

JPWard and Associates, LLC

**ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT**

REGULAR MEETING

AGENDA

November 14, 2018



James P. Ward
District Manager
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Oakland Park, FL. 33334

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Prepared by:
JPWard and Associates, LLC
TOTAL Commitment to Excellence

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

November 7, 2018

Board of Supervisors
Artisan Lakes Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Artisan Lakes Community Development District will be held on **Wednesday, November 14, 2018 at 3:30 P.M.**, at the **Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221**. The agenda is as follows:

1. Call to Order & Roll Call
2. Consideration of Minutes
 - I. October 10, 2018 Regular Meeting
3. Consideration of Resolution 2019-9 setting for the specific terms of the district's capital improvement revenue bond, Series 2018.
4. Staff Reports
 - I. Attorney
 - II. Engineer
 - III. Manager
5. Audience Comments and Supervisor's Requests
5. Adjournment

The second order of business is the consideration of the minutes of the October 10, 2018 meeting.

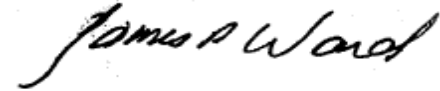
The third order of business is the consideration of Resolution 2019-9 setting for the specific terms of the district's capital improvement revenue bond, Series 2018.

Artisan Lakes Community Development District

The remainder of the Agenda is standard in nature, and in the meantime, if you have any questions or comments; please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,

Artisan Lakes Community Development District



James P. Ward
District Manager

Enclosures

**MINUTES OF MEETING
ARTINSAN LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Artisan Lakes Community Development District was held on Wednesday, October 10, 2018 at 3:30 P.M., at the Artisan Lakes Clubhouse, 4725 Los Robles Court, Palmetto, Florida 34221.

Present and constituting a quorum:

Michael Bachman	Chairman
Tracy Briones	Vice Chairperson
Scott Himelhoch	Assistant Secretary
Travis Stagnita	Assistant Secretary

Absent:

JD Humpherys	Assistant Secretary
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Also present were:

James P. Ward	District Manager
Jere Earlywine	District Counsel
Jeremy Fireline	District Engineer
Brett Sealy	MBS Capital Markets
Robbie Cox (unsure of title)	
Denise Ganz	Greenspoon Marder, LLC

Audience:

Jeff Deason	Taylor Morrison
Scott Daran	
Alan Podis	
Donna Podis	

Approximately five residents were in attendance. All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. James P. Ward called the meeting to order at approximately 3:30 p.m. and all Members of the Board were present at roll call with the exception of Mr. JD Humpherys and Ms. Tracy Briones. Ms. Tracy Briones entered during the Eighth Order of Business.

SECOND ORDER OF BUSINESS

Consideration of Minutes

Mr. Ward asked if there were any additions, corrections or deletions for the September 06, 2018 Meeting Minutes. There were none. Mr. Ward called for a motion to approve the September 06, 2018 Regular Meeting Minutes.

On MOTION made by Mr. Michael Bachman, seconded by Mr. Scott Himelhoch, and with all in favor, the September 06, 2018 Regular Meeting Minutes were approved.

THIRD ORDER OF BUSINESS

Pubic Hearing

PUBLIC HEARING - TO CONSIDER THE IMPOSITION OF 2018 DEBT ASSESSMENTS PURSUANT TO SECTIONS 170.07 AND 197.3632, FLORIDA STATUTES, AND TO ASSIGN AN EQUIVALENT ASSESSMENT UNIT FACTOR TO A NEW PRODUCT TYPE FOR THE PREVIOUSLY LEVIED 2013 DEBT ASSESSMENTS.

Mr. Ward reported this process had begun in September at which time Staff reviewed with the Board and the public the Engineer's Report and the assessment methodology related to the proposed series 2018 Bonds. He stated he would incorporate the Minutes of the Meeting from the Public Hearing on September 6, 2018 into today's record to ensure full record transparency.

I. Public Comment and Testimony

Mr. Ward called for a motion to open the Public Hearing.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, the Public Hearing was opened.

Mr. Jere Earlywine stated two series of Bonds were issued in 2013 (A1 and A2) which applied to the first platted lots. He stated the new series was to fund the infrastructure in the newer areas. He stated only a few homes would be affected by this Bond Issue as primarily the land was developer owned.

Mr. Ward stated he had not received any written or oral comments related to the Public Hearing. He asked if there were any public comments or questions.

Mr. Scott Daran stated his address 10110 Wicker Park Place, Palmetto, FL. He stated he understood the debt assessment would not affect him as a current homeowner. He asked if the homes which were being built around him would be affected. Mr. Earlywine responded each specific home in question would need to be checked to be certain. **A Board Member 33:07** stated a majority of the impact was on Phase 4 and Phase 5 development. Mr. Earlywine stated it was relatively the same assessment as the existing phase; it would not be something unexpected. Mr. Daran asked why the newspaper indicated drastic increases. Mr. Earlywine responded the newspaper reflected the master lien amount. Mr. Ward stated what was represented in the paper was a part of the hearing and were the assessment levels that the Board would adopt today. He explained the issuance would be at a future board meeting.

Mr. Ward asked if there were any additional questions from the public. Hearing none, he called for a motion to close the Public Hearing.

On MOTION made by Mr. Michael Bachman, seconded by Mr. Travis Stagnita, and with all in favor, the Public Hearing was closed.

II. Board Comment

There were no Board Comments.

III. Consideration of Resolution 2019-1 imposing special assessments, adopting and assessment roll, and approving the general fund special assessment methodology.

Mr. Jere Earlywine stated Resolution 2019-1 levied and imposed the debt special assessment for the 2018 Bonds. He reported Section 2 showed the Board made certain findings about the Capital Improvement Plan, and reviewed the 2013 Bond Issue and Projects. He stated the 2018 Project was on page 3 of the Resolution. He briefly reviewed the 2018 Project Description and explained it was similar to past projects including utilities and stormwater ponds. He reported the Resolution discussed the assessment methodology and how it would be levied, which was in the same manner as the 2013 assessments. He stated section 3 of the Resolution amended the prior assessments from 2013 for the sole purpose of recognizing that there would be a single family 30 foot lot in the area of the A3 Bonds. He stated section 4 authorized the 2018 Project and adopted the Engineering Report; section 5 set forth the estimated costs of improvements; section 6 adopted the Assessment Report; section 7 equalized, confirmed, approved and levied the Special Assessments. He stated section 7B provided for a supplemental assessment resolution: the resolution which would be adopted when the final price on the Bonds were assessed and broken down. He stated section 8 discussed finalizing the special assessments; section 9 discussed payment of the assessments and reviewed the true-up process. He stated section 10 dealt with transfers of property to the government; section 11 provided for assessment notice; and sections 12, 13 and 14 were ministerial in nature. He asked if there were questions. There were none.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-1 was adopted and the Chair was authorized to sign.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-2

Consideration of Resolution 2019-2 declaring vacancies in seats four (4) and five (5) of the Board of Supervisors pursuant to Section 190.006(3)(b).

Mr. Ward explained Resolution 2019-2 declared vacancies in seats four and five of the Board, effective as of November 20, 2018, unless the board did not elect two individuals to fill the seats, in which case the members would remain until February 6, 2019. Mr. Ward reviewed the process and stated the Board had from November 6, 2018 until February 6, 2019 to appoint two qualified electors who were

Citizens of the United States, residents of the State of Florida, lived in Artisan Lakes and were registered to vote in Manatee County.

Mr. Ward asked if there were any questions. Hearing none, he asked for a motion to adopt the resolution.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-2 was adopted and the chair was authorized to sign.

Mr. Earlywine described the election process, how the number of board members was determined, and how the public was notified. An audience member expressed interest and was asked to leave contact information for further notification. Discussion ensued regarding who currently filled seats four (4) and five (5): Scott Himelhoch and Travis Stagnita.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2019-3

Consideration of Resolution 2019-3 ratifying, confirming, and approving the actions of the Chairman and District Staff regarding the acquisition of certain phase 2A, water and wastewater utilities and conveyance of certain phase 2A, water and wastewater utilities to Manatee County, Florida; and addressing severability and an effective date.

Mr. Earlywine stated the Board had been acquiring the infrastructure which was part of the Capital Improvement Plan. He explained the process in which the Board acquired the utilities and turned the utilities over to Manatee County moved very quickly; the CDD needed to own the property prior to it being relinquished to Manatee County. He stated this Resolution included phase 2A, water and wastewater utilities. He explained it confirmed and ratified the acquisition of the infrastructure and relayed Staff's actions in relinquishing the infrastructure to Manatee County.

On MOTION made by Mr. Michael Bachman, seconded by Mr. Travis Stagnita, and with all in favor, Resolution 2019-3 was adopted and the chair was authorized to sign.

SIXTH ORDER OF BUSINESS

Consideration of the Resolution 2019-4

Consideration of Resolution 2019-4 ratifying, confirming, and approving the actions of the chairman and district staff regarding the acquisition of certain Phase III, Sub-phases A, B, C & E, water and wastewater utilities and conveyance of certain Phase III, Sub-phases A, B, C & E, water and wastewater utilities to Manatee County, Florida; and addressing severability and an effective date.

Mr. Ward stated Resolution 2019-4 did the same as Resolution 2019-3 with different infrastructure.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-4 was adopted and the chair was authorized to sign.

SEVENTH ORDER OF BUSINESS**Consideration of Resolution 2019-5**

Consideration of Resolution 2019-5 ratifying, confirming, and approving the actions of the Chairman and District Staff regarding the acquisition of certain Phase III, Sub-phase D, water and wastewater utilities and conveyance of certain Phase III, Sub-phase D, water and wastewater utilities to Manatee County, Florida; and addressing severability and an effective date.

Mr. Ward stated Resolution 2019-5 did the same as Resolution 2019-3 and 2019-4 with different infrastructure.

<p>On MOTION made by Mr. Michael Bachman, seconded by Mr. Travis Stagnita, and with all in favor, Resolution 2019-5 was adopted and the chair was authorized to sign.</p>
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EIGHTH ORDER OF BUSINESS**Consideration of Resolution 2019-6**

Consideration of Resolution 2019-6 authorizing the issuance of not exceeding \$9,170,000 in aggregate principal amount of its capital improvement revenue bonds, series 2018 to finance all or a portion of the cost of a series project consisting of certain infrastructure and facilities benefiting certain district lands, paying capitalized interest on the series 2018 bonds, funding the series 2018 reserve account for the series 2018 bonds and paying costs of issuance of the series 2018 bonds; approving a third supplemental indenture in connection with the series 2018 bonds and authorizing the execution thereof; ratifying the appointment of a trustee, paying agent and bond registrar for the series 2018 bonds; providing for redemption of the series 2018 bonds; authorizing the application of the proceeds of the series 2018 bonds; approving the form, and authorizing execution, of a bond purchase contract providing for the negotiated sale of the series 2018 bonds; delegating to the chairman or vice-chairman, or in their absence, any member of the board of supervisors, the authority to award the series 2018 bonds within the parameters specified herein; approving the form, and authorizing the use, of a preliminary limited offering memorandum for the series 2018 bonds; approving the distribution of a final limited offering memorandum for the series 2019 bonds and the execution thereof; approving the form, and authorizing execution, of a continuing disclosure agreement; providing for miscellaneous matters and authority; providing for severability; and providing an effective date.

Mr. Ward stated Resolution 2019-6 was a Bond Delegation Award Resolution. He stated Denise Ganz was on the phone, representing Greenspoon Marder and the Bond Counsel, to review the Resolution.

Ms. Denise Ganz reported Resolution 2019-6 was the second step in the Bond issuance process which authorized a specific series of 2018 Bonds and provided for the terms and details of the Bonds and the marketing of the Bonds. She stated this Resolution authorized the aggregate principle amount of the 2018 Bonds which would not exceed \$9,170,000 dollars, required the sale of the Bonds on a negotiated basis, and required findings to justify the sale. She stated a Bond Purchase Contract was attached to the Resolution pursuant to which the Bonds would ultimately be sold to the underwriter. She briefly described the Bond selling process. She stated a continuing disclosure agreement, required by SEC rule

15C212, which was to be executed in connection with the issuance of the Bond, was attached to the Resolution. She stated a third supplemental indenture was attached to the Resolution which provided for the specific details of the Bond subject to the approved parameters. She stated this Resolution put in place the authority to move forward to market and sell the Bonds, and authorized the District Manager, in consultation with District Counsel and Bond Counsel, to approve changes to the documents attached, consistent with the parameters in Section 6. She stated prior to Bond issuance and closing additional information would be provided to the Board regarding sale of the Bonds.

Mr. Ward stated an Offering Statement would be issued next week, it would take a week to negotiate final pricing, and during a Meeting in November the Bond agreements and documents would be adopted and the supplemental assessment resolution would be adopted.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-6 was adopted and the chair was authorized to sign.

MR. WARD STATED THERE WERE THREE NEW ORDERS OF BUSINESS TO BE ADDED TO THE AGENDA BY STAFF: 1) RESOLUTION 2019-7, 2) RESOLUTION 2019-8, 3) SECOND AMENDED AND RESTATED MAINTENANCE AGREEMENT.

NINTH ORDER OF BUSINESS

Resolution 2019-7

Mr. Earlywine stated Resolution 2019-7 was related to acquisitions. He stated in 2013 the District had acquired the part of Artisan Lakes Parkway which rightfully should belong to Artisan Lakes East; Resolution 2019-7 gave a Quick Claim Bill of Sale from Artisan Lakes to Artisan Lakes East to convey interest in utility lines to Artisan Lakes East. He asked if the audience had any questions or comments. Discussion which involved the audience ensued regarding this Resolution and future development designs.

Mr. Alan Podis stated his address was 9923 Wicker Park Place, Palmetto, FL. He asked if the Artisan Lakes East District would have its own CDD Board which would function as a governing body. Mr. Earlywine responded in the affirmative. Mr. Podis asked if essentially this resolution transferred roadway from this governing body to the East District's governing body. Mr. Earlywine responded in the affirmative; this roadway would eventually be relinquished to the County and would be maintained by the CDD through a maintenance agreement with the Master HOA which covered both communities. Mr. Podis asked if the \$9 million dollars in Bonds which were currently being planned were for development of the remainder of the Esplanade. Mr. Ward responded in the affirmative. Mr. Podis asked how this would impact the current homeowners. Mr. Ward responded it would not impact current homeowners.

On MOTION made by Ms. Tracy Briones, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-7 was adopted and the chair was authorized to sign.

TENTH ORDER OF BUSINESS

Resolution 2019-8

Mr. Earlywine stated Resolution 2019-8 was a temporary construction easement. He briefly explained the need for the temporary construction easement. He reported once the property was platted the temporary construction easement was automatically released, it was not a recordable document, and would not cloud the title. He asked the audience if there were any questions or comments. There were none.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, Resolution 2019-8 was adopted and the chair was authorized to sign.

ELEVENTH ORDER OF BUSINESS

Second Amended and Restated Maintenance Agreement

Mr. Ward stated currently there was a Maintenance Agreement with the Home Owners Association which allowed the HOA to maintain the district assets. He explained this was an amendment to the Maintenance Agreement which added Artisan Lakes East into the agreement and amended the agreement to indicate the Master Association would continue to maintain all facilities in Artisan Lakes and Artisan Lakes East pursuant to the agreement. He stated the terms were essentially the same. He asked if there were any questions.

Mr. Earlywine asked the audience if there were any questions or comments.

Ms. Donna Podis stated her address was 9923 Wicker Park Place, Palmetto, FL. She asked if Artisan Lakes had any responsibility in the maintenance of Artisan Lakes East. Mr. Earlywine responded historically there was an agreement with the Esplanade HOA where the CDD would own the stormwater ponds and improvements along the parkway, and the HOA would do the maintenance. He stated this was an amendment to the same agreement and would be now, not with the Esplanade HOA, but with the Master HOA. He stated Artisan Lakes East had also been added. He stated the Master HOA would pay for and perform maintenance for both communities. Discussion ensued regarding the allocation of financial responsibility, the HOA documentation of the allocation, the intent being every lot paid on an individual basis, no change in the cost of maintenance to individual homeowners, and the need for this Maintenance Agreement to be addressed during the Artisan Lakes East Meeting.

On MOTION made by Ms. Tracy Briones, seconded by Mr. Travis Stagnita, and with all in favor, the Second Amended and Restated Maintenance Agreement was adopted.

TWELVTH ORDER OF BUSINESS

Staff Reports

I. Attorney

There was no report from the Attorney.

II. Engineer

There was no report from the Engineer.

III. Manager

There was no report from the Manager.

Mr. Brett Sealy asked if there was a Meeting scheduled in November. Mr. Ward responded in the affirmative; there was a November Meeting scheduled for the first Thursday of the month; however, he planned to re-notice a new meeting after today.

THIRTEENTH ORDER OF BUSINESS

Audience Comments and Supervisor' Requests

An Audience Member asked how the Amendment, Chapter 4, fit into what the Board was doing. Discussion ensued regarding Amendment, Chapter 4, being an HOA document; the HOA would have to answer the question.

There were no Supervisor's Requests.

ELEVENTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at approximately 4:07 p.m.

On MOTION made by Mr. Scott Himelhoch, seconded by Mr. Michael Bachman, and with all in favor, the meeting was adjourned.

Artisan Lakes Community Development District

James P. Ward, Secretary

Michael Bachman, Chairman

RESOLUTION 2019-9

A RESOLUTION SETTING FORTH THE SPECIFIC TERMS OF THE DISTRICT'S CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2018; MAKING CERTAIN ADDITIONAL FINDINGS AND CONFIRMING AND/OR ADOPTING AN ENGINEER'S REPORT AND A SUPPLEMENTAL ASSESSMENT REPORT; CONFIRMING THE MAXIMUM ASSESSMENT LIEN SECURING THE 2018 BONDS; ADDRESSING THE ALLOCATION AND COLLECTION OF THE ASSESSMENTS SECURING THE 2018 BONDS; ADDRESSING IMPACT FEE CREDITS; ADDRESSING TRUE-UP PAYMENTS; PROVIDING FOR THE SUPPLEMENTATION OF THE IMPROVEMENT LIEN BOOK; AND PROVIDING FOR CONFLICTS, SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Artisan Lakes Community Development District ("**District**") has previously indicated its intention to undertake, install, establish, construct or acquire certain public improvements and to finance such public improvements through the imposition of special assessments on benefited property within the District and the issuance of bonds; and

WHEREAS, on October 10, 2018, the District's Board of Supervisors ("**Board**") adopted, after notice and public hearing, Resolution 2019-1, relating to the imposition, levy, collection and enforcement of debt service special assessments to secure the repayment of the 2018 Bonds (defined herein); and

WHEREAS, on October 29, 2018, and in order to finance a portion of what is known as the "**2018 Project**," the District entered into that certain *Bond Purchase Agreement* with MBS Capital Markets, LLC, whereby the District agreed to sell its Capital Improvement Revenue Bonds, Series 2018 ("**2018 Bonds**") in the par amount of \$6,760,000; and

WHEREAS, pursuant to and consistent with Resolution 2019-1, the District desires to set forth the particular terms of the sale of the 2018 Bonds and confirm the lien for special assessments securing the 2018 Bonds.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. **INCORPORATION OF RECITALS.** All of the above representations, findings and determinations contained above are recognized as true and accurate and are expressly incorporated into this Resolution.

2. **AUTHORITY FOR THIS RESOLUTION.** This Resolution is adopted pursuant to the provisions of Florida law, including Chapters 170, 190 and 197, *Florida Statutes*, and Resolution 2019-1.

3. **ADDITIONAL FINDINGS; ADOPTION OF ENGINEER'S REPORT AND SUPPLEMENTAL ASSESSMENT REPORT.** The Board hereby finds and determines as follows:

- a. On October 10, 2018, the District, after due notice and public hearing, adopted Resolution 2019-1 which, among other things, equalized, approved, confirmed and levied special assessments on property benefiting from the improvements authorized by the District. That Resolution provided that as the 2018 Bonds were issued to fund all or

any portion of the 2018 Project, a supplemental resolution would be adopted to set forth the specific terms of the bonds and certify the amount of the lien of the special assessments ("**2018 Assessments**") securing any portion of the 2018 Bonds, including interest, costs of issuance, the number of payments due, any true-up amounts and the application of receipt of any true-up proceeds.

- b. *The 2018 Supplement to Report of the District Engineer – Phase 1 Capital Improvement Plan*, dated August 1, 2018, as supplemented October 18, 2018, and attached to this Resolution as **Exhibit A ("Engineer's Report")**, identifies and describes, among other things, the presently expected components of the 2018 Project. The Engineer's Report sets forth the estimated costs of the 2018 Project. The District hereby confirms that the 2018 Project serves a proper, essential and valid public purpose. The Engineer's Report is hereby approved, adopted, and confirmed. The District ratifies its use in connection with the sale of the 2018 Bonds.
 - c. *The Special Assessment Methodology – Final Supplemental Report Prepared for Limited Offering Memorandum – Series 2018 Bonds – Esplanade at Artisan Lakes* dated October 29, 2018, and attached to this Resolution as **Exhibit B ("Supplemental Assessment Report")**, applies the adopted *Special Assessment Methodology Report – Series 2018 Bonds – Esplanade at Artisan Lakes*, dated August 1, 2018 (both together, "**Assessment Report**") to the 2018 Project and the actual terms of the 2018 Bonds. The Assessment Report is hereby approved, adopted and confirmed. The District ratifies its use in connection with the sale of the 2018 Bonds.
 - d. Generally speaking, and subject to the terms of **Exhibit A** and **Exhibit B**, the 2018 Project specially benefits developable property within the District, as further described in **Exhibit B** attached hereto. Moreover, the benefits from a portion of the 2018 Project funded by the 2018 Bonds to the properties ("**2018 Assessment Area**") subject to the 2018 Assessments equal or exceed the amount of the 2018 Assessments, as described in **Exhibit B**, and such 2018 Assessments are fairly and reasonably allocated across the 2018 Assessment Area. It is reasonable, proper, just and right to assess the portion of the costs of the 2018 Project to be financed with the 2018 Bonds to the specially benefited properties within the 2018 Assessment Area as set forth in Resolution 2019-1 and this Resolution.
4. **CONFIRMATION OF MAXIMUM ASSESSMENT LIEN SECURING THE 2018 BONDS.** As provided in Resolution 2019-1, this Resolution is intended to set forth the terms of the 2018 Bonds and the final amount of the lien of the 2018 Assessments. **Composite Exhibit C** shows: (i) the rates of interest and maturity on the 2018 Bonds, (ii) the estimated sources and uses of funds of the 2018 Bonds, and (iii) the debt service due on the 2018 Bonds. The lien of the 2018 Assessments shall be the principal amount due on the 2018 Bonds, together with interest and collection costs.

5. **COLLECTION OF 2018 ASSESSMENTS.**

- a. The 2018 Assessments shall be allocated in accordance with **Exhibit B**. The Supplemental Assessment Report, considered herein, reflects the actual terms of the issuance of the 2018 Bonds.

- b. Debt service payments are reflected on **Composite Exhibit C**. The District shall begin annual collection of the 2018 Assessments using the methods available to it by law, and in time to meet the debt service obligations set forth in **Composite Exhibit C**.
- c. Section 9(c) of Resolution 2019-1 sets forth the terms for collection and enforcement of the 2018 Assessments. The District hereby certifies the 2018 Assessments for collection to ensure payment of debt service as set forth in **Exhibit B** and **Composite Exhibit C**. The District Manager is directed and authorized to take all actions necessary to collect special assessments on property using methods available to the District authorized by Florida law in order to provide for the timely payment of debt service. Among other things, the District Manager shall prepare or cause to be prepared each year an assessment roll for purposes of effecting the collection of the 2018 Assessments and present same to the Board as required by law.

6. **IMPACT FEE CREDITS.** Any impact fee credits arising from the development of the 2018 Project shall be addressed as set forth in that *Interlocal Agreement Regarding Artisan Lakes Parkway and Certain Eaves Bend Infrastructure* and the related *Developer Parkway Agreement*, both as authorized by the District's Resolution 2018-12.

7. **PREPAYMENT OF 2018 ASSESSMENTS.** Section 9(b) of Resolution 2019-1 addresses prepayments for the 2018 Assessments.

8. **APPLICATION OF TRUE-UP PAYMENTS.** The Assessment Report shall govern the true-up process as it relates to the 2018 Assessments and 2018 Bonds. As noted in the Assessment Report, and as lands are developed, the District shall allocate the 2018 Assessments to platted lands, and cause the 2018 Assessments to be recorded in the District's Improvement Lien Book.

If a change in development results in a net decrease in the overall principal amount of 2018 Assessments able to be assigned to the developable lands within the 2018 Assessment Area – as determined by the District Manager in his sole and absolute discretion and without respect to any third party rights if any that may exist, and based on the Assessment Report the terms of which are incorporated herein, the applicable landowner will be required to make a density reduction payment ("**True-Up Payment**") equal to the shortfall in 2018 Assessments resulting from the reduction of planned units. Any True-Up Payment shall become due and payable that tax year by the applicable landowner (i.e., the owner of the last-platted lands that created the need for the True-Up Payment as well as the owner of the remaining undeveloped lands as applicable), shall be in addition to the regular assessment installment payable for such lands, and shall constitute part of the debt assessment liens imposed against the applicable property until paid. A True-Up Payment shall include accrued interest on the 2018 Bonds to the interest payment date that occurs at least 45 days after the True-Up Payment (or the second succeeding interest payment date if such True-Up Payment is made within forty-five (45) calendar days before an interest payment date (or such other time as set forth in the supplemental indenture for the 2018 Bonds)). All 2018 Assessments levied run with the land, and such 2018 Assessment liens include any True-Up Payments. The District will not release any liens on property for which True-Up Payments are due, until provision for such payment has been satisfactorily made.

9. **IMPROVEMENT LIEN BOOK.** Immediately following the adoption of this Resolution, the 2018 Assessments as reflected herein shall be recorded by the Secretary of the Board in the District's Improvement Lien Book. The 2018 Assessments shall be and shall remain a legal, valid and binding first

lien against all benefitted property as described in **Exhibit B** 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.

10. **CONFLICTS.** This Resolution is intended to supplement Resolution 2019-1, which remains in full force and effect and is applicable to the 2018 Bonds except to the extent set forth herein. This Resolution and Resolution 2019-1 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution, provided however that to the extent of any conflict, this resolution shall control. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

11. **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.

12. **EFFECTIVE DATE.** This Resolution shall become effective upon its adoption.

APPROVED and **ADOPTED** this 14th day of November, 2018.

ATTEST:

ARTISAN LAKES COMMUNITY DEVELOPMENT DISTRICT

James P. Ward, Secretary

Michael Bachman, Chairperson

Exhibit A: *2018 Supplement to Report of the District Engineer – Phase 1 Capital Improvement Plan, dated August 1, 2018, as supplemented October 18, 2018*

Exhibit B: *Special Assessment Methodology – Final Supplemental Report Prepared for Limited Offering Memorandum – Series 2018 Bonds – Esplanade at Artisan Lakes dated October 29, 2018*

Comp. Ex. C: *Maturities and Coupon of 2018 Bonds, Sources and Uses of Funds for 2018 Bonds, and Annual Debt Service Payment Due on 2018 Bonds*

EXHIBIT A

**Artisan Lakes
Community Development District**

**2018 Supplement to Report of the District Engineer -
Phase I Capital Improvement Program, dated July 23,
2007**

**and as previously supplemented November 15, 2013,
November 26, 2013, and August 1, 2018.**

October 18, 2018

Prepared for:

**Artisan Lakes
Community Development District
Manatee County, Florida**

Prepared by:

**Jeremy L. Fireline, P.E.
Waldrop Engineering
Sarasota, Florida**

INTRODUCTION

Artisan Lakes Community Development District (the "District") is located within the Gateway North Development of Regional Impact, also known as Artisan Lakes ("**Artisan Lakes DRI**") in northern Manatee County in Sections 9,16, and 17, Township 33 South, Range 18 East, Manatee County, Florida. Esplanade at Artisan Lakes ("Esplanade" or the "Development"), originally planned as an 807-lot development, is currently being developed as an 851-lot gated community containing 398 +/- acres completely within the District boundary. The main access to Esplanade is via a main entrance roadway, Artisan Lakes Parkway, connecting to Moccasin Wallow Road to the south. The District, established in accordance with applicable Florida Statutes as a Community Development District, which is a local unit of special-purpose government, originally encompassed approximately 854 +/- acres. A petition to remove all lands outside the Esplanade development from the original District boundary was approved by Manatee County on August 21, 2018. This report covers the revised District boundary of approximately 415 +/- acres of which approximately 397.7 comprise the Development, with the balance of the acreage being comprised of 17 +/- acres containing the first phase of Artisan Lakes Parkway, the recreational amenity and storm water management facilities/open space. The majority of all construction and development activities associated with Esplanade is wholly contained within the revised limits being established for the District. Off-site intersection improvements have been completed on Moccasin Wallow Road, including widening, construction of turn lanes, and signage and striping. No other off-site transportation improvements are required for the completion of Esplanade.

This Supplemental Report is based on the August 1, 2018 Supplemental Report of the District Engineer, that report being a supplement to the Phase 1 Capital Improvement Plan, dated July 23, 2007 and as previously supplemented November 15, 2013 and November 26, 2013 ("**Original Engineer's Report**"), which originally described the capital improvement plan ("**Esplanade CIP**") for what is known as "Esplanade" or "Phase 1."¹ This Interim Report will be updated with a Final Report at the time of closing on the Series 2018 Bonds and for the purpose of identifying the cost of the 2018 Project paid for

¹ The term "Phase 1" in prior reports referred to the Esplanade development. However, Esplanade itself has phases of its own. To avoid confusion, the 398-acre Esplanade development is referred to only as Esplanade herein, and any reference to phases are to phases within Esplanade itself.

at the time of closing on the Series 2018 Bonds. As the Esplanade CIP has been implemented, different lot counts and types have been developed, resulting in changes to the Esplanade CIP. Consequently, this supplement updates the Original Engineer's Report to account for the changes made to date, and to address a revised plan for the balance of Esplanade. The District originally issued its Capital Improvement Revenue Bonds, Series 2013 in order to finance a portion of the Esplanade CIP, and now anticipates issuing additional debt to finance certain public components of the revised Esplanade CIP, as set forth herein. References herein to the Esplanade CIP mean such plan as revised hereby. All components of the Esplanade CIP are part of the project that was described in the Original Engineer's Report.

PURPOSE and SCOPE

The District was established for the purpose of financing, acquiring, constructing, maintaining and operating all or a portion of the public infrastructure necessary for the community development within the District. The District will finance, acquire and/or, construct, operate, and maintain a portion of the public infrastructure improvements that are needed to serve Esplanade and allocate the costs for the infrastructure improvements. A portion of these public infrastructure improvements have been or will be completed by Taylor Woodrow Communities at Artisan Lakes, LLC (the "Developer"), the primary developer of Esplanade and will be acquired or have been acquired, as applicable, and will be funded, in part, by the District with proceeds of bonds issued by the District. The Developer will finance and construct the balance of the infrastructure improvements needed for the development that is not financed by the District.

The proposed infrastructure improvements, as outlined herein, are necessary for the functional development of the District as required by the applicable independent unit of local government.

The Engineer's Report reflects the District's present intentions. The implementation and completion of the Esplanade CIP outlined in this report requires final approval by the District's Board of Supervisors, including the approval for the purchase of site related improvements, if any. Costs for completed

components of the Esplanade CIP are based on actual costs. Cost estimates contained in this report have been prepared based on the best available information, including bid documents and pay requests where available. These estimates may not reflect final engineering design or complete environmental permitting. Actual costs will vary based upon final plans, design, planning, approvals from regulatory authorities, inflation, etc. Nevertheless, all costs contained herein, may be reasonably expected to adequately fund the improvements described, and contingency costs as included are reasonable for components of the Esplanade CIP that are not yet complete.

CAPITAL IMPROVEMENT PLAN

The Esplanade CIP includes completed and planned infrastructure improvements that will provide special benefit to all assessable land within Esplanade. In particular, the Esplanade CIP includes: (i) public improvements within Esplanade such as the stormwater management system, wastewater system, water distribution system, and irrigation mains (in Artisan Lakes Parkway) (ii) portions of public Artisan Lakes Parkway located within the District, (iii) certain other off-site improvements including portions of public Artisan Lakes Parkway lying outside the District, and (iv) related soft costs such as professional fees and permitting costs. Artisan Lakes Parkway, which will serve the District as well as the entire Artisan Lakes development (a portion of which is outside the District), is being completed in multiple phases. The maximum contribution from the District to the costs to construct Artisan Lakes Parkway is forty-five percent of the total cost to construct Artisan Lakes Parkway. Following establishment of Artisan Lakes East Community Development District (comprising the land removed from the boundaries of the District) (the “Artisan Lakes East CDD”), the District and the Artisan Lakes East CDD entered into an interlocal agreement (the “Interlocal Agreement”) to provide for each of the District and Artisan Lakes East CDD to fund its proportionate share of the costs of Artisan Parkway and related improvements (the District’s share being 45% of such cost), as well as to provide for Artisan Lakes East CDD to fund the cost of certain utilities acquired by the District (the cost of which are not included in the Esplanade CIP) and to provide for certain matters relating to impact fee credits arising from the construction of Artisan Lakes Parkway. With respect to such impact fee credits, it is expected that the same will be shared by the District and Artisan Lakes East CDD in the same percentages as the cost of Artisan Lakes Parkway is shared and that the same will be used in a fair and equitable manner

benefitting the property in the District and the Artisan Lakes East CDD benefitted by the construction of Artisan Lakes Parkway, as detailed in the Interlocal Agreement. Allocation of the contribution toward construction of Artisan Lakes Parkway between the District and the Artisan Lakes East CDD was based on the proportion of total lots planned in each district (45% of the total lots were planned for the District, and 55% were planned for the Artisan Lakes East CDD). It should be noted that the precise lot counts, and resulting proportion of the total, has fluctuated slightly as design of new phases of development have been finalized. However, development is proceeding in substantial compliance with the established cost share allocation.

The first platted phase of Esplanade² (including 182 lots) was completed in 2013 and the first phase of Artisan Lakes Parkway was completed in 2013 and acquired by the District. Additional public infrastructure acquired in 2013 included the public storm sewer system, gravity sanitary sewers and sanitary force mains, and the potable water mains within Esplanade as well as the public storm sewer system, gravity sanitary sewers and sanitary force mains and potable water mains, together with the public roadway and pavement, landscape/hardscape/irrigation and street lights in the first phase of Artisan Lakes Parkway along with a portion of the Work Product. An offsite 27" gravity sanitary sewer that conveys wastewater from Artisan Lakes to a Manatee County master lift station was also acquired by the District. The total value of these improvements was \$9,769,458.88. Partial payment for this acquisition in the amount of \$6,991,448.50 was funded through the issue of a series of Bonds in 2013 (the "Series 2013 Bonds") in the original par amount of \$8,515,000. All sewer and water utilities, within and outside of Esplanade, acquired by the District were dedicated to Manatee County for maintenance. The roadway and related storm sewer in Phase I of Artisan Lakes Parkway was dedicated to Manatee County for maintenance provided however that the District maintains the landscaping, irrigation, hardscaping and street lights within Artisan Lakes Parkway. In addition to the above infrastructure, \$164,000 in additional work product has been completed associated with design, permitting and construction engineering for Phase 1 public infrastructure, which has not yet been acquired by the District.

² The first phase of Esplanade is identified in the plat known as "Artisan Lakes Esplanade, Phase I, Subphases A, B, C & D," ("**Esplanade Phase 1 Plat**") which was recorded on August 26, 2014 and in Official Records of Manatee County, Florida at Plat Book 57, Pages 65 et seq.

The second phase of Esplanade³, including 46 lots, was completed in 2015, at which time the District acquired additional completed public potable water mains and gravity sanitary sewers through a Bill of Sale. The total value of the acquired infrastructure was \$145,548.45. Payment from the District to the Developer for this infrastructure has not yet been funded. The acquired infrastructure was dedicated to Manatee County for ownership and maintenance. The work product for the design, permitting and construction engineering for the second phase was \$101,604.26, which has not yet been acquired by the District.

The third phase of development in Esplanade, including 160 lots, was completed in 2018. The District will acquire additional completed public potable water mains, gravity sanitary sewers, and storm sewer and work product through Bills of Sale from the Developer. The total value of the infrastructure to be acquired is estimated to be \$1,326,826.13. The water and sewer utilities acquired will be dedicated to Manatee County for ownership and maintenance.

The fourth phase of development in Esplanade, including 211 lots, is currently in the final stages of permitting; construction will commence in October 2018 with completion of the public infrastructure scheduled to be completed by December 2018 (the private infrastructure will be completed by February 2019). The District will acquire additional completed public potable water mains, gravity sanitary sewers, storm sewer and work product through Bills of Sale from the Developer. The total value of the infrastructure to be acquired is estimated to be \$1,419,048.15. The water and sewer utilities acquired will be dedicated to Manatee County for ownership and maintenance.

The remaining 252 lots in Esplanade will be developed in future phases. The District may acquire all or a portion of the public storm sewer system, gravity sanitary sewers and/or sanitary force mains, and potable water mains and related work product in the future phases of development. The cost of these improvements is estimated at \$1,930,565.91 as shown on Exhibit B.

³ The second phase of Esplanade is identified in the plat known as "Artisan Lakes Esplanade, Phase II," which replatted a portion of Esplanade Phase 1 Plat and which was recorded on October 30, 2015 and in Official Records of Manatee County, Florida at Plat Book 59, Pages 1 et seq.

Altogether, the cost of the applicable improvements and work product acquired by the District to date is \$10,767,262.20, of which the District has paid \$6,991,448.50 from proceeds of its 2013 bond issue, and recognized a contribution to offset certain assessments of \$64,161.81, leaving the amount of \$3,711,651.89 remaining payable to the Developer for these improvements and work product in the first and second phases of development in Esplanade.

The portion of the 2018 Project to be financed by the Series 2018 Bonds consists of those public portions of the Esplanade CIP that will be constructed within 3 years of issuing such bonds. The 2018 Project consists of the \$3,711,651.89 payable to the Developer for work previously completed, \$164,000 in additional work product associated with Phase 1, \$175,948.73 in work product associated with Phase 2, \$474,571.26 for construction and work product completed in the third phase of Esplanade that has not yet been sold to the District, and \$1,419,048.15 for work currently under way in the fourth phase of Esplanade, any portion of the \$1,930,565.91 in costs for the remaining public infrastructure to the extent eligible to be financed by the 2018 bonds, totaling \$7,874,094.92, as shown on Exhibit B. For purposes of this Interim Report, Exhibit B further identifies the portion of the 2018 Project that is intended to be financed with the Series 2018 Bonds.

The estimated total cost of the Esplanade CIP is \$35,248,763.50, which includes both public improvements and related work products, and Developer contributions for all costs incurred to date as well as future estimated costs. Refer to Exhibit B for a summary of the costs by infrastructure category for the completed and planned Esplanade CIP expenditures.

The Esplanade CIP status, along with anticipated completion timeline is presented below.

<u>Construction Phasing</u>	<u>Completion Date</u>
Phase I	December 2013
Phase II	2015
Phase III	2018
Phase IV	2018/9
Remaining Esplanade Phases	2018 - 2023

GOVERNMENTAL ACTIONS

The District was established by the Manatee County Board of County Commissioners through Ordinance No. 07-64 on August 20, 2007 which was subsequently amended by Ordinance No. 18-30, enacted by the County on August 21, 2018, and effective on August 28, 2018. The Developer received revised zoning approval for the Artisan Lakes DRI from Manatee County on May 11, 2016 (PDMU-91-01(G)(R6)).

The zoning approval for the Artisan Lakes DRI (in which the District lies completely) allows for a maximum of 2,800 residential units including conventional attached, detached and multi-family residential single-family dwellings with accessory parks and an amenity center. The current plan of development is to construct individual “stand-alone” neighborhoods within the Artisan Lakes DRI; Esplanade being one of the neighborhoods consisting of 851 single family detached units. The permit status for the development is summarized in Exhibit “A” included with this report. All permits for onsite improvements have been obtained or are being renewed/revised from the applicable agencies. The required off-site improvements on Moccasin Wallow Road to support development of all 851 units in Esplanade have been completed.

Compliance with the conditions of the zoning approval and permitting requirements is currently being accomplished. It is our opinion that there are no technical reasons existing at this time which would prohibit the implementation of the plans for the Development as presented herein and that permits normally obtained by site development engineers not heretofore issued and which are necessary to effect the improvements described herein will be obtained during the ordinary course of development.

LAND USE

As stated, Esplanade includes approximately 397.7 acres within the amended District’s total 415 +/- acres. The Artisan Lakes DRI is approved to ultimately include 2,800 single-family residential units;

Esplanade is planned to include 851 single family units of that total. The table below illustrates the current land use plan in acreage for the amended District. Such information is subject to change.

<u>Proposed Land Use</u>	<u>Esplanade</u>	
	<u>Approx. Acres</u>	<u>Units</u>
Single and Multi Family Attached & Detached Residential	221.8	851
Amenity Center	15.5	N/A
Recreation		N/A
Wetlands, Lake/Detention	128.6	N/A
Other (Open Space/Drainage, etc.)	49.2	N/A
Total	415.1	

ROADWAYS

Primary vehicular access to the District is provided from Moccasin Wallow Road, which is currently a rural two-lane collector road that runs in an east/west direction. Internally, a four-lane boulevard roadway, Artisan Lakes Parkway, is being constructed in three phases to provide access to individual neighborhoods in the District. The first phase of Artisan Lakes Parkway between Moccasin Wallow Road to the main entrance into Esplanade has been completed. The second and third phases of Artisan Lakes Parkway are being completed with other projects and are not included in the Esplanade CIP and are addressed in the Interlocal Agreement. Artisan Lakes Parkway will be dedicated to Manatee County upon completion. All other roads within Esplanade are to be private and will be funded by the Developer and dedicated to the Homeowner’s Association for ownership and maintenance.

UNDERGROUND AND STREET LIGHTING ELECTRICAL SYSTEM

The District lies within the area served by the Florida Power and Light (FP&L) service area. FP&L will provide underground electric service to the site from lines located within the public right-of-way of Artisan Lakes Parkway, which have been extended from Moccasin Wallow Road. The District's internal electrical distribution system will consist of underground cable with appurtenant transformers and service pedestals for street light locations. These infrastructure improvements may be funded by the

Developer. The District may acquire street lights within the Artisan Lake Parkway public right-of-way. Any street lights and related improvements funded by the District will be owned by the District or another governmental entity and located in public ungated road rights-of-way.

STORMWATER MANAGEMENT

Manatee County and the Southwest Florida Water Management District (SWFWMD) regulate the design criterion for the stormwater management system within the District. The District is located within the Fishhawk Creek basin. The pre-development site runoff and water management conditions have been developed by Manatee County and SWFWMD. The existing, onsite, naturally occurring wetlands have been delineated by SWFWMD and the Manatee County Environmental Resources Department.

The Stormwater Management Plan for the District focuses on utilizing newly constructed ponds in the uplands for stormwater treatment in conjunction with the naturally occurring wetlands.

The primary objectives of the stormwater management system for the District are:

1. To provide a stormwater conveyance and storage system, which includes stormwater quality treatment.
2. To adequately protect development within the District from regulatory-defined rainfall events.
3. To maintain wetland hydroperiods.
4. To ensure that adverse stormwater impacts do not occur upstream or downstream as a result of the development.
5. To satisfactorily accommodate stormwater runoff from adjacent off-site areas that naturally drains through the District. Accommodating existing drainage conditions is a requirement of more than one regulatory agency and is an integral part of the infrastructure improvements constructed with development projects.
6. Preserve the function of the floodplain storage during the 100-year storm event.

The stormwater collection and outfall systems will be a combination of curb inlets, pipe culverts, control structures and open waterways. Wetland hydroperiods (normal pool and season high water elevations) will be maintained through proper design and maintenance of the outfall control structures. It will be

the responsibility of the District to maintain the stormwater system and ensure its operation. No earthwork, including the cost of digging of lakes, is included in the 2018 Project. All improvements included in the District-funded public Stormwater Management Plan are an integral part of the water management system needed for the Development and are located on publicly-owned land or within public easements or public rights-of-way. The purpose of the lakes is to manage stormwater, with any use of such water for irrigation on private lots being incidental to that purpose. All lakes included in the Stormwater Management Plan were constructed in accordance with applicable requirements of governmental authorities with jurisdiction over the lands in the District. It was less expensive to allow the Developer of the land in the District to use any excess fill generated by construction of the improvements in the Stormwater Management Plan than to haul such fill off-site.

WASTEWATER COLLECTION

The District is within the Manatee County service area with wastewater treatment service to be provided by the Manatee County Public Works Department. The North Manatee County Treatment Facility will serve the District. The District connects to an existing Manatee County master pump station located at the southeast corner of Artisan Lakes. Wastewater service of the District's onsite sewer system has been approved by Manatee County through a "Concurrency" Certificate Level of Service ("CLOS"). This CLOS verifies capacity to serve the development permitted in PDMU-91-01(G)(R6). Esplanade's onsite sanitary sewer system consists of 8" gravity collection lines with appurtenant manholes, two pump stations, and an 8" force main that drains into a 27" gravity sewer main that conveys waste water flows from the District to the Manatee County master pump station. All wastewater collection mains and pump stations will be dedicated to Manatee County for maintenance.

WATER DISTRIBUTION SYSTEM

The District lies within the Manatee County service area with potable water service to be provided by the Manatee County Public Works Department. The District will be served from the 30" potable water line located within the Moccasin Wallow Road right-of-way adjacent to the south boundary of the District. The current and future water distribution systems within the project consist of 16", 10", 8", 6"

and 4" water mains with appurtenant valves and fire hydrants. All potable water mains will be dedicated to Manatee County for maintenance.

LANDSCAPING, IRRIGATION, HARDCAPING & STREET LIGHTS

Significant landscape features and associated irrigation systems are planned for Esplanade. Entry monumentation, landscaping, irrigation, hardscaping and street lighting within the first phase of Artisan Lakes Parkway have been complete and acquired by the District, all or which is located in public right of way or public easements or otherwise on publicly-owned land and is being maintained by the District pursuant to a right of way maintenance permit issued by the County. Additional landscaping and irrigation within Esplanade's main roadways in Phase I, Phase II, and Phase III have been completed. Additional landscaping and irrigation within Phase IV roadways will be completed with construction of Phase IV infrastructure. Landscaping and irrigation within Esplanade (other than to the extent related to Artisan Lakes Parkway) will not be funded by the District. Landscaping within Artisan Lakes Parkway is maintained by the Homeowner's Association by agreement with the District.

RECREATIONAL FACILITIES

Esplanade will include one larger, centrally located amenity center ("Esplanade Amenity") which will replace the current temporary amenity center, which is located at the south end of Artisan Lakes, and which is adjacent to, but outside, the District's geographic boundaries. The new amenity center will be private and exclusively serve residents of Esplanade. Specific features will include tennis courts, a club house, lagoon pool and various walking paths.

The District and the holders of the District's outstanding 2013 bonds are currently the beneficiaries of a mortgage on an approximately 3.6-acre parcel of land in the Development owned by the Developer on which a temporary sales center is located, which remains in effect until certain conditions are met in the future, to ensure construction of the recreational amenity planned for the Development. The mortgage does not run in favor of the holders of the District's proposed 2018 bonds. Construction of the Esplanade Amenity commenced in August 2018 and is scheduled to be completed by August 2019. The District

will not construct the Esplanade Amenity. Although the Esplanade CIP benefits the Esplanade Amenity, it is not assessed pursuant to state law, as it is a common element for the Development.

CONTINGENCY

This category includes the cost for adjustments as a result of unexpected field conditions, requirements of governmental agencies and other unknown factors that may occur throughout the course of development of the infrastructure. In general, the contingency amount is based on a percentage of the total infrastructure cost estimate.

PROFESSIONAL FEES

Professional fees include civil engineering, costs for site design, permitting, inspection and master planning, survey costs for construction staking and record drawings as well as preparation of preliminary and final plats, geotechnical cost for pre-design soil borings, under drain analysis and construction testing, and architectural cost for landscaping. Also included in this category are fees associated with environmental consultation and permitting and legal fees. Together, the above fees are referred to as “work product”. Only professional fees associated with the public portions of the Esplanade CIP will be financed by the District. Fees for public portions of the Esplanade CIP were computed according to the ratio of public infrastructure costs to the total infrastructure costs.

OWNERSHIP AND MAINTENANCE

The ownership and maintenance responsibilities of the infrastructure improvements in the Esplanade CIP are set forth below.

<u>Esplanade CIP</u>	<u>Financing</u>	<u>Ownership</u>	<u>Maintenance</u>
Neighborhood Roadway Improvements	Developer	HOA	HOA
Artisan Lakes Parkway Improvements (Artisan Lakes Parkway – Phase I)	CDD	Manatee County	Manatee County
Landscaping/Hardscaping/Irrigation/Street Lighting within Artisan Lakes Parkway – Phase I	CDD	CDD	CDD/HOA ⁴
Stormwater Management System and On-site Wetlands	CDD	CDD	CDD/HOA ⁴
Amenity Center (temporary and permanent)	Developer	HOA	HOA
Sanitary Sewer Collection including the on-site and off-site Transmission System	CDD	Manatee County	Manatee County
Water Distribution	CDD	Manatee County	Manatee County

PROJECT COSTS

The total Esplanade CIP’s identifiable total costs associated with the public and Developer-funded infrastructure improvements are estimated to be \$35,248,763. The public infrastructure improvements include: Artisan Lakes Parkway – phase I (including landscaping, irrigation, hardscaping and street lights along the Parkway), streetlights, sewer, water, and storm water management systems that will ultimately be utilized by the residents of Esplanade. The maximum contribution from the Esplanade CIP toward the construction of Artisan Lakes Parkway from Moccasin Wallow Road to Buckeye Road is 45% of the estimated \$14,890,000 cost to complete. This allocation is based on the proportion of the total equivalent lots in the District to the total equivalent lots planned for the District and Artisan Lakes East CDD at build-out.

Private infrastructure includes landscaping/hardscaping, irrigation, internal roadways, excavation and grading, improvements for a temporary off-site amenity center (in another part of Artisan Lakes), and a

⁴ The District will own the improvements and may elect to maintain the improvements or enter into an agreement with the HOA for such maintenance.

permanent amenity center being constructed within Esplanade.

The Summary of Estimated Project costs, attached hereto as Exhibit B, outlines the actual and anticipated costs associated with the construction and acquisition of public infrastructure within the Esplanade CIP for the Artisan Lakes Community Development District, as well as private infrastructure to be funded by the Developer. The cost estimates set forth herein are estimates based on current plans and market conditions, which are subject to change.

SUMMARY AND CONCLUSION

The infrastructure, as outlined above, is necessary for the functional development of the District as required by the applicable independent unit of local government. The planning and design of the infrastructure is in accordance with current governmental regulatory requirements. The infrastructure will provide its intended function so long as the construction is in substantial compliance with the design and permits. The permits set forth in Exhibit A are sufficient for the Esplanade build-out (including the Esplanade CIP) described in the development plans. The platting, design and permitting of the site plan are ongoing at this time and there is no reason to believe such permitting will not be obtained.

Items of construction in this report are based on actual completed infrastructure as built-plans and specifications or, with respect to uncompleted infrastructure, current plan quantities for the infrastructure construction as shown on the master plans, conceptual plans, construction drawings and specifications, last revisions. It is the professional opinion of Waldrop Engineering that the actual costs set forth herein are accurate and not in excess of the fair market value of the completed improvements and that estimated infrastructure costs provided herein are reasonable to complete the construction of the infrastructure described herein and that these infrastructure improvements will benefit and add value to the assessable lands in Esplanade. All such infrastructure costs are public improvements or community facilities as set forth in Section 190.012(1) of the Florida Statutes. Further, the Esplanade CIP, which includes the 2013 Project and the 2018 Project, functions as a system of improvements benefitting all lands within Esplanade.

The infrastructure total construction cost developed in this report is only an estimate and not a

guaranteed maximum price. The estimated cost is based on unit prices currently being experienced for ongoing and similar items of work in Manatee County and quantities as represented on the master plans. The labor market, future costs of equipment and materials, and the actual construction processes frequently vary and cannot be accurately forecasted. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate.

The professional services for establishing the opinion of estimated construction cost are consistent with the degree and care and skill exercised by members of the same profession under similar circumstances.

Jeremy L. Fireline, P.E

District Engineer

FL Registration No.: 63987

EXHIBITS

Exhibit A Permit and Construction Approval Status

Exhibit B Summary of Estimated Project Costs

Exhibit C Vicinity Map

Exhibit D Legal Description and Description Sketch

EXHIBIT A

**PERMIT AND CONSTRUCTION
APPROVAL STATUS**

EXHIBIT "A"
Artisan Lakes Community Development District – Esplanade CIP

Approval Date	Anticipated Date	Agency	Application/Permit No.	Permit Name
5/5/2016		Manatee County Planning and Zoning	PDMU-91-01(Z)(G)(R6)	Site Development Plan approval (zoning)
9/16/2015		Southwest Florida Water Management District	702664/43030240.009	Surface Water Management/Mass Grading Permit
5/18/2016		Manatee County Development Order	Ord. 16-25	Development Agreement (revised)
	July 2019	USCOE - renewal	SAJ-2006-1461	Renewal of Dredge and Fill permit – upland agricultural ditches
11/28/2016		Manatee County	FSP-16-13	Preliminary Plat/Preliminary Site Plan/Final Site Plan – Phase III
10/21/2013		Manatee County Public Works/FDEP (Water)	0133068-1047DS/C	Water Distribution Permit
10/21/2013		Manatee County Public Works/FDEP (Sewer)	CS41-0182186-192-DWC/CM	Sanitary Sewer and Collection System Permit
12/6/2016		Manatee County	Same as FSP	Construction Plans – Phase III
10/12/2018		Manatee County	PLN1803-0102	Preliminary Plat/Preliminary Site Plan/Final Site Plan – Phase IV
10/12/2018		Manatee County	Same as FSP	Construction Plans – Phase IV

EXHIBIT B
SUMMARY OF
ESTIMATED PROJECT COST

**Artisan Lakes Community Development District
Esplanade at Artisan Lakes Capital Improvement Program Cost Estimate - 2018 Project
Table IV**

No.	Facility	2013 Project	2018 Project		Developer Funded		Total Project Costs
		Series 2013 Project - Completed Improvements ⁸	Portion of 2018 Project to be funded with Series 2018 Bond Proceeds ⁷	Completion Agreement - 2018 Project	Completed Improvements - Developer Funded	Future Developer Funded Improvements	
1	Stormwater/Floodplain Management ⁽¹⁾⁽²⁾	\$2,871,400.00	\$1,489,498.00	\$494,944.00	\$1,968,430.00	\$1,320,885.00	\$8,145,157.00
2	Subdivision Roads				\$3,118,498.00	\$1,903,792.00	\$5,022,290.00
3	Subdivision Sanitary Sewer Collection System	\$840,910.00	\$1,143,443.83	\$477,805.17			\$2,462,159.00
4	Subdivision Potable Water System	\$840,910.00	\$863,383.33	\$404,570.00			\$2,108,863.33
5	Subdivision Landscape/Irrigation/Hardscape				\$734,606.00	\$1,264,562.00	\$1,999,168.00
6	Amenity Center				\$2,081,300.00	\$5,332,245.00	\$7,413,545.00
7	Phase I Inspection and Repair for County Acceptance				\$250,000.00		\$250,000.00
Subtotal (Esplanade)		\$4,553,220.00	\$3,496,325.16	\$1,377,319.17	\$8,152,834.00	\$9,821,484.00	\$27,401,182.33
		Phase I (all improvements)					
8	Artisan Lakes Parkway ⁽⁴⁾⁽⁶⁾	\$1,877,436.47	\$1,580,394.50				\$3,457,830.97
Subtotal (Improvements Benefiting All Units)		\$1,877,436.47	\$1,580,394.50				\$3,457,830.97
9	Contingency (15%)		\$154,068.60	\$206,597.88		\$1,473,222.60	\$1,833,889.08
10	Professional Fees	\$624,994.03	\$712,740.74	\$346,648.87	\$474,917.25	\$396,560.24	\$2,555,861.13
Total Improvements		\$7,055,650.50	\$5,943,529.00	\$1,930,565.91	\$8,627,751.25	\$11,691,266.84	\$35,248,763.50

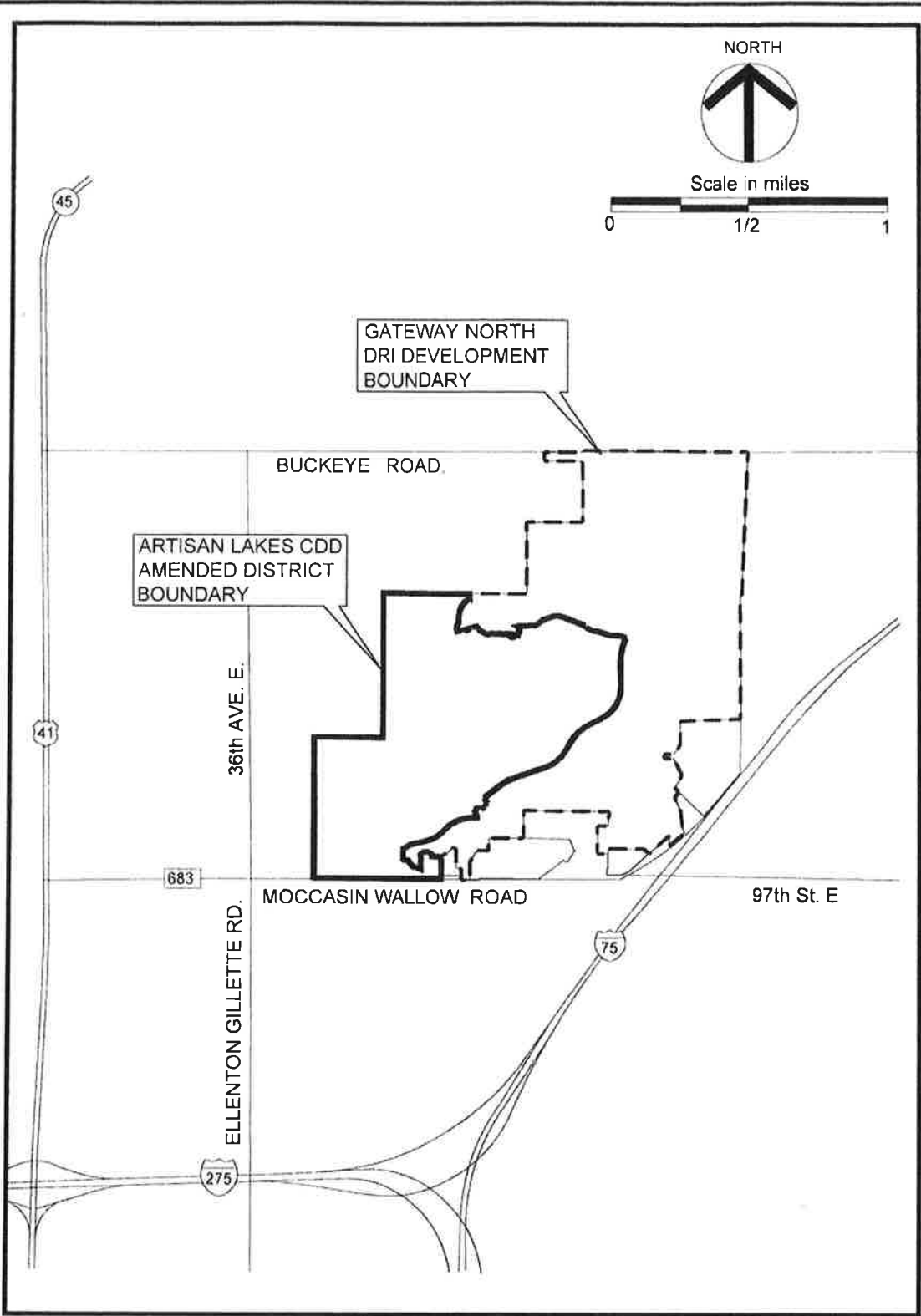
Total 2018 Project: **\$7,874,094.92**
Total Improvements to be financed⁷: **\$5,943,529.00**

The cost estimates set forth herein are estimates based on current plans and market conditions, which are subject to change. Accordingly, the '2018 Project' as used herein refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units, which (subject to true-up determinations) number and type of units may be changed with the development of Esplanade."

Notes:

- (1) Public Stormwater/Floodplain mgmt includes storm sewer pipes, inlets, catch basins, control structures, headwalls
- (2) Developer Funded Stormwater/Floodplain mgmt includes lake excavations, lot pad grading, road grading.
- (3) Value of Public Work Completed to Date is established from past Bills of Sale and Construction Invoices.
- (4) Artisan Lakes Parkway 1 improvements include: roadway, storm sewer, san. sewer, lift station no. 1, potable water & irrigation mains/landscape/hardscape, & street lights
- (5) Completed work includes the 27th gravity sanitary sewer main that conveys waste water from Artisan Lakes to the Manatee County master pump station
- (6) Maximum District contribution toward \$14,890,000 cost to construct Artisan Lakes Parkway is 45% of total cost (\$6,700,500 of \$14,890,000) per Interlocal Agreement with Artisan Lakes East CDD.
- (7) The portion of the 2018 Project to be financed with with Series 2018 Bonds includes final payment for 2013 project, public infrastructure completed in Phase 3, public infrastructure constructed with Phase 4, and associated work product.
- (8) 2013 Project - Represents Series 2013 Project Completed Improvements paid for with proceeds of the 2013 Bonds plus a Developer Contribution.

EXHIBIT C
VICINITY MAP



DATE: 2018-01-24

ARTISAN LAKES CDD VICINITY MAP

PREPARED FOR:
TAYLOR MORRISON OF FLORIDA, INC.
 551 NORTH CATTLEMEN ROAD
 SARASOTA, FLORIDA 34232
 PHONE (941) 317-0008 FAX: (941) 371-7998

SECTION: TOWNSHIP: RANGE:
 9, 16 & 17 T33S R18E
 SARASOTA COUNTY, FLORIDA

FILE NAME: 22321E0401.dwg
 SHEET: 1 OF 1

FLORIDA PROFESSIONAL ENGINEERING BOARD

JEREMY FIRELINE, P.E.
 FL LICENSE NO. 63987



551 NORTH CATTLEMEN ROAD - SUITE 100,
 SARASOTA, FL 34232
 P: 941-379-8400 F: 941-379-7788
 EMAIL: info@waldropengineering.com

T:\Projects\223-21 (Artisan Lakes) CDD\Drawings-Exhibits\223-21-E04-Contraction Parcel\Current\22321E0401.dwg

EXHIBIT D

LEGAL DESCRIPTION AND DESCRIPTION SKETCH

Description Sketch


ARTISAN LAKES CONTRACTION PARCEL

DESCRIPTION: A parcel of land lying in Sections 16 and 17 Township 33 South, Range 18, Manatee County, Florida, being a portion of ARTISAN LAKES ESPLANADE, PHASE I, SUBPHASES A, B, C & D, according to the plat thereof as recorded in Plat Book 57, Pages 65 through 101, inclusive, all of ARTISAN LAKES ESPLANADE, PHASE II, according to the plat thereof as recorded in Plat Book 59, Pages 1 through 6, and all of ARTISAN LAKES ESPLANADE, PHASE III, SUBPHASES A, B, C, D & E, according to the plat thereof as recorded in Plat Book 61, Pages 119 through 131, All of the Public Records of Manatee County, Florida, and being more particularly described as follows:

COMMENCE at the Southeast corner of said Section 17, run thence along the East boundary of said Section 17, N.00°54'42"E., a distance of 75.00 feet to a point on the North right of way line of Moccasin Wallow Road; thence along the North right of way line of Moccasin Wallow Road, the following two (2) courses: 1) N.89°33'35"W., a distance of 110.58 feet to the **POINT OF BEGINNING**; 2) N.89°33'35"W., a distance of 2439.46 feet to a point on the East maintained right of way line of 40th Avenue East, per Road Plat Book 3, Page 169, of the Public Records of Manatee County, Florida, also being the West boundary of said plat ARTISAN LAKES ESPLANADE, PHASE III, SUBPHASES A, B, C, D & E; thence along said East maintained right of way line, and said ARTISAN LAKES ESPLANADE, PHASE III, SUBPHASES A, B, C, D & E, a distance of 2602.11 feet to a point on the North boundary of the Southeast 1/4 of said Section 17, also being the Northwest corner of said plat of ARTISAN LAKES ESPLANADE, PHASE III, SUBPHASES A, B, C, D & E; thence along said North boundary of the Southeast 1/4 of Section 17, also being the North boundary of said plat ARTISAN LAKES ESPLANADE, PHASE III, SUBPHASES A, B, C, D & E, S.89°18'17"E., a distance of 1299.29 feet to the Southwest corner of the East 1/2 of the Northeast 1/4 of said Section 17; thence along the West boundary of the East 1/2 of the Northeast 1/4 of said Section 17, N.00°04'18"W., a distance of 2660.51 feet to the Northwest corner of the East 1/2 of the Northeast 1/4 of said Section 17; thence along the North boundary of the East 1/2 of the Northeast 1/4 of said Section 17, S.89°31'32"E., a distance of 1343.85 feet to the Northwest corner of the Northwest 1/4 of said Section 16; thence along the North boundary of the Northwest 1/4 of said Section 16, N.89°59'37"E., a distance of 325.57 feet; thence S.00°00'23"E., a distance of 85.35 feet; thence Southwesterly, 406.28 feet along the arc of a non-tangent curve to the left having a radius of 380.00 feet and a central angle of 61°15'29" (chord bearing S.31°06'17"W., 387.20 feet); thence S.00°28'32"W., a distance of 47.11 feet; thence Southerly, 141.36 feet along the arc of a tangent curve to the right having a radius of 300.00 feet and a central angle of 26°59'49" (chord bearing S.13°58'27"W., 140.05 feet); thence Southerly, 55.82 feet along the arc of a reverse curve to the left having a radius of 75.00 feet and a central angle of 42°38'33" (chord bearing S.06°09'05"W., 54.54 feet); thence S.15°10'11"E., a distance of 40.54 feet; thence N.74°49'49"E., a distance of 138.72 feet; thence Easterly, 111.78 feet along the arc of a non-tangent curve to the left having a radius of 55.00 feet and a central angle of 116°26'29" (chord bearing N.74°49'49"E., 93.51 feet); thence N.74°49'49"E., a distance of 133.61 feet; thence S.39°14'22"E., a distance of 32.00 feet; thence Southeasterly, 36.60 feet along the arc of a non-tangent curve to the left having a radius of 30.00 feet and a central angle of 69°54'02" (chord bearing S.23°38'57"E., 34.37 feet); thence S.58°35'58"E., a distance of 52.43 feet; thence S.56°59'18"E., a distance of 87.59 feet; thence S.78°34'23"E., a distance of 69.56 feet; thence N.73°10'12"E., a distance of 60.36 feet; thence S.79°49'59"E., a distance of 29.59 feet; thence S.81°50'02"E., a distance of 56.83 feet; thence N.76°43'23"E., a distance of 45.37 feet; thence S.87°22'32"E., a distance of 32.66 feet; thence S.76°38'21"E., a distance of 58.92 feet; thence N.78°36'28"E., a distance of 69.16 feet; thence S.84°26'15"E., a distance of 48.02 feet; thence S.65°08'35"W., a distance of 12.13 feet; thence Southerly, 78.90 feet along the arc of a tangent curve to the left having a radius of 30.00 feet and a central angle of 150°41'08" (chord bearing S.10°12'00"E., 58.05 feet); thence S.85°32'34"E., a distance of 69.39 feet; thence N.80°41'18"E., a distance of 40.48 feet; thence Northeasterly, 48.89 feet along the arc of a tangent curve to the left having a radius of 30.00 feet and a central angle of 93°22'37" (chord bearing N.33°59'59"E., 43.66 feet); thence N.12°41'19"W., a distance of 2.11 feet; thence S.78°04'12"E., a distance of 12.04 feet; thence Northeasterly, 53.85 feet along the arc of a tangent curve to the left having a radius of 30.00 feet and a central angle of 102°50'31" (chord bearing N.50°30'33"E., 46.90 feet); thence N.00°54'43"W., a distance of 36.32 feet; thence N.00°10'08"W., a distance of 82.28 feet; thence N.59°59'38"W., a distance of 29.43 feet; thence N.78°15'11"E., a distance of 16.36 feet; thence N.85°08'32"E., a distance of 56.31 feet; thence S.82°50'00"E., a distance of 48.47 feet; thence N.81°17'08"E., a distance of 72.74 feet; thence S.89°36'29"E., a distance of 45.92 feet; thence N.85°32'12"E., a distance of 84.34 feet; thence S.83°20'20"E., a distance of 23.46 feet; thence Northeasterly, 43.03 feet along the arc of a tangent curve to the left having a radius of 30.00 feet and a central angle of 82°11'02" (chord bearing N.55°34'09"E., 39.44 feet); thence N.14°28'38"E., a distance of 22.37 feet; thence N.41°30'51"E., a distance of 48.69 feet;

Legal Description Continued on Sheet No. 2

ARTISAN LAKES CONTRACTION PARCEL

PROJECT: ARTISAN LAKES			Prepared For: TAYLOR MORRISON		
PHASE: CONTRACTION PARCEL			DESCRIPTION SKETCH		
DRAWN: SEC			(Not A Survey)		
DATE: 01/05/18			1403 E. 5th Avenue		
CHECKED BY: PAW			Tampa, Florida 33605		
REVISIONS			Phone: (813) 248-8888		
			Licensed Business No.: LB 7768		
DATE	DESCRIPTION	DRAWN BY	 GeoPoint Surveying, Inc.		
01/19/18	Revise Name of Parcel	SEC			
			David A. Williams FLORIDA PROFESSIONAL SURVEYOR & MAPPER NO. LS6423		


Description Sketch

Legal Description Continued from Sheet No. 1

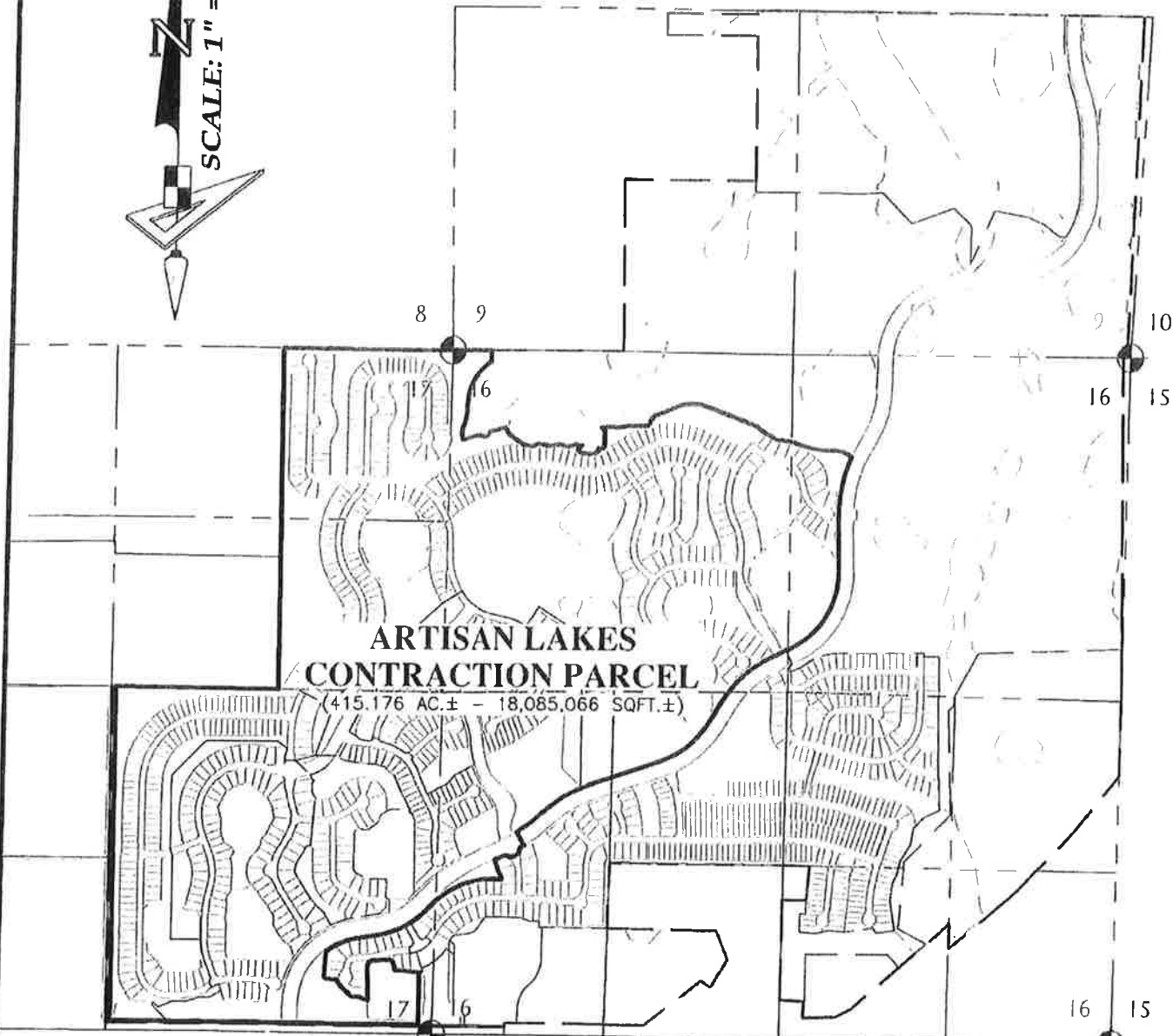
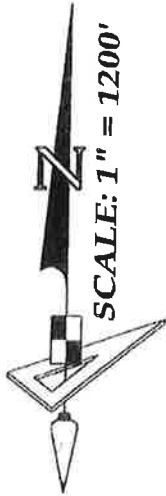
thence Northeasterly, 14.44 feet along the arc of a tangent curve to the right having a radius of 25.00 feet and a central angle of 33°05'04" (chord bearing N.58°03'23"E., 14.24 feet); thence Easterly, 149.43 feet along the arc of a reverse curve to the left having a radius of 760.00 feet and a central angle of 11°15'55" (chord bearing N.68°57'57"E., 149.19 feet); thence Easterly, 284.63 feet along the arc of a reverse curve to the right having a radius of 340.00 feet and a central angle of 47°57'52" (chord bearing N.87°18'56"E., 276.39 feet); thence S.68°42'08"E., a distance of 419.95 feet; thence Southeasterly, 23.65 feet along the arc of a tangent curve to the right having a radius of 25.00 feet and a central angle of 54°12'23" (chord bearing S.41°35'57"E., 22.78 feet); thence S.57°21'06"E., a distance of 70.76 feet; thence S.62°36'51"E., a distance of 75.80 feet; thence S.62°36'51"E., a distance of 4.70 feet; thence Easterly, 40.75 feet along the arc of a tangent curve to the left having a radius of 80.00 feet and a central angle of 29°10'54" (chord bearing S.77°12'18"E., 40.31 feet); thence Easterly, 47.43 feet along the arc of a reverse curve to the right having a radius of 200.00 feet and a central angle of 13°35'20" (chord bearing S.85°00'05"E., 47.32 feet); thence S.78°12'25"E., a distance of 56.64 feet; thence Easterly, 37.41 feet along the arc of a tangent curve to the right having a radius of 100.00 feet and a central angle of 21°25'56" (chord bearing S.67°29'27"E., 37.19 feet); thence S.74°48'01"E., a distance of 164.87 feet; thence Easterly, 127.31 feet along the arc of a non-tangent curve to the left having a radius of 660.00 feet and a central angle of 11°03'08" (chord bearing S.85°23'16"E., 127.12 feet); thence N.89°05'10"E., a distance of 49.11 feet; thence Easterly, 41.63 feet along the arc of a tangent curve to the right having a radius of 95.00 feet and a central angle of 25°06'24" (chord bearing S.78°21'38"E., 41.30 feet); thence S.65°48'26"E., a distance of 52.00 feet; thence S.64°50'08"E., a distance of 37.14 feet; thence Southerly, 485.16 feet along the arc of a non-tangent curve to the left having a radius of 1060.00 feet and a central angle of 26°13'28" (chord bearing S.12°03'08"W., 480.94 feet); thence S.01°03'36"E., a distance of 423.34 feet; thence Southwesterly, 742.82 feet along the arc of a tangent curve to the right having a radius of 640.00 feet and a central angle of 66°30'01" (chord bearing S.32°11'24"W., 701.82 feet); thence S.65°26'25"W., a distance of 197.31 feet; thence Southwesterly, 540.35 feet along the arc of a tangent curve to the left having a radius of 860.00 feet and a central angle of 36°00'00" (chord bearing S.47°26'25"W., 531.51 feet); thence S.29°26'25"W., a distance of 139.89 feet; thence Southwesterly, 541.21 feet along the arc of a tangent curve to the right having a radius of 740.00 feet and a central angle of 41°54'16" (chord bearing S.50°23'33"W., 529.23 feet); thence S.71°20'41"W., a distance of 582.70 feet; thence Southwesterly, 432.87 feet along the arc of a tangent curve to the left having a radius of 985.00 feet and a central angle of 25°10'46" (chord bearing S.58°45'18"W., 429.40 feet); thence Southwesterly, 250.94 feet along the arc of a reverse curve to the right having a radius of 1090.00 feet and a central angle of 13°11'27" (chord bearing S.52°45'39"W., 250.39 feet); thence S.30°38'38"E., a distance of 120.00 feet; thence Southwesterly, 31.11 feet along the arc of a non-tangent curve to the right having a radius of 1210.00 feet and a central angle of 01°28'23" (chord bearing S.60°05'34"W., 31.11 feet); thence Southerly, 52.87 feet along the arc of a reverse curve to the left having a radius of 35.00 feet and a central angle of 86°32'47" (chord bearing S.17°33'22"W., 47.98 feet); thence S.64°16'58"W., a distance of 80.00 feet; thence Westerly, 52.87 feet along the arc of a non-tangent curve to the left having a radius of 35.00 feet and a central angle of 86°32'47" (chord bearing N.68°59'25"W., 47.98 feet); thence Westerly, 88.43 feet along the arc of a reverse curve to the right having a radius of 1213.85 feet and a central angle of 04°10'27" (chord bearing S.69°49'25"W., 88.42 feet); thence S.19°33'35"E., a distance of 89.94 feet; thence S.30°02'46"E., a distance of 56.40 feet; thence S.00°01'36"W., a distance of 20.64 feet; thence N.89°58'24"W., a distance of 97.64 feet; thence Southwesterly, 562.95 feet along the arc of a tangent curve to the left having a radius of 671.00 feet and a central angle of 48°04'10" (chord bearing S.65°59'31"W., 546.58 feet); thence Southwesterly, 461.32 feet along the arc of a reverse curve to the right having a radius of 680.00 feet and a central angle of 38°52'11" (chord bearing S.61°23'31"W., 452.52 feet); thence S.80°49'37"W., a distance of 172.77 feet; thence Southwesterly, 263.60 feet along the arc of a tangent curve to the left having a radius of 520.00 feet and a central angle of 29°02'38" (chord bearing S.66°18'17"W., 260.78 feet); thence S.03°48'58"W., a distance of 194.30 feet; thence S.51°34'39"E., a distance of 21.79 feet; thence S.84°57'31"E., a distance of 88.78 feet; thence S.30°37'25"E., a distance of 56.24 feet; thence S.47°10'20"E., a distance of 116.53 feet; thence S.88°04'19"E., a distance of 46.06 feet; thence S.70°00'18"E., a distance of 89.96 feet; thence N.00°09'45"W., a distance of 60.06 feet; thence N.01°17'54"W., a distance of 102.94 feet; thence N.01°32'36"W., a distance of 110.30 feet; thence N.31°26'56"E., a distance of 25.81 feet; thence Northeasterly, 29.60 feet along the arc of a tangent curve to the right having a radius of 30.00 feet and a central angle of 56°31'59" (chord bearing N.59°42'55"E., 28.41 feet); thence N.87°58'55"E., a distance of 134.33 feet; thence Southeasterly, 32.13 feet along the arc of a tangent curve to the right having a radius of 30.00 feet and a central angle of 61°21'31" (chord bearing S.61°20'20"E., 30.61 feet); thence S.30°39'35"E., a distance of 29.75 feet; thence S.03°11'20"E., a distance of 38.97 feet; thence S.84°44'45"E., a distance of 196.79 feet; thence S.71°00'19"W., a distance of 7.67 feet; thence S.00°26'25"W., a distance of 400.05 feet to the POINT OF BEGINNING.

Containing 415.176 acres, more or less.

ARTISAN LAKES CONTRACTION PARCEL

PROJECT: ARTISAN LAKES		Prepared For: TAYLOR MORRISON		
PHASE: CONTRACTION PARCEL		DESCRIPTION SKETCH (Not A Survey)		
DRAWN: SEC	DATE: 01/05/18			CHECKED BY: PAW
REVISIONS				
DATE	DESCRIPTION	DRAWN BY	 GeoPoint Surveying, Inc.	
01/19/18	Revise Name of Parcel	SEC		
02 of 15				

Description Sketch



POINT OF COMMENCEMENT
 SOUTHEAST CORNER OF SECTION 17-33-18
 SEE SHEET NO. 4 FOR POINT OF BEGINNING

MOCCASIN WALLOW ROAD
 (Right of Way Width Varies)

ARTISAN LAKES CONTRACTION PARCEL

PROJECT: ARTISAN LAKES

Prepared For: TAYLOR MORRISON

PHASE: CONTRACTION PARCEL

DRAWN: SEC DATE: 01/05/18 CHECKED BY: PAW

1403 E. 5th Avenue
 Tampa, Florida 33605
 Phone: (813) 248-8888
 Licensed Business No.: LB 7768

REVISIONS

DATE	DESCRIPTION	DRAWN BY
01/19/18	Revise Name of Parcel	SEC

DESCRIPTION SKETCH
 (Not A Survey)

GeoPoint
 Surveying, Inc.

EXHIBIT B

ARTISAN LAKES
COMMUNITY DEVELOPMENT DISTRICT

Special Assessment Methodology

FINAL SUPPLEMENTAL REPORT PREPARED FOR LIMITED OFFERING MEMORANDUM

Series 2018 Bonds – Esplanade at Artisan Lakes

Prepared by:

10/29/2018

JPWard & Associates LLC

JAMES P. WARD

954.658.4900

JimWard@JPWardAssociates.com



2900 NE 12TH TERRACE, SUITE 1
OAKLAND PARK
FLORIDA 33335

1.0 INTRODUCTION

This Final Supplemental Assessment Report provides the final supplement to the District's August 1, 2018 Special Assessment Methodology report, as adopted on October 10, 2018 as supplemented on October 18, 2018 for the Preliminary Limited Offering Memorandum and is intended to be used in connection with the District's Limited Offering Memorandum issued for the Series 2018 Bonds and the District's Supplemental Assessment Resolution. More specifically, this Final Report sizes the Series 2018 bonds based on the pricing of the Series 2018 Bonds and related Series 2018 Assessments based upon construction proceeds from the Series 2018 Bonds. Table IV attached hereto provides the updated cost of construction for the Series 2018 Project.¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the August 1, 2018 and the October 10, 2018 Adopted Special Assessment Methodology report.

¹ The 2018 Project is described in the District's 2018 Supplement to Report of the District Engineer - Phase 1 Capital Improvement Plan, dated August 1, 2018, as adopted on October 10, 2018, as supplemented on October 18, 2018 ("**2018 Engineer's Report**"). Under the 2018 Engineer's Report, the "**Esplanade Capital Improvement Plan**" or "**Esplanade CIP**" refers to the public infrastructure necessary for the development of the planned residential units within the District, as its boundaries have been amended, and includes public infrastructure funded in part by the District's previously issued Series 2013 Bonds (hereinafter defined) and public infrastructure (the "2018 Project") to be funded in part with the District's proposed Series 2018 Bonds (hereinafter defined) all as shown in Exhibit B, Table IV to the 2018 Engineer's Report. Defined terms used herein and not defined herein have the meanings set forth in the 2018 Engineer's Report.

The District’s limited purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, systems, facilities, services and improvements.²

When the District was initially established, a variety of public infrastructure improvements were constructed by the District, including but not limited to: a surface water management system, utilities, roadway improvements, exterior landscaping, off-site improvements and mitigation. The District has previously issued its Series 2013 Bonds to benefit portions of the development in the District known as “Esplanade,” and which are secured by special assessments³ levied on assessable land developed and to be developed with a mixture of residential unit types.

This report will identify the special and peculiar benefits for the works and services of the District’s 2018 Project, including added use of the assessable property to be subject to the Series 2018 Assessments in connection therewith, added enjoyment of such property, and probability of increased marketability, value of such property and decreased insurance premiums. These benefits will be evaluated for each of the residential product types in order to ensure that the new assessments are fair, just and reasonable for all property. The Series 2018 Assessments will

² See Florida Statutes sections 190.002(1)(a) and (1)(c) and (3); Florida Statutes section 190.003(6); Florida Statutes section 190.012; and *State v. Frontier Acres Com. Develop.*, 472 So 2d 455 (Fla. 1985) in which the Florida Supreme Court opines about the “limited grant of statutory powers under chapter 190 [and] the narrow purpose of such districts” as “special purpose governmental units,” where the narrow purpose is in the singular as applied to their powers in the plural. *Frontier Acres Com. Develop.*, at 456. The Supreme Court also references section 190.002, Florida Statutes, to “evidence the narrow objective” in providing community infrastructure in section 190.002(1)(a), Florida Statutes, opining that the “powers” of such districts “implement the single, narrow legislative purpose.” *Id.* at 457.

³ The special assessments securing the Series 2013 Bonds are described in that Final Series 2013 Special Assessment Allocation Report, Phase 1 – Esplanade at Artisan Lakes, dated December 19, 2013, as revised December 26, 2013 (“**Series 2013 Assessment Methodology**”).

be levied on only a portion of the platted property and all of the unplatted property in the District, as more fully described herein.

2.0 THE DISTRICT AND BOND STRUCTURE

The District is located near Bradenton, Florida, and was established on or about August 16, 2007 by Manatee County Ordinance #07-64. The District's boundaries were amended in August, 2018 to remove approximately 434.063 acres from the District, so that it currently encompasses approximately 415.176 acres planned for approximately 851 residential units. The revised boundaries of the District include only the portion of the original overall development known as "Esplanade." The land excluded from the District's boundaries is located within the boundaries of the Artisan Lakes East Community Development District (the "Artisan Lakes East CDD"), which was established concurrently with the amendments to the District's boundaries.

The District is situated in a portion of the Gateway North Development of Regional Impact, an approved development of regional impact located at the northwest corner of the Moccasin Wallow Road and Interstate 75 interchange in northern Manatee County, Florida. The Gateway North DRI encompasses 1,040 acres and is bound on the east by Interstate 75, on the south by Moccasin Wallow Road, on the north by Buckeye Road and on the west by 40th Avenue East and undeveloped land. Esplanade is one exit north of the Interstate 75 and Interstate 275 interchange and is located approximately twenty (20) minutes northeast of downtown Bradenton, approximately thirty-five (35) minutes southeast of downtown Tampa and approximately thirty (30) minutes northeast of Sarasota. In addition, the Sarasota International Airport and Tampa International Airport are located approximately twenty-five (25) minutes and forty (40) minutes from the Development, respectively.

On or about October 12, 2007, the Circuit Court for the Twelfth Judicial Circuit validated the issuance of District Bonds in an amount not to exceed \$190,000,000.00. Thereafter, and on or about December 30, 2013, and in order to finance a portion of the District's capital improvement plan for Esplanade known as the "2013 Project," the District issued its \$3,430,000 Capital Improvement Revenue Bonds, Series 2013A-1 ("**Series 2013A-1 Bonds**"), \$2,585,000 Capital Improvement Revenue Bonds, Series 2013A-2 ("**Series 2013A-2 Bonds**"), and \$2,500,000 Capital Improvement Revenue Bonds, Series 2013A-3 ("**Series 2013A-3 Bonds**") (collectively, "**Series 2013 Bonds**"). The Series 2013 Bonds were issued in the aggregate par amount of \$8,515,000.00. All of the Series 2013 Bonds are structured as amortizing current-interest bonds.

The Series 2013 Bonds are secured by non-ad valorem debt service assessments (collectively, the “**Series 2013 Assessments**” and, with respect to each Series of the Series 2013 Bonds, the “Series 2013A-1 Assessments,” the “Series 2013A-2 Assessments” and the “Series 2013A-3 Assessments,” as applicable) levied on certain benefitted and assessable lands within Esplanade. The Series 2013 Bonds are payable from the revenues derived by the District from the levy and collection of the Series 2013 Assessments, which are levied in thirty (30) yearly installments of principal and interest, excluding any period during which interest was capitalized on the Series 2013 Bonds.

Under the Series 2013 Assessment Methodology, the Series 2013 Assessments securing the Series 2013A-1 Bonds and Series 2013A-2 Bonds were to be assigned to, and layered together over, platted lots on a first-platted, first-assigned basis. Originally, it was expected that the Series 2013A-1 and Series 2013 A-2 Assessments would be absorbed by the first 311 platted units. As of the date of this report, and since 2013, three plats have been recorded for the community, including the plats entitled: (i) “Artisan Lakes Esplanade, Phase I, Subphases A, B, C & D,” (“**Phase I Plat**”) which was recorded on August 26, 2014 and in Official Records of Manatee County, Florida at Plat Book 57, Pages 65 et seq.; (ii) “Artisan Lakes Esplanade, Phase II,” (“**Phase II Plat**”) which replatted a portion of Esplanade Phase 1 Plat and which was recorded on October 30, 2015 and in Official Records of Manatee County, Florida at Plat Book 59, Pages 1 et seq.; and (iii) “Artisan Lakes Esplanade Phase III, Subphases A, B, C, D & E” (“**Phase III Plat**”), which was recorded on April 28, 2017 and in Official Records of Manatee County, Florida at Plat Book 61, Pages 119 et seq. These plats include a unit mix that is different than the unit mix proposed at the time of the issuance of the Series 2013 Bonds.

After taking into account the platted units, the Series 2013A-1 Assessments are now fully absorbed by 335 of the Platted Units. With respect to the Series 2013A-2 Assessments, the Developer has chosen to exercise its right to prepay those assessments upon closing of each lot to an end user. As of May 2, 2018 there is outstanding \$660,000.00 in Series 2013 A-2 Bonds.

It is anticipated that the Developer will do the same for the Series 2013 A-3 Assessments, which are to be allocated to platted lots in Esplanade only after the Series 2013A-1 and Series 2013 A-2 Assessments are fully allocated to platted lots. As of May 2, 2018, the Series 2013 A-3 Bonds are outstanding in the par amount of \$2,390,000.00.

With the Phase III plat now being recorded, and consistent with the Series 2013 Assessment Methodology, the Series 2013 A-3 Assessments will be assigned to the 53 remaining 40'-49'

Platted Units in the Phase III Plat that are not already assigned Series 2013 A-1 and A-2 Assessments, as well as the remaining undeveloped lands within Esplanade. This is also reflected in Table 1. These same 53 40' – 49' Platted Units will be immediately allocated Series 2018 Assessments and the remaining Series 2018 Assessments will be assigned to the remaining unplatted acreage in the District that are not subject to the Series 2013 Assessments.

Accordingly, and with the Series 2013A-1 and Series 2013A-2 Assessments fully absorbed, the Series 2013 A-3 Assessments will now be assigned on a first-platted, first-assessed basis to lands within Esplanade as described above and will be layered (aggregated) with the Series 2018 Assessments outlined in this report. The lien of the Series 2018 Assessments is considered overlapping with the lien of the Series 2013A-3 Assessments on the land Table 1 reflects that 53 Platted Lots identified as Single Family 40' – 49'' product will carry overlapping Series 2013 A-3 Assessments and Series 2018 Assessments. Thus, like the Series 2013A-3 Assessments, the Series 2018 Assessments will be assigned on a first-platted, first-assigned basis along with the Series 2013A-3 Assessments on all lots that are not encumbered by the Series 2013A-1 and Series 2013A-2 Assessments.

The Series 2018 Bonds will also be structured as amortizing current-interest bonds, payable from the revenues derived by the District from the levy and collection of the Series 2018 Assessments, which will be levied in thirty (30) yearly installments of principal and interest, excluding any period during which interest is capitalized on the Series 2018 Bonds.

3.0 PURPOSE OF THIS REPORT

This Special Assessment Report and the Methodology described herein have been developed to provide a roadmap and lays out in detail each step for use by the Board of Supervisors of the District (the "Board") for the imposition and levy of non-ad valorem special assessments. The District's 2018 Project, as defined in the 2018 Engineer's Report, will allow for the further development of the Esplanade development and will be partially or fully funded through the issuance by the District of the Series 2018 Bonds to be repaid from the proceeds of the Series 2018 Assessments levied by the Board on the assessable properties specified herein and located within Esplanade (sometimes referred to as the "2018 Assessable Properties") that benefit from the implementation of the 2018 Project. The Series 2018 Assessments will be liens against such specified properties within Esplanade.

The Methodology described herein has two goals: (1) determining the special and peculiar benefits that flow to the 2018 Assessable Properties in Esplanade as a logical connection from the infrastructure systems and facilities constituting enhanced use and increased enjoyment of the property; and (2) apportion the special benefits on a basis that is fair and reasonable. The District has adopted the 2018 Project comprising certain public infrastructure and facilities that will allow for the further development of the Esplanade development. The District plans to fund the a portion of the 2018 Project, through the issuance of the Series 2018 Bonds. The Methodology herein is intended to set forth a framework to apportion the special and peculiar benefits from the portions of the 2018 Project financed with the proceeds of the Series 2018 Bonds payable from and secured by the Series 2018 Assessments imposed and levied on the 2018 Assessable Properties in Esplanade. The report is designed to conform to the requirements of the Constitution, Chapters 170, 190 and 197 F.S. with respect to the Series 2018 Assessments and is consistent with our understanding of the case law on this subject. Once levied by the Board, the Series 2018 Assessments will constitute liens co-equal with the liens of State, County, municipal and school board taxes, against properties within Esplanade that receive special benefits from the 2018 Project.

4.0 MASTER DEVELOPMENT PROGRAM

4.1 Land Use Plan

The anticipated Land Use Plan for the District is identified in Table II below, and constitutes the expected number of residential units to be constructed by type of unit by the Developer. As with any Land Use Plan, this may change during development; however, the District anticipates that in this methodology, by utilizing the concept that the assessments are levied on a per acre basis initially for all undeveloped lands, and as land is platted, the District assigns debt to the platted unit, based on the type of unit noted in the Land Use Plan in Table II.

As noted earlier, with the recordation of the Plat for Phase III, the District has fully absorbed the Series 2013 A-1 Assessments and Series 2013 A-2 Assessments, with 53 lots of the Single Family 40-49' product which will carry overlapping Series 2013 A-3 Debt, as shown in Tables I and III.

4.2 Capital Requirements

Waldrop Engineering (the "District Engineer") has identified certain public infrastructure and services that are being provided by the District Phase III and future remaining lands to be platted

in Table IV of the 2018 Engineer's Report and has provided a cost estimate for these improvements. The detail of the District's CIP can also be found in the 2018 Engineer's Report, as referenced herein.

It is estimated the cost of the 2018 Project to be funded with the proceeds of the Series 2018 bonds be approximately \$5,943,529.00 without taking into consideration the various costs of financing the improvements, including but not limited to Capitalized Interest, Reserve Account Requirements and Costs of Issuance.

5.0 BOND REQUIRMENTS

The District intends to finance a portion of the Series 2018 Project through the issuance of the Series 2018 Bonds. As shown in Table V, it is estimated that the District will issue not exceeding an aggregate principal amount of \$6,760,000.00 in Series 2018 Bonds to fund a portion of the implementation of the 2018 Project.. A number of items comprise the estimated bond size required to fund the Series 2018 estimated par amount of bonds necessary to complete the 2018 Project. These items may include, but are not limited to, a period of capitalized interest, a debt service reserve, an underwriter's discount, issuance costs, and rounding, as noted in Table V.

Any public portions of the 2018 Project not financed by the Series 2018 Bonds will be completed by the developer of Esplanade and contributed to the District.

As the finance plan is implemented the final source and use of funds will be determined at the time of issuance of the Series 2018 Bonds and is dependent on a variety of factors, most importantly, the interest rate that the District is able to secure on the Series 2018 Bonds, along with such items as the capitalized interest period, reserve requirement and costs of issuance.

6.0 ASSIGNMENT OF ASSESSMENTS

It is useful to consider three broad states or conditions of development within the 2018 Assessable Properties in Esplanade. The initial condition is the "unplatted state". At this point infrastructure may or may not be constructed, but in general, home sites or other development units have not been defined and all of the developable land within the assessment area is considered unplatted acreage ("**Unplatted Acres**"). In the unplatted state, all of the lands within the assessment area comprised of the 2018 Assessable Properties receive benefit from all or a portion of the components of the financed portion of the 2018 Project and debt assessments

would be imposed upon all of the land within such assessment area on an equal acre basis to repay the bonds in amount not in excess of the benefit accruing to such parcels.

The second condition is the interim or “approved state”. At this point, a developer would have received approval for a site development plan from the County primarily for the building of a particular type of multi-family product. By virtue of the County granting an approval for its site development plan for a neighborhood, certain development rights are committed to and peculiar to that neighborhood, thereby changing the character and value of the land by enhancing the capacity of the Unplatted Acres within a neighborhood with the special and peculiar benefits flowing from components of the capital improvement plan and establishing the requisite logical connection for the flow of the special benefits peculiar to the property, while also incurring at the same time a corresponding increase in the responsibility for the payment of the levied debt assessment to amortize the portion of the debt associated with those improvements. However, this increased state of development does not fully allocate the units to be constructed within this state until a declaration of condominium is recorded and the District knows exactly the type and number of units that will be constructed on the site. Therefore the approved stated becomes final once the declaration of condominium is filed.

Therefore, once the land achieves this approved state, the District will designate such area, or in combination with other such areas, as an assessment area, and, allocate a portion of this debt to such assessment area in the “approved state”.

This apportionment of benefit is based on accepted practices for the fair and equitable apportionment of special and peculiar benefits in accordance with applicable laws and the procedure for the imposition, levy and collection of non-ad valorem special assessments in conformity with State laws applicable to such assessments.

Development enters its third and “**Platted State**”, as property is platted. Land becomes platted property (the “**Platted Property**”) which single-family units are platted or multifamily land uses receive a building permit and a separate tax parcel identification number is issued for such parcel. At this point, and only at this point, is the use and enjoyment of the property fixed and determinable and it is only at this point that the ultimate special and peculiar benefit can be determined flowing from the components of the CIP peculiar to such platted parcel. At this point, a specific apportionment of the debt assessments will be fixed and determinable from the supplemental assessment report to be prepared once the final pricing details of the bonds are known.

When the development program contains a mix of residential land uses, an accepted method of allocating the costs of public infrastructure improvements to benefiting properties is through the establishment of a system that “equates” the benefit received by each property to the benefit received by a single-family unit to other unit types. To implement this technique for project cost allocation purposes, a base unit type must be set.

Unlike property taxes, which are ad-valorem in nature, a community development district may levy special assessments under Florida Statutes only if the parcels to be assessed receive special benefit from the infrastructure improvement acquired and/or constructed by the District. Special benefits act as a logical connection to property from the improvement system or service facilities being constructed and include, but are not limited to, added use, added enjoyment, increased access and increased property values. These special benefits are peculiar to lands within the District and differ in nature to those general or incidental benefits that landowners outside the District or the general public may enjoy. A District must also apportion or allocate its special assessments so that the assessments are fairly and reasonably distributed relative to the special benefit conferred. Generally speaking, this means the amount of special assessment levied on a parcel should not exceed the amount of special benefit enjoyed by that parcel. A District typically may develop and adopt an assessment methodology based on front footage, square footage, or any other reasonable allocation method, so long as the assessment meets the benefit requirement, and so long as the assessments are fairly and reasonably allocated.

A. Benefit Analysis

It is anticipated that the 2018 Project will provide special benefit to the 2018 Assessable Properties within Esplanade. This infrastructure project is a program of improvements and was designed specifically to facilitate the development of Esplanade into a viable portion of the community, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land uses within the 2018 Assessable Properties in Esplanade.

As noted above, the Esplanade CIP includes not only Esplanade specific infrastructure, but also master infrastructure – namely, Artisan Lakes Parkway – that serves both Esplanade and the Artisan Lakes East CDD. The costs of the Artisan Lakes Parkway will be shared pursuant to a Cost Share/Interlocal Agreement to be entered into between the District and Artisan Lakes East CDD. Under the Cost Share Agreement, the District will pay no more than 45% of the costs of the Artisan Lakes Parkway, which roughly equates to the amount of benefit that the District

receives based on planned units and comparative acreage. The District's share of the cost of the Artisan Lakes Parkway is funded in part with proceeds of the Series 2013 Bonds and in part with proceeds of the Series 2018 Bonds. The Cost Share Agreement will also provide for certain matters relating to impact fee credits arising from the construction of Artisan Lakes Parkway. With respect to such impact fee credits, it is expected that the same will be shared by the District and Artisan Lakes East CDD in the same percentages as the cost of Artisan Lakes Parkway is shared and that the same will be used in a fair and equitable manner benefitting the assessable property in the District and the assessable property in the Artisan Lakes East CDD benefitted by the construction of Artisan Lakes Parkway, as will be detailed in the Cost Sharing Agreement.

Table VI demonstrates the allocation of the Esplanade Allocable Costs for the 2018 Project among the Esplanade development plan. These costs are allocated using an EAU factor applicable for each product type.

There are two amenities planned and related to Artisan Lakes. The first is a temporary amenity facility constructed outside the boundaries of the District and which was originally part of the Developer's sales center. Because it is outside the District's boundaries, no assessments are permitted nor owed in connection with said facility. Additionally, the site plan for Esplanade contemplates the construction of a privately-funded clubhouse/amenity center. As reflected in Table VI, the Esplanade Allocable Costs have not been allocated to the clubhouse; instead, and as contemplated by the Series 2013 Assessment Methodology, and as part of Requisition #3, a contribution of \$64,161.81 was previously made by the Developer to offset any levy of debt assessments on that facility. Even if no contribution had been made, a debt assessment is not appropriate in connection with the development of Esplanade because the facility will be owned and operated by the Master Homeowner's Association, and is considered a common element for the exclusive benefit of lot owners. Stated differently, any benefit for this facility flows directly to the benefit of all of the Platted Lots in the District. As such, no assessment would be assigned to this amenity.

B. Allocation/Assignment Methodology

The Series 2018 Assessments assignable to Platted Units are provided on Tables VI. This table provides the Series 2018 Assessment amount associated with the Series 2018 Bonds. As noted earlier in this report, to the extent there are Unplatted Acres, the initial assessment on those parcels will be on an equal assessment per acre basis. As lands are platted, the Series

2018 Assessments will be assigned to platted lots on a first-platted, first-assigned basis that are not already encumbered by the Series 2013A-1 and Series A-2 Assessments.

While the Esplanade CIP functions as a system of improvements benefitting all lands within the District, the Series 2018 Assessments, together with the debt assessments securing the Series 2013A-3 Bonds, are anticipated to be slightly higher than the debt assessments securing the Series 2013A-1 Bonds and Series 2013A-2 Bonds. This increase is due to the fact that construction and financing costs have increased over time, and, alternatively, can be further justified by additional contributions of infrastructure and land from the developer for public improvements serving all of the District.

7.0 Prepayment of Assessments

The assessments encumbering a Platted Lot may be prepaid in full at anytime, without penalty, together with interest at the rate on the bond series to the interest Payment Date (as defined in the bond trust indenture) that is more than forty-five (45) days next succeeding the date of prepayment, or such other date as set forth in the applicable bond trust indenture or related assessment resolution. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties and collection costs which would otherwise be permissible if the Platted Lot being prepaid is subject to an assessment delinquency.

8.0 Overview of the Inventory Adjustment Determination

The following applies only to the 2018 Assessable Properties.

The assessment methodology is based on the development plan that is currently proposed by the Developer with respect to the 2018 Assessable Properties. As with all projects of this size and magnitude, as development occurs there may be changes to various parts of the proposed project mix, the number of units, the types of units, etc. The inventory adjustment determination mechanism is intended to ensure that all of the debt assessments are levied only on developable properties, such that by the end of the development period there will be no remaining debt on any undevelopable property.

First, as property is taken from an undeveloped (raw land) state and readied for development, the property is platted or alternatively specific site plans are developed and processed through the County Property Appraiser, who assigns distinct parcel identification

numbers for land that is ready to be built upon. Or in the case of property where a condominium is being developed the land is platted as a large tract of land, and ultimately as the developer files the declaration of condominium, the County Property Appraiser assign distinct parcel identifications to each condominium unit that will be constructed on the property.

When either of these events occur, the District must allocate the appropriate portion of its debt to the newly established and distinct parcel identification numbers. The inventory adjustment determination allows for the District to take the debt on these large tracts of land, and assign the correct allocation of debt to these newly created units. This mechanism is done to ensure that the principal assessment for each type of property constructed never exceeds the initially allocated assessment contained in this report.

This is done periodically as determined by the District Manager or their authorized representative, and is intended to insure that the remaining number of units to be constructed can be constructed on the remaining developable land. If at any time, the remaining units are insufficient to absorb the remaining development plan, the applicable landowner will be required to make a density reduction payment, such that the debt remaining after the density reduction payment does not exceed principal assessment for each type of property is exceeded in the initially allocated assessment contained in this report. The specific process for handling inventory adjustments is set forth in more detail in the District's assessment resolution adopting this report, as well as a true-up agreement entered into between the Developer and the District. Further, please note that, in the event that the District's capital improvement plan is not completed, required contributions are not made, or under certain other circumstances, the District may be required to reallocate the special assessments.

9.0 Preliminary Assessment Roll

Table VII provides the current folio numbers for the 2018 Assessable Properties derived from the Manatee County Tax Rolls and matches those folio number's with the anticipated product on each folio numbers.

Artisan Lakes Community Development District
Allocation of Platted Units to Series 2013 Bonds and Allocation of Remaining Units to Series 2018 Bonds
Table 1

Series 2013 A-1	Product Type					Total	Platted	Allocated
	30' - 39"	40' -49' (1)	50' -59'	60' -69'	70' and Above			
<i>2013A-1/A-2</i>								
<i>Allocated Assessments</i>								
101 (Note 1)			72			72	72	72
102A				34		34	34	34
102B				36		36	36	36
103A		45				45	45	45
104A		8	3	4	16	31	31	31
103B		46				46	46	46
105			35			35	35	35
106 (Note 2)		29				29	29	29
107A				7		7	7	7
Total Units Allocated:		128	110	81	16	335	335	335

Note: Planning Level 101 - the 50' - 59' lots - there was one (1) prepayment, such that there are now 71 units in that category and overall 334 units subject to assessment

Series 2018 - Assessments

106 (Remaining Platted units) (Note 1 and 2)		53				53	53	53
108			52	1		53	0	0
109A	92			12		104	0	0
109B				16		16	0	0
110A				32	2	34	0	0
110B				20		20	0	0
107A				24		24	0	0
104B					10	10	0	0
104C				4		4	0	0
107B		38				38	0	0
111A			22			22	0	0
111B			35			35	0	0
116		67				67	0	0
117			36			36	0	0

Total Unallocated Units:	92	158	145	109	12	516	53	53
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Total Allocated and unallocated Units	286	255	190	28	851	388	388
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(1) The lots marked as 106 - 53 - 40' - 49" lots will carry the overlapping debt of the Series 2013 A-3 Bonds represented by the Series 2013A-3 Assessments

(2) Additionally lots marked as 106 - all 53 lots are allocated 2018 debt plus 26 have overlapping Series 2013 assessment.

Artisan Lakes Community Development District
Land use Type
Table II

Description	Product Type					Total
	30' - 40'	40' - 49'	50' - 59'	60' -69'	70'	
Remaining Esplanade CIP Units	92	158	145	109	12	516
Total	92	158	145	109	12	516

**Artisan Lakes Community Development District
Table III**

Final Allocation of Series 2013 A-1 Debt					
Product Type	EAU Factor (1)	Phase I/II/III	Total EAU's	Debt Per Unit at 09/30/2018	Total Series 2013 A-1 Debt Allocation of Phase I/II
Single Family 40'	0.8	128	102.4	\$ 7,881.00	\$ 1,008,768.00
Single Family 50' (2)	1	109	109	\$ 9,851.25	\$ 1,073,786.25
Single Family 60'	1.2	81	97.2	\$ 11,821.50	\$ 957,541.50
Single Family 70'	1.4	16	22.4	\$ 13,791.75	\$ 220,668.00
Total:		334			\$ 3,260,763.75
				Total Debt at after 11/01/2017 prepayment	\$ 3,260,000.00
				Remaining Debt to be allocated:	\$ (763.75)

Note 1 - Source - Series 2013 Methodology

Note 2: One 50' Lot prepaid - prepayment amount was \$10,000.00 (PID 610906659)

Note 3: The Series 2013A-2 Debt has now been fully allocated to the exact number of units as shown above (334 units). Additionally, there have been significant paydowns of the Series 2013 A-2 Bonds due to sales activity within the Community.

Overall Note: It should be noted, that the lots absorb \$763.75 in debt over the par amount remaining, and is considered insignificant, as such each lot fully allocated, will carry the fully assessed Debt Per Unit as noted in the table.

THIS CHART REFLECTS THE REVISED UNITS ASSIGNED TO THE SERIES 2013 BONDS.

**Artisan lakes Community Development District
Series 2013 A-3 Debt Allocation
Table III (Continued)**

Product Type	EAU Factor	REVISED Development Plan allocabe to A-3 Bonds		Total Par Debt Allocation (Original Par Debt Issued)		Total Par Debt Allocation (as of May 2, 2018)	Total Par Debt Per Unit at 05/02/2018	Estimated TOTAL Annual Debt Service (1)	Estimated Annual Debt Service Per Unit	Estimated Discounts & Collections	Estimated Total Annual Debt Service (4)
		Total EAU	Total EAU	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued	Total Par Debt Issued
Single Family 30' - 39'	0.7	92	64.4	\$ 333,057.51	\$ 318,402.98	\$ 3,460.90	\$ 27,310.72	\$296.86	\$20.78	\$317.64	
Single Family 40' - 49'	0.8	158	126.4	\$ 653,702.94	\$ 624,940.01	\$ 3,955.32	\$ 53,603.64	\$339.26	\$23.75	\$363.01	
Single Family 50' - 59'	1	145	145	\$ 749,896.57	\$ 716,901.12	\$ 4,944.15	\$ 61,491.52	\$424.08	\$29.69	\$453.76	
Single Family 60' - 69'	1.2	109	130.8	\$ 676,458.42	\$ 646,694.25	\$ 5,932.97	\$ 55,469.59	\$508.90	\$35.62	\$544.52	
Single Family 70' and up	1.4	12	16.8	\$ 86,884.57	\$ 83,061.65	\$ 6,921.80	\$ 7,124.53	\$593.71	\$41.56	\$635.27	
Total Units:		516	483.40	\$ 2,500,000.00	\$ 2,390,000.00		\$ 205,000.00				
MAX Annual Debt Service - A-3 Bonds							\$ 205,000.00				
Rounding:							\$ -				

(1) Excludes Discounts/Collection Costs

(2) Estimated at 4% for Discounts and 3% for Collection Costs by County

(4) Includes Discounts and Collection Costs

Original Par Debt Issued \$ 2,500,000.00
Outstanding Par Debt as 05/02/2018 \$ 2,390,000.00

Artisan Lakes Community Development District
Esplanade at Artisan Lakes Capital Improvement Program Cost Estimate - 2018 Project
Table IV

No.	Facility	2013 Project	2018 Project		Developer Funded		Total Project Costs
		Series 2013 Project - Completed Improvements ⁸	Portion of 2018 Project to be funded with Series 2018 Bond Proceeds ⁷	Completion Agreement - 2018 Project	Completed Improvements - Developer Funded	Future Developer Funded Improvements	
1	Stormwater/Floodplain Management ⁽¹⁾⁽²⁾	\$2,871,400.00	\$1,489,498.00	\$494,944.00	\$1,968,430.00	\$1,320,885.00	\$8,145,157.00
2	Subdivision Roads				\$3,118,498.00	\$1,903,792.00	\$5,022,290.00
3	Subdivision Sanitary Sewer Collection System	\$840,910.00	\$1,143,443.83	\$477,805.17			\$2,462,159.00
4	Subdivision Potable Water System	\$840,910.00	\$863,383.33	\$404,570.00			\$2,108,863.33
5	Subdivision Landscape/Irrigation/Hardscape				\$734,606.00	\$1,264,562.00	\$1,999,168.00
6	Amenity Center				\$2,081,300.00	\$5,332,245.00	\$7,413,545.00
7	Phase I Inspection and Repair for County Acceptance				\$250,000.00		\$250,000.00
Subtotal (Esplanade)		\$4,553,220.00	\$3,496,325.16	\$1,377,319.17	\$8,152,834.00	\$9,821,484.00	\$27,401,182.33
Phase I (all improvements)							
8	Artisan Lakes Parkway ⁽⁴⁾⁽⁶⁾	\$1,877,436.47	\$1,580,394.50				\$3,457,830.97
Subtotal (Improvements Benefiting All Units)		\$1,877,436.47	\$1,580,394.50				\$3,457,830.97
9	Contingency (15%)		\$154,068.60	\$206,597.88		\$1,473,222.60	\$1,833,889.08
10	Professional Fees	\$624,994.03	\$712,740.74	\$346,648.87	\$474,917.25	\$396,560.24	\$2,555,861.13
Total Improvements		\$7,055,650.50	\$5,943,529.00	\$1,930,565.91	\$8,627,751.25	\$11,691,266.84	\$35,248,763.50

Total 2018 Project: \$7,874,094.92
Total Improvements to be financed⁷: \$5,943,529.00

The cost estimates set forth herein are estimates based on current plans and market conditions, which are subject to change. Accordingly, the '2018 Project' as used herein refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units, which (subject to true-up determinations) number and type of units may be changed with the development of Esplanade."

NOTES:

- (1) Public Stormwater/Floodplain mgmt includes storm sewer pipes, inlets, catch basins, control structures, headwalls
- (2) Developer Funded Stormwater/Floodplain mgmt includes lake excavations, lot pad grading, road grading.
- (3) Value of Public Work Completed to Date is established from past Bills of Sale and Construction Invoices.
- (4) Artisan Lakes Parkway 1 improvements include: roadway, storm sewer, san. sewer, lift station no. 1, potable water & irrigation mains/landscape/hardscape, & street lights
- (5) Completed work includes the 27" gravity sanitary sewer main that conveys waste water from Artisan Lakes to the Manatee County master pump station
- (6) Maximum District contribution toward \$14,890,000 cost to construct Artisan Lakes Parkway is 45% of total cost (\$6,700,500 of \$14,890,000) per Interlocal Agreement with Artisan Lakes East CDD.
- (7) The portion of the 2018 Project to be financed with with Series 2018 Bonds includes final payment for 2013 project, public infrastructure completed in Phase 3, public infrastructure constructed with Phase 4, and associated work product.
- (8) 2013 Project - Represents Series 2013 Project Completed Improvements paid for with proceeds of the 2013 Bonds plus a Developer Contribution.
- (9) Pursuant to the Interlocal Agreement with Artisan Lakes East CDD, the District's maximum contribution toward the Artisan Lakes Parkway is 45% of \$14,890,000, or \$6,700,500. The District has previously financed a portion of this amount (\$1,877,436.47) from the Series 2013 Bonds, and intends to finance an additional portion of this amount (\$1,580,394.50) from the Series 2018 Bonds, with the balance being treated as a Developer contribution. This note supersedes the prior note on Table IV from the 2018 Supplement to Report of the District Engineer, dated August 1, 2018, which contained a scrivener's error on this issue.

**Artisan Lakes Community Development District
Special Assessment Bonds - Series 2018
Limited Offering Memorandum
Source and Use of Funds**

Table V		
Sources:		
Bond Proceeds		
Par Amount	\$	6,760,000.00
	\$	6,760,000.00
Uses:		
Project Funds Deposit		
Const of Construction	\$	5,943,529.00
Rounding Proceeds		
	\$	5,943,529.00
Other Funds Deposits:		
Capitalized Interest through 11/1/2019		\$343,844.02
Debt Service Reserve at 50% of MADS		\$137,249.06
		\$481,093.08
Delivery Date Expenses		
Cost of Issuance	\$	200,000.00
Underwriter's Discount	\$	135,200.00
	\$	335,200.00
	\$	6,759,822.08
Average Coupon:		5.545381%
Issuance Date		11/16/2018
Capitalized Interest	Issuance through 11/01/2019	
Max Annual Debt Service (Fiscal Year Basis)	\$	467,300.00

**Artisan Lakes Community Development District
Series 2018 Assessment Allocation**

Table VI

Product Type	EAU Factor	Remaining Development Plan	Total EAU	Total Par Debt Allocation	Total Par Debt Allocation Per Unit	Estimated Annual Debt Service (1)	Estimated Discounts and Collections (2)	Annual Debt Service Per Unit	Estimated Total Annual Debt Service (1)	Total Annual Debt Service (4)
Single Family 30' - 39'	0.7	92	64.4	\$ 900,587.51	\$ 9,788.99	\$676.69	\$47.37	\$724.05	\$62,255.11	\$66,612.97
Single Family 40' - 49'	0.8	158	126.4	\$ 1,767,612.74	\$ 11,187.42	\$773.36	\$54.13	\$827.49	\$122,190.15	\$130,743.46
Single Family 50' - 59'	1	145	145	\$ 2,027,720.31	\$ 13,984.28	\$966.69	\$67.67	\$1,034.36	\$140,170.67	\$149,982.61
Single Family 60' - 69'	1.2	109	130.8	\$ 1,829,143.57	\$ 16,781.13	\$1,160.03	\$81.20	\$1,241.24	\$126,443.61	\$135,294.66
Single Family 70' and up	1.4	12	16.8	\$ 234,935.87	\$ 19,577.99	\$1,353.37	\$94.74	\$1,448.11	\$16,240.46	\$17,377.30
Total Units:		516	483.40	\$ 6,760,000.00					\$467,300.00	\$500,011.00
Estimated Max Annual Debt Service:									\$ 467,300.00	
Rounding:									\$0.00	

(1) Excludes Discounts/Collection Costs

(2) Estimated at 4% for Discounts and 3% for Collection Costs by County

(4) Includes Discounts and Collection Costs

Artisan Lakes Community Development District
EXHIBIT 1 - Assessment Roll - Series 2018 - Capital Improvement Program

Folio #	Unplatted Acreage	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio	Planned Units by Folio Number					Total Planned Units
						30' - 39'	40' - 49'	50' - 59'	60' - 69'	70' and Above	
604500109	4.89	0	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232	\$ 28,246.54	\$ 138,125.57				10		10
604500299	73.91	0	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232	\$ 28,246.54	\$ 2,087,701.61		101	64	25		190
610900519	128.83	0	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232	\$ 28,246.54	\$ 3,639,001.47	92	4	81	70		247
610911709	10.7	0	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232	\$ 28,246.54	\$ 302,237.96				4	12	16
610916359	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916409	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916459	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916509	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916559	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916609	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916659	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916709	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916759	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916809	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1

Artisan Lakes Community Development District
EXHIBIT 1 - Assessment Roll - Series 2018 - Capital Improvement Program

Folio #	Unplatted Acreage	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio	Planned Units by Folio Number					Total Planned Units
						30' - 39'	40' - 49'	50' - 59'	60' - 69'	70' and Above	
610916859	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916909	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610916959	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917009	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917059	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917109	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917159	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917209	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917259	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917309	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917359	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917409	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917459	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917509	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1

Artisan Lakes Community Development District
EXHIBIT 1 - Assessment Roll - Series 2018 - Capital Improvement Program

Folio #	Unplatted Acreage	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio	Planned Units by Folio Number					Total Planned Units
						30' - 39'	40' - 49'	50' - 59'	60' - 69'	70' and Above	
610917559	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610917609	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610918609	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610918659	N/A	1	Tonsu Aksu 10454 Highland Park Place, Palmetto, Florida 34221		\$ 11,187.42		1				1
610918709	N/A	1	Charles Bennett, 10450 Highland Park Place, Palmetto, Florida 34221		\$ 11,187.42		1				1
610918759	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610918809	N/A	1	Wendy & Aaron Loge, 10442 Highland Park Place, Palmetto, Florida 34221		\$ 11,187.42		1				1
610918859	N/A	1	Charles & Karen Bain, 10438 Highland Park Place, Palmetto, Florida 34221		\$ 11,187.42		1				1
610918909	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919459	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919509	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919559	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919609	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919659	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919709	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1

Artisan Lakes Community Development District
EXHIBIT 1 - Assessment Roll - Series 2018 - Capital Improvement Program

Folio #	Unplatted Acreage	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio	Planned Units by Folio Number					Total Planned Units
						30' - 39'	40' - 49'	50' - 59'	60' - 69'	70' and Above	
610919759	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919809	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919859	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919909	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610919959	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920009	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920059	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920109	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920159	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920209	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920259	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920309	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920359	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1
610920409	N/A	1	Taylor Woodrow at Artisan Lakes LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL. 34232		\$ 11,187.42		1				1

Artisan Lakes Community Development District
 EXHIBIT 1 - Assessment Roll - Series 2018 - Capital Improvement Program

Folio #	Unplatted Acreage	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio	Planned Units by Folio Number					Total Planned Units
						30' - 39'	40' - 49'	50' - 59'	60' - 69'	70' and Above	
Totals:	218.33				\$ 6,760,000.00	92	158	145	109	12	516

Total Assessment - All Assessment Area	6,760,000.00
Total Assessment - Assigned to Platted Lots	592,933.39
Total Assessment - Assigned to Unplatted Acreage	6,167,066.61
Unplatted Per Acre Assessment	28,246.54

COMP. EXHIBIT C

BOND PRICING

Artisan Lakes Community Development District
 Special Assessment Bonds, Series 2018
 (Manatee County, Florida)
 FINAL NUMBERS

Bond Component	Maturity Date	CUSIP	Amount	Rate	Yield	Price
Term Bond 2024:	05/01/2024	04315Y AE7	550,000	4.375%	4.375%	100.000
Term Bond 2029:	05/01/2029	04315Y AF4	685,000	4.875%	4.875%	100.000
Term Bond 2039:	05/01/2039	04315Y AG2	2,030,000	5.375%	5.375%	100.000
Term Bond 2049:	05/01/2049	04315Y AH0	3,495,000	5.500%	5.500%	100.000
			6,760,000			

Dated Date	11/16/2018	
Delivery Date	11/16/2018	
First Coupon	05/01/2019	
Par Amount	6,760,000.00	
Original Issue Discount		
Production	6,760,000.00	100.000000%
Underwriter's Discount	-135,200.00	-2.000000%
Purchase Price	6,624,800.00	98.000000%
Accrued Interest		
Net Proceeds	6,624,800.00	

SOURCES AND USES OF FUNDS

Artisan Lakes Community Development District
 Special Assessment Bonds, Series 2018
 (Manatee County, Florida)
 FINAL NUMBERS

Dated Date 11/16/2018
 Delivery Date 11/16/2018

Sources:

Bond Proceeds:	
Par Amount	6,760,000.00
	<u>6,760,000.00</u>

Uses:

Project Fund Deposits:	
Project Fund	5,943,529.00
Other Fund Deposits:	
Debt Service Reserve Fund @ 30%	137,249.06
Capitalized Interest through 11/1/2019	<u>343,844.02</u>
	481,093.08
Delivery Date Expenses:	
Cost of Issuance	196,000.00
Underwriter's Discount	<u>135,200.00</u>
	331,200.00
Other Uses of Funds:	
Additional Proceeds	4,177.92
	<u>6,760,000.00</u>

BOND DEBT SERVICE

Artisan Lakes Community Development District
 Special Assessment Bonds, Series 2018
 (Manatee County, Florida)
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2019			164,447.14	164,447.14	
11/01/2019			179,396.88	179,396.88	343,844.02
05/01/2020	100,000	4.375%	179,396.88	279,396.88	
11/01/2020			177,209.38	177,209.38	456,606.26
05/01/2021	105,000	4.375%	177,209.38	282,209.38	
11/01/2021			174,912.50	174,912.50	457,121.88
05/01/2022	110,000	4.375%	174,912.50	284,912.50	
11/01/2022			172,506.25	172,506.25	457,418.75
05/01/2023	115,000	4.375%	172,506.25	287,506.25	
11/01/2023			169,990.63	169,990.63	457,496.88
05/01/2024	120,000	4.375%	169,990.63	289,990.63	
11/01/2024			167,365.63	167,365.63	457,356.26
05/01/2025	125,000	4.875%	167,365.63	292,365.63	
11/01/2025			164,318.75	164,318.75	456,684.38
05/01/2026	130,000	4.875%	164,318.75	294,318.75	
11/01/2026			161,150.00	161,150.00	455,468.75
05/01/2027	135,000	4.875%	161,150.00	296,150.00	
11/01/2027			157,859.38	157,859.38	454,009.38
05/01/2028	145,000	4.875%	157,859.38	302,859.38	
11/01/2028			154,325.00	154,325.00	457,184.38
05/01/2029	150,000	4.875%	154,325.00	304,325.00	
11/01/2029			150,668.75	150,668.75	454,993.75
05/01/2030	160,000	5.375%	150,668.75	310,668.75	
11/01/2030			146,368.75	146,368.75	457,037.50
05/01/2031	165,000	5.375%	146,368.75	311,368.75	
11/01/2031			141,934.38	141,934.38	453,303.13
05/01/2032	175,000	5.375%	141,934.38	316,934.38	
11/01/2032			137,231.25	137,231.25	454,165.63
05/01/2033	185,000	5.375%	137,231.25	322,231.25	
11/01/2033			132,259.38	132,259.38	454,490.63
05/01/2034	195,000	5.375%	132,259.38	327,259.38	
11/01/2034			127,018.75	127,018.75	454,278.13
05/01/2035	205,000	5.375%	127,018.75	332,018.75	
11/01/2035			121,509.38	121,509.38	453,528.13
05/01/2036	220,000	5.375%	121,509.38	341,509.38	
11/01/2036			115,596.88	115,596.88	457,106.26
05/01/2037	230,000	5.375%	115,596.88	345,596.88	
11/01/2037			109,415.63	109,415.63	455,012.51
05/01/2038	240,000	5.375%	109,415.63	349,415.63	
11/01/2038			102,965.63	102,965.63	452,381.26
05/01/2039	255,000	5.375%	102,965.63	357,965.63	
11/01/2039			96,112.50	96,112.50	454,078.13
05/01/2040	270,000	5.500%	96,112.50	366,112.50	
11/01/2040			88,687.50	88,687.50	454,800.00
05/01/2041	285,000	5.500%	88,687.50	373,687.50	
11/01/2041			80,850.00	80,850.00	454,537.50
05/01/2042	300,000	5.500%	80,850.00	380,850.00	
11/01/2042			72,600.00	72,600.00	453,450.00
05/01/2043	320,000	5.500%	72,600.00	392,600.00	
11/01/2043			63,800.00	63,800.00	456,400.00
05/01/2044	335,000	5.500%	63,800.00	398,800.00	
11/01/2044			54,587.50	54,587.50	453,387.50
05/01/2045	355,000	5.500%	54,587.50	409,587.50	

BOND DEBT SERVICE

Artisan Lakes Community Development District
 Special Assessment Bonds, Series 2018
 (Manatee County, Florida)
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2045			44,825.00	44,825.00	454,412.50
05/01/2046	375,000	5.500%	44,825.00	419,825.00	
11/01/2046			34,512.50	34,512.50	454,337.50
05/01/2047	395,000	5.500%	34,512.50	429,512.50	
11/01/2047			23,650.00	23,650.00	453,162.50
05/01/2048	420,000	5.500%	23,650.00	443,650.00	
11/01/2048			12,100.00	12,100.00	455,750.00
05/01/2049	440,000	5.500%	12,100.00	452,100.00	452,100.00
	6,760,000		7,235,903.50	13,995,903.50	13,995,903.50

BOND DEBT SERVICE

Artisan Lakes Community Development District
 Special Assessment Bonds, Series 2018
 (Manatee County, Florida)
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service
11/01/2019			343,844.02	343,844.02
11/01/2020	100,000	4.375%	356,606.26	456,606.26
11/01/2021	105,000	4.375%	352,121.88	457,121.88
11/01/2022	110,000	4.375%	347,418.75	457,418.75
11/01/2023	115,000	4.375%	342,496.88	457,496.88
11/01/2024	120,000	4.375%	337,356.26	457,356.26
11/01/2025	125,000	4.875%	331,684.38	456,684.38
11/01/2026	130,000	4.875%	325,468.75	455,468.75
11/01/2027	135,000	4.875%	319,009.38	454,009.38
11/01/2028	145,000	4.875%	312,184.38	457,184.38
11/01/2029	150,000	4.875%	304,993.75	454,993.75
11/01/2030	160,000	5.375%	297,037.50	457,037.50
11/01/2031	165,000	5.375%	288,303.13	453,303.13
11/01/2032	175,000	5.375%	279,165.63	454,165.63
11/01/2033	185,000	5.375%	269,490.63	454,490.63
11/01/2034	195,000	5.375%	259,278.13	454,278.13
11/01/2035	205,000	5.375%	248,528.13	453,528.13
11/01/2036	220,000	5.375%	237,106.26	457,106.26
11/01/2037	230,000	5.375%	225,012.51	455,012.51
11/01/2038	240,000	5.375%	212,381.26	452,381.26
11/01/2039	255,000	5.375%	199,078.13	454,078.13
11/01/2040	270,000	5.500%	184,800.00	454,800.00
11/01/2041	285,000	5.500%	169,537.50	454,537.50
11/01/2042	300,000	5.500%	153,450.00	453,450.00
11/01/2043	320,000	5.500%	136,400.00	456,400.00
11/01/2044	335,000	5.500%	118,387.50	453,387.50
11/01/2045	355,000	5.500%	99,412.50	454,412.50
11/01/2046	375,000	5.500%	79,337.50	454,337.50
11/01/2047	395,000	5.500%	58,162.50	453,162.50
11/01/2048	420,000	5.500%	35,750.00	455,750.00
11/01/2049	440,000	5.500%	12,100.00	452,100.00
	6,760,000		7,235,903.50	13,995,903.50



MBS CAPITAL MARKETS, LLC

CLOSING MEMORANDUM

To: Artisan Lakes CDD Working Group

From: Brett Sealy
Robbie Cox

Date: November 16, 2018

Re: Artisan Lakes Community Development District
\$6,760,000 Capital Improvement Revenue Bonds, Series 2018
Closing Instructions

SCHEDULE

Pre-Closing: November 14, 2018 immediately after the 1:30 Board Meeting
Artisan Lakes Clubhouse
4725 Los Robles Court
Palmetto, FL 34221

Closing: November 16, 2018 via phone

PAYMENT OF FUNDS TO THE TRUSTEE

MBS Capital Markets, LLC will direct Pershing to wire the purchase price of **\$6,624,800.00** in Federal Funds to the Trustee based upon the following amounts:

Par amount of the Bonds:	\$6,760,000.00
Less Underwriter's Discount:	-\$135,200.00
Due at closing:	<u>\$6,624,800.00</u>

WIRE INSTRUCTIONS

U.S. Bank N.A.
777 E. Wisconsin Avenue Milwaukee, WI 53202-5300
ABA: 091000022
A/C: US Bank Trust Wire Clearing
A/C: 180121167365
Ref: Artisan Lakes CDD



MBS CAPITAL MARKETS, LLC

SOURCES AND USES

SOURCES

Bond Proceeds:

Par Amount: \$6,760,000.00

USES

Project Fund Deposits:

Project Fund \$5,943,529.00

Other Fund Deposits:

Debt Service Reserve Fund at 30% of MADS \$137,249.06

Capitalized Interest through 11/1/19 \$343,844.02

\$481,093.08

Delivery Date Expenses:

Costs of Issuance \$196,000.00

Underwriter's Discount \$135,200.00

\$331,200.00

Other Uses of Funds:

Additional Proceeds \$4,177.92

\$6,760,000.00

CUSIP INFORMATION

Series	CUSIP	Coupon	Yield	Price	Maturity	Amount	Sinking Fund Begin Date	Type
2018	04315YAE7	4.375	4.375	100.000	5/1/2024	\$550,000	5/1/2020	Term
2018	04315YAF4	4.875	4.875	100.000	5/1/2029	\$685,000	5/1/2025	Term
2018	04315YAG2	5.375	5.375	100.000	5/1/2039	\$2,030,000	5/1/2030	Term
2018	04315YAH0	5.500	5.500	100.000	5/1/2049	\$3,495,000	5/1/2040	Term
						<u>\$6,760,000</u>		



MBS CAPITAL MARKETS, LLC

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SERIES 2018 COSTS OF ISSUANCE BREAKDOWN

Estimated Costs of Issuance:	
Bond Counsel	\$60,000.00
District Counsel	\$39,500.00
Trustee	\$5,925.00
Trustee's Counsel	\$5,250.00
Assessment Consultant/District Manager	\$20,000.00
District Engineer	\$20,000.00
Underwriter's Counsel	\$40,000.00
Dissemination Agent	\$1,000.00
Electronic Distribution	\$1,500.00
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	Subtotal
	\$193,175.00
Contingency	\$2,825.00
Total Costs of Issuance	\$196,000.00