

# Lakewood Ranch Stewardship District

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[www.lakewoodranchstewardship.com](http://www.lakewoodranchstewardship.com)

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**BOARD OF SUPERVISORS  
LAKEWOOD RANCH  
STEWARDSHIP DISTRICT**

**Friday, October 9, 2020 9:00 a.m.  
Schroeder-Manatee Ranch, Inc.  
14400 Covenant Way  
Lakewood Ranch, FL 34202**

For those attending the meeting telephonically, the call-in information for the meeting is as follows:

**Number:** 1-844-621-3956  
**Participant code:** 790 393 986# (New)

## **CONTINUED BOARD OF SUPERVISORS MEETING AGENDA**

### **Call to Order / Roll Call**

- Public Comment Period *[for any members of the public desiring to speak on any proposition before the Board]*

### **Business Matters**

- 1. Consideration of Financing Matters Relative to the Northeast Sector Phase 2B, Series 2020 Bonds**
  - A. Presentation of Supplemental Assessment Report**
  - B. Resolution 2021-05, Supplemental Assessment Resolution**
  - C. Other Matters** *(provided under separate cover)*
- 2. Consideration of Resolution 2021-06, Adopting an Amended Assessment Methodology (Country Club East Series 2020 Refunding Bonds)**
  - **Assessment Methodology Report**

### **Other Business**

- 3. Staff Reports**
  - Manager's Report
  - Attorney's Report
  - Engineer's Report

**Audience Comments**

**Adjournment**



# **LAKWOOD RANCH STEWARDSHIP DISTRICT**

Financing Matters Relative to the Northeast Sector  
Phase 2B, Series 2020 Bonds

# **LAKWOOD RANCH STEWARDSHIP DISTRICT**

Supplemental Assessment Methodology Report



# SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT LAKEWOOD RANCH STEWARDSHIP DISTRICT NORTHEAST SECTOR SERIES 2020 BONDS Phase 2B

October 2020

Prepared for:

Board of Supervisors,  
Lakewood Ranch Stewardship District

Prepared on October 8, 2020

PFM Financial Advisors LLC  
12051 Corporate Boulevard  
Orlando, FL 32817



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**SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT  
LAKEWOOD RANCH STEWARDSHIP DISTRICT  
NORTHEAST SECTOR SERIES 2020 BONDS PHASE 2B**

October 8, 2020

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**1.0 Introduction**

**1.1 Background**

The Lakewood Ranch Stewardship District (“District”) was created on June 17, 2005. The District encompasses approximately 25,605 acres in Manatee and Sarasota Counties. The District initiated its capital improvement plan (“CIP” or the “Northeast Sector Project”) for the Northeast Sector which encompasses +/- 3,853 gross acres planned for approximately 7,831 residential units, 85 acres of commercial space, a public high school, and a K-8 public school (the “Northeast Sector”). Table 1 and the Lakewood Ranch Stewardship District Master Engineer’s Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements of August 4, 2017 as updated from time to time, (the “District Engineer’s Report”) provided by Stantec (“District Engineer”) provides a description of the area and a location map.

The District approved its Master Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector dated September 8, 2017 (“Master Methodology”) describing the methodology to allocate the debt over the approximately 3,853 gross acres in the Northeast Sector, less the 226 acres planned for school sites, water supply lakes and a park, leaving a net of 3,627 gross acres that will receive a special benefit from the proposed CIP to be installed in the Northeast Sector (“Properties”). In addition, the District approved the Series 2017 Note from Florida Community Bank (“FCB 2017 Note”) followed by the District’s Series 2018 Phase 1A Bonds, Series 2018 Phase 1B Bonds and Series 2019 Phase 2A to fund the initial phases of the CIP.

This report describes the proposed sale of the District’s Series 2020 Phase 2B Bonds in the amount of \$17,755,000 to pay off the existing FCB 2017 Note in the amount of \$15,164,858 and fund \$2,590,044 in capital improvements to support development of Parcel H and Parcel I comprising a total of 898 acres planned for 1,500 single-family units.

For ease of exposition and to provide context the updated development plan for the Northeast Sector is shown in Table 1. The update reflects small variations in the unit counts compared to the initial estimates as various parcels are platted and sold to third parties. The total expected unit count has not changed from the original.



**Table 1: Projected Land Use Plan – NE Sector**

Parcel	Gross Acres	Land Use	Volume*
Parcel A1 - Taylor Morrison	711	SF	1,340
Parcel A2 - Taylor Morrison	281	SF	410
Parcel B - Lennar	545	SF/MF	1,374
Parcel E - D.R. Horton	278	SF	675
Parcel F - Kolter	250	SF/MF	648
Parcel C	20	Apartments	200
Parcel D - Pulte	229	SF	472
Parcel G	260	SF	512
Parcel H - Forestar	379	SF	800
Parcel I - Forestar	519	SF	700
Parcel J	70	Apartments	700
Parcel K*	48	SF	
Parcel L*	58	SF	
Parcel 1 - south of SR 64	20	Commercial	
Parcel 2 - east of Lorraine Rd	20	Commercial	
Parcel 3 - west of Uihlein Rd	15	Commercial	
Parcel 4 - north of SR 70	20	Commercial	
Parcel 5 - south of SR 64	10	Commercial	
High School	80		
K-8 School	40		
	=====		=====
Total	3,853		7,831
Net (parcels K & L and school sites)	3,627		

Source: The Landowner \*estimated

- Parcels K and L have been repurposed for additional acreage relating to the high school site and water supply lakes and parks.

As noted above, the proposed development program for the Northeast Sector's +/- 3,853 gross acres include: 7,831 residential units of various types, 85 acres of commercial space, a public high school, and a K-8 public school. The Landowner sold the following parcels: Taylor Morrison for Parcel A1/A2, Lennar for Parcel B, Pulte for Parcel D, Kolter for Parcel E, and Solera Landco, LLC, the bank financing entity for D.R. Horton, for Parcel F (collectively, the "Sold Properties"). In addition, the Landowner has entered into a purchase and sale contract with Forestar to purchase Parcel H and Parcel I. These landowners, along with others, will develop the Northeast Sector over time based on market conditions.

## 2.0 Assessment Methodology

### 2.1 Overview

As described in the Master Methodology, the assessment methodology is a process by which the District will allocate the costs associated with its improvement program to properties in the Northeast Sector area of the District benefiting from the improvements. The allocation is based upon the benefits that each property receives. At the outset, the District has based its CIP on the projected land uses the Landowner currently plans for the Northeast Sector portion of the District as outlined in Table 1.



## 2.2 The District's Capital Improvement Plan for the Assessment Areas and the District Engineer's Estimate of Cost

Based upon the projected land use plan for the Northeast Sector created by the Landowner summarized in Table 1, the District Engineer has developed the CIP for the Northeast Sector. These cost estimates are summarized in Table 2 below. The Engineer estimates a total project cost of \$84,680,481. The CIP estimate excludes financing costs and interest expenses.

**Table 2: District Engineer's Estimated Costs for  
The District's Capital Improvement Program for the Northeast Sector**

Project	2018-19	2020-21	Total
Uilein	\$20,925,060		\$20,925,060
44th Avenue	\$21,993,195		\$21,993,195
Rangeland		\$21,070,125	\$21,070,125
Bourneside		\$14,142,010	\$14,142,010
Post Road		\$3,686,500	\$3,686,500
Contingency and Professional Fees	\$1,502,139	\$1,361,452	\$2,863,591
	=====	=====	=====
<b>Total</b>	<b>\$44,420,394</b>	<b>\$40,260,087</b>	<b>\$84,680,481</b>

Source: Stantec (August 4, 2017, as updated from time to time), "Lakewood Ranch Stewardship District Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements"

Based on the District Engineer's estimated cost for the Northeast Sector, the Financial Advisor has designed a financing program to provide the construction funds needed for the CIP. Table 3 provides a summary of the financing program needed to fund this project in the Northeast Sector. Bonds or other indebtedness (collectively, "Bonds") totaling approximately \$98,300,000 are needed to fund the CIP.

**Table 3: Estimated Size of the Bonds for the Northeast Sector**

Category	Series 2018	Series 2019	Future Bond Issues	Total
Construction Fund	\$43,980,394	\$5,051,841	\$35,648,246	\$84,680,481
Debt Service Reserve	\$2,808,789	\$161,868	\$2,385,385	\$5,356,041
Capitalized Interest	\$3,093,000	\$103,722	\$2,701,278	\$5,898,000
Cost of Issuance	\$200,000	\$137,750	\$62,250	\$400,000
Underwriter's Discount	\$1,031,000	\$111,700	\$823,300	\$1,966,000
Rounding - OID	(\$3,182)	\$18,119	(\$15,459)	(\$522)
	=====	=====	=====	=====
<b>Total</b>	<b>\$51,110,000</b>	<b>\$5,585,000</b>	<b>\$41,604,999</b>	<b>\$98,300,000</b>

Source: PFM Financial Advisors LLC



### 2.3 Allocation to Benefiting Properties – The Master Methodology

The Master Assessment Report allocated \$98,300,000 over the Properties. The Properties consist of the 3,853 gross acres in the Northeast Sector less the 226 acres identified for the school sites and water supply lakes and park which are not assessed leaving a net of 3,627 gross acres of the Properties. Therefore, the cost per gross acre of Properties in the Northeast Sector is \$27,102 on a debt financed basis.

When Properties are sold by the Landowner to new landowners along with the entitlements, the debt per gross acre on new landowner’s Property will be refined to reflect the allocation of the entitlements conveyed using the equivalent residential unit (“ERU”) methodology described in the Master Assessment Report. The ERU uses a standard single-family residential unit as the basis for measurement, and it is assigned 1 ERU. All other land uses are assigned an ERU in relationship to the single-family home. Table 4 presents the ERU methodology approved by the District for Properties in the Northeast Sector.

**Table 4. Allocation of the Cost of the CIP as Funded to The Properties in the Northeast Sector**

Land Use	Par Debt	Par Debt/Unit	Debt Service
Single-family standard	\$78,313,394	\$11,837	\$859.94
Single-family age restricted	\$7,020,507	\$10,653	\$773.95
Apartments	\$6,391,964	\$7,102	\$515.97
Commercial (square feet of building)	\$6,574,135	\$12	\$0.86
	=====		
Total	\$98,300,000		

Source: PFM Financial Advisors LLC

### 2.4 True-Up Mechanism

The true up mechanism provides a critical safeguard in the assessment process preventing a buildup of debt on undeveloped property. The mechanism has two parts: (1) establishment of the Ceiling Amount and (2) application of the test to assure the Ceiling is not exceeded. The Ceiling Amount is established by dividing: (a) the debt that is not allocated to platted properties in the Properties by (b) the number of unplatted acres in the Properties.

To date the District has sold \$56,695,000 in bonds as shown in Table 5. The Landowner has sold 2,294 acres of land to Taylor Morrison, Lennar, Pulte, Solera Landco, LLC (bank financing entity for D.R. Horton) and Kolter. The Sold Property has been allocated all \$56,695,000 based on the assessment methodology. Therefore, there is \$0 bond debt on the unsold property in the Northeast Sector at this time.





Table 5. Northeast Sector Bonds and Parcels Sold

Category	Amounts
Series 2018 Phase 1A Bonds	\$14,925,000
Series 2018 Phase 1B Bonds	\$36,185,000
Series 2019 Phase 2A Bonds	\$5,585,000
	=====
Total Bonds Sold	\$56,695,000*
Parcels Sold	Acres Sold
Parcel A1 – Taylor Morrison	711
Parcel A2 –Taylor Morrison	281
Parcel B – Lennar	545
Parcel D - Pulte	229
Parcel E – Solera Landco, LLC	278
Parcel F – Kolter	250
	=====
Total Sold	2,294

Source: PFM Financial Advisors LLC

\*The District previously issued its Series 2017 Note, a revolving line of credit, to fund the initial portions of the CIP, however outstanding amounts under the Series 2017 Note will be repaid with the proceeds of the Series 2020 Phase 2B Bonds. As a result, the outstanding balance of the Series 2017 Note concurrent with the issuance of the Series 2020 Phase 2B Bonds will be \$0.

The District's \$17,755,000 in Series 2020 Phase 2B Bonds is described below. According to the Master Methodology, this debt would initially be allocated on all of the remaining unsold acreage in the Northeast Sector less the lands planned for the schools ("Remaining Assessable Acreage"). As Table 6 shows, the remaining unsold acreage, net of the school sites, totals 1,333.



**Table 6. Total Debt Service Allocations for the Series 2020 Bonds**

Parcels Unsold	Acreage
Parcel C	20
Parcel G	260
Parcel H	379
Parcel I	519
Parcel J	70
Parcel K	48
Parcel L	58
Parcel 1 - south of SR 64	20
Parcel 2 - east of Lorraine Rd	20
Parcel 3 - west of Uihlein Rd	15
Parcel 4 - north of SR 70	20
Parcel 5 - south of SR 64	10
High School	80
K-8 School	40
	=====
Total	1,559
Less - School Parcels & Parcels K and L	226
	=====
<b>Unsold Acreage</b>	<b>1,333</b>

Source: District Engineer & PFM Financial Advisors LLC

Assuming that the District sells its Series 2020 Phase 2B Bonds in the amount of \$17,755,000 the Ceiling Amount would be set at \$13,320 as follows:

$$\$17,755,000 \text{ Series 2020 Phase 2B Bonds} / 1,333 \text{ remaining unplatted acres} = \$13,320$$

The second part of the process is the application of the test to assure that a plat does not cause the debt on the remaining unplatted acres to exceed the Ceiling Amount. The test is conducted at the platting thresholds of 25%, 50%, 75% and 90% based on gross acreage. Table 7 displays the timing for these tests. At each threshold the District would calculate the remaining unallocated debt per unplatted acre. If the remaining debt per unplatted acre is below the Ceiling Amount, then no further action is needed. However, if the remaining debt were to be above the Ceiling Amount, then the Landowner would be obligated to make a True Up payment to bring the debt per unplatted acre down below the Ceiling Amount.

**Table 7. Stage of Development of Phase 2B –  
Remaining Assessable Acreage for True-Up Test**

Category	25%	50%	75%	90%
Cumulative Acres	333	667	1,000	1,200
Unallocated Acres	1,000	667	333	133

Source: PFM Financial Advisors LLC



### 3.0 Series 2020 Phase 2B Bonds

#### 3.1 Financing Plan

Table 8 presents the sizing for the Series 2020 Phase 2B Bonds based on information from the District's Underwriter.

**Table 8. Sizing for the Series 2020 Phase 2B Bonds**

Sources:	
Bond Proceeds:	
Par Amount	\$17,755,000.00
Net Premium	\$28,962.80
	\$17,783,962.80
Other Sources of Funds:	
2017 Note Reserve Funds	\$1,364,948.04
TOTAL	\$19,148,910.84
Uses:	
Project Fund Deposits	
2017 Note Principal Account	\$15,014,428.32
2017 Note Interest Account	\$150,429.42
Project Fund	\$2,590,044.08
	\$17,754,901.82
Other Fund Deposits:	
Debt Service Reserve Fund	\$509,753.75
Capitalized Interest	\$358,905.27
	\$868,659.02
Delivery Date Expenses:	
Cost of Issuance	\$170,250.00
Underwriter's Discount	\$355,100.00
	\$525,350.00
TOTAL	\$19,148,910.84
Maximum Annual Debt Service	\$1,019,508
Average Coupon Rate	3.87%

Source: MBS Capital Markets LLC



### 3.2 Master Assessment Allocations for the Series 2020 Phase 2B Bond

As noted above, the District has allocated \$98,300,000 in master assessments on the 3,627 gross acres of the Properties in the Northeast Sector for a maximum debt per gross acre of \$27,102. As sales of the Properties occur and entitlements are conveyed, the allocation of debt per gross acre will be refined to reflect the entitlements conveyed using the ERU methodology summarized in Table 4.

As noted above, the Landowner has entered into a purchase and sale contract with Forestar for Parcel H and Parcel I. Table 9 illustrates the application of the assessment methodology to the pending sale of Parcel H and Parcel I.

**Table 9. Application of the Assessment Methodology to the Phase 2B Lands**

Category	Phase 2B
Land Use	Single-family
Number of Units	1,500
Par Debt/Unit	\$11,837
Total Par Debt Allocated	\$17,755,000
Net Annual Debt Service/Unit	\$680
Total Net Maximum Annual Debt Service	\$1,019,508
Total Gross Annual Debt Service	\$1,096,245
Gross Annual Debt Service/Unit	\$731

Source: PFM Financial Advisors LLC

### 4.0 Tax Roll

As discussed above, the Series 2020 Phase 2B Bonds will initially be levied on an equal per acre basis on the Remaining Assessable Acreage within the Northeast Sector totaling 1,333 acres. The Series 2020 Phase 2B Bonds were sized to correspond with the collection of the Series 2020 Assessments from all 1,500 lots planned within Parcel H and Parcel I of the Northeast Sector currently under contract with Forestar. Upon consummation of the sale of Parcel H and Parcel I, as prescribed by the assessment methodology, the Series 2020 Phase 2B debt assessments will be assigned to Parcel H and Parcel I in its entirety.

While the Series 2020 Phase 2B Bonds will initially be allocated to all Remaining Assessable Acreage within the Northeast Sector, Table 10 reflects the tax roll for the Series 2020 Phase 2B Bonds following the closing on the currently pending contract for Parcel H and Parcel I. The benefitted parcels are identified by parcel numbers at this juncture. When the Property Appraiser assigns tax identification numbers, the District will update the tax roll accordingly. The administrative charges include charges of 2% for the Manatee County Property Tax Assessor, 1% for the Manatee County Property Appraiser, and a 4% collection allowance for early payment of property taxes.



Table 10. Tax Roll

Parcel	Gross Acres	Par Debt	Annual Assessment	Administrative Charges	Total Annual Assessment
Parcel A1 Taylor Morrison	711	\$0	\$0	\$0	\$0
Parcel A2 Taylor Morrison	281	\$0	\$0	\$0	\$0
Parcel B Lennar	545	\$0	\$0	\$0	\$0
Parcel E - D.R. Horton	278	\$0	\$0	\$0	\$0
Parcel F – Kolter	250	\$0	\$0	\$0	\$0
Parcel C	20	\$0	\$0	\$0	\$0
Parcel D - Pulte	229	\$0	\$0	\$0	\$0
Parcel G	260	\$0	\$0	\$0	\$0
Parcel H - Forestar	379	\$7,493,480	\$430,282	\$32,387	\$462,669
Parcel I - Forestar	519	\$10,261,520	\$589,225	\$44,350	\$633,576
Parcel J	70	\$0	\$0	\$0	\$0
Parcel K	48	\$0	\$0	\$0	\$0
Parcel L	58	\$0	\$0	\$0	\$0
Parcel 1 - south of SR 64	20	\$0	\$0	\$0	\$0
Parcel 2 - east of Lorraine Rd	20	\$0	\$0	\$0	\$0
Parcel 3 - west of Uihlein Rd	15	\$0	\$0	\$0	\$0
Parcel 4 - north of SR 70	20	\$0	\$0	\$0	\$0
Parcel 5 - south of SR 64	10	\$0	\$0	\$0	\$0
High School	80	\$0	\$0	\$0	\$0
K-8 School	40	\$0	\$0	\$0	\$0
	=====	=====	=====	=====	=====
Total	3,853	\$17,755,000	\$1,019,508	\$76,737	\$1,096,245

Source: PFM Financial Advisors LLC

**LAKWOOD RANCH  
STEWARDSHIP DISTRICT**

Resolution 2021-05

**RESOLUTION 2021-05**

**A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT'S SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2020 (NORTHEAST SECTOR PROJECT – PHASE 2B); CONFIRMING THE DISTRICT'S PROVISION OF INFRASTRUCTURE IMPROVEMENTS AND ADOPTING AN ENGINEER'S REPORT; CONFIRMING AND ADOPTING A SUPPLEMENTAL ASSESSMENT REPORT; CONFIRMING, ALLOCATING AND AUTHORIZING THE COLLECTION OF SPECIAL ASSESSMENTS SECURING SERIES 2020 BONDS; PROVIDING FOR THE APPLICATION OF TRUE-UP PAYMENTS; PROVIDING FOR THE SUPPLEMENT TO THE IMPROVEMENT LIEN BOOK; PROVIDING FOR THE RECORDING OF A NOTICE OF SERIES 2020 SPECIAL ASSESSMENTS; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Lakewood Ranch Stewardship District (“District”) has previously indicated its intention to undertake, install, establish, construct or acquire certain public infrastructure improvements and to finance such public infrastructure improvements through the imposition of special assessments on benefitted property within the District and the issuance of bonds; and

**WHEREAS**, the District’s Board of Supervisors (“Board”) has previously adopted, after notice and public hearing, Resolution 2017-23, relating to the imposition, levy, collection and enforcement of such special assessments; and

**WHEREAS**, pursuant to and consistent with the terms of Resolution 2017-23, this Resolution shall set forth the terms of bonds actually issued by the District, and apply the adopted special assessment methodology to the actual scope of the project to be completed with a series of bonds and the terms of the bond issue; and

**WHEREAS**, on October 8, 2020, the District entered into a Bond Purchase Contract whereby it agreed to sell its \$17,755,000 Special Assessment Revenue Bonds, Series 2020 (Northeast Sector Project – Phase 2B) (the “Series 2020 Bonds”); and

**WHEREAS**, pursuant to and consistent with Resolution 2017-23, the District desires to set forth the particular terms of the sale of the Series 2020 Bonds and confirm the lien of the special assessments securing the Series 2020 Bonds (the “Series 2020 Assessments”).

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT AS FOLLOWS:**

**SECTION 1. AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of Florida law, including Chapters 170 and 197, Florida Statutes, and Resolution 2017-23.

**SECTION 2. FINDINGS.** The Board of Supervisors of the Lakewood Ranch Stewardship District hereby finds and determines as follows:

(a) On September 8, 2017, the District, after due notice and public hearing, adopted Resolution 2017-23, which, among other things, equalized, approved, confirmed and levied special assessments on property benefitting from the infrastructure improvements authorized by the District. That Resolution provided that as each series of bonds was issued to fund all or any portion of the District's infrastructure improvements, a supplemental resolution would be adopted to set forth the specific terms of the bonds and certifying the amount of the lien of the special assessments securing any portion of the bonds, including interest, costs of issuance, the number of payments due, the True-Up amounts and the application of receipt of True-Up proceeds.

(b) The *Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements*, dated August 4, 2017, and last revised September 16, 2020, attached to this Resolution as **Exhibit A** (the "Engineer's Report"), identifies and describes the presently expected components of the improvements to be financed with the Series 2020 Bonds (the "Improvements"). The District hereby confirms that the Improvements serve a proper, essential and valid public purpose. The Engineer's Report is hereby confirmed. The District ratifies its use in connection with the sale of the Series 2020 Bonds.

(c) The *Supplemental Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector Series 2020 Bonds Phase 2B*, dated October 8, 2020, attached to this Resolution as **Exhibit B** (the "Supplemental Assessment Report"), applies the *Master Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector* dated September 8, 2017 (the "Master Assessment Methodology") to the actual terms of the Series 2020 Bonds. The Supplemental Assessment Report is hereby approved, adopted and confirmed. The District ratifies its use in connection with the sale of the Series 2020 Bonds.

(d) The Improvements will specially benefit all of the developable acreage within the areas comprising the Northeast Sector Project - Phase 2B within the District, as set forth in the Supplemental Assessment Report. It is reasonable, proper, just and right to assess the portion of the costs of the Improvements financed with the Series 2020 Bonds to the specially benefited properties within the District as set forth in Resolution 2017-23 and this Resolution.

**SECTION 3. CONFIRMATION OF MAXIMUM ASSESSMENT LIEN FOR SERIES 2020 BONDS.** As provided in Resolution 2017-23, this Resolution is intended to set



forth the terms of the Series 2020 Bonds and the final amount of the lien of the special assessments securing those bonds.

The Series 2020 Bonds, in a par amount of \$17,755,000 shall bear such rates of interest and maturity as shown on **Exhibit C** attached hereto. The final payment on the Series 2020 Bonds shall be due on May 1, 2021. The sources and uses of funds of the Series 2020 Bonds shall be as set forth in **Exhibit D**. The debt service due on the Series 2020 Bonds is set forth on **Exhibit E** attached hereto. The lien of the special assessments securing the Series 2020 Bonds on all developable land within the areas comprising the Northeast Sector Project – Phase 2B within the District shall be the principal amount due on the Series 2020 Bonds, together with accrued but unpaid interest thereon, and together with the amount by which annual assessments are grossed up to include early payment discounts required by law and costs of collection.

#### **SECTION 4. ALLOCATION OF ASSESSMENTS SECURING SERIES 2020 BONDS.**

(a) The special assessments for the Series 2020 Bonds shall be allocated in accordance with **Exhibit B** which allocation shall initially be on a per acre basis and further allocated as lands are platted. The Supplemental Assessment Report is consistent with the District’s Master Assessment Methodology. The Supplemental Assessment Report, considered herein, reflects the actual terms of the issuance of the District’s Series 2020 Bonds. The estimated costs of collection of the special assessments for the Series 2020 Bonds are as set forth in the Supplemental Assessment Report.

(b) The lien of the special assessments securing the Series 2020 Bonds includes all developable land within the Northeast Sector Project – Phase 2B of the District, and as such land is ultimately defined and set forth in plats or other designations of developable acreage. To the extent land is added to the District, the District may, by supplemental resolution, determine such land to be benefited by the Improvements and reallocate the special assessments securing the Series 2020 Bonds and impose special assessments on the newly added and benefited property.

(c) Taking into account capitalized interest and earnings on certain funds and accounts as set forth in the Master Trust Indenture and Thirty-First Supplemental Trust Indenture, the District shall begin annual collection of special assessments for the Series 2020 Bonds debt service payments using the methods available to it by law. Debt service payments and semi-annual installments of interest are reflected on **Exhibit E**. The Series 2020 Bonds include an amount for capitalized interest through May 1, 2021.

(d) The District hereby certifies the special assessments for collection and directs staff to take all actions necessary to meet the time and other deadlines imposed by Manatee County for collection and other Florida law. The District intends, to the extent possible and subject to entering into the appropriate agreements with the Manatee County Tax Collector and Manatee County Property Appraiser, to collect the Series 2020 Assessments on platted lands using the Uniform Method in Chapter 197, Florida Statutes. The District intends, to the extent possible, to directly bill, collect and enforce the Series 2020 Assessments on unplatted lands. The District

Manager shall prepare or cause to be prepared each year a tax roll for purposes of effecting the collection of the special assessments and present same to the District Board as required by law. The District Manager is further directed and authorized to take all actions necessary to collect any prepayments of debt as and when due and to collect special assessments on unplatted property using methods available to the District authorized by Florida law

**SECTION 5. APPLICATION OF TRUE-UP PAYMENTS.** Pursuant to Resolution 2017-23, there may be required from time to time certain True-Up payments. As lands are platted or approved for development, the special assessments securing the Series 2020 Bonds shall be allocated to the platted lands and the unplatted lands as set forth in Resolution 2017-23, this Resolution, and the Supplemental Assessment Report, including, without limitation, the application of the True-Up process set forth in Section 8 of Resolution 2017-23. Based on the final par amount of \$17,755,000 in Series 2020 Bonds, the True-Up calculations will be made in accordance with the process set forth in the Supplemental Assessment Report. The District shall apply all True-Up payments related to the Series 2020 Bonds only to the credit of the Series 2020 Bonds. All True-Up payments, as well as all other prepayments of assessments, shall be deposited into the accounts specified in the Thirty-First Supplemental Indenture, dated as of October 1, 2020, governing the Series 2020 Bonds.

**SECTION 6. IMPROVEMENT LIEN BOOK.** Immediately following the adoption of this Resolution these special assessments as reflected herein shall be recorded by the Secretary of the Board of the District in the District's Improvement Lien Book. The special assessment or assessments against each respective parcel shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

**SECTION 7. OTHER PROVISIONS REMAIN IN EFFECT.** This Resolution is intended to supplement Resolution 2017-23, which remains in full force and effect. This Resolution and Resolution 2017-23 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

**SECTION 8. ASSESSMENT NOTICE.** The District's Secretary is hereby directed to record a *Notice of Series 2020 Special Assessments (Northeast Sector Project – Phase 2B)* securing the Series 2020 Bonds in the Official Records of Manatee County, Florida, or such other instrument evidencing the actions taken by the District.

**SECTION 9. 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 10. EFFECTIVE DATE.** This Resolution shall become effective upon its adoption.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of October, 2020.

ATTEST:

**BOARD OF SUPERVISORS OF THE  
LAKEWOOD RANCH STEWARDSHIP  
DISTRICT**

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Secretary

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Rex Jensen, Chairman

- Exhibit A:** *Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements*, dated August 4, 2017, as last revised September 16, 2020
- Exhibit B:** *Supplemental Assessment Methodology Report Lakewood Ranch Stewardship District Northeast Sector Series 2020 Bonds Phase 2B*, dated October 8, 2020
- Exhibit C:** Maturities and Coupon of Series 2020 Bonds
- Exhibit D:** Sources and Uses of Funds for Series 2020 Bonds
- Exhibit E:** Annual Debt Service Payment Due on Series 2020 Bonds

**Exhibit A**

**Engineers Report**

**Exhibit B**

**Supplemental Assessment Methodology Report**

## Exhibit C

### Maturities and Coupon of Series 2020 Bonds

Bond Component	Maturity Date	CUSIP	Amount	Rate	Yield	Price
Term Bond due 2025:						
	05/01/2022		365,000	2.500%	2.560%	99.743
	05/01/2023		375,000	2.500%	2.560%	99.743
	05/01/2024		385,000	2.500%	2.560%	99.743
	05/01/2025	51265K EKO	395,000	2.500%	2.560%	99.743
			1,520,000			
Term Bond due 2030:						
	05/01/2026		405,000	3.200%	3.200%	100.000
	05/01/2027		420,000	3.200%	3.200%	100.000
	05/01/2028		435,000	3.200%	3.200%	100.000
	05/01/2029		445,000	3.200%	3.200%	100.000
	05/01/2030	51265K EL8	460,000	3.200%	3.200%	100.000
			2,165,000			
Term Bond due 2040:						
	05/01/2031		475,000	3.750%	3.750%	100.000
	05/01/2032		495,000	3.750%	3.750%	100.000
	05/01/2033		515,000	3.750%	3.750%	100.000
	05/01/2034		535,000	3.750%	3.750%	100.000
	05/01/2035		555,000	3.750%	3.750%	100.000
	05/01/2036		575,000	3.750%	3.750%	100.000
	05/01/2037		600,000	3.750%	3.750%	100.000
	05/01/2038		620,000	3.750%	3.750%	100.000
	05/01/2039		645,000	3.750%	3.750%	100.000
	05/01/2040	51265K EM6	670,000	3.750%	3.750%	100.000
			5,685,000			
Term Bond due 2050:						
	05/01/2041		695,000	4.000%	3.950%	100.392 C
	05/01/2042		725,000	4.000%	3.950%	100.392 C
	05/01/2043		755,000	4.000%	3.950%	100.392 C
	05/01/2044		785,000	4.000%	3.950%	100.392 C
	05/01/2045		815,000	4.000%	3.950%	100.392 C

## Exhibit D

### Sources and Uses of Funds for Series 2020 Bonds

#### SOURCES AND USES OF FUNDS

Lakewood Ranch Stewardship District  
(Manatee County, Florida)  
Special Assessment Revenue Bonds, Series 2020  
(Northeast Sector Project - Phase 2B)  
Pricing Date: October 7, 2020  
FINAL PRICING NUMBERS

Dated Date                    10/14/2020  
Delivery Date                10/14/2020

Sources:

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Bond Proceeds:	
Par Amount	17,755,000.00
Net Premium	28,962.80
	<hr/> 17,783,962.80
Other Sources of Funds:	
2017 Note Reserve Funds	1,364,948.04
	<hr/> 19,148,910.84

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Uses:

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Project Fund Deposits:	
2017 Note Principal Account	15,014,428.32
2017 Note Interest Account	150,429.42
Project Fund	2,590,044.08
	<hr/> 17,754,901.82
Other Fund Deposits:	
Debt Service Reserve Fund @ 50% of MADS	509,753.75
Capitalized Interest Fund thru 5/1/2021	358,905.27
	<hr/> 868,659.02
Delivery Date Expenses:	
Cost of Issuance	170,250.00
Underwriter's Discount	355,100.00
	<hr/> 525,350.00
	<hr/> 19,148,910.84

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**Exhibit E**  
**Annual Debt Service Payment Due on Series 2020 Bonds**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
10/14/2020						17,755,000	17,755,000
05/01/2021			358,905.27	358,905.27		17,755,000	17,755,000
11/01/2021			327,933.75	327,933.75	686,839.02	17,755,000	17,755,000
05/01/2022	365,000	2.500%	327,933.75	692,933.75		17,390,000	17,390,000
11/01/2022			323,371.25	323,371.25	1,016,305.00	17,390,000	17,390,000
05/01/2023	375,000	2.500%	323,371.25	698,371.25		17,015,000	17,015,000
11/01/2023			318,683.75	318,683.75	1,017,055.00	17,015,000	17,015,000
05/01/2024	385,000	2.500%	318,683.75	703,683.75		16,630,000	16,630,000
11/01/2024			313,871.25	313,871.25	1,017,555.00	16,630,000	16,630,000
05/01/2025	395,000	2.500%	313,871.25	708,871.25		16,235,000	16,235,000
11/01/2025			308,933.75	308,933.75	1,017,805.00	16,235,000	16,235,000
05/01/2026	405,000	3.200%	308,933.75	713,933.75		15,830,000	15,830,000
11/01/2026			302,453.75	302,453.75	1,016,387.50	15,830,000	15,830,000
05/01/2027	420,000	3.200%	302,453.75	722,453.75		15,410,000	15,410,000
11/01/2027			295,733.75	295,733.75	1,018,187.50	15,410,000	15,410,000
05/01/2028	435,000	3.200%	295,733.75	730,733.75		14,975,000	14,975,000
11/01/2028			288,773.75	288,773.75	1,019,507.50	14,975,000	14,975,000
05/01/2029	445,000	3.200%	288,773.75	733,773.75		14,530,000	14,530,000
11/01/2029			281,653.75	281,653.75	1,015,427.50	14,530,000	14,530,000
05/01/2030	460,000	3.200%	281,653.75	741,653.75		14,070,000	14,070,000
11/01/2030			274,293.75	274,293.75	1,015,947.50	14,070,000	14,070,000
05/01/2031	475,000	3.750%	274,293.75	749,293.75		13,595,000	13,595,000
11/01/2031			265,387.50	265,387.50	1,014,681.25	13,595,000	13,595,000
05/01/2032	495,000	3.750%	265,387.50	760,387.50		13,100,000	13,100,000
11/01/2032			256,106.25	256,106.25	1,016,493.75	13,100,000	13,100,000
05/01/2033	515,000	3.750%	256,106.25	771,106.25		12,585,000	12,585,000
11/01/2033			246,450.00	246,450.00	1,017,556.25	12,585,000	12,585,000
05/01/2034	535,000	3.750%	246,450.00	781,450.00		12,050,000	12,050,000
11/01/2034			236,418.75	236,418.75	1,017,868.75	12,050,000	12,050,000
05/01/2035	555,000	3.750%	236,418.75	791,418.75		11,495,000	11,495,000
11/01/2035			226,012.50	226,012.50	1,017,431.25	11,495,000	11,495,000
05/01/2036	575,000	3.750%	226,012.50	801,012.50		10,920,000	10,920,000
11/01/2036			215,231.25	215,231.25	1,016,243.75	10,920,000	10,920,000
05/01/2037	600,000	3.750%	215,231.25	815,231.25		10,320,000	10,320,000
11/01/2037			203,981.25	203,981.25	1,019,212.50	10,320,000	10,320,000
05/01/2038	620,000	3.750%	203,981.25	823,981.25		9,700,000	9,700,000
11/01/2038			192,356.25	192,356.25	1,016,337.50	9,700,000	9,700,000
05/01/2039	645,000	3.750%	192,356.25	837,356.25		9,055,000	9,055,000
11/01/2039			180,262.50	180,262.50	1,017,618.75	9,055,000	9,055,000
05/01/2040	670,000	3.750%	180,262.50	850,262.50		8,385,000	8,385,000
11/01/2040			167,700.00	167,700.00	1,017,962.50	8,385,000	8,385,000
05/01/2041	695,000	4.000%	167,700.00	862,700.00		7,690,000	7,690,000
11/01/2041			153,800.00	153,800.00	1,016,500.00	7,690,000	7,690,000
05/01/2042	725,000	4.000%	153,800.00	878,800.00		6,965,000	6,965,000
11/01/2042			139,300.00	139,300.00	1,018,100.00	6,965,000	6,965,000
05/01/2043	755,000	4.000%	139,300.00	894,300.00		6,210,000	6,210,000
11/01/2043			124,200.00	124,200.00	1,018,500.00	6,210,000	6,210,000
05/01/2044	785,000	4.000%	124,200.00	909,200.00		5,425,000	5,425,000
11/01/2044			108,500.00	108,500.00	1,017,700.00	5,425,000	5,425,000
05/01/2045	815,000	4.000%	108,500.00	923,500.00		4,610,000	4,610,000
11/01/2045			92,200.00	92,200.00	1,015,700.00	4,610,000	4,610,000



Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
05/01/2046	850,000	4.000%	92,200.00	942,200.00		3,760,000	3,760,000
11/01/2046			75,200.00	75,200.00	1,017,400.00	3,760,000	3,760,000
05/01/2047	885,000	4.000%	75,200.00	960,200.00		2,875,000	2,875,000
11/01/2047			57,500.00	57,500.00	1,017,700.00	2,875,000	2,875,000
05/01/2048	920,000	4.000%	57,500.00	977,500.00		1,955,000	1,955,000
11/01/2048			39,100.00	39,100.00	1,016,600.00	1,955,000	1,955,000
05/01/2049	960,000	4.000%	39,100.00	999,100.00		995,000	995,000
11/01/2049			19,900.00	19,900.00	1,019,000.00	995,000	995,000
05/01/2050	995,000	4.000%	19,900.00	1,014,900.00			
11/01/2050					1,014,900.00		
	17,755,000		12,429,522.77	30,184,522.77	30,184,522.77		

# **LAKWOOD RANCH STEWARDSHIP DISTRICT**

Other Matters

*(provided under separate cover)*

**LAKWOOD RANCH  
STEWARDSHIP DISTRICT**

Resolution 2021-06

**RESOLUTION 2021-06**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT ADOPTING AN AMENDED ASSESSMENT METHODOLOGY REPORT; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the Lakewood Ranch Stewardship District (the “District”) is a local unit of special-purpose government organized and existing in accordance with Chapter 2005-338, Laws of Florida, as amended (the “Act”); and

**WHEREAS**, the District was created for the purpose of delivering certain community development services and facilities that have been further described in the District’s Improvement Plan, and to finance such improvements through the issuance of bonds and notes, which bonds and notes will be repaid by the imposition of special assessments on benefitted property within the District and any additional revenue sources permitted by Florida law; and

**WHEREAS**, the District previously issued its \$19,195,00 Special Assessment Revenue Refunding Bonds, Series 2020 (Country Club East Project) (the “Series 2020 Bonds”) to redeem the outstanding Series 2006 Bonds for the Country Club East within the District; and

**WHEREAS**, in accordance with the issuance of the Series 2020 Bonds, the District adopted the *Assessment Methodology Report Lakewood Ranch Stewardship District, Country Club East Series 2020 Refunding Bonds*, dated June 2020, (the “Assessment Report”) which describes the method of allocating the District’s debt to properties based upon the benefits each receives from the capital improvement plan for the Project and includes the assessment roll; and

**WHEREAS**, subsequent to the issuance of the Series 2020 Bonds, it was discovered that a prepaid unit was inadvertently included as part of the issuance and in the assessment roll; and

**WHEREAS**, the Assessment Report has been corrected to reflect the removal of that unit, the net result is an average increase of 0.05% to principal and annual assessments to the remaining units, which is an average increase of \$11.85 in principal, as reflected in Table 7 of the Assessment Report, as well as to the assessment roll; and

**WHEREAS**, the District desires to adopt the *Assessment Methodology Report Lakewood Ranch Stewardship District, Country Club East Series 2020 Refunding Bonds*, as revised on September 28, 2020, attached hereto and incorporated herein by reference as **Exhibit A**.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT:**

**SECTION 1.** The recitals as stated above are true and correct and by this reference are incorporated into and form a material part of this Resolution.

**SECTION 2.** The Board hereby adopts the District's *Assessment Methodology Report Lakewood Ranch Stewardship District, Country Club East Series 2020 Refunding Bonds*, dated June 24, 2020 and revised on September 28, 2020, attached hereto and incorporated by reference herein as **Exhibit A**.

**SECTION 3.** This Resolution is intended to supplement Resolution 2020-29, which remain in full force and effect. This Resolution and Resolution 2020-29 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

**SECTION 5.** 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 6.** This Resolution shall become effective upon its adoption.

**PASSED AND ADOPTED** this 9<sup>th</sup> day of October, 2020.

ATTEST:

**LAKWOOD RANCH STEWARDSHIP DISTRICT**

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Rex Jensen, Chairman

**Exhibit A:** *Assessment Methodology Report Lakewood Ranch Stewardship District, Country Club East Series 2020 Refunding Bonds*, dated June 24, 2020 and revised on September 28, 2020



# ASSESSMENT METHODOLOGY REPORT LAKEWOOD RANCH STEWARDSHIP DISTRICT, COUNTRY CLUB EAST SERIES 2020 REFUNDING BONDS

June 2020

Prepared for:

Board of Supervisors,  
Lakewood Ranch Stewardship District

Prepared on June 24, 2020 [\(Revised on September 28, 2020\)](#)

**PFM Financial Advisors LLC**  
12051 Corporate Boulevard  
Orlando, FL 32817



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**ASSESSMENT METHODOLOGY REPORT  
LAKEWOOD RANCH STEWARDSHIP DISTRICT, COUNTRY CLUB EAST  
SERIES 2020 REFUNDING BONDS**

June 24, 2020 (Revised on September 28, 2020)

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**1.0 Introduction**

**1.1 Purpose**

This Assessment Methodology Report Lakewood Ranch Stewardship District, Country Club East Series 2020 Refunding Bonds ("Series 2020 Refunding Report") provides a methodology for allocating the assessments securing the repayment of the planned Series 2020 Refunding Bonds ("Bonds" or "Series 2020 Bonds") to be issued by the Lakewood Ranch Stewardship District ("District" or "LRSD"), specifically lands within Country Club East ("CCE"). This Series 2020 Refunding Report applies and operates pursuant to the methodology outlined in the Assessment Methodology Lakewood Ranch Stewardship District "Country Club East" Report, dated May 4, 2006 ("Assessment Report") and the Supplemental Assessment Methodology Lakewood Ranch Stewardship District "Country Club East" dated June 9, 2006 ("Supplemental Report"). CCE issued its Special Assessment Revenue Bonds, Series 2006 ("Series 2006 Bonds") to provide funding for certain infrastructure improvements ("2006 Project") to certain properties located within CCE.

The lands within CCE have undergone substantial development since the time of the issuance of the Series 2006 Bonds. All residential lots have been platted, developed and/or sold within CCE. CCE's development, combined with other more general economic factors provide the District with the opportunity to refund its outstanding Series 2006 Bonds. This Series 2020 Refunding Report outlines the specific bond debt service assessments assigned to remaining assessable properties located within CCE, consistent with the assessment methodology outlined in the Supplemental Report.

The methodology described herein allocates a portion of the cost of refinancing the 2006 Project to all specially benefitted remaining assessable properties within CCE based upon the benefits each property receives from those same improvements and which have been developed during CCE's capital improvement program ("CIP").

This Series 2020 Refunding Report is designed to conform to the requirements of Chapter 170 of the Florida Statutes and Chapter 2005-338, Laws of Florida, as amended with respect to special assessments and is consistent with our understanding of the case law on this subject.



## 1.2 Background

LRSD is an independent special district established pursuant to Chapter 2005-338 Laws of Florida. The District is located in Manatee and Sarasota Counties comprising over 23,000 acres. Schroeder-Manatee Ranch, Inc. ("SMR") is the owner of the majority of the land in the District. SMR established and developed the 851.01 gross acres which comprises CCE.

The Series 2020 Refunding Report addresses the allocation of the costs refinanced with the Series 2020 Bonds proceeds to the remaining assessable properties located within CCE. All such properties receive a special benefit from the District's CIP.

## 1.3 CCE Land Use Plan (2006)

The Supplemental Report allocated the Series 2006 Bonds and associated assessments to units and the golf course on an acreage basis. A summary of the land plan as detailed in the Supplemental Report is found in Table 1. The initial allocation of the Series 2006 Bonds per the Supplemental Report is provided in Table 2, consistent with the Assessment Report.

**Table 1. Land Plan for CCE (2006)**

Category	Volume	Acreage
<u>Residential Development</u>	<u>Lots</u>	
Parcel 502 Condos	242	
Parcel 513 Condos	143	
Parcel 517 Condos	66	
52' x 130'	95	
62' x 130'	84	
76' x 130'	69	
100' x 150'	81	
125' x 190'	36	
140' x 225'	44	
200' x 225'	<u>38</u>	
Total Residential	898	501.82
Golf Course, Recreation, Open Space, etc...		<u>349.19</u>
<b>TOTAL</b>		<b>851.01</b>

Source: Fishkind and Associates, Inc. (Supplemental Assessment Methodology Lakewood Ranch Stewardship District  
"Country Club East", dated June 9, 2006)





**Table 2. Series 2006 Bonds Initial Total Cost Allocation to Benefitting Properties**

<u>Land Use</u>	<u>Units</u>	<u>Total Par</u>	<u>Par Per Unit</u>
Parcel 502 Condos	242	\$8,418,050	\$34,785
Parcel 513 Condos	143	\$4,974,302	\$34,785
Parcel 517 Condos	66	\$2,295,832	\$34,785
52' x 130'	95	\$5,456,547	\$57,437
62' x 130'	84	\$5,802,151	\$69,073
76' x 130'	69	\$4,963,061	\$71,928
100' x 150'	81	\$6,520,016	\$80,494
125' x 190'	36	\$3,769,235	\$104,701
140' x 225'	44	\$5,545,036	\$126,024
200' x 225'	38	\$6,289,239	\$165,506
Golf Course, etc...	10	<u>\$766,530</u>	\$76,653
		\$54,799,999	

Source: Fishkind and Associates, Inc. (Supplemental Assessment Methodology Lakewood Ranch Stewardship District "Country Club East", dated June 9, 2006)

#### 1.4 Requirements of a Valid Assessment Methodology

PFM Financial Advisors LLC ("AC") is providing assessment consulting services to the District. In the AC's experience, there are two primary requirements for special assessments to be valid under Florida law. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two characteristics of valid special assessments are adhered to, Florida law provides some latitude to legislative bodies, such as the District's Board of Supervisors, in approving special assessments. Indeed, Florida courts have found that the mathematical perfection of calculating special benefit is impossible, and, accordingly, a special assessment is valid as long as there is a logical relationship between the services provided and the benefit to real property. A court must give deference to the District's determinations regarding the levy of special assessments, and such special assessments are only invalid if the District's determinations are found to be arbitrary.

#### 1.5 Special Benefits and General Benefits

The infrastructure improvements associated with the 2006 Project created both: (1) special benefits to assessable property within CCE and (2) general benefits to lands located outside CCE. However, as discussed below, these general benefits are incidental in nature and are readily distinguishable from the special benefits which accrue to the assessable property within CCE. The 2006 Project enabled CCE to be developed. Without the 2006 Project, there would be no infrastructure to support development within CCE.



The general public, and property owners outside CCE, benefited from the provision of the 2006 Project. However, these benefits were incidental to the 2006 Project. In the Lakewood Ranch Stewardship District Engineer's Report for Country Club East at Lakewood Ranch (the "Engineer's Report"), the engineering firm WilsonMiller, Inc. (the "District Engineer") identified the CCE area that was developed and benefited from the CIP.

According to the Assessment Report, "In the case of CCE the value of the special benefits provided by the District's improvement program are far greater than the costs associated with providing these same benefits. The District Engineer and Financial Advisor estimate that the cost of the District's capital improvement program, that is necessary to support full development of property within the District, totals \$54,800,000 on a fully financed basis. The Financial Advisor estimates that the net sell out value of the land within the District will exceed \$100,000,000, net of the cost of the raw land, and after the improvements are put in place. It is the District's improvement program, among other things, that makes it possible to develop and sell the land within its boundaries." The AC concurs with the benefit statement above as it pertains to the remaining CCE properties associated with the Series 2020 Bonds.

## 2.0 Assessment Methodology

### 2.1 Overview

The assessment methodology consists of five steps described below. First, the District Engineer estimated the costs for the District improvements needed for the buildout of CCE. Second, the District Engineer determined the acres that benefit from the 2006 Project. Third, the District's bond underwriter and assessment consultant determined the total funding amount (including financing costs) needed to acquire, construct and/or refund the existing 2006 Project. Fourth, this amount was divided equally among the benefited properties in CCE on a net assessable acreage basis. Finally, as land was platted, the debt on each assessable acre in CCE was allocated to each residential unit and the golf course. In this way, all of the debt is equitably allocated across all of the developable property in CCE. Each developable acre in CCE benefited equally from the provision of District infrastructure from its 2006 Project.

As described more fully below, the District is issuing \$19,195,000 in Series 2020 Bonds to refund the outstanding Series 2006 Bonds, to provide for a debt service reserve account and to fund other costs associated with issuing bonds. It is the debt represented by the Series 2020 Bonds that is allocated to assessable properties within CCE that benefit from the improvements refinanced by the District's Series 2020 Bonds and which have not prepaid the Series 2006 Assessments levied on their property.



## 2.2 Capital Improvement Program

Table 1 outlines the land uses, number of planned units and type of residential development program for the land comprising CCE, and also delineates the acreage in CCE subject to District assessments for the Series 2006 Bonds. The Engineer's Report contained estimates of the costs to provide infrastructure to support the development program for the land uses planned for CCE and outlined in Table 1. The District funded some of these costs, while other costs were borne by other entities, as outlined in Table 3 below. The District Engineer estimated that the cost of the 2006 Project was \$43,087,574. Of this amount, the District issued the Series 2006 Bonds in the original principal amount of \$27,215,000 to finance the 2006 Project.

**Table 3. CCE Project Costs**

Infrastructure Cost Estimate	Cost
Roads	\$7,352,954
Utilities	\$8,760,000
Drainage	\$12,771,000
Landscaping	\$7,759,400
Recreation	\$312,000
Other	\$6,132,220
<b>TOTAL</b>	<b>\$43,087,574</b>

Source: Fishkind and Associates, Inc. (Assessment Methodology Lakewood Ranch Stewardship District "Country Club East", dated May 4, 2006)

## 2.3 Remaining 2006 Bonds Allocation

The lands within CCE have undergone substantial development since the time of the issuance of the Series 2006 Bonds. All residential lots have been platted, developed and/or sold within CCE. As part of the process, 12 residential unit owners within CCE have prepaid their respective Series 2006 Bonds debt assessments (see Table 4).

**Table 4. Summary of CCE Prepaid Lots/Units**

<u>Product Type</u>	<u>Initial Lots/Units</u>	<u>Prepays</u>	<u>Current Lots/Units</u>
Single-Family 45'	66	3	63
Single-Family 52'	70	2	68
Single-Family 57'	197	6	191
Single-Family 62'	222		222
Single-Family 76'	133		133
Single-Family 90'	20		20
Single-Family 100'	72	1	71
Single-Family 125'	24		24
Golf Course	1		1
<b>TOTAL</b>	<b>805</b>	<b>12</b>	<b>793</b>



The Series 2020 Bonds will be used to refund the outstanding Series 2006 Bonds. Table 5 summarizes the allocation of the bond debt and annual assessments associated with the remaining outstanding Series 2006 Bonds.

**Table 5. Remaining Series 2006 Bonds Principal and Annual Assessment Allocation**

Product Type	# Units	Series 2006 Debt Outstanding	Series 2006 Par Amount Per Unit	Series 2006 Total Net Revenue	Series 2006 Net Assessment Per Unit	Series 2006 Total Gross Revenue	Series 2006 Gross Assessment Per Unit	% of Total Annual Revenues
Single-Family 45'	63	381,372	6,054	34,840	553	37,463	595	2.0%
<b>Subtotal</b>	<b>63</b>	<b>\$381,372</b>		<b>\$34,840</b>		<b>\$37,463</b>		<b>2.0%</b>
Single-Family 52'	40	634,658	15,866	57,979	1,449	62,343	1,559	3.3%
	26	520,369	20,014	47,538	1,828	51,116	1,966	2.7%
	2	51,969	25,984	4,748	2,374	5,105	2,552	0.3%
<b>Subtotal</b>	<b>68</b>	<b>\$1,206,995</b>		<b>\$110,265</b>		<b>\$118,565</b>		<b>6.3%</b>
Single-Family 57'	1	9,311	9,311	851	851	915	915	0.0%
	103	994,077	9,651	90,814	882	97,649	948	5.2%
	50	1,372,602	27,452	125,394	2,508	134,832	2,697	7.2%
	38	1,131,517	29,777	103,370	2,720	111,150	2,925	5.9%
<b>Subtotal</b>	<b>192</b>	<b>\$3,507,507</b>		<b>\$320,428</b>		<b>\$344,547</b>		<b>18.3%</b>
Single-Family 62'	46	816,947	17,760	74,632	1,622	80,250	1,745	4.3%
	34	810,414	23,836	74,035	2,178	79,608	2,341	4.2%
	41	980,924	23,925	89,612	2,186	96,357	2,350	5.1%
	1	27,111	27,111	2,477	2,477	2,663	2,663	0.1%
	37	1,048,273	28,332	95,765	2,588	102,973	2,783	5.5%
	39	1,133,750	29,071	103,574	2,656	111,370	2,856	5.9%
	24	728,086	30,337	66,514	2,771	71,521	2,980	3.8%
<b>Subtotal</b>	<b>222</b>	<b>\$5,545,505</b>		<b>\$506,610</b>		<b>\$544,742</b>		<b>28.9%</b>
Single-Family 76'	33	686,239	20,795	62,691	1,900	67,410	2,043	3.6%
	8	200,061	25,008	18,277	2,285	19,652	2,457	1.0%
	37	1,171,612	31,665	107,033	2,893	115,089	3,111	6.1%
	14	448,527	32,038	40,975	2,927	44,059	3,147	2.3%
	41	1,396,969	34,072	127,620	3,113	137,226	3,347	7.3%
<b>Subtotal</b>	<b>133</b>	<b>\$3,903,408</b>		<b>\$356,596</b>		<b>\$383,437</b>		<b>20.3%</b>
Single-Family 90'	20	822,749	41,137	75,162	3,758	80,820	4,041	4.3%
<b>Subtotal</b>	<b>20</b>	<b>\$822,749</b>		<b>\$75,162</b>		<b>\$80,820</b>		<b>4.3%</b>
Single-Family 100'	19	533,427	28,075	48,731	2,565	52,399	2,758	2.8%
	22	627,044	28,502	57,284	2,604	61,595	2,800	3.3%
	15	551,236	36,749	50,358	3,357	54,149	3,610	2.9%
	15	617,062	41,137	56,372	3,758	60,615	4,041	3.2%
<b>Subtotal</b>	<b>71</b>	<b>\$2,328,768</b>		<b>\$212,745</b>		<b>\$228,758</b>		<b>12.1%</b>
Single-Family 125'	8	275,677	34,460	25,184	3,148	27,080	3,385	1.4%
	7	255,992	36,570	23,386	3,341	25,146	3,592	1.3%
	9	437,131	48,570	39,934	4,437	42,940	4,771	2.3%
<b>Subtotal</b>	<b>24</b>	<b>\$968,800</b>		<b>\$88,505</b>		<b>\$95,166</b>		<b>5.0%</b>
Golf Course	1	529,895	529,895	48,409	48,409	52,052	52,052	2.8%
<b>Subtotal</b>	<b>1</b>	<b>\$529,895</b>		<b>\$48,409</b>		<b>\$52,052</b>		<b>2.8%</b>
<b>Total</b>	<b>794</b>	<b>\$19,195,000</b>		<b>\$1,753,560</b>		<b>\$1,885,549</b>		<b>100.0%</b>

Source: LRSD CCE District Manager and PFM Financial Advisors LLC

(1) Gross assessments include an allowance for the statutory early-payment discount (4.0%), an allowance for the fees charged by the county property appraiser and tax collector (3.0%), for a grand total gross-up of 7.0%.



## 2.4 Series 2020 Bonds Sizing

As described previously in Section 2.1, the District's Series 2020 Bonds will have a total par value of \$19,195,000. Table 6 presents the details for the Series 2020 Bonds.

**Table 6. Details of the Series 2020 Bonds**

	Series 2020 Bonds
<b>Sources:</b>	
Bond Proceeds	
Par Amount	\$19,195,000.00
Net Premium	<u>\$494,233.45</u>
Subtotal	\$19,689,233.45
Other Sources of Funds:	
Liquidation of Reserve Account	\$863,680.00
Liquidation of Revenue Account	\$638,665.32
Liquidation of Prepayment Account	<u>\$4,694.46</u>
Subtotal	\$1,507,039.78
<b>Total</b>	<b>\$21,196,273.23</b>
<b>Uses:</b>	
Refunding Escrow Deposits	
Cash Deposit	\$19,491,562.75
Other Fund Deposits	
Interest Fund	\$176,707.15
Debt Service Reserve Fund	<u>\$141,142.50</u>
Subtotal	\$317,849.65
Delivery Date Expenses	
Cost of Issuance	\$209,145.28
Underwriter's Discount	\$191,950.00
Bond Insurance	\$103,737.02
Surety	<u>\$18,348.53</u>
Subtotal	\$523,180.83
Other Uses of Funds:	
Deferred Costs Obligation	<u>\$863,680.00</u>
<b>TOTAL</b>	<b>\$21,196,273.23</b>
<hr/>	
<b>MADS Net</b>	<b>\$1,411,425</b>
<b>MADS Gross</b>	<b>\$1,517,661</b>
<b>Avg. Coupon Rate</b>	<b>2.70%</b>

Source: MBS Capital Markets LLC



## 2.5 Series 2020 Bonds Assessment (Debt) Allocation

The assessment methodology allocates debt to specific properties in CCE based upon the benefit that each property received from the portion of the 2006 Project funded by proceeds of the Series 2020 Bonds. The allocation is consistent with the allocation detailed in Table 5. Table 5 illustrates how the allocation methodology is designed to work. These illustrations calculate both the total debt allocated per lot type (shown in Table 5) as well as the assessment amounts allocated to each unit/lot (shown in Table 5).

The Series 2020 Bonds assessment values shown in Table 7 represent the assessment levels to be assigned to each individual unit/lot within CCE. Appendix A contains a detailed assessment roll for CCE. At no point shall the Series 2020 Bonds principal or annual assessments outlined below exceed the levels detailed in Table 5 (which is not in excess of the principal or annual assessments established by the assessment proceedings adopted in connection with the Series 2006 Bonds) without District Board of Supervisors' approval (following the provision of notice to all affected property owners, the holding of a public hearing on the matter, and compliance with all other applicable Florida legal requirements related to increases in non-ad valorem special assessments).

As a result of the refunding of the Series 2006 Bonds with the Series 2020 Bonds, gross annual assessments will be reduced by an estimated 19.5% for each unit/lot owner.

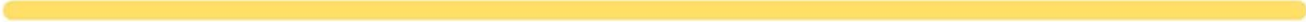


Table 7. Series 2020 Bonds Principal and Annual Assessment Allocation to Benefiting Properties

Product Type	# Units	Series 2020 Debt Outstanding	Series 2020 Par Amount Per Unit	Series 2020 Total Net Revenue	Series 2020 Net Assessment Per Unit	Series 2020 Total Gross Revenue	Series 2020 Gross Assessment Per Unit	Savings
Single-Family 45'	63	381,372	6,054	<del>28,057</del> 28,043	445 445	<del>30,169</del> 30,153	<del>479</del> 479	19.5%
<b>Subtotal</b>	<b>63</b>	<b>\$381,372</b>		<b><del>\$28,057</del> \$28,043</b>	<b>-</b>	<b><del>\$30,169</del> \$30,153</b>	<b>-</b>	
Single-Family 52'	40	634,658	15,866	<del>46,690</del> 46,667	1,167 1,167	<del>50,205</del> 50,180	<del>1,255</del> 1,254	19.5%
	26	520,369	20,014	<del>38,282</del> 38,263	1,472 1,472	<del>41,164</del> 41,143	<del>1,583</del> 1,582	19.5%
	2	51,969	25,984	<del>3,823</del> 3,821	1,912 1,911	<del>4,111</del> 4,109	<del>2,055</del> 2,054	19.5%
<b>Subtotal</b>	<b>68</b>	<b>\$1,206,995</b>		<b><del>\$88,796</del> \$88,751</b>	<b>-</b>	<b><del>\$95,480</del> \$95,432</b>	<b>-</b>	
Single-Family 57'	1	9,311	9,311	<del>685</del> 685	685 685	<del>737</del> 736	<del>737</del> 736	19.5%
	103	994,077	9,651	<del>72,422</del> 73,095	710 710	<del>77,873</del> 78,597	<del>763</del> 763	19.5%
	50	1,372,602	27,452	<del>100,979</del> 100,929	2,020 2,019	<del>108,580</del> 108,525	<del>2,172</del> 2,171	19.5%
	38	1,131,517	29,777	<del>83,243</del> 83,204	2,191 2,190	<del>89,509</del> 89,464	<del>2,355</del> 2,354	19.5%
<b>Subtotal</b>	<b>192</b>	<b>\$3,507,507</b>		<b><del>\$257,330</del> \$257,910</b>	<b>-</b>	<b><del>\$276,698</del> \$277,323</b>	<b>-</b>	
Single-Family 62'	46	816,947	17,760	<del>60,101</del> 60,074	1,307 1,306	<del>64,625</del> 64,592	<del>1,405</del> 1,404	19.5%
	34	810,414	23,836	<del>59,620</del> 59,590	1,754 1,753	<del>64,108</del> 64,076	<del>1,886</del> 1,885	19.5%
	41	980,924	23,925	<del>72,164</del> 72,128	1,760 1,759	<del>77,596</del> 77,557	<del>1,893</del> 1,892	19.5%
	1	27,111	27,111	<del>1,995</del> 1,994	1,995 1,994	<del>2,145</del> 2,144	<del>2,145</del> 2,144	19.5%
	37	1,048,273	28,332	<del>77,119</del> 77,089	2,084 2,083	<del>82,924</del> 82,882	<del>2,241</del> 2,240	19.5%
	39	1,133,750	29,071	<del>83,408</del> 83,366	2,139 2,138	<del>89,686</del> 89,640	<del>2,300</del> 2,298	19.5%
	24	728,086	30,337	<del>53,564</del> 53,537	2,232 2,231	<del>57,595</del> 57,566	<del>2,400</del> 2,399	19.5%
<b>Subtotal</b>	<b>222</b>	<b>\$5,545,505</b>		<b><del>\$407,971</del> \$407,766</b>	<b>-</b>	<b><del>\$438,678</del> \$438,458</b>	<b>-</b>	
Single-Family 76'	33	686,239	20,795	<del>50,485</del> 50,460	1,530 1,529	<del>54,285</del> 54,258	<del>1,645</del> 1,644	19.5%
	8	200,061	25,008	<del>14,718</del> 14,711	1,840 1,839	<del>15,826</del> 15,818	<del>1,978</del> 1,977	19.5%
	37	1,171,612	31,665	<del>86,193</del> 86,150	2,330 2,328	<del>92,681</del> 92,634	<del>2,505</del> 2,504	19.5%
	14	448,527	32,038	<del>32,997</del> 32,981	2,357 2,356	<del>35,481</del> 35,463	<del>2,534</del> 2,533	19.5%
	41	1,396,969	34,072	<del>102,772</del> 102,729	2,507 2,505	<del>110,508</del> 110,452	<del>2,695</del> 2,694	19.5%
<b>Subtotal</b>	<b>133</b>	<b>\$3,903,408</b>		<b><del>\$287,165</del> \$287,021</b>	<b>-</b>	<b><del>\$308,780</del> \$308,625</b>	<b>-</b>	
Single-Family 90'	20	822,749	41,137	<del>60,528</del> 60,497	3,026 3,025	<del>65,084</del> 65,051	<del>3,254</del> 3,253	19.5%
<b>Subtotal</b>	<b>20</b>	<b>\$822,749</b>		<b><del>\$60,528</del> \$60,497</b>	<b>-</b>	<b><del>\$65,084</del> \$65,051</b>	<b>-</b>	
Single-Family 100'	19	533,427	28,075	<del>39,243</del> 39,223	2,065 2,064	<del>42,197</del> 42,176	<del>2,221</del> 2,220	19.5%
	22	627,044	28,502	<del>46,130</del> 46,107	2,097 2,096	<del>49,602</del> 49,577	<del>2,255</del> 2,254	19.5%
	15	551,236	36,749	<del>40,553</del> 40,533	2,704 2,702	<del>43,606</del> 43,584	<del>2,907</del> 2,906	19.5%
	15	617,062	41,137	<del>45,396</del> 45,373	3,026 3,025	<del>48,813</del> 48,788	<del>3,254</del> 3,253	19.5%
<b>Subtotal</b>	<b>71</b>	<b>\$2,328,768</b>		<b><del>\$171,323</del> \$171,236</b>	<b>-</b>	<b><del>\$184,218</del> \$184,125</b>	<b>-</b>	
Single-Family 125'	8	275,677	34,460	<del>20,281</del> 20,274	2,535 2,534	<del>21,807</del> 21,797	<del>2,726</del> 2,725	19.5%
	7	255,992	36,570	<del>18,833</del> 18,823	2,690 2,689	<del>20,250</del> 20,240	<del>2,893</del> 2,891	19.5%
	9	437,131	48,570	<del>32,159</del> 32,143	3,573 3,571	<del>34,579</del> 34,562	<del>3,842</del> 3,840	19.5%
<b>Subtotal</b>	<b>24</b>	<b>\$968,800</b>		<b><del>\$71,273</del> \$71,237</b>	<b>-</b>	<b><del>\$76,637</del> \$76,599</b>	<b>-</b>	
Golf Course	1	529,895	529,895	<del>38,983</del> 38,964	38,983 38,964	<del>41,917</del> 41,896	<del>41,917</del> 41,896	19.5%
<b>Subtotal</b>	<b>1</b>	<b>\$529,895</b>		<b><del>\$38,983</del> \$38,964</b>	<b>-</b>	<b><del>\$41,917</del> \$41,896</b>	<b>-</b>	
<b>Total</b>	<b>794</b>	<b>\$19,195,000</b>		<b>\$1,411,425</b>		<b>\$1,517,661</b>		<b>19.5%</b>

Source: PFM Financial Advisors LLC

(1) Gross assessments include an allowance for the statutory early-payment discount (4.0%), an allowance for the fees charged by the county property appraiser and tax collector (3.0%), for a grand total gross-up of 7.0%.



## Appendix A - CCE Detailed Assessment Roll