROJECT PERMITTING

Harbourside has an Environmental Resource Permit (ERP) No. 50-09035-P by the South Florida Water Management District (SFWMD). This permit was modified and approved on November 13, 2012 for the storm water management system for the upland portion of site only. The marina is permitted separately under ERP No. 50-09026-P.

The Riverwalk was permitted and construction completed in 2011. The following permits have been obtained for the development Harbourside:

FDOT Drainage Connection Permit issued on October 11, 2012 and is valid up to the same date in 2013. FDOT Driveway Connection Permit is in review and approval is pending execution of maintenance agreement with Town of Jupiter.

The Palm Beach County Health Department permit for water main construction is 138279-304-DSGP, issued on October 12, 2012 and is valid for 5 years. A permit for the sanitary sewer system was also issued as permit number 138774-269-DWC. This was issued on December 18, 2012 and is also valid for 5 years.

**Northern Riverwalk
Community Development District**

GENERAL BOND ISSUANCE 3.0 (UNALTERED FROM ORIGINAL REPORT)

This report addresses the public infrastructure improvements (the "Project") to be undertaken within the development with respect to issuance of special assessment bonds to be known as Northern Riverwalk Community Development District Taxable Special Assessment Bonds, Series 2013 (the "Bonds"). The bonds will be issued in one or more series. Special assessments were determined to be the most equitable way to fund the project cost. This funding method has been commonly used by many other comparable districts in Florida, and locally within the County and the Town in similar Community Development Districts.

The Bonds will provide the funding for infrastructure improvements described in this report through a deposit to a construction fund held by the trustee to be used to purchase from the Developer of the improvements constituting the Project, as certified by the District Engineer.

The Infrastructure improvements include roadways, two parking garages, construction of a storm water management system, water service, wastewater conveyance lines and a lift station, a marina, sidewalks, plaza, the Riverwalk, amphitheater and other related amenities including landscaping, irrigation, lighting, fountains, benches etc.

These improvements will specifically benefit all real property in the district.

SECTION 4.0

INFRASTRUCTURE IMPROVEMENTS

The infrastructure improvements include a paved walkway, new seawall, timber dock, storm water management system and irrigation system for the public Riverwalk. The Project consists of roadway, utility and drainage infrastructure to support the multi-use Development. This includes brick pavers, asphalt roadways, paver and concrete sidewalks, drainage basins and piping, water distribution system, sanitary sewer conveyance system, electrical, phone, data and gas services to the Development.

**Northern Riverwalk
Community Development District**

SECTION 4.1

STORMWATER MANAGEMENT SYSTEM

The storm water management system includes storm water attenuation, water quality treatment and collection system to serve the Development. Catch basins and trench drains direct run-off via pipes to retention areas, exfiltration trench and storm chambers prior to discharging to the intracoastal waterway. This portion of the project also includes utility demolition which was in conflict with proposed design.

Cost of Stormwater Management Improvements:

**Northern Riverwalk CDD
Stormwater System Completed Cost
Total Amount: \$1,091,489.79**

SECTION 4.2

ROADWAY AND SIDEWALK SYSTEM

This Project includes roadways, at-grade parking, demucking, sidewalks and curbing for the support the Development.

Costs for these improvements are:

**Northern Riverwalk CDD
Roadway and Sidewalk System Cost
Total Amount: \$2,042,304.61**

**Northern Riverwalk
Community Development District**

SECTION 4.3

POTABLE WATER, FIRE AND IRRIGATION SYSTEMS:

The water system consists of a looped 10 inch main which will serve the potable, fire and irrigation needs of the property. Multiple hydrants are proposed at locations acceptable to the Palm Beach County Fire Rescue Department.

The cost for these items is:

**Northern Riverwalk CDD
Potable Water, Fire and Irrigation System Cost
Total Amount: \$452,791.60**

SECTION 4.4

SANITARY SEWER SYSTEM:

This project proposes replacing the existing Loxahatchee River District lift station to a location west of Coastal Way just north of the Indiantown Road bridge. A new gravity conveyance system through the district serves the needs of the mixed-use development.

Costs for these improvements are:

**Northern Riverwalk CDD
Sanitary System Cost
Total Amount: \$389,781.81**

SECTION 5.0

MARINA, RIVERWALK, PLAZA AND OTHER COMMON AREA IMPROVEMENTS

A decorative concrete walkway 15 feet in minimum width is installed along the seawall. The walkway expands to 25 feet in width along the northern seawall. On the landward side of the walkway a knee wall is installed to allow pedestrians a place to sit as well as an amphitheater for concerts and similar performances. Costs include lighting, transit shelter walls, railings, docks, hardscape and landscaping for these common area amenities.

The cost of these site amenity components are as follows:

**Northern Riverwalk CDD
Marina, River walk, Plaza and Other Common Area Improvements Cost
Total Amount: \$9,323,472.12**

**Northern Riverwalk
Community Development District**

SECTION 5.1

DRY UTILITIES (FPL, AT&T, COMCAST)

Install infrastructure necessary to deliver power, phone, and data to the development.

**Northern Riverwalk CDD
Dry Utilities Cost
Total Amount: \$108,870.00**

SECTION 6.0

6.1 DESIGN, PERMITTING AND CONTINGENCIES

Permits necessary for the construction of this development include:

- Palm Beach County Health Department / FDEP (for water main and sanitary sewer construction)
- Florida Department of Transportation Utility Permit (for water main connection)
- Florida Department of Transportation Drainage Connection Permit
- Florida Department of Transportation Driveway Connection Permit
- Town of Jupiter – Utilities and Engineering Permits
- Loxahatchee River District – Utility Permit
- Florida Department of Environmental Protection NPDES Construction Permit
- South Florida Water Management District Permit Modification (for uplands work)

These permits were received prior to the start of construction for the applicable infrastructure. As is typical of developments like this, it is anticipated that the individual construction permits for the buildings will be the responsibility of the Developer and issued at the time of construction based on the approved PUD and consistent with all other site development approvals.

**Northern Riverwalk
Community Development District**

6.2 PERMITTING AND IMPACT FEES

6.2.1 PERMITTING FEES

As discussed in Section 2.2 Status of Project Permitting, permitting with the SFWMD for the Environmental Resource Permits involved a modification to the uplands permit no. 50-09035-P. This fee was \$1,500.

Additional permits were required for the water system and construction of the Project. The permit fee for the Palm Beach County Health Department water permit was \$650.00 and the sewer permit was \$750.00. The FDOT Driveway Connection Permit was \$2,000.00 The NPDES permit for construction activities was \$500.00.

The approximate cost of upfront permit fees is:

**Northern Riverwalk CDD
Permitting Fees Cost
Total Amount: \$5,400.00**

6.2.2 IMPACT FEES

Impact Fees are generally described as those fees levied on the developer for the proportionate share of the cost for capital expenditures necessary to provide parks, fire-rescue, libraries, law enforcement, public buildings, schools, potable water, sanitary sewer and road capital facilities in the Town of Jupiter, Loxahatchee River Improvement District and Palm Beach County.

Total: \$3,011,675.00

SECTION 7.0

COST ESTIMATE FOR THE DEVELOPMENT IMPROVEMENTS

The soft costs associated with design and permitting efforts to create a constructible and permitted set of construction documents were:

Total: \$3,632,099.00

**Northern Riverwalk
Community Development District**

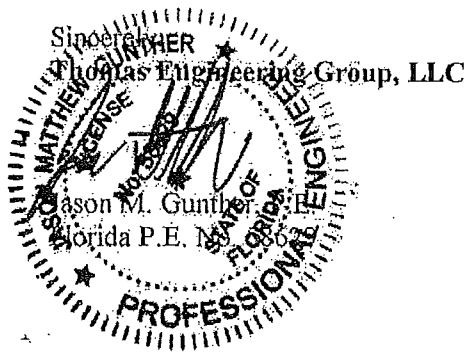
Total Cost summary:

Storm water Management System:	\$1,091,489.79
Roadway and Sidewalk Systems:	\$2,042,304.61
Water Irrigation and Fire Systems:	\$452,791.60
Sanitary Sewer System:	\$389,781.81
Marina, River walk and Common Areas:	\$9,323,472.12
Dry Utilities	\$108,870.00
Permit Fees:	\$5,400.00
Design and Soft Costs :	\$3,632,099.00
Impact Fees and Water and Sewer Reservations:	\$3,011,675.00
Total:	\$20,057,883.93

SECTION 8.0

CONCLUSION

1. The infrastructure and development as a whole was completed in December 2014.
2. The completed work was performed in substantial compliance with the Design Drawings and conditions of issued permits.
3. Issued permits have been certified and turned over for operational use.



Preliminary

THIRD SUPPLEMENTAL

ASSESSMENT METHODOLOGY

FOR

NORTHERN RIVERWALK

COMMUNITY DEVELOPMENT DISTRICT

October 5, 2016

Prepared by

Governmental Management Services-South Florida, LLC
5385 N. Nob Hill Road
Sunrise, FL 33351

1.0 Introduction

The Northern Riverwalk Community Development District (the “District”) is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes, as amended. The District issued \$ 22,000,000 Northern Riverwalk Community Development District Taxable Promissory Note Series 2013 (the “2013 Note”) for the purpose of financing certain infrastructure improvements within the District, more specifically described in the Northern Riverwalk Community Development District Engineer’s Report dated February 5, 2013 by Bohler Engineering, LLC (the “District Engineer”) as such report may be amended and supplemented from time to time (the “Engineer’s Report”).

1.1 Purpose

This report (the “Third Supplemental Report”) provides a supplement to the Master Assessment Methodology Report adopted by the Board of Supervisors on April 17, 2013 (the “Master Methodology”). The District issued a Taxable Refunding Note, Series 2016 with a 7 year term on September 29, 2016 (the “2016 Refunding 7yr Note”) to refinance the 2013 Note. The District now intends to extend the term of the 2016 Refunding 7yr Note to 10 years (the “2016 Refunding 10yr Note”). The Third Supplemental Report allocates the debt relating to the 2016 Refunding 10yr Note to the properties within the boundaries of the District based on the original allocations in Master Methodology, and takes into account changes to development and the final costs of the improvements constructed. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Master Methodology.

1.2 Background

The District currently includes approximately 9.974 acres in the Town of Jupiter, Florida. The development program consists of 138,417 square feet of commercial use including retail, office and restaurant space, 210,629 square feet of hotel space and 21 boat slips (herein the “Development”). The development plan is depicted in Table 1.

The improvements constructed by the District provide facilities that benefit certain property and property interests within the District. The District has constructed and/or acquired water and wastewater facilities, certain roadway and sidewalk improvements, stormwater management facilities, utility infrastructure, marina and open space improvements, and pay certain related impact fees (the “Project”). The Project is described in more detail in the Amended Engineer’s Report dated December 23, 2015 by Thomas Engineering Group (the “Amended Engineer’s Report”). The acquisition and construction costs are summarized in Table 2.

The assessment methodology is a three-step process. First, the District Engineer determines the costs of the Project contemplated by the District. Third, these costs form the basis for a bond sizing. Third, the bonded costs are divided among the benefited properties on the basis of benefit for the purpose of determining the assessments.

2.0 Assessment Methodology

2.1 Overview

The District will issue the 2016 Refunding 10yr Note in the amount of \$22,000,000 to extend the term of the 2016 Refunding 7yr Note, fund a debt service reserve account and pay the costs of issuance. It is the purpose of this Third Supplemental Report to allocate the \$22,000,000 in debt to the properties benefiting from the improvements.

Table 1 identifies the land uses as identified by the Developer of the lands within the District. The District adopted the Amended Engineer's Report for community wide capital improvements needed to support the Development and these construction costs are outlined in Table 2. The improvements needed to support the Development are described in detail in such Amended Engineer's Report and are approximately \$20,057,884. Based on the current outstanding principal of the 2016 Refunding 7yr Note, the size of the 2016 Refunding 10yr Note issued under current market conditions needed to generate funds to pay for the refunding of the 2016 Refunding 7yr Note, fund a debt service reserve account and pay the costs of issuance was estimated by the District's underwriter to total approximately \$22,000,000. Table 3 shows the breakdown of the note sizing. The current debt service reserve fund (the "DSRF") requirement is \$100,000, if the debt service coverage ratio as described in the bank's commitment letter is not met, the DSRF requirement will become 100% of the maximum annual assessment resulting in a onetime additional assessment of approximately \$1,365,366. This Special Condition will result in a onetime assessment to each of the parcels as shown in Table 6.

2.2 Allocation of Debt

Allocation of debt is a continuous process until the development plan is completed. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties and property interests receiving the special benefits.

The benefit received per land use is allocated based on Equivalent Units (EUs) as described in the Master Methodology Report. Table 4 shows the resulting allocation of benefit based on the current development plan and final costs of the Project. The allocation of the debt associated with the 2016 Refunding 10yr Note based on the benefit received is shown in Table 5.

As development rights are allocated and transferred (“Assigned Properties”) through the recording of an assignment of development rights (“Assignment”), the assessments will be levied to the Assigned Properties based on the benefits they receive. Any Unassigned Properties, defined as assessable property that has not been assigned development rights, will continue to be assessed on a per acre basis. At this time the Development Plan has been finalized and the planned 138,417 square feet of commercial space, 210,629 square feet of hotel space, and the 21 boat slips within the District, which are the beneficiaries of the infrastructure improvements, have been allocated debt according to this Third Supplemental Methodology Report. If in the future there are changes to the development, a true up of the assessment will be calculated to determine if a payment from the Developer is required. This process is outlined in Section 3.0.

3.0 True Up

Although the District does not process the Assignment for the Developer, it does have an important role to play during the course of Assignment. Whenever an Assignment is processed, the District must allocate a portion of its debt to the property or property interest according to this Master Methodology Report outlined herein. In addition, the District must also prevent any land being fully conveyed or sold without the proper allocation of the debt being allocated. To preclude this, at the time there are any revisions to the Development plan which would alter the land uses and product type contemplated by this report (collectively an “Allocation Change”), the District will perform a true up calculation. If the total anticipated assessment revenue to be generated from the Allocation Change is greater than or equal to the maximum annual debt service then no true-up payment is required. In the case that the special assessment revenue generated is less than the required amount, a prepayment plus accrued interest by the Developer in the amount necessary to reduce the par amount of the outstanding Bonds to a level that will be supported by the new maximum annual debt service will be required.

4.0 Assessment Roll

The current assignment of development rights to the properties within the District is shown in Table 6. Using this assignment, the Debt relating to 2016 10yr Note is allocated to each folio. The current assessment roll, including the possible onetime assessment as a result of the Special Condition is depicted in Table 6.

**TABLE 1
NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT
DEVELOPMENT PROGRAM**

Land Use	No. of Units / Square Feet*
Commercial (retail, restaurant, office)	138,417
Hotel	210,629
Boat Slips	21

* Unit mix is subject to change based on marketing and other factors.

**TABLE 2
NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT
INFRASTRUCTURE COST ESTIMATES**

INFRASTRUCTURE	Total
Water & Wastewater	\$ 842,573
Roadway & Sidewalk	\$ 2,042,305
Stormwater	\$ 1,091,490
Marina, Riverwalk, Plaza, Etc	\$ 9,323,472
Utility Infrastructure	\$ 108,870
Soft Cost- Design, Permits etc	\$ 3,637,499
Impact Fees	\$ 3,011,675
Total	\$ 20,057,884

Information provided by Thomas Engineering Group.

TABLE 3 NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT SERIES 2016 10yr NOTE SIZING

Sources:	Total
Note Proceeds:	
Par Amount	22,000,000.00
Other Sources of Funds:	
Accrued Interest	107,800.00
	22,107,800.00

Uses:	
Exchange Notes	\$ 22,000,000.00
Accrued Interest	\$ 107,000.00
	\$ 22,107,000.00

Note Assumptions 2016: 10 Year Note

Interest Rate	4.20%
25 year amortization starting 5/1/18 with principal amount due on 11/1/26 of:	\$16,610,000
Maximum Annual Assessment excluding final payment year	\$1,465,366

* numbers provided by RBC Capital Markets

TABLE 4
NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF INFRASTRUCTURE COSTS

Land Use	No. of Units / Square Feet ⁽¹⁾	EU factor*	Total EUs*	Percentage of Total EU's	Infrastructure Costs Allocated
Commercial (retail, restaurant, office)	138,417	1.00	138	54.90%	\$ 11,011,524
Hotel	210,629	0.50	105	41.77%	\$ 8,378,112
Boat Slips	21	0.40	8	3.33%	\$ 668,247
TOTAL			252	100%	\$ 20,057,884

*Benefit is allocated on an EU basis, EUs are per 1,000 sq.ft. of commercial and hotel.
(1) Commercial and Hotels land use are square footage, Boat Slips are number of slips.

**TABLE 5
NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT
DETERMINATION OF ALLOCATION OF DEBT**

Land Use	No. of Units / Square Feet ⁽¹⁾	Total Cost Allocation Per Product Type	Improvement Cost Per Unit	Allocation of Par Debt per Product Type	Total Par Debt Per Unit
Commercial (retail, restaurant, office)	138,417	\$ 11,011,524	\$ 80	\$ 12,077,721	\$ 87
Hotel	210,629	\$ 8,378,112	\$ 40	\$ 9,189,328	\$ 44
Boat Slips	21	\$ 668,247	\$ 31,821	\$ 732,951	\$ 34,902
TOTALS		\$ 20,057,884		\$ 22,000,000	

Special Condition	If the debt service coverage ratio as described in the Banks' commitment letter is not meet.	
Maximum Annual Debt Service	\$ 1,465,366	
Current DSRF Requirement	\$ 100,000	
Variance	\$ 1,365,366	Potential one time assessment if debt service ratio is not met.

(1) Commercial and Hotels land use are square footage, Boat Slips are number of slips.

**TABLE 6
NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT ROLL**

Tax Account No.	Owner	Commercial (retail/restaurant, office) Square Feet	Hotel Square Feet	Boat Slips	Total Par Debt Allocation Per Parcel	Special Condition DSR Assessment ⁽¹⁾
30434106540000020	Harbourside Place, LLC	13,049	117,513		\$ 6,265,465	\$ 388,847.81
30434106540010000	Harbourside Place, LLC	11,932	93,116		\$ 5,103,607	\$ 316,740
30434106540020000	Harbourside Place, LLC			21	\$ 732,951	\$ 45,488
30434106540030010	Harbourside Place, LLC	19,074			\$ 1,664,322	\$ 103,291
30434106540030020	Harbourside Place, LLC	20,318			\$ 1,772,869	\$ 110,028
30434106540040000	Harbourside Place, LLC	34,739			\$ 3,031,188	\$ 188,122
30434106540050000	Harbourside Place, LLC	39,305			\$ 3,429,599	\$ 212,848
		138,417	210,629	21	\$ 22,000,000	\$ 1,452,517

Tax Account No.	Annual Debt Assessment Per Parcel Tax Bill 2016 ⁽²⁾	Annual Debt Assessment Per Parcel Tax Bills 2017 thru 2021 ⁽²⁾	Annual Debt Assessment Per Parcel Tax Bill 2025 ⁽²⁾
30434106540000020	\$ 309,496	\$ 443,965	\$ 5,362,677
30434106540010000	\$ 252,104	\$ 361,637	\$ 4,368,230
30434106540020000	\$ 36,206	\$ 51,936	\$ 627,340
30434106540030010	\$ 82,213	\$ 117,932	\$ 1,424,511
30434106540030020	\$ 87,575	\$ 125,624	\$ 1,517,417
30434106540040000	\$ 149,732	\$ 214,787	\$ 2,594,426
30434106540050000	\$ 169,412	\$ 243,018	\$ 2,935,430
	\$ 1,086,738	\$ 1,558,900	\$ 18,830,030
Net collections	\$ 1,021,533	\$ 1,465,366	\$ 17,700,228

Annual Debt assessment amounts are combined 2016A and 2016B Refunding Notes:

10 year note with 25 year amortization starting 5/1/18, final maturity 11/1/26
Note Interest Rate (%)

4.20%

(1) This one time assessment may be collected if the debt service ratio coverage covenant as described in the Bank's commitment letter is not met.

(2) This amount is grossed up to cover county collection fees and early payment discounts when collected on the Palm Beach County Tax Bill, currently 6%.

Note: The District reserves the right to direct assessment all or a portion of these assessments.

RESOLUTION 2017-03

A RESOLUTION AUTHORIZING DISTRICT PROJECTS; EQUALIZING, APPROVING, CONFIRMING, AND LEVYING SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY BENEFITED BY SUCH PROJECTS TO PAY THE COST THEREOF; PROVIDING FOR THE PAYMENT AND THE COLLECTION OF SUCH SPECIAL ASSESSMENTS BY THE METHOD PROVIDED FOR BY CHAPTERS 170 AND 197, FLORIDA STATUTES; CONFIRMING THE DISTRICT'S INTENTION TO ISSUE SPECIAL ASSESSMENT BONDS; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapters 170, 190 and 197, Florida Statutes.

SECTION 2. FINDINGS. The Board of Supervisors (the "Board") hereby finds and determines as follows:

(a) **The Northern Riverwalk Community Development District** (the "District") is a local unit of special-purpose government organized and existing under and pursuant to Chapter 190, Florida Statutes, as amended of the State of Florida (the "State").

(b) The District is authorized under Chapter 190, Florida Statutes, to construct roads, water management and control facilities, water and wastewater systems and other infrastructure projects to serve lands within the District ("projects").

(c) The District is authorized by Chapter 170, Florida Statutes, to levy special assessments to pay all, or any part of the cost of such projects and, to issue special assessment bonds payable from such special assessments as provided in Chapters 190 and 170, Florida Statutes.

(d) It is necessary to the public safety and welfare that (i) the District provide the projects, the nature and location of which are described in **Resolution # 2017-01** and more specifically described in the plans and specifications on file at the offices of the District Manager, **5385 N. Nob Hill Rd., Sunrise Florida 33351** (ii) the cost of such projects be assessed against the lands specially benefited by such projects, and (iii) the District issued bonds to provide funds for such purposes pending the receipt of such special assessments.

(e) The provisions of said projects, the levying of such special assessments and the sale and issuance of such bonds serves a proper, essential, and valid public purpose.

(f) In order to provide funds with which to pay the costs of the projects which are to be assessed against the benefited properties pending the collection of such special assessments, it is necessary for the District to sell and issue its Bonds; Taxable Refunding Note, Series 2016; and

(g) By **Resolution #2017-01** adopted by the Board of the District, the Board determined to provide the projects and the defray the cost thereof by making special assessments on benefited property and expressed an intention to issue the bonds to provide the funds needed for the projects prior to the collection of such special assessments. **Resolution # 2017-01** was adopted in compliance with the requirements of Section 170.03, Florida Statutes, and prior to the time the same was adopted, the requirements of Section 170.04, Florida Statutes had been complied with; and

(h) As directed by **Resolution #2017-01**, said resolution was published as required by Section 170.05, Florida Statutes, and a copy of the publisher's affidavit of publication is on file with the Secretary of the Board of Supervisors of the District; and

(i) As directed by **Resolution #2017-01**, a preliminary assessment roll was prepared and filed with the Board of Supervisors as required by Section 170.06, Florida Statutes, and

(j) As required by Section 170.07, Florida Statutes upon completion of the preliminary assessment roll, the Board adopted **Resolution #2017-02** fixing the time and place of a public hearing at which owners of the property to be assessed and other persons interested therein may appear before the Board and be heard as to (i) the propriety and advisability of making the improvements, (ii) the cost thereof, (iii) the manner of payment therefore, and (iv) the amount thereof to be assessed against each parcel specially benefited property and providing for the mailing publication of notice of such public hearing; and

(k) Notice of such public hearing has been given by publication and by mail as required by Section 170.07, Florida Statutes, and affidavits as to such publication and mailing are on file in the office of the Secretary of the Board; and

(l) At the time and place specified in the resolution and notice referred to in paragraph (k) above, the Board met as an Equalization Board, conducted such public hearing and heard and considered all complaints as to the matters described in paragraph (j) above, and based thereon, has made such modifications in the preliminary assessment roll as it deems desirable at this time; and

(m) Having considered the costs of the projects, revised estimates of financing costs and all complaints and evidence presented at such public hearing, the Board of Supervisors of the District finds and determines:

(i) that the estimated costs of the projects is as specified in Exhibit "A" hereto

(ii) it is reasonable, proper, just and right to assess the cost of such projects against the properties specially benefited thereby using the methods determined by the Board of Supervisors, which will result in special assessments to be set forth on a final assessment roll to be adopted by the Board of Supervisors at the time when the final project costs, structure and interest rate on the bonds to be issued by the District are known, it is hereby declared that the projects will constitute a special benefit to all parcels of real property to be listed on said final assessment roll and that the benefit, in the case of each such parcel, will be in excess of the special assessment thereon;

(iii) it is desirable that the special assessments be paid and collected as herein provided and

SECTION 3. AUTHORIZATION OF DISTRICT PROJECTS. The projects described in **Resolution #2017-01** as more specifically described by the plans and specifications on file at the offices of the District Manager, **5385 N. Nob Hill Rd., Sunrise Florida 33351** are hereby authorized and approved and the proper officers, employees and agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made following the issuance of the bonds referred to herein.

SECTION 4. ESTIMATED COST OF IMPROVEMENTS. The total estimated costs of the projects and the costs to be paid by special assessments on all specially benefited property are set forth in Exhibit "A" hereto.

SECTION 5. APPROVAL AND CONFIRMATION OF ASSESSMENT METHODOLOGY. The special assessment methodology set for the preliminary assessment roll previously adopted by this Board is hereby approved and confirmed. The special assessment or assessments against each respective parcel to be shown on such final assessment roll and interest and penalties thereon, as hereafter provide, shall be and shall remain a legal, valid and binding first lien on such parcel until paid; such lien shall be coequal with the lien of all state, county, district, municipal, or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 6. FINALIZATION OF SPECIAL ASSESSMENTS. When all of the projects have both been constructed or otherwise provided to the satisfaction of the Board, the Board shall adopt a resolution accepting the same and determining the actual costs (including financing costs) thereof, as required by Section 170.08 and 170.09, Florida Statutes. The District shall credit to each special assessment for projects the difference between the special assessment as hereby made, approved and confirmed and the proportionate part of the actual costs of the projects, as finally determined upon completion thereof, but in no event shall the final amount of any such special assessment exceed the amount of benefits originally assessed hereunder. In making such credits no discount shall be granted or credit given for any part of the payee's proportionate share of any actual bond financing costs, such as capitalized interest, funded reserves or bond discount included in the estimated cost of any such improvements. Such credits shall be entered in the Improvement Lien Book. Once the final amount of special assessments for all of the Improvements have been determined, the term "special assessment" shall, with respect to each parcel, mean the sum of the costs of the projects.

SECTION 7. PAYMENT AND PREPAYMENT OF NON-AD VALOREM SPECIAL ASSESSMENTS AND METHOD OF COLLECTION.

A. All non-ad valorem special assessments shall be payable in no more than thirty (30) annual installments which shall include interest, calculated in accordance with the Second Supplemental Assessment Methodology, dated **October 5, 2016** (the "Assessment Methodology Report"), prepared by **Governmental Management Services, SF.**, which is incorporated herein by this reference as though fully set forth herein. All special assessments collected utilizing the uniform method of collection shall be the amount determined in the first sentence of this paragraph divided by 1 minus the sum of the percentage cost of collection, necessary administrative costs and the maximum allowable discount for the early payment of taxes (currently four percent 4%).

B. The District hereby elects, under its charter and Section 197.3631, Florida Statutes, to use the method of collecting special assessments authorized by Sections 197.3632 and 197.3635, Florida Statutes. The District has heretofore timely taken, or will timely take, all necessary actions to comply with the provisions of said Sections 197.3632 and 197.3635, Florida Statutes, and applicable rules adopted pursuant thereto; and, on or prior to the date on which the Bonds are issued, sold and delivered, the District shall enter into a written agreement with the

Property Appraiser and Tax Collector of County in compliance therewith. Such von-ad valorem special assessments shall be subject to all the collection provisions of Chapter 197, Florida Statutes.

C. Notwithstanding the foregoing, the District reserves the right under Section 197.3631, Florida Statutes, to collect its non-ad valorem special assessments pursuant to Chapter 170, Florida Statutes, and to foreclose its non-ad valorem special assessment liens as provided for by law.

D. All special assessments may be prepaid, in whole at any time, or in part one time by payment of an amount equal to the principal amount of such prepayment plus interest accrued at the interest rate on the bonds to which such special assessments are pledged to the first interest payment date which is more than forty-five (45) days prior to the date of such prepayment. All special assessments are also subject to prepayment in the amounts and at the times set forth in Chapter 170, Florida Statutes; provided, however, that the owner of land subject to the Special Assessments may elect to waive such statutory right of prepayment. That portion of the special assessments representing the "density reduction payment" described in Section 2.6 of the Assessment Methodology Report shall become due and payable upon filing of the plat giving rise to such "density reduction payment".

SECTION 8. SEVERABILITY. If any section or part of a section of this resolution be declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 9. CONFLICTS. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

SECTION 10. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

APPROVED AND ADOPTED THIS 7th DAY OF November, 2016.

**NORTHERN RIVERWALK
COMMUNITY DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

Chairman/Vice Chairman

Exhibit "A" – Assessment Methodology

RESOLUTION 2017-04

A RESOLUTION OF NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A FIRST AMENDMENT TO THE TRUST INDENTURE DATED SEPTEMBER 29, 2016 BETWEEN NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE WHICH AMENDMENT EXTENDS THE MATURITY DATE OF THE 2016 NOTE FROM JANUARY 28, 2023 TO _____, 2026; AUTHORIZING CERTAIN OFFICIALS OF NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT AND OTHERS TO TAKE ALL ACTIONS AND EXECUTE ALL DOCUMENTS REQUIRED IN CONNECTION WITH SAID AMENDMENT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on September 29, 2016 Northern Riverwalk Community Development District (the "District") issued its Taxable Refunding Note, Series 2016 (the "2016 Note") which 2016 Note is secured by that certain Trust Indenture dated September 29, 2016 by and between the District and U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, all of the 2016 Note was purchased by Fifth Third Bank (the "Purchaser") and the Purchaser has represented to the District that it continues to be the sole owner of the 2016 Note; and

WHEREAS, the District has requested that the Purchaser agree to extend the maturity date of the 2016 Note from January 28, 2023 to _____, 2026 all for the benefit of the owners, tenants, and other payors directly or indirectly of the Special Assessments as defined in the Indenture; and

WHEREAS, the Purchaser in accordance with the provisions of Section 11.02 the Indenture has agreed to approve such extension; and

WHEREAS, prior to the effectiveness of the Amendment (as defined below), the opinion or opinions required by Section 11.03 of the Indenture will be delivered;

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

SECTION 1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in the Indenture.

SECTION 2. Approval of First Amendment to Indenture and Authorization of Execution and Delivery Thereof. The First Amendment to Trust Indenture (the "Amendment") from the

District to U.S. Bank National Association as trustee amending the maturity date of the 2016 Note as described above is hereby approved in substantially the form set forth as part of **Exhibit "A"** hereto and the Chairman or the Vice Chairman of the Board is hereby authorized and directed to execute and deliver the Amendment on behalf of and in the name of the District and the Secretary or any Assistant Secretary of the Board is hereby authorized to attest such execution, with such additions and deletions therein as may be made and approved by the Chairman or the Vice Chairman executing the same, such execution to be conclusive evidence of such approval.

SECTION 3. Other Actions. The Chairman, the Vice Chairman, the Secretary, any Assistant Secretary of the District and the District Manager (collectively, the "District Officers"), are hereby authorized and directed to take all actions necessary or desirable in connection with the issuance and delivery of the Amendment and the consummation of all transactions in connection therewith.

SECTION 4. Inconsistent Resolutions and Motions. All prior resolutions of the Board inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and, except as so modified, supplemented and amended hereby, shall remain in full force and effect.

SECTION 5. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

SECTION 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

(Signatures on following page)

ADOPTED this 7th day of November, 2016.

**NORTHERN RIVERWALK COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Its: Chairman/Vice Chairman,
Board of Supervisors

[SEAL]
Attest:

By: _____
Its: Secretary

EXHIBIT "A"

FIRST AMENDMENT TO INDENTURE

FIRST AMENDMENT TO TRUST INDENTURE

THIS FIRST AMENDMENT TO TRUST INDENTURE (the "Amendment") dated as of _____, 2016, by and between **NORTHERN RIVERWALK COMMUNITY DEVELOPMENT DISTRICT** (the "Issuer") and **U.S. BANK NATIONAL ASSOCIATION**, as trustee (the "Trustee"), a national banking association, authorized to execute trust powers in the State of Florida.

WHEREAS, to secure its Taxable Refunding Note, Series 2016 (the "2016 Note"), the Issuer entered into a Trust Indenture dated as of September 29, 2016 (the "Indenture") with the Trustee; and

WHEREAS, Section 11.02 of the Indenture provides that it may be amended with the approval of the owners of all 2016 Note Outstanding for any of the reasons set forth therein including amending the maturity date of the 2016 Note.

NOW THEREFORE, in consideration of the premises and the mutual covenants herein set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

W I T N E S S E T H:

SECTION 1. AMENDMENT OF MATURITY DATE OF 2016 NOTE:

"All references in the Indenture to the maturity date of the 2016 Note are hereby amended to _____, 2026."

SECTION 2. The Indenture except as hereby amended is in all respects ratified and confirmed, and this Amendment shall be read, taken and construed as a part of the Indenture, except insofar as modified herein, shall apply and remain in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

SECTION 3. EFFECTIVE DATE: The Amendment shall be effective as of the date first above written.

**NORTHERN RIVERWALK
COMMUNITY DEVELOPMENT
DISTRICT**

By: _____
Chairman, Board of Supervisors

[Official Seal]

Attest:

Secretary to Board of Supervisors

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Vice President



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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October 25, 2016

Board of Supervisors
Northern Riverwalk Community Development District
c/o GMS, LLC
5385 N Nob Hill Road
Sunrise, Florida 33351

We are pleased to confirm our understanding of the services we are to provide Northern Riverwalk Community Development District, Town of Jupiter, Florida ("the District") for the fiscal year ended September 30, 2016. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Northern Riverwalk Community Development District for the fiscal year ended September 30, 2016. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2016 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis
2. Budgetary comparison schedule for the general fund

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of the proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the audit's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that

are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants, if applicable. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$4,100 for the September 30, 2016 audit, respectively, unless there is a change in activity by the District which results in additional audit work or if new Bonds are issued. The District may terminate this agreement upon 60 days written notice, provided the District must still compensate Grau & Associates for all work completed to-date.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Northern Riverwalk Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Northern Riverwalk Community Development District.

By: _____

Title: _____

Date: _____



PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2013 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in cursive script, reading "Rick Reeder", written over a horizontal line.

*Rick Reeder, Chair
AICPA Peer Review Board
2013*

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN
GRAU AND ASSOCIATES AND Northern Riverwalk Community Development
District (CDD)
(DATED _____, 201__)**

Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

**GMS-SF, LLC
5385 N NOB HILL ROAD
SUNRISE, FL 33351
TELEPHONE: 954-721-8681
EMAIL: RHANS@GMSSF.COM**



Auditor: _____

District: _____

Title: President

Title: _____

Date: 10/12/2016

Date: _____