RESOLUTION 2017-24

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT'S BOND ANTICIPATION NOTES, SERIES 2017 (NORTHEAST SECTOR PROJECT); 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 2017 NOTE; 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 2017 SPECIAL ASSESSMENTS; PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE

WHEREAS, the Lakewood Ranch Stewardship District (the "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, notes or other indebtedness; and

WHEREAS, the District's Board of Supervisors (the "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 bond anticipation notes 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 notes and the terms of the notes issue; and

WHEREAS, on August 4, 2017, the Board adopted Resolution 2017-21, authorizing the issuance of a secured note by the District to Florida Community Bank, N.A. ("FCB") in an aggregate principal amount not to exceed $50,000,000 for the purpose of funding a portion of the District's Northeast Sector Project; and

WHEREAS, FCB has provided a letter to the District, dated, _____, 2017, setting forth its agreement to issue a secured note to the District in an aggregate principal amount not exceeding $45,000,000 for the purpose of funding a portion of the construction and/or acquisition of the District's Northeast Sector Project, and the terms and conditions thereof, a copy of which letter is attached hereto as **Exhibit A**; and

WHEREAS, pursuant to and consistent with Resolution 2017-23, the District desires to set forth the particular terms of the sale of its not-to-exceed $45,000,000 Bond Anticipation Note, Series 2017 (Northeast Sector Project) (the "2017 Note") and confirm the lien of the special assessments securing the 2017 Note (the "2017 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 or other financial instrument 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 or other financial instrument and certifying the amount of the lien of the special assessments securing any portion of the bonds or financial instrument, 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, attached to this Resolution as **Exhibit B** (the "Engineer's Report"), identifies and describes the presently expected components of the improvements to be partially financed with the 2017 Note (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 2017 Note.

(c) The *Supplemental Assessment Methodology Report Northeast Sector*, dated September 8, 2017, attached to this Resolution as **Exhibit C** (the "Supplemental Assessment Report"), applies the *Master Assessment Methodology Report Northeast Sector*, dated September 8, 2017 (the "Master Assessment Methodology") to the actual terms of the 2017 Note. The Supplemental Assessment Report is hereby approved, adopted and confirmed. The District ratifies its use in connection with the sale of the 2017 Note.

(d) The Improvements will specially benefit all of the gross acreage within the area comprising the Northeast Sector Project with the exception of 120 acres planned for school sites, 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 2017 Note to the specially benefited properties within the District as set forth in Resolution 2017-23, the Supplemental Assessment Methodology, and this Resolution.

SECTION 3. CONFIRMATION OF ASSESSMENT LIEN FOR 2017 NOTE; TERMS OF THE 2017 NOTE.

(a) As provided in Resolution 2017-23, this Resolution is intended to set forth the terms of the 2017 Note and the final amount of the lien of the special assessments securing those notes. The 2017 Note, a draw-down note in a principal amount not exceeding $45,000,000, shall bear a 4% rate of interest which shall be due on each May 1 and November 1, commencing on November 1, 2017. The term of the 2017 Note shall be through September 8, 2022 at which point the principal amount shall repaid. Notwithstanding the foregoing, and as set forth in the Term Sheet, the following additional interest rates may apply to the 2017 Note:

(i) In the event of a Monetary Default (as defined in the Term Sheet), the default rate of interest shall be the lesser of 5 percentage points over the Bank's Prime Rate of interest or the maximum legal rate at the time of the Monetary Default. The default rate of interest shall only apply for interest during the period between when the Monetary Default occurs (beginning ten (10) calendar days after the occurrence of the Monetary Default and no cure by the District) and when it is cured by the District.

(ii) In the event the interest on the 2017 Note becomes subject to federal income tax in any period, the interest rate will convert to the taxable rate during that period. The taxable rate will be calculated by dividing the current tax-exempt rate by 1 minus the maximum federal corporate income tax rate applicable to FCB. In addition, the District shall make FCB whole for any interest, penalties, and additions to tax suffered by FCB.

(iii) In the event the Maximum Federal Corporate Tax Rate imposed on corporations pursuant to Section 11(b) of the Internal Revenue Code of 1986, as amended, is decreased from the current rate of 35%, the interest rate on the 2017 Note will increase to such rate as will provide the same tax equivalent yield to FCB. This rate will be capped at 5.23%.

(b) The 2017 Note will be secured by the 2017 Assessments which are levied and imposed on all benefitted, assessable land within the area comprising the Northeast Sector Project, and shall equal the principal amount due on the 2017 Note, 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, if applicable. Assessed properties will be released from the lien of the 2017 Assessments at the time and in the manner set forth in the Supplemental Assessment Report.

SECTION 4. ALLOCATION OF ASSESSMENTS SECURING 2017 NOTE.

(a) The special assessments for the 2017 Note shall be allocated in accordance with **Exhibit C** 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 2017 Note. The estimated costs of collection of the special assessments for the 2017 Note are as set forth in the Supplemental Assessment Report.

(b) The lien of the special assessments securing the 2017 Note includes all benefitted, assessable lands within the Northeast Sector Project 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 2017 Note and impose special assessments on the newly added and benefited property.

(c) 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 shall collect the 2017 Assessments on platted lands using the Uniform Method in Chapter 197, Florida Statutes, and shall directly collect the 2017 Assessments on unplatted lands. If the District is not able to utilize the Uniform Collection Method for platted lots, the District may, with the written consent of the Bank, collect the 2017 Assessments using an alternative method; provided, however, that if the Uniform Collection Method is not legally available to the District due to reasons outside of the District's control, such consent shall not be required in order for the District to utilize a different collection method for the platted lots. In addition, the District is not required to use the Uniform Collection Method when the property is owned by a government or includes structures owned by a government. 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.

(d) 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 2017 Note 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 principal amount of not exceeding $45,000,000 in 2017 Note, the True-Up calculations will be made in accordance with the process set forth in the Master Assessment Report. The District shall apply all True-Up payments related to the 2017 Note only to the credit of the 2017 Note. All True-Up payments, as well as all other prepayments of assessments, shall be deposited into

the accounts specified in the Sixteenth Supplemental Indenture, dated as of September 1, 2017, governing the 2017 Note.

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 2017 Special Assessments Northeast Sector Project (Bond Anticipation Note, Series 2017)* securing the 2017 Note 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 8th day of September, 2017.

ATTEST:

BOARD OF SUPERVISORS OF THE LAKEWOOD RANCH STEWARDSHIP DISTRICT

Secretary

Rex Jensen, Chairman

Exhibit A: *Term Sheet*, dated September 6, 2017

Exhibit B: *Master Engineer's Report for Northeast Sector at Lakewood Ranch Infrastructure Improvements*, dated August 4, 2017

Exhibit C: *Supplemental Assessment Methodology Report Northeast Sector Project Area*, September 8, 2017