
JPWard and Associates LLC

TOTAL Commitment to Excellence

Flow Way

Community Development District

Board of Supervisors

November 29, 2017



Visit our web site at: www.flowwaycdd.org

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FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

November 21, 2017

Board of Supervisors
Flow Way Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District will be held on **Wednesday, November 29, 2017 at 3:00 p.m.** at the **offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

1. Call to Order & Roll Call.
2. Consideration of Minutes.
 - a) September 5, 2017 – Regular Meeting
 - b) October 17, 2017 – Regular Meeting
 - c) October 25, 2017 – Continued Meeting
 - d) November 8, 2017 Regular Meeting
3. **PUBLIC HEARING:**
 - a) Capital Improvement Program – Phase 6 – Series 2017 Bonds
 - I. Public Comment and Testimony
 - II. Board of Supervisor’s Comments
 - III. CONSIDERATION OF RESOLUTION 2018-4 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING DISTRICT PROJECTS FOR CONSTRUCTION AND/OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS; EQUALIZING, APPROVING, CONFIRMING, AND LEVYING SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY BENEFITTED BY SUCH PROJECTS TO PAY THE COST THEREOF; PROVIDING FOR THE PAYMENT AND THE COLLECTION OF SUCH SPECIAL ASSESSMENTS BY THE METHODS PROVIDED FOR BY CHAPTERS 170, 190, AND 197 FLORIDA STATUTES; CONFIRMING THE DISTRICT’S INTENTION TO ISSUE SPECIAL ASSESSMENT BONDS; PROVIDING FOR TRUE-UP PAYMENTS; MAKING PROVISIONS RELATING TO THE TRANSFER OF REAL PROPERTY TO GOVERNMENTAL BODIES; PROVIDING FOR THE RECORDING OF AN ASSESSMENT NOTICE; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.
4. CONSIDERATION OF RESOLUTION 2018-5 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTING RESOLUTION 2018-4 WHICH RESOLUTION PREVIOUSLY EQUALIZED, APPROVED, CONFIRMED, IMPOSED AND LEVIED SPECIAL



James P. Ward
District Manager

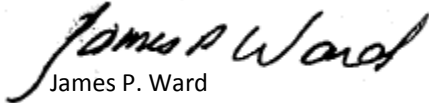
2900 NORTHEAST 12 TERRACE, SUITE 1
OAKLAND PARK, FLORIDA 33334
PHONE (954) 658-4900
E-MAIL JimWard@JPWardAssociates.com

ASSESSMENTS ON AND PECULIAR TO PROPERTY SPECIALLY BENEFITED (APPORTIONED FAIRLY AND REASONABLY) BY THE DISTRICT'S PROJECTS; APPROVING AND ADOPTING THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTAL SPECIAL ASSESSMENT REPORT FOR SERIES 2017 PHASE 6 BONDS PREPARED BY JPWARD & ASSOCIATES, LLC AND DATED NOVEMBER 17, 2017, WHICH SETS FORTH THE SPECIFIC TERMS OF THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2017 (PHASE 6 PROJECT); PROVIDING FOR THE SUPPLEMENTATION OF THE SPECIAL ASSESSMENTS AS SET FORTH IN THE IMPROVEMENT LIEN BOOK; AND PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE.

5. CONSIDERATION OF RESOLUTION 2018-6 OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT GRANTING THE CHAIRMAN OR THE VICE CHAIRMAN (IN THE CHAIRMAN'S ABSENCE) THE AUTHORITY TO EXECUTE REAL AND PERSONAL PROPERTY CONVEYANCE AND DEDICATION DOCUMENTS, PLATS AND OTHER DOCUMENTS RELATED TO THE ACQUISITION AND DEVELOPMENT OF THE DISTRICT'S IMPROVEMENTS; APPROVING THE SCOPE AND TERMS OF SUCH AUTHORIZATION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.
6. Staff Reports
 - a) District Attorney
 - b) District Engineer
 - c) District Manager
7. Supervisor's Requests and Audience Comments
8. Adjournment

The Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Flow Way Community Development District



James P. Ward
District Manager
Enclosures



James P. Ward
District Manager

2900 NORTHEAST 12 TERRACE, SUITE 1
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**MINUTES OF MEETING OF THE
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District for **Tuesday, September 5, 2017, at 3:30 p.m.**, at the **Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

Present and constituting a quorum were:

| | |
|-----------------|---------------------|
| David Truxton | Chairman |
| Anthony Burdett | Vice Chairman |
| Chris Nirenberg | Assistant Secretary |
| Adam Painter | Assistant Secretary |

Absent were:

| | |
|--------------|---------------------|
| Steve Reiter | Assistant Secretary |
|--------------|---------------------|

Also Present were:

| | |
|---------------|------------------|
| James Ward | District Manager |
| Greg Urbancic | District Counsel |

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 3:30 p.m., and roll call determined that all members of the Board were present with the exception of Supervisor Reiter.

2. Consideration of Board Member Resignation and Replacement

- a) Mr. Ward stated the Board was considering the resignation and replacement of Mr. Adams who resigned from Seat 4 affective July 15, 2017. He asked the Board to accept the resignation.

Motion was made by Mr. Burdett and seconded by Mr. Nirenberg to accept the resignation of Mr. Adams, and with all in favor, the motion was approved.

- b) Mr. Ward stated the statute permitted the Board to fill the unexpired term of office, which was set to expire in November, 2018, by simple majority vote of the Board, and so it would be appropriate for the Board to discuss and appoint a new member.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to nominate Adam Painter to serve on the Board in the unexpired term, and with all in favor, the motion was approved.

- c) Mr. Ward administered the Oath of Office to Mr. Painter. He provided Mr. Painter with copies of a Statement of Financial Interests and the Guide to the Sunshine Amendment and Code of Ethics for Public Employees. He explained to Mr. Painter that he needed to file the Statement of Financial Interests with the County where he resided within 30 days.

3. Approval of the Minutes of the June 14, 2017 Meeting

Mr. Ward asked for any corrections, additions or deletions to the minutes. Hearing none, he called for a motion to approve.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to approve the minutes of the meeting of June 14, 2017, and with all in favor, the motion was approved.

4. Consideration of Resolution 2017-12

Mr. Ward explained that this resolution amended the Public Hearing date for the approval of the Budget to today's date. He said the date had been moved because there was not a quorum in June, and this resolution codified that action.

Motion was made by Mr. Burdett and seconded by Mr. Painter to approve Resolution 2017-12 and set the Public Hearing as described above, and with all in favor, the motion was approved.

5. Public Hearings

- a) Fiscal Year 2018 Budget

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

Motion was made by Mr. Burdett and seconded by Mr. Painter to open the Public Hearing, and with all in favor, the motion was approved.

Mr. Ward stated that there were no members of the public present in person and he had not received any written comment or testimony with respect to the

adoption of the proposed Fiscal Year 2018 Budget. He asked for a motion to close the Public Hearing.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to close the Public Hearing, and with all in favor, the motion was approved.

Mr. Ward said the budget had not changed, and asked if the Board had any questions.

A question was asked concerning a change to the amount of the O & M assessment per unit. Mr. Ward responded it had gone down because units had been added. He said it was \$310.93 a unit last year, and it was \$255.33 this year.

Mr. Ward called for a motion to adopt Resolution 2017-13.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adopt Resolution 2017-13 the Annual Appropriation and Budget for Fiscal Year 2018, and with all in favor, the motion was approved.

- b) Fiscal Year 2018 Imposing Special Assessments; Adopting an Assessment Roll, Approving the General Fund Special Assessment Methodology and Consideration of Adopting a Cap Rate for the Land (commonly referred to as "Dilillo") Annexed into the District in November, 2016.

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

Motion was made by Mr. Burdett and seconded by Mr. Painter to open the Public Hearing, and with all in favor, the motion was approved.

Mr. Ward stated that there were no members of the public present in person and he had not received any written comment or testimony with respect to the adoption of the special assessments. He asked for a motion to close the Public Hearing.

Motion was made by Mr. Burdett and seconded by Mr. Painter to close the Public Hearing, and with all in favor, the motion was approved.

Mr. Ward asked for any Board comment with respect to the special assessments. Hearing none, he asked for a motion to adopt Resolution 2017-14, which imposed the special assessments for the General Fund, certified an assessment roll, and approved the General Fund special assessment methodology.

A question was asked about the tax rolls being current, and Mr. Ward responded that they were.

Motion was made by Mr. Nirenberg and seconded by Mr. Truxton to adopt Resolution 2017-14 as described above, and with all in favor, the motion was approved.

Mr. Ward stated the final action was to adopt Resolution 2017-15, which established the cap rate for the Dilillo annexation piece. This cap rate was the same cap rate in place for the balance of the community, which was \$341.85 per unit. Mr. Ward called for a motion to adopt the resolution.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg adopt Resolution 2017-15 as described above, and with all in favor, the motion was approved.

6. Consideration of Resolution 2017-16 designating the dates, time and location for meetings of the Board of Supervisors

Mr. Ward said this resolution designated the times for the Board meetings for Fiscal Year 2018. He said the meetings were set for the third Tuesday of the month at 3:00 p.m. The location at the offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103 would remain the same.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adopt Resolution 2017-16 as described above, and with all in favor, the motion was approved.

7. Consideration of Resolution 2017-17 Re-designating the Officers of the District

Mr. Ward said he added Mr. Painter as an Assistant Secretary and the Board could reorganize the officers if they wished. The Board decided to not reorganize the officers and to add Mr. Painter as an Assistant Secretary.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adopt Resolution 2017-17 as described above, and with all in favor, the motion was approved.

8. Consideration of Utility Facilities for Parcel H3 (Phase 6 Improvements)

Mr. Urbancic stated this was similar to what had been done in the past. He said they have had utility conveyances, which were a two step process. One to the District, and then from the District on to the County. He said the Board had three items in front of them. One was a promissory note for the cost of the facilities, \$154,205.15. He said

they would not be funding anything to the developer at that time because there were no construction funds, but they did not want to hold up the process.

Mr. Urbancic explained the second step was the conveyance documents from Taylor-Morrison to the District: a utility easement, a utility facilities warranty deed bill of sale, and an owner's affidavit. He said the second step would be from the District to Collier County, which would include a utility facilities warranty deed, an owner's affidavit, and an attorney's affidavit.

He said he needed the Board to accept the utility conveyance for H3 from Taylor-Morrison, authorize the Chairman to execute the promissory note in favor of Taylor-Morrison Esplanade Naples in the amount of \$154,205.15, and then authorize the Chairman and staff to execute the transfer documents as necessary to convey the utility facilities from the District to Collier County.

Mr. Ward called for a motion to that effect.

Motion was made by Mr. Burdett and seconded by Mr. Nirenberg to approve the execution of the items necessary to complete the Utility Facilities for Parcel H3, and with all in favor, the motion was approved.

9. Staff Reports

- a) District Attorney – No report
- b) District Engineer – No report
- c) District Manager – No report

10. Supervisor's Requests and Audience Comments

Mr. Truxton, stated as the engineer was not present, he asked Mr. Ward to convey the following request to him for consideration. It was pointed out that as part of the system there was a large wetland that surrounded the property, approximately 900+ acres. It was expressed that it should be considered to send out proposals to environmental firms for an ongoing maintenance program for these wetlands, not necessarily for this year's budget. A maintenance program that the District could entertain as opposed to having the Homeowner's Association maintain the wetlands. The question was asked if that property would be transferred to the District. The answer was possibly. He said the exotics had been removed, and a proposal would entail doing ongoing maintenance.

11. Adjournment

Motion was made by Mr. Painter and seconded by Mr. Burdett to adjourn the meeting, and with all in favor, was approved.

The meeting was adjourned at 3:44 p.m.

James P. Ward, District Manager

David Truxton, Chairperson

**MINUTES OF MEETING OF THE
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District for **Tuesday, October 17, 2017, at 3:00 p.m.**, at the **Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

Present and constituting a quorum were:

| | |
|-----------------|---------------------|
| David Truxton | Chairman |
| Chris Nirenberg | Assistant Secretary |
| Adam Painter | Assistant Secretary |

Absent were:

| | |
|-----------------|---------------------|
| Anthony Burdett | Vice Chairman |
| Steve Reiter | Assistant Secretary |

Also Present were:

| | |
|---------------|------------------|
| J.P. Ward | District Manager |
| Greg Urbancic | District Counsel |
| Misty Taylor | Bond Counsel |

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 3:40 p.m., and roll call determined that all members of the Board were present with the exception of Supervisors Reiter and Burdett.

Mr. Ward stated the assessment process for the Series 2017 Phase 6 Bond issues was being contemplated, and staff was recommending that this meeting be continued to October 25, 2017, at 1:00 p.m. at the offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103, in order to accommodate some additional changes necessary to the engineer's report and methodology before the process of levying the assessments could be continued. He said if that was acceptable to the Board and there were no questions or comments, he would call for a motion to continue to the meeting as referenced above.

Motion was made by Mr. Truxton and seconded by Mr. Painter to accept the adjournment of this meeting and the continuance to the October 26, 2017, meeting described above, and with all in favor, the motion was approved.

The meeting was adjourned at 3:42 p.m.

James P. Ward, Secretary

David Truxton, Chairperson

**MINUTES OF MEETING OF THE
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The is the continued meeting of the October 17, 2017 Regular Meeting of the Board of Supervisors of the Flow Way Community Development District being held on **Wednesday, October 25, 2017, at 1:00 p.m.**, at the **Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

Present and constituting a quorum were:

| | |
|-----------------|---------------------|
| David Truxton | Chairman |
| Chris Nirenberg | Assistant Secretary |
| Adam Painter | Assistant Secretary |

Absent were:

| | |
|-----------------|---------------------|
| Anthony Burdett | Vice Chairman |
| Steve Reiter | Assistant Secretary |

Also Present were:

| | |
|----------------|------------------|
| James. Ward | District Manager |
| Greg Urbancic | District Counsel |
| David Williams | Bond Counsel |

1. Call to Order & Roll Call

Mr. Ward called to order the continued meeting at 1:53 p.m., and roll call determined that all members of the Board were present with the exception of Supervisors Reiter and Burdett. This is the continued meeting of October 10.

2. Consideration of Resolution 2018-1 Declaring Special Assessments

Mr. Ward stated the primary purpose of the meeting was to start the process relative to the assessments for Fiscal Year 2017. He said generally the process was to go through the engineer's report, and then Mr. Ward would go through the methodology. He said they would dispense with doing that. He advised the Board that the engineer's report and the methodology were exactly the same as what had been seen in the past. Basically, he said they would be financing about 30 units that were in the 2015 Phase 4 bonds with the 2017 assessments, plus 128 units in the 2017 Phase bond area.

Mr. Ward stated there were two resolutions before them. The first was the resolution that declared the special assessments, and the second was the one that set

the Public Hearing for Wednesday, November 29, 2017, at 3:00 p.m. at the Offices of Coleman, Yovanovich and Koester.

Mr. Ward continued that in Resolution 2018-1, the only change was in Section 4. The total cost would be \$5,936,328.97.

Mr. Ward called for questions and no questions were asked. He called for a motion to set the Public Hearing.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adopt Resolution 2018-1 declaring special assessments as described above, and with all in favor, the motion was approved.

3. Consideration of Resolution 2018-2 Setting a Public Hearing

Mr. Ward called for a motion to adopt Resolution 2018-2, which set the Public Hearing for Wednesday, November 29, 2017, at 3:00 p.m. at the Offices of Coleman, Yovanovich and Koester.

Motion was made by Mr. Nirenberg and seconded by Mr. Truxton to adopt Resolution 2018-2 to set the Public Hearing as described above, and with all in favor, the motion was approved.

4. Staff Reports

- a) **District Attorney** – No Report
- b) **District Engineer** – No Report
- c) **District Manager** – No Report

5. Supervisor’s Requests and Audience Comments.

Mr. Ward called for supervisor comments, and hearing none, stated no audience was present.

6. Adjournment

The meeting was adjourned at 1:55 p.m.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adjourn the meeting, and with all in favor, the motion was approved.

James P. Ward, District Manager

David Truxton, Chairperson

**MINUTES OF MEETING OF THE
FLOW WAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Flow Way Community Development District for **Wednesday, November 8, 2017, at 3:00 p.m.**, at the **Offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.**

Present and constituting a quorum were:

| | |
|-----------------|---------------------|
| David Truxton | Chairman |
| Chris Nirenberg | Assistant Secretary |
| Adam Painter | Assistant Secretary |

Absent were:

| | |
|-----------------|---------------------|
| Anthony Burdett | Vice Chairman |
| Steve Reiter | Assistant Secretary |

Also Present were:

| | |
|------------------------------|------------------|
| James Ward | District Manager |
| Greg Urbancic | District Counsel |
| Misty Taylor (via telephone) | Bond Counsel |

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 3:15 p.m., and roll call determined that all members of the Board were present with the exception of Supervisors Reiter and Burdett.

2. Consideration of Resolution 2018-3

Mr. Ward stated the primary purpose of the meeting was consideration of Resolution 2018-3, which was commonly referred to as a delegation award resolution for the Series 2017 Bonds. He introduced Misty Taylor, Bond Counsel, who was on the phone.

Ms. Taylor said the resolution, if accepted, would approve all of the exhibit documents as to form and substance with additional changes. She said changes would continue to be made until the time the documents reached closing. She said the resolution would make all the negotiated sale findings required by state law in order to

sell the bonds on a negotiated basis. She said they were naming FMS Bonds as the underwriter and delegating to the Chairman the authority to enter into the bond purchase contract with FMS. She said she had set forth various parameters in order for the Chairman to be delegated that authority, which included interest rate parameters, maturity parameters, and an underwriter discount parameter. She said her firm authorized the Chairman to see the preliminary limited offering memorandum file, which would allow her to post it and use it in the marketing process to market the bondholders. She said the bonds would then be priced and all the documents would be put together for final execution at closing. She said this resolution would be the last full Board action to allow her firm to move forward. She asked for questions.

Mr. Ward stated there was a meeting scheduled for the 29th when the Board would actually adopt the assessments, and the bond issue would not be closed until after that Board meeting. Mr. Ward also called for questions. Hearing none, he asked for a motion to adopt.

Motion was made by Mr. Painter and seconded by Mr. Nirenberg to adopt Resolution 2018-3 as described above, and with all in favor, the motion was approved.

4. Staff Reports

a) District Attorney

Mr. Urbancic said he and his staff were working on the documentation and working with the engineer to bring the requisition documents forward at the Board meeting on the 29th, so the requisitions could be approved and funded.

b) District Engineer No report given.

c) District Manager No report given.

5. Supervisor's Requests and Audience Comments.

Mr. Ward called for supervisor comments. Mr. Truxton asked what was on the agenda for the meeting on the 29th and Mr. Ward responded it was the Public Hearing for the Assessments for the Issuance of the Bonds. He added Mr. Truxton, as Chairman, was required to be there, and following the meeting, there would be the closing.

Mr. Ward said there were no members of the audience present.

6. Adjournment

The meeting was adjourned at 3:24 p.m.

Motion was made by Mr. Truxton and seconded by Mr. Nirenberg to adjourn the meeting, and with all in favor, the motion was approved.

James P. Ward, Secretary

David Truxton, Chairperson

RESOLUTION 2018-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING DISTRICT PROJECTS FOR CONSTRUCTION AND/OR ACQUISITION OF INFRASTRUCTURE IMPROVEMENTS; EQUALIZING, APPROVING, CONFIRMING, AND LEVYING SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY BENEFITTED BY SUCH PROJECTS TO PAY THE COST THEREOF; PROVIDING FOR THE PAYMENT AND THE COLLECTION OF SUCH SPECIAL ASSESSMENTS BY THE METHODS PROVIDED FOR BY CHAPTERS 170, 190, AND 197 FLORIDA STATUTES; CONFIRMING THE DISTRICT'S INTENTION TO ISSUE SPECIAL ASSESSMENT BONDS; PROVIDING FOR TRUE-UP PAYMENTS; MAKING PROVISIONS RELATING TO THE TRANSFER OF REAL PROPERTY TO GOVERNMENTAL BODIES; PROVIDING FOR THE RECORDING OF AN ASSESSMENT NOTICE; PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, Flow Way Community Development District (the "District") has previously indicated its intention to construct certain types of infrastructure improvements and to finance such public infrastructure improvements through the issuance by the District of bonds, which bonds would be repaid by the imposition of special assessments on benefitted property within the District (the "Assessments"); and

WHEREAS, the District's Board of Supervisors (the "Board") has noticed and conducted a public hearing pursuant to Chapters 170, 190 and 197, Florida Statutes relating to the imposition, levy, collection and enforcement of the Assessments; and

WHEREAS, the District desires to set forth the particular terms and confirm the lien of the levy of the Assessments to pay for the specified project.

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

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapters 170, 190 and 197, Florida Statutes including, without limitation, Section 170.08, Florida Statutes.

SECTION 2. FINDINGS. The Board of the District hereby finds and determines as follows:

(a) The District is a local unit of special-purpose government organized and existing under and pursuant to Chapter 190, Florida Statutes, as amended.

(b) The District is authorized by Chapter 190, Florida Statutes to finance, fund, plan, establish, acquire, install, equip, operate, extend, construct, or reconstruct roadways, water management and control facilities, water and wastewater systems, irrigation facilities and other public infrastructure projects, and services necessitated by the development of, and serving lands within, the District.

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

(d) It is necessary to the public health, safety and welfare and in the best interests of the District that (i) the District provide the "Project", the nature and location of which was described in Resolution 2018-1 as the Improvements therein and as shown in that certain Flow Way Community Development District Master Engineer's Report prepared by Waldrop Engineering, Inc. and dated August 2013 ("Master Engineer's Report"), as supplemented by that Flow Way Community Development District Phase 6 & 7 Engineer's Report for the 2017 Project prepared by Waldrop Engineering, Inc. and dated October 2017 ("Supplemental Engineer's Report") (the "Master Engineer's Report and the Supplemental Engineer's Report are sometimes collectively referred to herein as the "Engineer's Report") and the plans and specifications on file in the offices of offices of Coleman, Yovanovich & Koester, P.A., 4001 Tamiami Trail N., Suite 300, Naples, FL 34103 and the offices of the District Manager at JP Ward & Associates, LLC, 2900 Northeast 12th Terrace, Suite 1, Oakland Park, FL 33334; (ii) the cost of such Project be assessed against the lots and lands specially benefitted by such Project; and (iii) the District issue bonds to provide funds for such purposes pending the receipt of the Assessments. The Master Engineer's Report is incorporated herein by reference. The Supplemental Engineer's Report is attached hereto and made a part hereof as Exhibit "A".

(e) The lands subject to the Assessments herein are only a portion of the land within the boundaries of the District and are legally described on Exhibit "C" attached hereto and made a part hereof ("Assessed Lands").

(f) The provision of the Project, the levying of the Assessments, and the sale and issuance of bonds serves a proper, essential, and valid public purpose and is in the best interests of the District, its landowners and residents.

(g) In order to provide funds with which to pay the costs of the Project which are to be assessed against the benefitted lots and land within the District, pending the collection of the Assessments, it is necessary for the District from time to time to sell and issue its special assessment bonds, in one or more series including, but not limited to, its Special Assessment Bonds, Series 2017 (Phase 6 Project) relating to the Phase 6 Project.

(h) By Resolution 2018-1 adopted by the Board of the District, the Board determined to provide the Project and to defray the costs thereof by levying the Assessments on benefitted property and expressed an intention to issue bonds to provide a portion of the funds needed for the Project prior to the collection of the Assessments. Resolution 2018-1 was adopted in compliance with the requirements of Section 170.03, Florida Statutes and prior to the time it was adopted, the requirements of Section 170.04, Florida Statutes had been met.

(i) As directed by Resolution 2018-1, said Resolution 2018-1 was published as required by Section 170.05, Florida Statutes and a copy of the publisher's affidavit of publication is on file with the Secretary of the Board.

(j) As directed by Resolution 2018-1, a preliminary assessment roll was adopted and filed with the Board as required by Section 170.06, Florida Statutes.

(k) As required by Section 170.07, Florida Statutes, upon completion of the preliminary assessment roll, the Board adopted Resolution 2018-2 fixing the time and place of a public hearing at which owners of the property to be assessed and other persons interested therein may appear before the Board and be heard as to (i) the propriety and advisability of making the infrastructure improvements; (ii) the cost thereof; (iii) the manner of payment therefor; and (iv) the amount thereof to be assessed against each specially benefitted lot or parcel of land and provided for publication of notice of such public hearing and individual mailed notice in accordance with Chapters 170, 190 and 197, Florida Statutes.

(l) Notice of such public hearing was given by publication and also by mail as required by Section 170.07, Florida Statutes. Affidavits as to such publications and mailings are on file in the office of the Secretary of the Board.

(m) On November 29, 2017, being the date referenced in Resolution 2018-2, and at the time and place specified in the published notice specified in Resolution 2018-1, the Board met as an Equalization Board, conducted a public hearing and heard and considered all complaints and testimony as to the matters described in paragraph (k) above. The Board has made such modifications in the preliminary assessment roll as it deems necessary, just and right in the making of the final assessment roll.

(n) Having considered the estimated costs of the Project, estimates of financing costs and all complaints and evidence presented at such public hearing, the Board of Supervisors of the District further finds and determines as follows:

(i) the estimated costs of the Project is as specified in the Supplemental Engineer's Report, which Supplemental Engineer's Report is hereby adopted and approved, and that the amount of such costs is reasonable and proper;

(ii) it is reasonable, proper, just and right to assess the cost of such Project against the properties specially benefitted thereby using the method determined by the Board set forth in that certain Special Assessment Report for Flow Way Community Development District, Series 2017 - Phase 6 Capital Improvement Program prepared by JP Ward & Associates, LLC and dated October 25, 2017 (the "Assessment Report"), which results in the Assessments set forth on the final assessment roll attached to the Assessment Report. The Assessment Report is attached hereto and made a part hereof as Exhibit "B"; and

(iii) it is hereby declared that the Project will constitute a special benefit to all parcels of real property listed on said final assessment roll and that the benefit, in the case of each such parcel, will be equal to or in excess of the Assessments thereon when allocated as set forth in the Assessment Report;

(iv) the Assessments which are allocated as set forth in the Assessment Report have been fairly and reasonably allocated; and

(v) it is in the best interests of the District that the Assessments be paid and collected as herein provided.

SECTION 3. AUTHORIZATION OF DISTRICT PROJECT. That certain Project for construction of public infrastructure improvements initially described in Resolution No. 2018-1, and more specifically identified and described in the Supplemental Engineer's Report, is hereby authorized and approved and the proper officers, employees and/or agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made following the issuance of the applicable bonds.

SECTION 4. ESTIMATED COST OF IMPROVEMENTS. The total estimated costs of the Project and the costs to be paid by the Assessments on all specially benefitted property are set forth in the Supplemental Engineer's Report and the Assessment Report, which are incorporated herein by reference.

SECTION 5. EQUALIZATION, APPROVAL, CONFIRMATION AND LEVY OF SPECIAL ASSESSMENTS. The Assessments on the lots or parcels of land specially benefitted by the Project, all as specified in the assessment roll set forth in the Assessment Report are hereby equalized, approved, confirmed and levied. Immediately following the adoption of this Resolution, the Assessments set forth in the final assessment roll set forth in the Assessment Report shall be recorded by the Secretary of the Board of the District in a special book, to be known as the "Improvement Lien Book". The Assessments against each respective parcel shown on such final assessment roll and interest, costs and penalties thereon, as hereafter provided, shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims. Prior to the issuance of any bonds, including refunding bonds, the District may, by subsequent resolution, adjust the acreage assigned to particular parcel identification numbers listed on the final assessment roll to reflect accurate apportionment of acreage within the District amongst individual parcel identification numbers. The District may make any other such acreage and boundary adjustments to parcels listed on the final assessment roll as may be necessary in the best interests of the District as determined by the Board by subsequent resolution. Any such adjustment in the assessment roll shall be consistent with the requirements of law. In the event the issuance of bonds by the District, including refunding bonds, would result in a decrease in the special assessments, then the District shall by subsequent resolution, adopted within sixty (60) days after the sale of such bonds at a publicly noticed meeting and without the need for further public hearing, evidence such a decrease and amend the final assessment roll as shown in the Improvement Lien Book to reflect such a decrease.

SECTION 6. FINALIZATION OF SPECIAL ASSESSMENTS. When the entire Project has both been constructed or otherwise provided to the satisfaction of the Board, the Board shall adopt a resolution accepting the same and determining the actual costs (including financing costs) thereof, as required by Sections 170.08 and 170.09, Florida Statutes. Pursuant to the provisions of Section 170.08, Florida Statutes regarding completion of a project funded by a particular series of bonds, the District shall credit to each Assessment the difference, if any, between the Assessment as hereby made, approved and confirmed and the actual costs incurred in completing the Project. In making such credits, no credit shall be given for bond financing costs, capitalized interest, funded reserves or bond discounts. Such credits, if any, shall be entered in the Improvement Lien Book. Once the final amount of the Assessments for the entire Project has been determined, the term "Assessment" shall, with respect to each parcel, mean the proportionate share of the sum of the costs of the Project.

SECTION 7. PAYMENT OF SPECIAL ASSESSMENTS AND METHOD OF COLLECTION.

(a) Commencing with the year in which the Assessments are certified for collection and subsequent to any capitalized interest period, the Assessments shall be paid in not more than (30) thirty yearly installments, which installments shall include principal and interest as calculated in accordance with the Assessment Report. All Assessments collected utilizing the Uniform Method (as hereinafter defined) shall be the amount determined in the first sentence of this paragraph increased by the percentage costs of collection, necessary administrative costs and the maximum allowable discount for the early payment of taxes. The Assessments may be paid in full without interest at any time within thirty (30) days after the completion of the Project and the adoption by the Board of a resolution by the District accepting the Project; provided, however, that the Board shall at any time make such adjustments by resolution, at a noticed meeting of the Board, to that payment schedule as may be necessary and in the best interests of the District to account for changes in long and short term debt as actually issued by the District. At any time subsequent to thirty (30) days after the Project has been completed and a resolution accepting the Project has been adopted by the Board, the Assessments may be prepaid in full including interest amounts to the next succeeding interest payment date or to the second succeeding interest payment date if such a prepayment is made within forty-five (45) calendar days before an interest payment date. The owner of property subject to the Assessments may prepay the entire remaining balance of the Assessments at any time, or a portion of the remaining balance of the Assessments at one time if there is also paid, in addition to the prepaid principal balance of the Assessments, an amount equal to the interest that would otherwise be due on such prepaid amount on the next succeeding interest payment date for the bonds, or, if prepaid during the forty-five (45) day period preceding such interest payment date, to the interest payment date following such next succeeding interest payment date. Prepayment of the Assessments does not entitle the property owner to any discounts for early payment.

(b) The District may elect to use the method of collecting special assessments authorized by Sections 197.3632 and 197.3635, Florida Statutes (the "Uniform Method"). The District has heretofore taken or will use its best efforts to take as timely required necessary actions to comply with the provisions of said Sections 197.3632 and 197.3635, Florida Statutes. The Assessments may be subject to all of the collection provisions of Chapter 197, Florida Statutes. Notwithstanding the above, in the event the Uniform Method of collecting its special or non-ad valorem assessments is not available to the District in any year, or if otherwise determined by the District, the Assessments may be collected as is otherwise permitted by law. The District may, in its sole discretion, collect the Assessments by directly assessing landowner(s) and enforcing said collection in any manner authorized by law.

(c) For each year the District uses the Uniform Method, the District shall enter into an agreement with the Tax Collector of Collier County who may notify each owner of a lot or parcel within the District of the amount of the Assessment, including interest thereon, in the manner provided in Section 197.3635, Florida Statutes.

SECTION 8. INVENTORY ADJUSTMENT DETERMINATION/TRUE-UP PAYMENTS. The Assessments have been allocated in accordance with the Assessment Report. The Assessed Lands will be initially assessed on an equal per acre basis. In connection with the development of the Assessed Land, the Assessed Land has and/or will be subdivided in accordance with the procedures of Collier County and Florida law. For purposes hereof, the subdivision process may include: (i) platting; (ii) subdivision via site plan; and/or (iii) recording of a Declaration of Condominium to designate condominium parcels (any of the foregoing subdivision methods will be generally referred to herein as a

“Plat”). In connection with a finalized Plat, the Collier County Property Appraiser will assign parcel identification numbers for the individual subdivided portion(s) of the Assessed Land. In connection with a Plat, the Assessments shall be allocated in accordance with the Assessment Report. During this process of allocation, the District shall undertake inventory adjustment determinations as set forth in Section 7.0 of the Assessment Report. At such time as described in the Assessment Report, the applicable landowner may be required to make a density reduction payment (the “True-Up Payment”) in addition to the regular assessment installment payable for lands owned by the applicable landowner. The District will ensure collection of such True-Up Payments in a timely manner in order to meet its debt service obligations, and in all cases, the applicable landowner shall make such payments in order to ensure the District’s timely payment of the debt service obligations.

SECTION 9. GOVERNMENT PROPERTY; TRANSFERS OF PROPERTY TO UNITS OF LOCAL, STATE, AND FEDERAL GOVERNMENT. Property owned by units of local, state, and federal government shall not be subject to the Assessments without specific consent thereto. If at any time, any real property on which the Assessments are imposed by this Resolution is sold or otherwise transferred to a unit of local, state, or federal government (without consent of such governmental unit to the imposition of special assessments thereon), all future unpaid Assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District.

SECTION 10. ASSESSMENT NOTICE. The District’s Secretary is hereby directed to record a general Notice of Assessments in the Official Records of Collier County, Florida, which shall be updated from time to time in a manner consistent with changes in the boundaries of the District.

SECTION 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.

SECTION 12. CONFLICTS. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

SECTION 13. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 29th day of November, 2017.

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

James P. Ward, Secretary

David Truxton, Chairman

Exhibits:

Exhibit "A": Flow Way Community Development District Phase 6 & 7 Engineer's Report for the 2017 Project prepared by Waldrop Engineering, Inc. and dated October 2017

Exhibit "B": Special Assessment Report for Flow Way Community Development District, Series 2017 - Phase 6 Capital Improvement Program prepared by JPWard & Associates, LLC and dated October 25, 2017

Exhibit "C": Legal Description of Assessed Lands

EXHIBIT "A"
PHASE 6 AND 7 ENGINEER'S REPORT

**FLOW WAY
COMMUNITY DEVELOPMENT DISTRICT**

**Phase 6
Engineer's Report
2017 Project**

Prepared for:

Flow Way Community Development District
Board of Supervisors
2900 Northeast 12th Terrace, Suite 1
Oakland Park, Florida 33334

Prepared by:



28100 Bonita Grande Dr. Suite 305
Bonita Springs, FL 34135

October 2017

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EXHIBITS

- EXHIBIT 1 - Location Map
- EXHIBIT 2 - District Boundary
- EXHIBIT 3 - District Development
- EXHIBIT 4 - Phased District Potable Water Facilities
- EXHIBIT 5 - Phased District Wastewater Facilities
- EXHIBIT 6 - Phased District Irrigation Facilities
- EXHIBIT 7 - Phased District Surface Water Management Facilities
- EXHIBIT 8 - Phased Environmental Preserve & Mitigation Areas
- EXHIBIT 9 - District Boundary Sketch & Description

1.0 INTRODUCTION

1.1 Overview of District

The Flow Way Community Development District, (the “District”) is located in portions of Sections 15 & 22, Township 48 South and Range 26 East and is entirely within unincorporated Collier County, Florida. The district site covers approximately 849.40 acres (includes 19.4 ac expansion in 2016) and is northwest of the intersection of Immokalee Road and County Road 951. Refer to the EXHIBIT 1, LOCATION MAP located in the Appendix of this report.

The District was established on February 26, 2002 by the Collier County Board of County Commissioner approval and adoption of Ordinance Number 02-09. The District boundary is identified in EXHIBIT 2, DISTRICT BOUNDARY, located in the Appendix of this report. A metes and bounds description of the District boundary, recorded with the adopted ordinance, is included as EXHIBIT 9 in the Appendix.

The District will serve the Esplanade Golf and Country Club of Naples (the “Development”). Refer to EXHIBIT 3, DISTRICT DEVELOPMENT, located in the Appendix of this report. The lands within the District are zoned PUD and the current plan of development consist of single-family and multi-family dwelling units, an 18-hole bundled golf course, amenity campus and a network of trails and parks. The development is projected to occur over a 5-year period.

The Development, which will be served by the District, will consist of approximately 1,168 single family and multi-family dwelling units (Expanded from 1,121 in 2016), an 18-hole bundled golf course and amenity campus. The project will be developed in multiple phases.

The following table, Table 1, describes the general land use categories found within the District:

Table 1 - Master Land Use Summary within the District Boundaries

| TYPE OF USE ¹ | ACRES +/- | PERCENT OF TOTAL |
|--|---------------|------------------|
| Surface Water Management | 188.42 | 22% |
| Single Family Residential | 171.70 | 20% |
| Multi-Family Residential | 30.53 | 4% |
| Road Rights-of-Way | 61.93 | 7% |
| Conservation Areas | 157.72 | 19% |
| Golf Course, Sales, Maintenance and Amenity Facilities | 132.76 | 16% |
| Other (Uplands, Open Space, etc.) | 106.04 | 12% |
| TOTAL | 849.10 | 100.00% |

1. Areas for “Type of Use” are not meant to represent the areas for potential CDD funding or acquisitions.

1.2 Purpose and Scope of this Report

The purpose of this report is to establish the qualified cost for Phase 6 of the Development, being financed by the Series 20176 Bonds and reallocate qualified costs associated with all properties pursuant to the revised products types. This was accomplished by following the Cost Allocation Methodology established within the Phase 1 & 2, Phase 3, Phase 4, and Phase 5 reports and outlined in Section 3.0 of this report.

The Special Assessments will fund the capital improvement plan for certain Phase 6 public infrastructure improvements to serve the District (the “Improvement(s)”) and their probable construction cost. A brief description for each Phase Improvement is included in the body of this report. The overall financing plan and assessment methodology will be developed by the District’s financial consultant. Only those Improvements set forth herein that are determined by the District’s Bond Counsel to be eligible for tax-exempt bond financing will be funded by bonds of the District. The Developer may finance and construct certain of these Improvements not financed by the District and convey the same to the District as well as construct all other improvements needed for the Development.

The Phase 6 Improvements are required by or are consistent with the requirements of the County and other applicable regulatory and jurisdictional entities.

The Improvement Plan contained in this report reflects the present intentions of the District. The exact location of the Improvements may be changed during the course of approval and implementation. These changes will not diminish or alter the benefits to be received by the lands of the District. The District retains the right to make reasonable adjustments in the Improvement Plan to meet the requirements of any governmental agency and at the same time provide the same or greater benefits to the lands of the District. Regulatory criteria will continue to evolve and future changes may affect the implementation of the Improvement Plan, as it may be changed from time to time. The implementation of any Improvements outlined within the Improvement Plan requires the final approval of the District’s Board of Supervisors.

Costs contained in this report have been prepared based on estimates of costs using the best available information. It is possible that the estimated costs could vary based on final engineering and ultimate construction bids.

2.0 DISTRICT BOUNDARY AND PROPERTY SERVED

2.1 District Boundary

EXHIBIT 2 illustrates the boundary of the District. Immokalee Road (County Road 846) borders the southern boundary of the District. The eastern boundary of the District borders residential areas. Wetlands/conservation/preservation areas border the western and northern boundaries.

2.2 Existing Infrastructure

Prior to the start of construction of the Phase 1 & 2 Improvements, the existing infrastructure in the vicinity of the District consisted mainly of area roadways and nearby utilities. Immokalee Road runs along the southern edge of the site. A 12-inch water main and a 10-inch sanitary wastewater force main, along Immokalee Road, were previously extended to serve the Development.

The Phase 1 & 2 improvements include infrastructure to support the overall development and the Phase 1 & 2 units, which are summarized below:

- Potable water facilities included 10” and 12” water main along Esplanade Blvd., 10” and 12” water main along Torre Vista Ln., and 6”, 8”, and 10” water main pipe within the residential parcels and amenity campus.
- Wastewater facilities included 8” and 15” gravity main, 8” and 10” force main, and two pump stations to service Phases 1 & 2.
- Irrigation facilities included 4”, 6”, 8”, 10”, and 12” PVC irrigation mains and one irrigation pump located on the south side of Lake #7.
- Surface water management system included a proportionate share of the total infrastructure.
- Preserve area included a proportionate share of the total preserve costs.

The Phase 3 improvements include infrastructure to support the overall development and the Phase 3 units, which are summarized below:

- Environmental Mitigation – Contouring of wood stork creation area.
- Wood stork creation area clearing, grubbing, silt fence, planting, watering and scrape down.
- Water Main along Arrezo Court Sta. 0+69 to 3+88 and 0+80 to 10+15
- Gravity main along Arrezo Court Sta. 0+30 to 4+03 and 0+65 to 10+05
- Irrigation main along Arrezo Court Sta. 0+76 to 4+25 and 0+11 to 10+13
- Dewatering blasting and drilling for Lakes 14b, 16, 17, 18 and the Pass-Through
- Lake 17 excavation
- Lakes 14-20 slope stabilization
- Trees & sod from eastern and southeastern buffer along Torre Vista Land and Broken Back Road.
- Phase 2 Plans and Plat coordination, construction/certification and environmental professional fees.

The Phase 4 improvements include infrastructure to support the overall development and the Phase 4 units, which are summarized below:

- Water Management Lakes 13A/13B & 18/19
- Stormwater lake interconnect pipes
- Irrigation Main Esplanade Blvd Station 64+88 to 88+00
- Potable Water Main Esplanade Blvd. Station 64+88 to 88+00
- Gravity Sewer and Force Main Esplanade Blvd. Station 64+88 to 88+00
- Irrigation Infrastructure Parcels G1 & G2

- Potable Water Infrastructure Parcels G1 & G2
- Gravity Sewer and Force Main Parcels G1 & G2
- Drainage Infrastructure Parcels A, B, C, D, E, G1 & G2
- Esplanade Blvd. (SDP#1) and Surface Water Design Consulting Fees

The Phase 5 improvements include infrastructure to support the overall development and the Phase 5 units, which are summarized below:

- Potable Water and Sanitary Sewer (Terresina Drive and Benvenuto Ct)
- Potable Water and Sanitary Sewer (Galliano Terrace)
- Potable Water and Sanitary Sewer (Sorreno Ct - Station 0+00 to 9+50)
- Potable water and Sanitary Sewer (Sorreno Ct – Station 9+50 to End)
- Potable water and Sanitary Sewer (DiLillo Ct and Cavano St E.)
- Surface water management facilities for the DiLillo Parcel
- Blasting and excavation of water management lakes 9, 10, 12, 13, 14, 15, 20, & 23

3.0 COST ALLOCATION OF CAPITAL IMPROVEMENT PLAN

The Individual Property Type descriptions refer to the approximate width of the lot for the various product types, but lot widths will vary for similar residential product type. It should be noted that a 57-foot-wide lot is larger than a 62' wide lot in overall area due to the 57-foot-wide lot being significantly deeper.

3.1 Surface Water Management

The Surface Water Management System includes the interconnected lake system within the District and specifically consists of surface water management lakes, drainage pipes, catch basins, swales, berms and water control structures. The costs are allocated based on the impervious area for each unit type within the District. Impervious area is a reasonable surrogate for water treatment requirements and peak runoff rate.

The District's surface water management system, although it can be broken down into distinctive basins, was designed to be an integrated and functional water management system for flood protection, treatment and attenuation of stormwater runoff for the entire District. The proposed water management system will raise the project's finished floor elevations above FEMA's flood elevation, potentially eliminating the need for flood insurance after appropriate applications are processed through FEMA. All parts of the system, irrespective of their geographic location within the District, are an important and integral part of the function of Surface Water Management System and must be operated and maintained as one to ensure the adequate function of the system and that the permit requirements placed on the District as a whole are being met. As such, the system is intended to and does function as a single and comprehensive system. The golf course and other amenities are also integral parts of the community that benefit each property owner. The golf course itself provides storage for larger storm events. As such, the surface water management costs associated with the golf course and amenities will be distributed to each unit owner.

It is our recommendation that the construction costs of the District’s surface water management system be allocated based on the percentage of capacity usage anticipated for each residential unit type within the District. The capacity of the system includes stormwater treatment, flood protection and runoff attenuation. An individual property’s impervious area is a good measure of the relative impact it will have on a surface water management system’s capacity. This is directly related to stormwater treatment requirements, flood protection needs and attenuation capacity required.

We recommend the Total Annual Assessments be divided among all properties based on an ERU Factor for each unit type. The ERU Factor was calculated based on the estimated impervious area for each unit type. The benchmark for the ERU was a typical 52’ wide lot with 0.07 ac of impervious area. Impervious areas were calculated for each unit type and divided by 0.07 ac in order to establish the following ERU Factors.

Table 2 - Surface Water Management - ERU Value Calculation

| Product Type | Impervious Area | Pervious Area | Total Area | ERU Value |
|---------------------------|-----------------|---------------|------------|-----------|
| 52' Lot | 0.07 | 0.09 | 0.16 | 1 |
| 57' Lot | 0.11 | 0.09 | 0.20 | 1.5 |
| 62' Lot | 0.13 | 0.06 | 0.19 | 1.84 |
| 76' Lot | 0.18 | 0.06 | 0.24 | 2.52 |
| 90' Lot | 0.20 | 0.09 | 0.29 | 2.73 |
| 100' Lot | 0.24 | 0.10 | 0.34 | 3.27 |
| Multi-family (Esplanade) | 0.06 | 0.04 | 0.1 | 0.82 |
| Multi-family (Vercelli) | 0.04 | 0.06 | 0.1 | 0.55 |
| Golf Course and Amenities | - | - | - | - |

Utilizing the cost allocation discussed above, and the proposed unit count for the District, the following table illustrates the cost distribution per product type.

The surface water management system, which consists of the earthwork and drainage Facilities, had an overall estimated cost of \$17,500,000.00, as outlined in the Master Engineer’s Report. With the expansion of the District in 2016 and the construction cost increases that have occurred as construction has progressed, the surface water management system costs have increased to approximately \$24,771,500. Of this, there is approximately \$7,030,152.08 in infrastructure remaining after the Phase 5 Bonds were issued.

Table 3 – Project Surface water Management - Property Cost

| Product Type | Number of Units | Total Surface Water Management Facility |
|--------------------------|-----------------|---|
| 52' Lot | 126 | \$2,207,599.38 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$1,386,232.28 |
| 76' Lot | 25 | \$1,103,799.75 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$1,494,159.68 |
| Multi-family (Vercelli) | 87 | \$838,360.99 |
| Golf Course & Amenities | 0 | \$0.00 |
| Total | 385 | \$7,030,152.08 |

Table 4 - Phase 6 Surface Water Management - Property Cost

| Product Type | Number of Units | Total Surface Water Management Facility |
|--------------------------|-----------------|---|
| 52' Lot | 3 | \$52,561.89 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$1,386,232.28 |
| 76' Lot | 25 | \$1,103,799.75 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$459,741.44 |
| Multi-family (Vercelli) | 23 | \$221,636.05 |
| Golf Course & Amenities | 0 | \$0.00 |
| Total | 126 | \$3,223,971.41 |

3.2 Water & Wastewater Systems

The next component of the District’s Capital Improvement Plan is the Potable Water, and Wastewater Systems. The distribution mains installed by the District serve all components of the District. In order to establish the cost distribution for the construction of the Utility System, we will analyze the costs in two parts, with the first being the potable water and wastewater costs and the second being the irrigation distribution system. It is necessary to split the Utility System in this manner in order to correctly allocate the costs based on Engineering Design principals based on projected usage by land use category.

With regard to the potable water distribution and sanitary sewer collection system, we propose to utilize typical flow rates as follows to establish ERU's for each land use category within the District.

Table 5 - Water & Wastewater - ERU Value Calculation

| Land Use Category | Avg. Building SF | Flow Rate | ERU Value |
|-----------------------------|------------------|-----------|-----------|
| 52' Lot | 2900 | 268 | 1.00 |
| 57' Lot | 3700 | 332 | 1.24 |
| 62' Lot | 3500 | 316 | 1.18 |
| 76' Lot | 4340 | 383 | 1.43 |
| 90' Lot | 5070 | 442 | 1.65 |
| 100' Lot | 5800 | 500 | 1.87 |
| Multi-family (Esplanade) | 2600 | 244 | 0.91 |
| Multi-family (Vercelli) | 1620 | 166 | 0.62 |
| Golf Course & Amenity | | 4000 | 14.93 |

Flow Rates for the above ERU calculation were based on flow rates established in F.A.C. (Florida Administrative Code) Chapter 64E-6, which sets forth flow rates for different land use categories for use in designing water and wastewater facilities. The flow rate for Single Family Land Uses is based on a 3-bedroom home and for Multi Family Uses is based on a 2-bedroom home, plus 100 gallons for every additional 750 sf. The flow rates for the Commercial and Golf Course uses are based on 0.1 gallons per day per square foot for 40,000 square foot of clubhouse area, halfway houses and cart barn offices only for the golf course & amenity calculation.

The benchmark for the ERU factor is a Single Family Home on a 52' lot. In order to establish ERUs for each land use, the flow rate is divided by the 52' Lot Single Family flow rate of 247 gallons per day.

Utilizing the ERU Calculation, determined above, for each land use, the cost allocation for the Water and Wastewater improvements is shown below.

The water and waste water infrastructure was estimated to be \$2,000,000 and \$2,900,000, respectively as outlined in the Master Engineer's Report. With the expansion of the District in 2016 and cost increases that have occurred as construction has progressed, the water and waste water construction costs have increased to \$3,599,600 and \$7,314,800, respectively. There is approximately \$1,057,993.58 in water and \$2,148,241.66 in waste water infrastructure remaining after the Phase 5 Bonds were issued.

Table 6 – Project Water & Wastewater - Property Cost

| Product Type | Water | Waste Water |
|--------------------------|-----------------------|-----------------------|
| 52' Lot | \$369,381.60 | \$750,025.08 |
| 57' Lot | \$0.00 | \$0.00 |
| 62' Lot | \$148,636.50 | \$301,804.69 |
| 76' Lot | \$104,793.76 | \$212,782.52 |
| 90' Lot | \$0.00 | \$0.00 |
| 100' Lot | \$0.00 | \$0.00 |
| Multi-family (Esplanade) | \$277,583.14 | \$563,629.37 |
| Multi-family (Vercelli) | \$157,598.96 | \$320,000.00 |
| Golf Course & Amenities | \$0.00 | \$0.00 |
| Total | \$1,057,993.96 | \$2,148,241.66 |

Table 7 - Phase 6 Water & Wastewater - Property Cost

| Product Type | Water | Waste Water |
|--------------------------|---------------------|---------------------|
| 52' Lot | \$8,794.80 | \$17,857.74 |
| 57' Lot | \$0.00 | \$0.00 |
| 62' Lot | \$148,636.50 | \$301,804.69 |
| 76' Lot | \$104,793.76 | \$212,782.52 |
| 90' Lot | \$0.00 | \$0.00 |
| 100' Lot | \$0.00 | \$0.00 |
| Multi-family (Esplanade) | \$85,410.20 | \$173,424.42 |
| Multi-family (Vercelli) | \$41,663.72 | \$84,597.71 |
| Golf Course & Amenities | \$0.00 | \$0.00 |
| Total | \$389,298.98 | \$790,467.08 |

3.3 Irrigation Distribution System

With regard to the Irrigation Distribution System, the cost distribution, again, should be prepared based on the usage expected for each land use. This is based on the irrigated area for each individual property type. In the case of the residential (both single and multi-family), the irrigated area is simply the pervious area calculated previously in the Surface Water Management Section. In the case of the Amenity, the actual irrigated area was calculated based on the area of the pervious surface areas around the clubhouse and tennis facility. The actual Golf Course area was excluded. Separate pumping and irrigation distribution system will serve the golf course and will not be funded, owned or operated by the District.

As with previous ERU factor calculations, the ERU Factor is established by dividing the irrigated area for each Product Type by the irrigated area for a typical 52' Lot.

Table 8 - Irrigation System - ERU Value Calculation

| Product Type | Pervious Area | ERU Value |
|--------------------------|---------------|-----------|
| 52' Lot | 0.09 | 1.0 |
| 57' Lot | 0.09 | 1.0 |
| 62' Lot | 0.06 | 0.7 |
| 76' Lot | 0.06 | 0.7 |
| 90' Lot | 0.09 | 1.0 |
| 100' Lot | 0.10 | 1.1 |
| Multi-family (Esplanade) | 0.04 | 0.5 |
| Multi-family (Vercelli) | 0.06 | 0.7 |
| Amenity | 7 | 79.1 |

The irrigation system was estimated to have an overall cost of \$2,000,000, as outlined in the Master Engineer's Report. With the expansion of the District in 2016 and cost increases that have occurred as construction has progressed, the irrigation system costs have increased to \$2,047,400. There is approximately \$511,897.90 of irrigation infrastructure remaining after the Phase 5 Bonds were issued.

Utilizing the above ERU Value Calculation, the Proportional Individual Property Cost for the Irrigation System are shown in the tables below.

Table 9 – Project Irrigation System - Property Cost

| Product Type | Units | Cost |
|--------------------------|------------|---------------------|
| 52' Lot | 126 | \$234,084.06 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$52,249.60 |
| 76' Lot | 25 | \$31,655.90 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$87,350.41 |
| Multi-family (Vercelli) | 87 | \$106,557.93 |
| Amenity | 0 | \$0.00 |
| Total | 385 | \$511,897.90 |

Table 10 - Phase 6 Irrigation System - Property Cost

| Product Type | Units | Cost |
|--------------------------|------------|---------------------|
| 52' Lot | 3 | \$5,573.43 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$52,249.60 |
| 76' Lot | 25 | \$31,655.90 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$26,877.05 |
| Multi-family (Vercelli) | 23 | \$28,170.57 |
| Amenity | 0 | \$0.00 |
| Total | 126 | \$144,526.55 |

3.4 Exterior Landscaping

Exterior Landscaping that has been installed by the District consists of buffering installed along Immokalee Road and other areas of the District. The landscaping that was installed by the District is necessitated by requirements of the Collier County Land Development Code, which requires landscape buffering along public roadways and between different zoning categories and uses within the County.

This requirement is due to the development of the District as a whole. It is required to develop the project. The golf course and other amenities are also integral parts of the community as a whole that benefit each property owner. As such, the exterior landscaping costs associated with the golf course and amenities will be distributed to each unit owner.

The exterior landscaping benefit/use for each property owner can be related to the individual property size. The larger lots will benefit more from increased property values and are responsible for more of the costs due to their larger relative size. The costs associated with the exterior landscape improvement are distributed based on the unit lot size, utilizing an ERU Factor of 1.0 for the 52' Lots.

Table 11 - Exterior Landscaping - ERU Value Calculations

| Product Type | Area (ac) | ERU Value |
|--------------------------|------------------|------------------|
| 52' Lot | 0.16 | 1.00 |
| 57' Lot | 0.20 | 1.24 |
| 62' Lot | 0.19 | 1.19 |
| 76' Lot | 0.24 | 1.51 |
| 90' Lot | 0.29 | 1.79 |
| 1000' Lot | 0.34 | 2.10 |
| Multi-family (Esplanade) | 0.10 | 0.62 |
| Multi-family (Vercelli) | 0.10 | 0.62 |

The exterior landscaping has an overall cost of \$1,500,000.00, as outlined in the Master Engineer's Report. There is approximately \$381,160.90 in infrastructure remaining after the Phase 5 Bonds were issued.

Based on the ERU Values, the costs allocated to each property within the District are as follows:

Table 12 – Project Exterior Landscaping - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 126 | \$144,159.12 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$58,621.90 |
| 76' Lot | 25 | \$43,300.24 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$73,550.99 |
| Multi-family (Vercelli) | 87 | \$61,528.64 |
| Total | 385 | \$381,160.90 |

Table 13 - Phase 6 Exterior Landscaping - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 3 | \$3,432.36 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$58,621.90 |
| 76' Lot | 25 | \$43,300.24 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$22,631.07 |
| Multi-family (Vercelli) | 23 | \$16,266.08 |
| Total | 126 | \$144,251.66 |

3.5 Offsite Improvements

The offsite improvements funded by the District were limited to transportation related improvements within the County Road 951 Extension right-of-way. These improvements are required by Collier County PUD Ordinance No. 12-14 and are necessary for development of the project. The Golf Course and Amenity are not included in the cost allocation, as it will not be a traffic generator. These are generally for use by the residents.

The ITE Trip Generation Manual was utilized to determine the expected daily trips generated by each Land Use within the District, as follows:

Table 14 - Offsite Improvements - ERU Value Calculation

| Product Type | Trips | ERU Value |
|--------------------------|--------------|------------------|
| 52' Lot | 10 | 1.0 |
| 57' Lot | 10 | 1.0 |
| 62' Lot | 10 | 1.0 |
| 76' Lot | 10 | 1.0 |
| 90' Lot | 10 | 1.0 |
| 100' Lot | 10 | 1.0 |
| Multi-family (Esplanade) | 7 | 0.7 |
| Multi-family (Vercelli) | 7 | 0.7 |

The offsite improvements have an overall cost of \$1,200,000.00, as outlined in the Master Engineer's Report. There is approximately \$324,476.39 in infrastructure remaining after the Phase 4 Bonds were issued.

By utilizing the above ERU values to allocate the Offsite Improvement Costs, the following costs per land use result.

Table 15 – Project Offsite Improvements - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 126 | \$124,760.16 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$42,576.88 |
| 76' Lot | 25 | \$24,754.00 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$72,083.64 |
| Multi-family (Vercelli) | 87 | \$60,301.71 |
| Total | 385 | \$324,476.39 |

Table 16 - Phase 6 Offsite Improvements - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 3 | \$2,970.48 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$42,576.88 |
| 76' Lot | 25 | \$24,754.00 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$22,179.58 |
| Multi-family (Vercelli) | 23 | \$15,941.58 |
| Total | 126 | \$108,422.52 |

3.6 Environmental Mitigation

As part of the District’s Capital Improvement Program, the District was required to fund the construction of mitigation for wetland, and other habitat, impacts that were due to the development of the District’s Facilities and land uses. This replacement is a result of areas within the District that were subject to wetland impacts, and are not associated with any specific land use in the District, as the development of the District as a whole was contingent upon the impact and mitigation program that was permitted by the South Florida Water Management District, United States Army Corps of Engineers and Collier County. The golf course and other amenities are also integral parts of the community that benefit each property owner. As such, the environmental mitigation costs associated with the golf course and amenities will be distributed to each unit owner.

The relative use/benefit from the environmental mitigation for each homeowner is associated with their individual property size. The larger lots will benefit more from increased property

values and are responsible for more of the costs due to their larger relative size. We propose that the costs associated with the required Environmental Mitigation be allocated to each unit based on total lot size, utilizing an ERU Factor of 1.0 for the 52' Lots.

Table 17 - Environmental Mitigation - ERU Value Calculation

| Product Type | Area (ac) | ERU Value |
|--------------------------|------------------|------------------|
| 52' Lot | 0.16 | 1.00 |
| 57' Lot | 0.20 | 1.24 |
| 62' Lot | 0.19 | 1.19 |
| 76' Lot | 0.24 | 1.51 |
| 90' Lot | 0.29 | 1.79 |
| 1000' Lot | 0.34 | 2.10 |
| Multi-family (Esplanade) | 0.10 | 0.62 |
| Multi-family (Vercelli) | 0.10 | 0.62 |

The environmental mitigation was estimated to have an overall cost of \$2,200,000, as outlined in the Master Engineer's Report. With the expansion of the District in 2016 the environmental mitigation costs have increased to \$2,790,200. There is approximately \$898,823.37 of environmental mitigation remaining after the Phase 5 Bonds were issued.

Based on the ERU Values, the cost allocated to each property within the District is as follows.

Table 18 – Project Environmental Mitigation - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 126 | \$339,945.48 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$138,237.88 |
| 76' Lot | 25 | \$102,107.46 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$173,442.56 |
| Multi-family (Vercelli) | 87 | \$145,090.55 |
| Total | 385 | \$898,823.92 |

Table 19 - Phase 6 Environmental Mitigation - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 3 | \$8,093.94 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$138,237.88 |
| 76' Lot | 25 | \$102,107.46 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$53,366.94 |
| Multi-family (Vercelli) | 23 | \$38,357.49 |
| Total | 126 | \$340,163.71 |

3.7 Professional & Permit Fees

Professional & Permit Fees are funded by the District as part of the Capital Improvement Program and consist of typical costs associated with development of projects of this size and nature. These generally consist of consultant fees for design, permitting and management of the Capital Improvement Project, Permit Fees, Legal Fees, etc. As with the Environmental and Exterior Landscape costs, these soft costs are not directly attributable to any specific land uses or individual property within the District. Rather they are associated with the development of the District as a whole. Therefore, the associated costs are distributed to each unit based on total lot size, utilizing an ERU Factor of 1.0 for the 52' Lots.

Table 20 - Professional & Permit Fees - ERU Value Calculation

| Product Type | Area (ac) | ERU Value |
|--------------------------|------------------|------------------|
| 52' Lot | 0.16 | 1.00 |
| 57' Lot | 0.20 | 1.24 |
| 62' Lot | 0.19 | 1.19 |
| 76' Lot | 0.24 | 1.51 |
| 90' Lot | 0.29 | 1.79 |
| 1000' Lot | 0.34 | 2.10 |
| Multi-family (Esplanade) | 0.10 | 0.62 |
| Multi-family (Vercelli) | 0.10 | 0.62 |

The professional & permit fees were estimated to have an overall cost of \$2,600,000, as outlined in the Master Engineer's Report. With the expansion of the District in 2016 and cost increases that have occurred as construction has progressed, the professional & permit fees

costs have increased to \$6,872,400. There is approximately \$2,025,883.37 of professional & permit fees remaining after the Phase 5 Bonds were issued.

Based on the above ERU Values, the costs allocated to each property within the District is as follows:

Table 21 – Project Professional & Permit Fees - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|-----------------------|
| 52' Lot | 126 | \$766,211.04 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$311,577.58 |
| 76' Lot | 25 | \$230,142.38 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 104 | \$390,926.22 |
| Multi-family (Vercelli) | 87 | \$327,026.16 |
| Total | 385 | \$2,025,883.38 |

Table 22 - Phase 6 Professional & Permit Fees - Property Cost

| Product Type | Number of Units | Cost |
|--------------------------|------------------------|---------------------|
| 52' Lot | 3 | \$18,243.12 |
| 57' Lot | 0 | \$0.00 |
| 62' Lot | 43 | \$311,577.58 |
| 76' Lot | 25 | \$230,142.38 |
| 90' Lot | 0 | \$0.00 |
| 100' Lot | 0 | \$0.00 |
| Multi-family (Esplanade) | 32 | \$120,284.99 |
| Multi-family (Vercelli) | 23 | \$86,454.84 |
| Total | 126 | \$766,702.91 |

4.0 SUMMARY OF ALLOCATION OF CONSTRUCTION COSTS

The following table is a summary of the Cost Allocation per Individual Property Type after applying the above Cost Allocations.

Table 23 - Cost Per Individual Parcel Type

| Parcel Type | Surface Water Management | Water | Wastewater | Irrigation | Exterior Landscaping | Offsite Improvements | Environmental mitigation | Professional & Permit Fess | Total |
|--------------------------|--------------------------|------------|------------|------------|----------------------|----------------------|--------------------------|----------------------------|-------------|
| 52' Lot | \$17,520.63 | \$2,931.60 | \$5,952.58 | \$1,857.81 | \$1,144.12 | \$990.16 | \$2,697.98 | \$6,081.04 | \$39,175.92 |
| 57' Lot | | | | | | | | | |
| 62' Lot | \$32,237.96 | \$3,456.66 | \$7,018.71 | \$1,215.11 | \$1,363.30 | \$990.16 | \$3,214.83 | \$7,245.99 | \$56,742.73 |
| 76' Lot | \$44,151.99 | \$4,191.75 | \$8,511.30 | \$1,266.24 | \$1,732.01 | \$990.16 | \$4,084.30 | \$9,205.70 | \$74,133.44 |
| 90' Lot | | | | | | | | | |
| 100' Lot | | | | | | | | | |
| Multi-family (Esplanade) | \$14,366.92 | \$2,669.07 | \$5,419.51 | \$839.91 | \$707.22 | \$693.11 | \$1,667.72 | \$3,758.91 | \$30,122.36 |
| Multi-family (Vercelli) | \$9,636.35 | \$1,811.47 | \$3,678.16 | \$1,224.81 | \$707.22 | \$693.11 | \$1,667.72 | \$3,758.91 | \$23,177.74 |
| Golf Course & Amenity | | | | | | | | | |

Table 24 - Phase 6 Proportional Parcel Type Cost

| Parcel Type | Surface Water Management | Water | Wastewater | Irrigation | Exterior Landscaping | Offsite Improvements | Environmental mitigation | Professional & Permit Fess | Total |
|--------------------------|--------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|--------------------------|----------------------------|-----------------------|
| 52' Lot | \$52,561.89 | \$8,794.80 | \$17,857.74 | \$5,573.43 | \$3,432.36 | \$2,970.48 | \$8,093.94 | \$18,243.12 | \$117,527.76 |
| 57' Lot | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 62' Lot | \$1,386,232.28 | \$148,636.50 | \$301,804.69 | \$52,249.60 | \$58,621.90 | \$42,576.88 | \$138,237.88 | \$311,577.58 | \$2,439,937.31 |
| 76' Lot | \$1,103,799.75 | \$104,793.76 | \$212,782.52 | \$31,655.90 | \$43,300.24 | \$24,754.00 | \$102,107.46 | \$230,142.38 | \$1,853,336.01 |
| 90' Lot | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 100' Lot | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Multi-family (Esplanade) | \$459,741.44 | \$85,410.20 | \$173,424.42 | \$26,877.05 | \$22,631.07 | \$22,179.58 | \$53,366.94 | \$120,284.99 | \$963,915.69 |
| Multi-family (Vercelli) | \$221,636.05 | \$41,663.72 | \$84,597.71 | \$28,170.57 | \$16,266.08 | \$15,941.58 | \$38,357.49 | \$86,454.84 | \$533,088.04 |
| Golf Course & Amenity | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total | \$3,223,971.41 | \$389,298.98 | \$790,467.08 | \$144,526.55 | \$144,251.66 | \$108,422.52 | \$340,163.71 | \$766,702.91 | \$5,907,804.82 |

5.0 CONCLUSION

We believe that the proposed cost allocation methodology, as described in this report, is both technically sound as well as practical in its intent and design. The engineering principals are specific to the site and function of each component of the District's infrastructure for the first 6 Phases.

This information represents the current intentions of the District, with regard to the existing and proposed infrastructure. This report may be subject to change in the future, should the intentions of the District change.

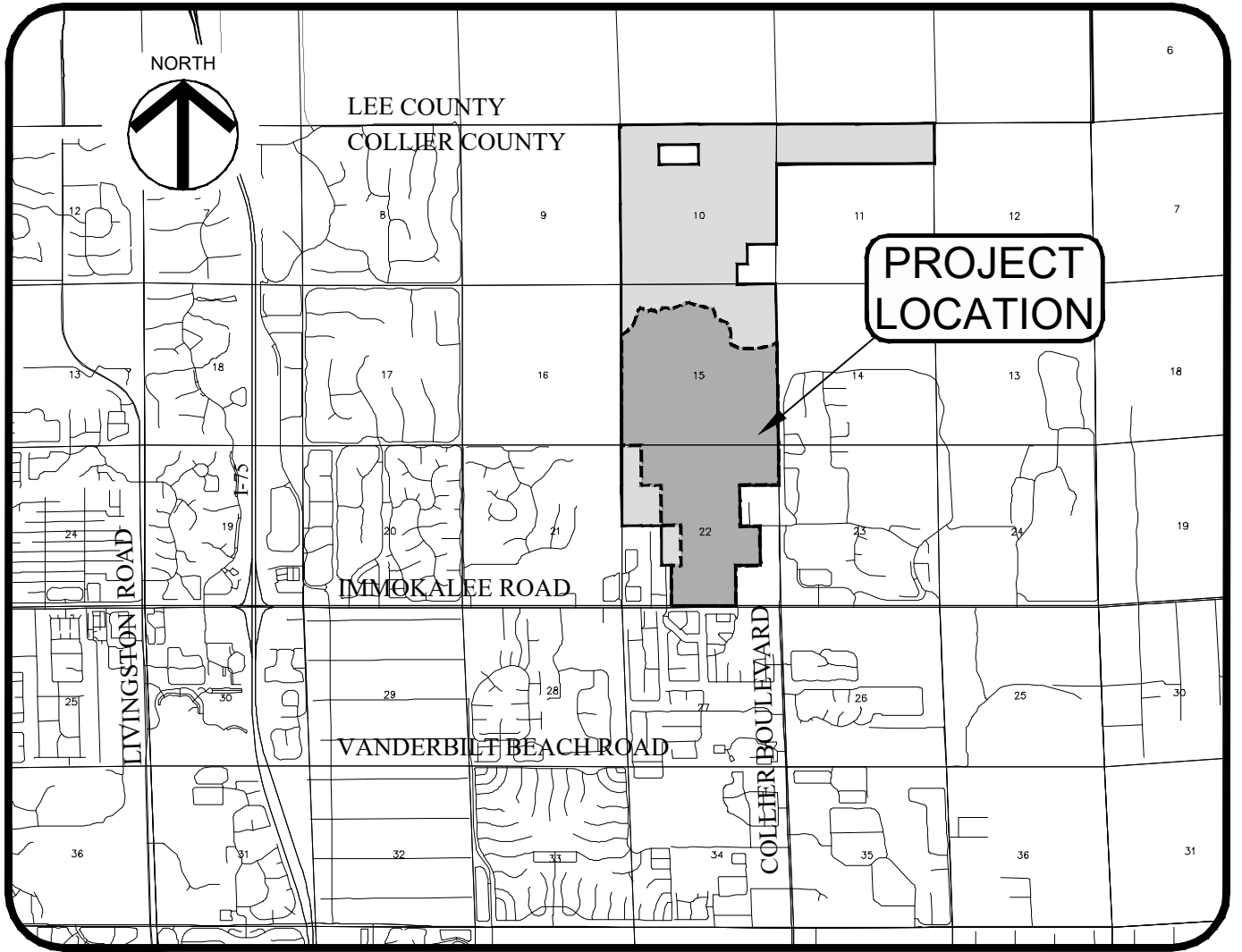
The Improvements, as outlined in this report, are necessary for the functional development of the lands of the District as required by the applicable independent unit of local government. The planning and design of these Improvements is in accordance with current governmental regulatory requirements. The Improvements will provide their intended function so long as the construction is in substantial compliance with the design and permits.

The items of construction in this report are based on actual costs for completed items and on current plan quantities for the ongoing or future infrastructure construction as shown on the approved construction drawings and specifications, latest revision.

It is my professional opinion that the infrastructure costs provided herein for the District Improvements are reasonable to complete the first 6 Phases of construction of the Improvements described herein and that these Improvements, described herein, will benefit and add value to the District and are public improvements or community facilities as set forth in Section 190.012(1) and (2) of the Florida Statutes.

The estimate of infrastructure construction costs is only an estimate and not a guaranteed maximum price. The estimated costs are based on unit prices currently being experienced for ongoing and similar items of work in the County and quantities as represented on the construction plans. The labor market, future costs of equipment and materials, and the actual construction process are all beyond control. Due to this inherent opportunity for fluctuation in cost, the total final cost may be more or less than this estimate

EXHIBIT 1 - Location Map



PROJECT LOCATION MAP

PART OF SECTIONS 15 & 22
 TOWNSHIP 48 SOUTH, RANGE 26 EAST
 COLLIER COUNTY, FLORIDA
 (NO SCALE)



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 ENGINEERING**

CIVIL ENGINEERING & LAND
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FLORIDA CERTIFICATE OF AUTHORIZATION #8636

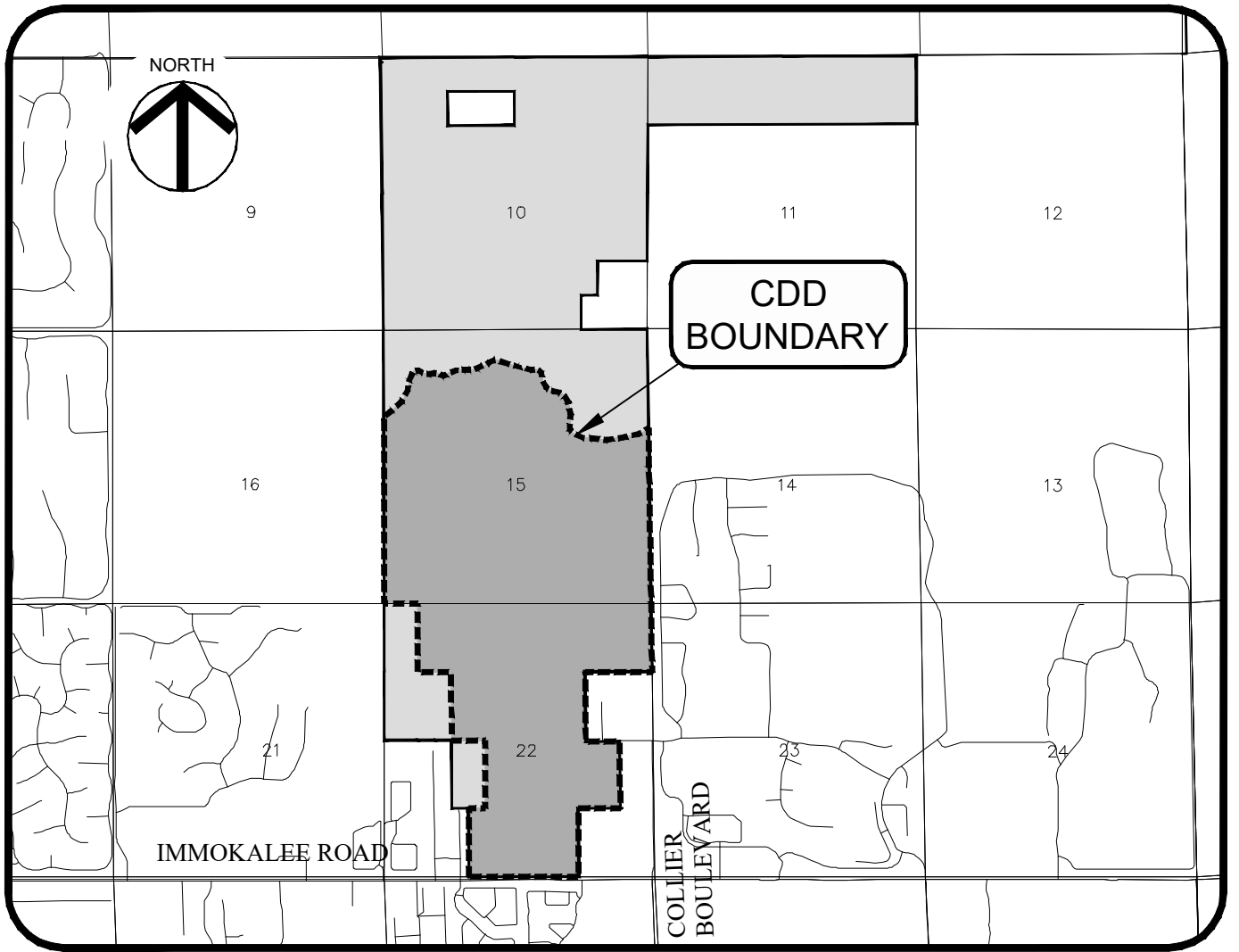
LOCATION MAP
 EXHIBIT

PREPARED FOR:

BOARD OF
 SUPERVISORS FLOW
 WAY CDD

FILE NAME: 276110501
 UPDATED: 10/4/2016

EXHIBIT 2 - District Boundary



PROJECT SITE MAP

PART OF SECTIONS 15 & 22
 TOWNSHIP 48 SOUTH, RANGE 26 EAST
 COLLIER COUNTY, FLORIDA
 (NO SCALE)



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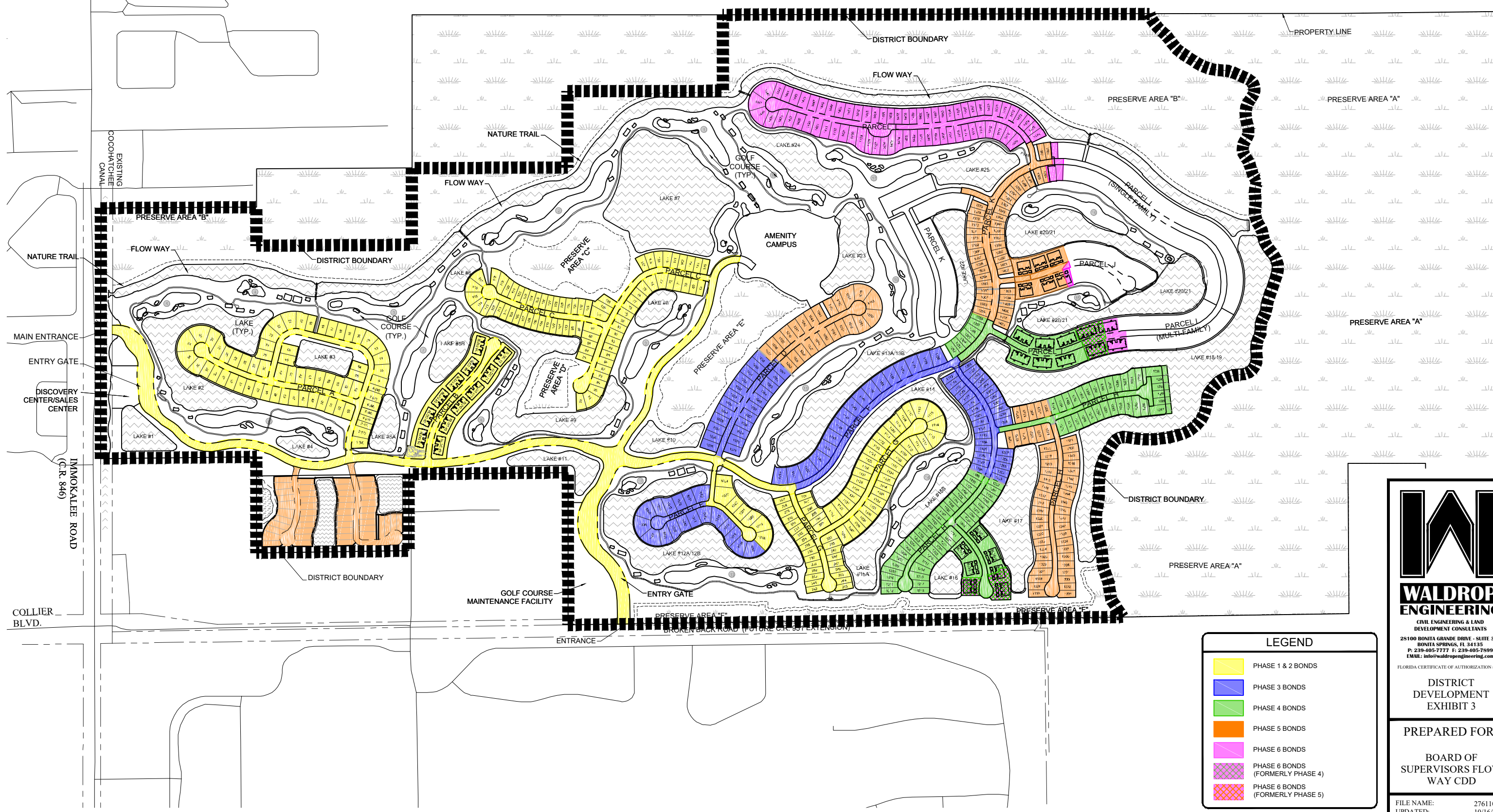
DISTRICT
 BOUNDARY
 EXHIBIT

PREPARED FOR:

BOARD OF
 SUPERVISORS
 FLOW WAY CDD

FILE NAME: 276110602
 UPDATED: 9/19/2016

EXHIBIT 3 - District Development



| LEGEND | |
|--------|----------------------------------|
| | PHASE 1 & 2 BONDS |
| | PHASE 3 BONDS |
| | PHASE 4 BONDS |
| | PHASE 5 BONDS |
| | PHASE 6 BONDS |
| | PHASE 6 BONDS (FORMERLY PHASE 4) |
| | PHASE 6 BONDS (FORMERLY PHASE 5) |



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FLORIDA CERTIFICATE OF AUTHORIZATION #8636

DISTRICT DEVELOPMENT EXHIBIT 3

PREPARED FOR:

BOARD OF SUPERVISORS FLOW WAY CDD

FILE NAME: 276110603
 UPDATED: 10/16/2017

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EXHIBIT 4 - Phased District Potable Water Facilities



CONNECT TO COLLIER COUNTY 12" WATER MAIN
DISCOVERY CENTER/SALES CENTER
IMMOKALEE ROAD (C.R. 846)
COLLIER BLVD.

| LEGEND | |
|--------|----------------------------------|
| | PHASE 1 & 2 BONDS |
| | PHASE 3 BONDS |
| | PHASE 4 BONDS |
| | PHASE 5 BONDS |
| | PHASE 6 BONDS |
| | PHASE 6 BONDS (FORMERLY PHASE 4) |
| | PHASE 6 BONDS (FORMERLY PHASE 5) |



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PHASED DISTRICT WATER FACILITIES EXHIBIT 4

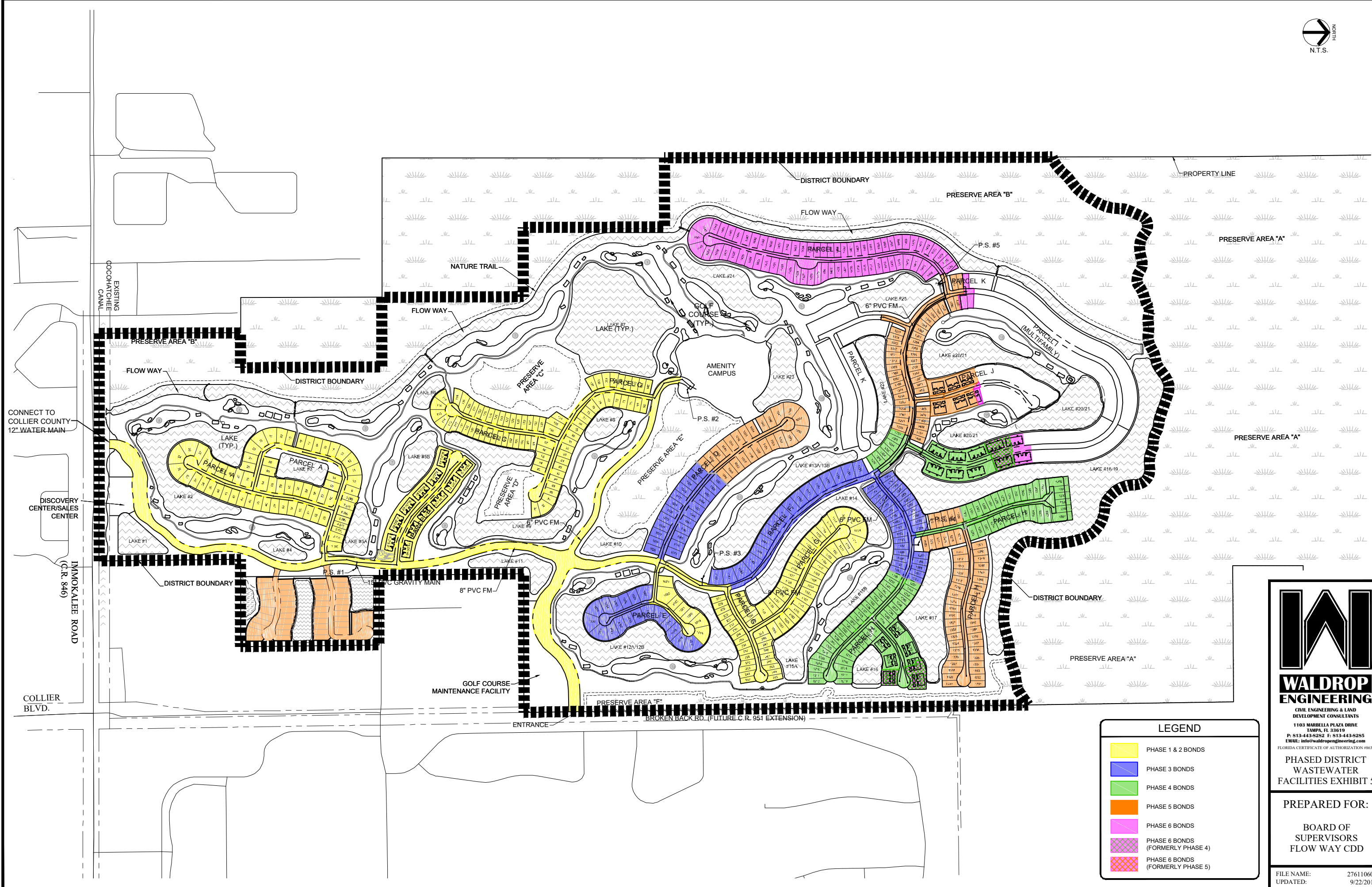
PREPARED FOR:

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FILE NAME: 276110604
UPDATED: 9/22/2017

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EXHIBIT 5 - Phased District Wastewater Facilities



LEGEND

- PHASE 1 & 2 BONDS
- PHASE 3 BONDS
- PHASE 4 BONDS
- PHASE 5 BONDS
- PHASE 6 BONDS
- PHASE 6 BONDS (FORMERLY PHASE 4)
- PHASE 6 BONDS (FORMERLY PHASE 5)



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FLORIDA CERTIFICATE OF AUTHORIZATION #6836
PHASED DISTRICT WASTEWATER FACILITIES EXHIBIT 5

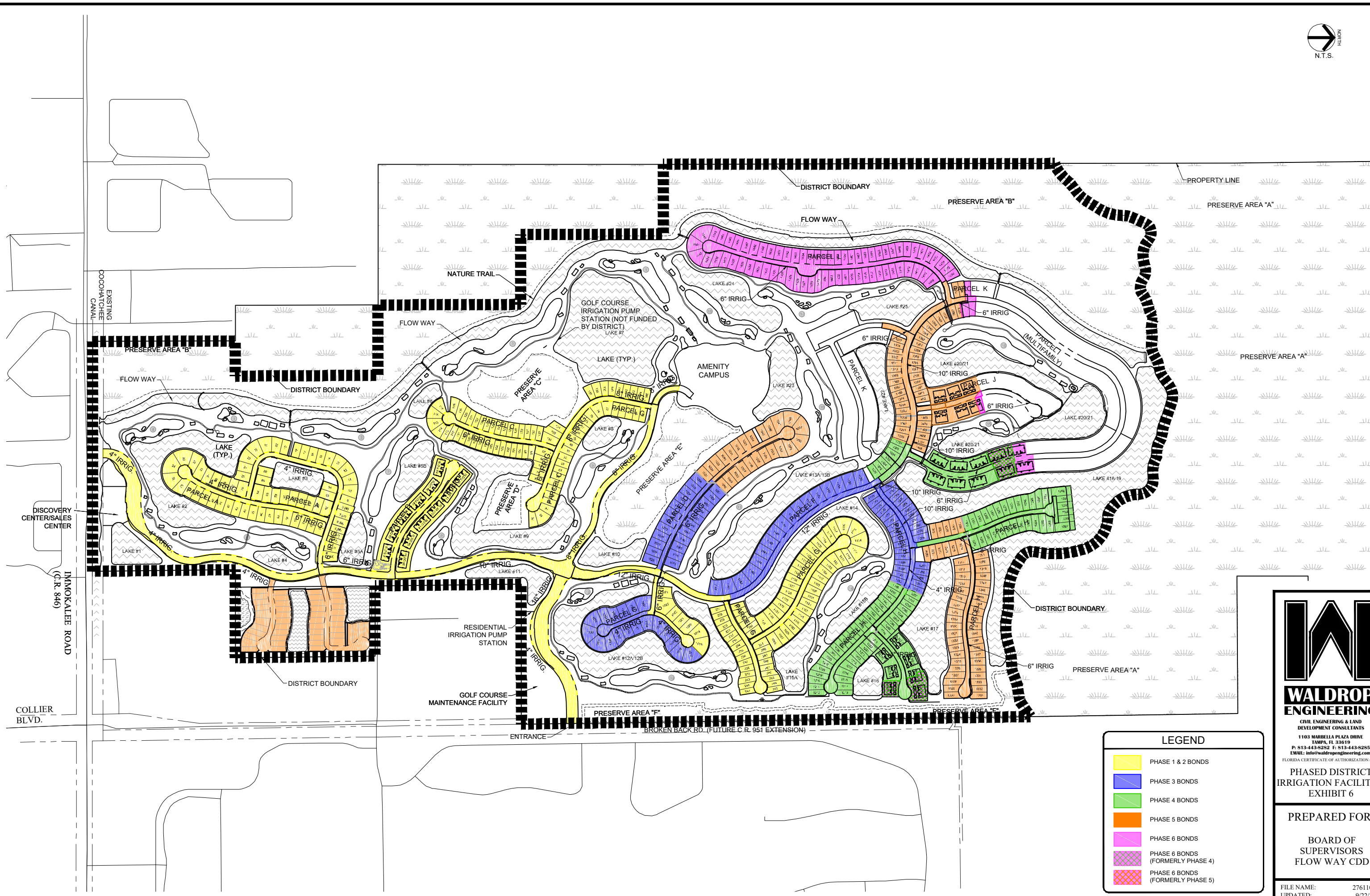
PREPARED FOR:

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FLOW WAY CDD

FILE NAME: 276110605
UPDATED: 9/22/2017

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EXHIBIT 6 - Phased District Irrigation Facilities



LEGEND

- PHASE 1 & 2 BONDS
- PHASE 3 BONDS
- PHASE 4 BONDS
- PHASE 5 BONDS
- PHASE 6 BONDS
- PHASE 6 BONDS (FORMERLY PHASE 4)
- PHASE 6 BONDS (FORMERLY PHASE 5)

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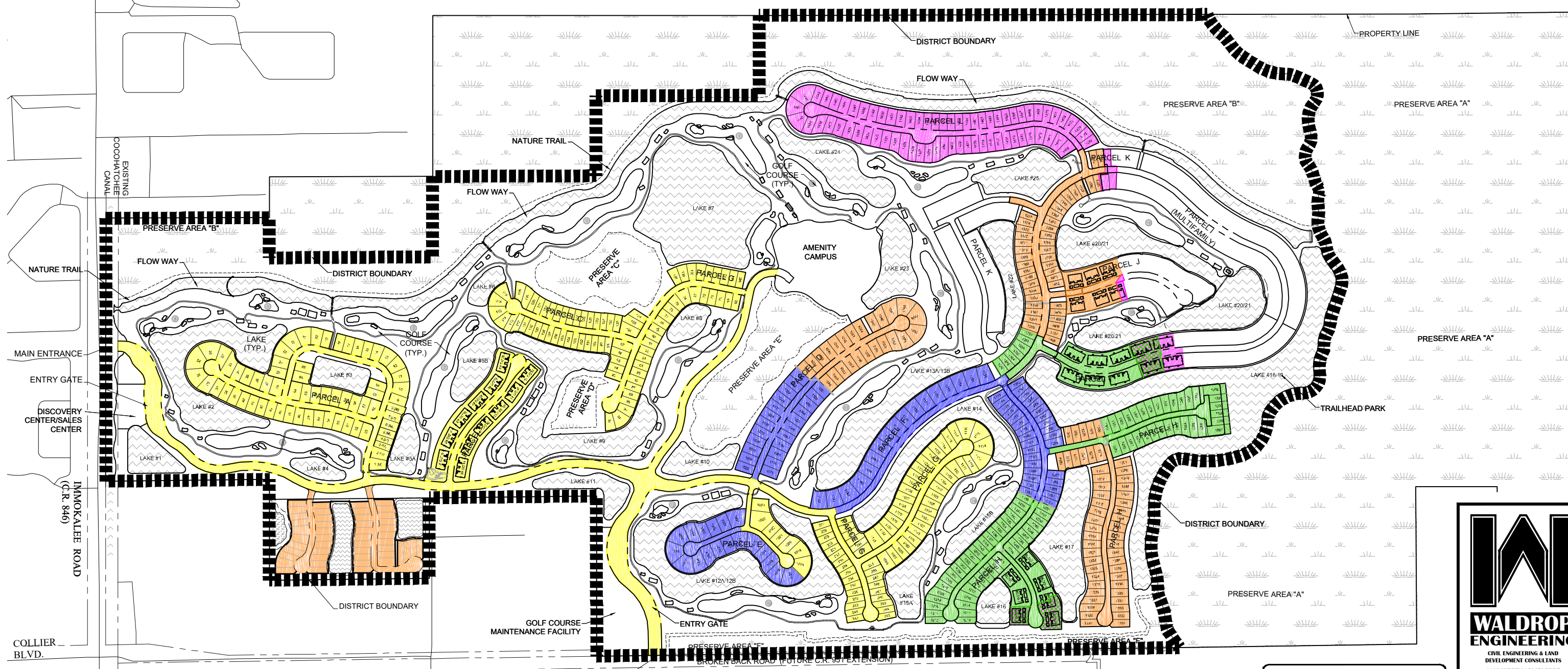
PHASED DISTRICT IRRIGATION FACILITIES EXHIBIT 6

PREPARED FOR:
 BOARD OF SUPERVISORS
 FLOW WAY CDD








FILE NAME: 276110606
 UPDATED: 9/22/2017

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*EXHIBIT 7 - Phased District Surface Water Management
Facilities*



LEGEND

-  PHASE 1 & 2 BONDS
-  PHASE 3 BONDS
-  PHASE 4 BONDS
-  PHASE 5 BONDS
-  PHASE 6 BONDS
-  PHASE 6 BONDS (FORMERLY PHASE 4)
-  PHASE 6 BONDS (FORMERLY PHASE 5)



WALDROP ENGINEERING

CIVIL ENGINEERING & LAND DEVELOPMENT CONSULTANTS
1103 MARBELLA PLAZA DRIVE
TAMPA, FL 33619
P: 813-443-8282 F: 813-443-8285
EMAIL: info@waldropengineering.com

FLORIDA CERTIFICATE OF AUTHORIZATION #8636
PHASED DISTRICT SURFACE WATER MANAGEMENT FACILITIES EXHIBIT 7

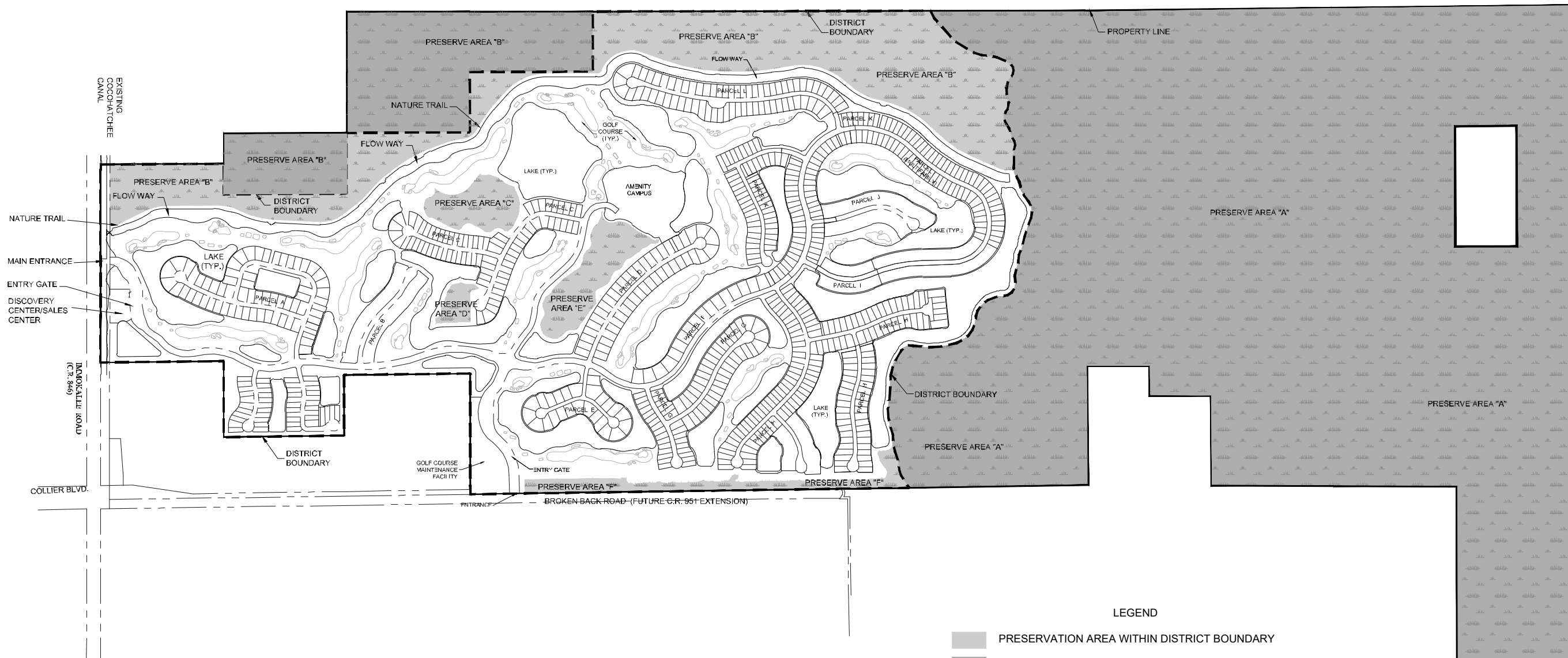
PREPARED FOR:

BOARD OF SUPERVISORS FLOW WAY CDD

FILE NAME: 276110607
UPDATED: 9/22/2017

B:\Projects\2761-11 (Española Naples) \CDD\AutoCAD\2761-11-06 Phase 6 Report\Current\Plan\276110607.dwg
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*EXHIBIT 8 - Phased Environmental Preserve &
Mitigation Areas*



LEGEND

- PRESERVATION AREA WITHIN DISTRICT BOUNDARY
- PRESERVATION AREA OUTSIDE OF DISTRICT BOUNDARY

| PRESERVATION AREAS IN/OUT OF DISTRICT BOUNDARY | | | |
|--|-------------------|-------------------|--------------------|
| PRESERVE | IN | OUT | TOTAL |
| A | --- | 888.55 AC. | 888.55 AC. |
| B | 118.34 AC. | 80.15 AC. | 198.49 AC. |
| C | 9.67 AC. | --- | 9.67 AC. |
| D | 2.79 AC. | --- | 2.79 AC. |
| E | 13.77 AC. | --- | 13.77 AC. |
| F | 10.61 AC. | --- | 10.61 AC. |
| TOTAL | 155.18 AC. | 968.70 AC. | 1123.88 AC. |



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FLORIDA CERTIFICATE OF AUTHORIZATION #8636

PHASED ENVIRONMENTAL PRESERVATION & MITIGATION AREA EXHIBIT 8

PREPARED FOR:
BOARD OF SUPERVISORS
FLOW WAY CDD

FILE NAME: 276110608
UPDATED: 9/21/2017

EXHIBIT 9 - District Boundary Sketch & Description

(Exhibit 2 of Ordinance 02-09)

RHODES & RHODES LAND SURVEYING, INC.

***28100 BONITA GRANDE DRIVE, SUITE 107
BONITA SPRINGS, FL 34135
PHONE (239) 405-8166 FAX (239) 405-8163***

LEGAL DESCRIPTION

A PARCEL OR TRACT OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF COLLIER, LYING IN SECTIONS 10, 11, 15 AND 22, TOWNSHIP 48 SOUTH, RANGE 26 EAST, SAID PARCEL ALSO BEING A PORTION OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES, AS RECORDED IN PLAT BOOK 53 PAGES 1 THROUGH 64 (INCLUSIVE) AND BEING FURTHER DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 48 SOUTH, RANGE 26 EAST, COLLIER COUNTY, FLORIDA, SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF SAID ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES AS RECORDED IN PLAT BOOK 53 PAGES 1 THROUGH 64 (INCLUSIVE); THENCE ALONG THE SOUTHERLY BOUNDARY OF THE PLAT OF SAID ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES, NORTH 89°58'48" WEST, A DISTANCE OF 990.32 FEET; THENCE NORTH 00°17'41" WEST, A DISTANCE OF 1332.48 FEET; THENCE NORTH 89°59'45" EAST, A DISTANCE OF 328.98 FEET; THENCE NORTH 00°20'27" WEST, A DISTANCE OF 1332.63 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 48 SOUTH, RANGE 26 EAST; THENCE ALONG SAID SOUTH FRACTION LINE, SOUTH 89°58'17" WEST, A DISTANCE OF 655.76 FEET; THENCE NORTH 00°14'37" WEST, A DISTANCE OF 1332.01 FEET; THENCE ALONG SAID FRACTION LINE, SOUTH 89°57'09" WEST, A DISTANCE 653.40 FEET; THENCE NORTH 00°09'00" WEST, A DISTANCE OF 1332.05 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID SECTION 22; THENCE ALONG THE NORTH LINE OF SAID SECTION 22, SOUTH 89°54'39" WEST, A DISTANCE OF 651.08 FEET TO THE NORTHWEST CORNER OF SAID SECTION 22, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SECTION 15, TOWNSHIP 48 SOUTH, RANGE 26 EAST AND ALSO BEING THE WESTERLY BOUNDARY OF SAID PLAT OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES; THENCE ALONG THE WEST LINE OF SAID SECTION 15 AND THE WESTERLY BOUNDARY OF SAID ESPLANADE PLAT THE FOLLOWING TWO COURSES, COURSE ONE: NORTH 00°07'09" WEST, A DISTANCE OF 2,663.01 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 15; COURSE TWO: THENCE ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 15, NORTH 00°07'13" WEST, A DISTANCE OF 988.29 FEET TO A POINT ON A NON-TANGENTIAL CURVE, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF TRACT "P6" OF SAID PLAT OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES; THENCE ALONG THE SOUTHERLY BOUNDARY OF SAID TRACT "P6" THE FOLLOWING 45 COURSES; COURSE ONE: NORTHEASTERLY, 185.62 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 359.00 FEET, THROUGH A CENTRAL ANGLE OF 29°37'31" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 54°28'20" EAST, 183.56 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWO: THENCE NORTHEASTERLY, 124.90 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 381.00 FEET, THROUGH A CENTRAL ANGLE OF 18°46'59" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 49°03'05" EAST, 124.34 FEET TO A POINT OF REVERSE CURVATURE; COURSE THREE: THENCE NORTHEASTERLY, 150.54 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 312.00 FEET, THROUGH A CENTRAL ANGLE OF 27°38'40" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 44°37'14" EAST, 149.08 FEET TO A POINT OF REVERSE CURVATURE; COURSE FOUR: THENCE NORTHEASTERLY, 123.39 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 1,988.00 FEET, THROUGH A CENTRAL ANGLE OF 03°33'22" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 32°34'35" EAST, 123.37 FEET TO A POINT OF REVERSE CURVATURE; COURSE FIVE: THENCE NORTHERLY, 252.43 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 412.00 FEET, THROUGH A CENTRAL ANGLE OF 35°06'17" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 16°48'08" EAST, 248.50 FEET TO A POINT OF REVERSE CURVATURE; COURSE SIX: THENCE NORTHERLY, 81.37 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE EASTERLY, HAVING A RADIUS OF 188.00 FEET, THROUGH A CENTRAL ANGLE OF 24°47'52" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 11°38'55" EAST, 80.73 FEET; COURSE SEVEN: THENCE NORTH 24°02'48" EAST, A DISTANCE OF 139.54 FEET TO A POINT OF CURVATURE; COURSE EIGHT: THENCE EASTERLY, 184.18 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 98.00 FEET, THROUGH A CENTRAL ANGLE OF 107°41'02" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 77°53'19" EAST, 158.25 FEET TO A POINT OF REVERSE CURVATURE; COURSE NINE: THENCE EASTERLY, 199.50 FEET ALONG THE ARC OF A CIRCULAR

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CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 53°55'06" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 75°13'43" EAST, 192.22 FEET; COURSE TEN: THENCE NORTH 77°48'44" EAST, A DISTANCE OF 98.12 FEET TO A POINT OF CURVATURE; COURSE ELEVEN: THENCE EASTERLY, 68.66 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 88.00 FEET, THROUGH A CENTRAL ANGLE OF 44°42'20" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 79°50'06" EAST, 66.93 FEET; COURSE TWELVE: THENCE SOUTH 57°28'56" EAST, A DISTANCE OF 38.87 FEET TO A POINT OF CURVATURE; COURSE THIRTEEN: THENCE EASTERLY, 140.15 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 112.00 FEET, THROUGH A CENTRAL ANGLE OF 71°41'55" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 86°40'07" EAST, 131.19 FEET TO A POINT OF REVERSE CURVATURE; COURSE FOURTEEN: THENCE NORTHEASTERLY, 113.60 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 225.00 FEET, THROUGH A CENTRAL ANGLE OF 28°55'44" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 65°17'01" EAST, 112.40 FEET TO A POINT OF REVERSE CURVATURE; COURSE FIFTEEN: THENCE NORTHEASTERLY, 101.15 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 27°20'10" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 66°04'48" EAST, 100.19 FEET TO A POINT OF REVERSE CURVATURE; COURSE SIXTEEN: THENCE EASTERLY, 38.76 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 38.00 FEET, THROUGH A CENTRAL ANGLE OF 58°26'43" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 81°38'05" EAST, 37.10 FEET TO A POINT OF REVERSE CURVATURE; COURSE SEVENTEEN: THENCE EASTERLY, 119.37 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 32°15'37" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 85°16'22" EAST, 117.80 FEET TO A POINT OF REVERSE CURVATURE; COURSE EIGHTEEN: THENCE EASTERLY, 75.62 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 188.00 FEET, THROUGH A CENTRAL ANGLE OF 23°02'51" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 89°52'45" EAST, 75.12 FEET TO A POINT OF REVERSE CURVATURE; COURSE NINETEEN: THENCE EASTERLY, 172.97 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 46°44'53" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 78°16'14" EAST, 168.21 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY: THENCE EASTERLY, 92.94 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 188.00 FEET, THROUGH A CENTRAL ANGLE OF 28°19'29" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 69°03'32" EAST, 92.00 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY-ONE: THENCE EASTERLY, 113.65 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 30°42'52" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 67°51'50" EAST, 112.29 FEET; COURSE TWENTY-TWO: THENCE NORTH 52°30'22" EAST, A DISTANCE OF 75.67 FEET TO A POINT OF CURVATURE; COURSE TWENTY-THREE: THENCE EASTERLY, 185.77 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 188.00 FEET, THROUGH A CENTRAL ANGLE OF 56°37'01" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 80°48'53" EAST, 178.31 FEET; COURSE TWENTY-FOUR: THENCE SOUTH 70°52'38" EAST, A DISTANCE OF 215.48 FEET TO A POINT OF CURVATURE; COURSE TWENTY-FIVE: THENCE EASTERLY, 84.99 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 312.00 FEET, THROUGH A CENTRAL ANGLE OF 15°36'30" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 78°40'53" EAST, 84.73 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY-SIX: THENCE EASTERLY, 72.99 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 138.00 FEET, THROUGH A CENTRAL ANGLE OF 30°18'09" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 71°20'03" EAST, 72.14 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY-SEVEN: THENCE EASTERLY, 109.44 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 162.00 FEET, THROUGH A CENTRAL ANGLE OF 38°42'28" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 75°32'13" EAST, 107.37 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY-EIGHT: THENCE EASTERLY, 82.55 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 138.00 FEET, THROUGH A CENTRAL ANGLE OF 34°16'32" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 77°45'11" EAST, 81.33 FEET TO A POINT OF REVERSE CURVATURE; COURSE TWENTY-NINE: THENCE EASTERLY, 91.37 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 162.00 FEET, THROUGH A CENTRAL

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ANGLE OF 32°18'53" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 76°46'21" EAST, 90.16 FEET; COURSE THIRTY: THENCE NORTH 87°04'12" EAST, A DISTANCE OF 80.88 FEET TO A POINT OF CURVATURE; COURSE THIRTY-ONE: THENCE SOUTHEASTERLY, 224.07 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 138.00 FEET, THROUGH A CENTRAL ANGLE OF 93°01'46" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 46°24'55" EAST, 200.25 FEET TO A POINT OF REVERSE CURVATURE; COURSE THIRTY-TWO: THENCE SOUTHEASTERLY, 330.36 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 312.00 FEET, THROUGH A CENTRAL ANGLE OF 60°40'03" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 30°14'03" EAST, 315.14 FEET TO A POINT OF COMPOUND CURVATURE; COURSE THIRTY-THREE: THENCE EASTERLY, 57.69 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 112.00 FEET, THROUGH A CENTRAL ANGLE OF 29°30'43" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 75°19'26" EAST, 57.05 FEET TO A POINT OF REVERSE CURVATURE; COURSE THIRTY-FOUR: THENCE SOUTHEASTERLY, 383.12 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 308.00 FEET, THROUGH A CENTRAL ANGLE OF 71°16'11" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 54°26'42" EAST, 358.89 FEET TO A POINT OF COMPOUND CURVATURE; COURSE THIRTY-FIVE: THENCE SOUTHERLY, 484.39 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE WESTERLY, HAVING A RADIUS OF 908.00 FEET, THROUGH A CENTRAL ANGLE OF 30°33'57" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 03°31'38" EAST, 478.67 FEET TO A POINT OF REVERSE CURVATURE; COURSE THIRTY-SIX: THENCE SOUTHEASTERLY, 134.34 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 112.00 FEET, THROUGH A CENTRAL ANGLE OF 68°43'29" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 22°36'24" EAST, 126.43 FEET; COURSE THIRTY-SEVEN: THENCE SOUTH 56°58'09" EAST, A DISTANCE OF 74.98 FEET TO A POINT OF CURVATURE; COURSE THIRTY-EIGHT: THENCE EASTERLY, 333.98 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 512.00 FEET, THROUGH A CENTRAL ANGLE OF 37°22'29" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 75°39'23" EAST, 328.09 FEET TO A POINT OF REVERSE CURVATURE; COURSE THIRTY-NINE: THENCE EASTERLY, 155.66 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 488.00 FEET, THROUGH A CENTRAL ANGLE OF 18°16'33" AND BEING SUBTENDED BY A CHORD THAT BEARS SOUTH 85°12'21" EAST, 155.00 FEET TO A POINT OF REVERSE CURVATURE; COURSE FORTY: THENCE EASTERLY, 297.82 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 512.00 FEET, THROUGH A CENTRAL ANGLE OF 33°19'39" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 87°16'06" EAST, 293.64 FEET TO A POINT OF REVERSE CURVATURE; COURSE FORTY-ONE: THENCE EASTERLY, 178.15 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 488.00 FEET, THROUGH A CENTRAL ANGLE OF 20°54'59" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 81°03'46" EAST, 177.16 FEET TO A POINT OF REVERSE CURVATURE; COURSE FORTY-TWO: THENCE EASTERLY, 94.41 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 212.00 FEET, THROUGH A CENTRAL ANGLE OF 25°30'56" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 78°45'47" EAST, 93.63 FEET TO A POINT OF REVERSE CURVATURE; COURSE FORTY-THREE: THENCE EASTERLY, 217.08 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE SOUTHERLY, HAVING A RADIUS OF 588.00 FEET, THROUGH A CENTRAL ANGLE OF 21°09'09" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 76°34'54" EAST, 215.85 FEET TO A POINT OF REVERSE CURVATURE; COURSE FORTY-FOUR: THENCE EASTERLY, 54.98 FEET ALONG THE ARC OF A CIRCULAR CURVE, CONCAVE NORTHERLY, HAVING A RADIUS OF 103.00 FEET, THROUGH A CENTRAL ANGLE OF 30°35'07" AND BEING SUBTENDED BY A CHORD THAT BEARS NORTH 71°51'55" EAST, 54.33 FEET; COURSE FORTY-FIVE: THENCE NORTH 56°34'20" EAST, A DISTANCE OF 160.60 FEET TO THE SOUTHEAST CORNER OF SAID TRACT "P6" AND AN INTERSECTION WITH THE EASTERLY BOUNDARY OF SAID PLAT OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES; THENCE ALONG SAID EASTERLY BOUNDARY OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES THE FOLLOWING SIX COURSES; COURSE ONE: THENCE SOUTH 00°51'44" EAST, A DISTANCE OF 738.10 FEET; COURSE TWO: SOUTH 00°49'56" EAST, A DISTANCE OF 2,676.38 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 15 AND THE NORTHEAST CORNER OF SECTION 22; COURSE THREE: SOUTH 00°50'55" EAST, A DISTANCE OF 1,334.40 FEET; COURSE FOUR: THENCE SOUTH 89°56'33" WEST, A DISTANCE OF 1,306.71 FEE; COURSE FIVE: THENCE SOUTH 00°38'40" EAST, A DISTANCE OF 1,333.68 FEET TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22; COURSE SIX: THENCE CONTINUE ALONG SAID FRACTION LINE, SOUTH 00°38'11" EAST, A DISTANCE OF

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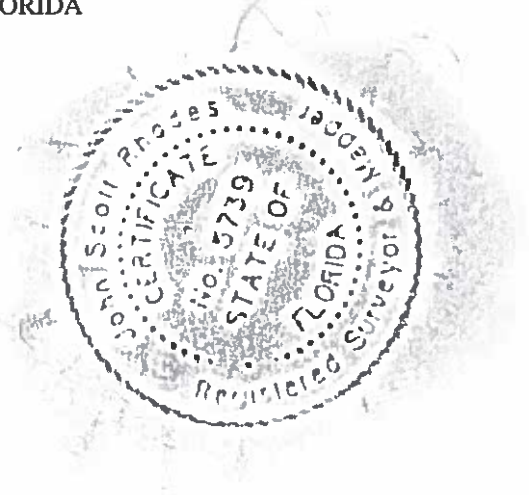
***28100 BONITA GRANDE DRIVE, SUITE 107
BONITA SPRINGS, FL 34135
PHONE (239) 405-8166 FAX (239) 405-8163***

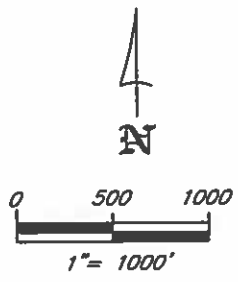
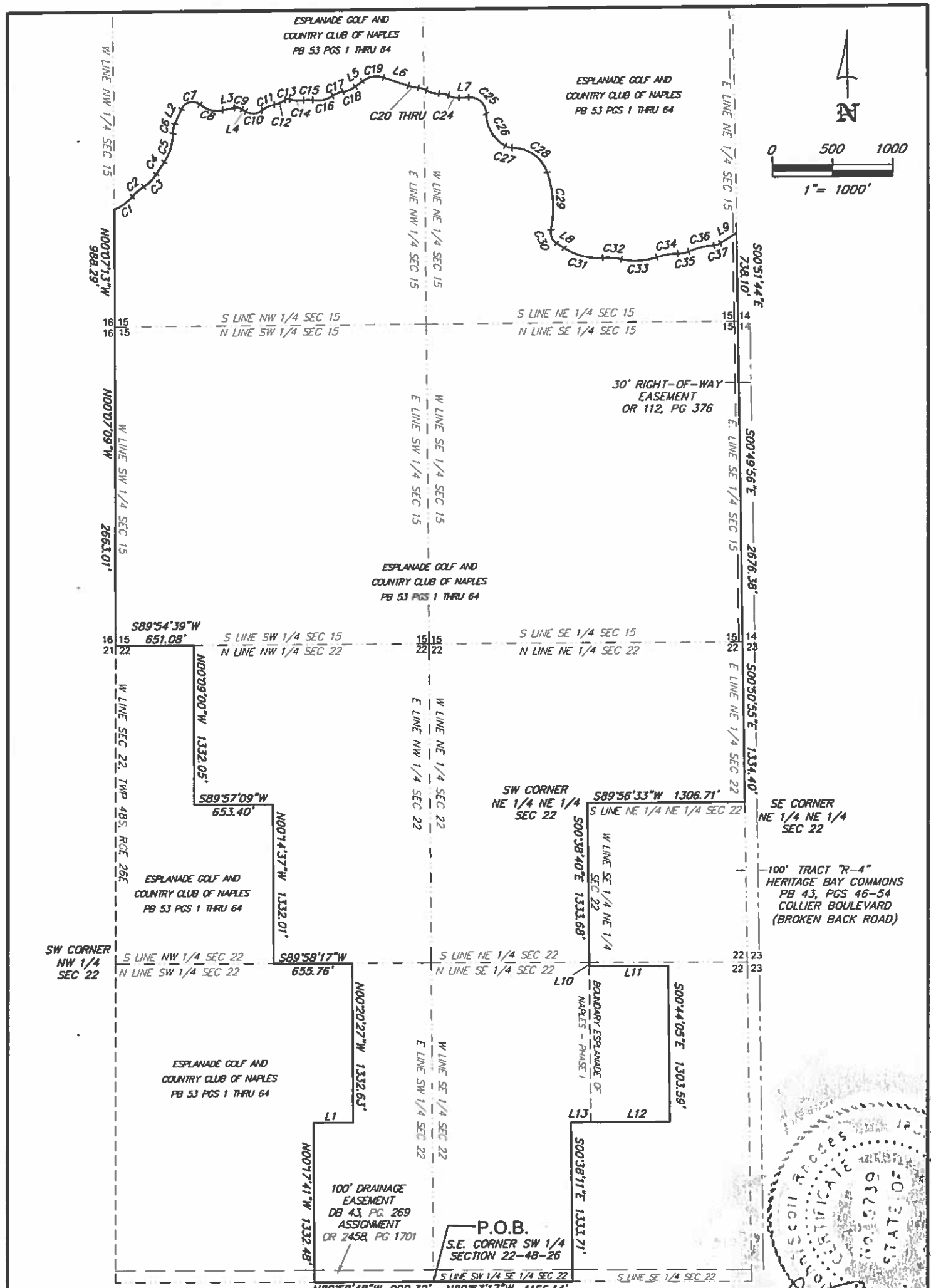
30.52 FEET; THENCE NORTH 89°59'08" EAST, A DISTANCE OF 655.79 FEET; THENCE SOUTH 00°44'05" EAST, A DISTANCE OF 1,303.59 FEET; THENCE NORTH 89°59'29" WEST, A DISTANCE OF 658.03 FEET TO AN INTERSECTION WITH SAID EASTERLY BOUNDARY OF THE PLAT OF ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES; THENCE CONTINUE ALONG THE BOUNDARY OF SAID PLAT THE FOLLOWING THREE COURSES: COURSE ONE: NORTH 89°59'29" WEST, A DISTANCE OF 164.50 FEET; COURSE TWO: THENCE SOUTH 00°38'11" EAST, A DISTANCE OF 1,333.71 FEET TO AN INTERSECTION WITH THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22; THENCE ALONG SAID SOUTH LINE, NORTH 89°57'17" WEST, A DISTANCE OF 1,156.14 FEET TO THE POINT OF BEGINNING.

PARCEL CONTAINS 849.40 ACRES, OR 36,999,864 SQUARE FEET, MORE OR LESS.



JOHN SCOTT RHODES, P.S.M., NO. LS5739
PROFESSIONAL SURVEYOR & MAPPER
STATE OF FLORIDA






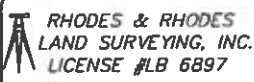
NOTES

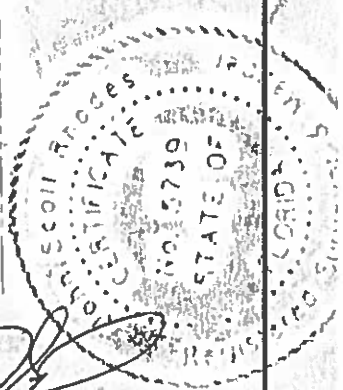
1. BEARINGS ARE BASED ON THE SOUTH LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER, SECTION 22, TOWNSHIP 48 SOUTH, RANGE 26 EAST, ESPLANADE GOLF AND COUNTRY CLUB OF NAPLES, 53, PAGES 1 THROUGH 64 (INCLUSIVE), AS BEING NORTH 89°57'17" WEST AND RELATE TO THE FLORIDA STATE PLANE COORDINATE SYSTEM FOR FLORIDA ZONE EAST, NORTH AMERICAN DATUM OF 1983, 1990 ADJUSTMENT (NAD83/90).
2. SUBJECT TO EASEMENTS, RESERVATIONS AND RESTRICTIONS OF RECORD.
3. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF, UNLESS OTHERWISE NOTED.

ABBREVIATIONS

- P.O.B. = POINT OF BEGINNING
- B.O.B. = BASIS OF BEARING
- P.S.M. = PROFESSIONAL SURVEYOR
- L.B.# = LICENSED BUSINESS NUMBER
- B.E. = BUFFER EASEMENT
- OR = OFFICIAL RECORD BOOK
- P.B. = PLAT BOOK
- PGS = PAGES

BY:  JOHN SCOTT RHODES PSM #5739

| | | |
|---|--|----------------------|
| SKETCH AND DESCRIPTION | | PSM: JSR |
| FLOW WAY CDD - ESPLANADE SKETCH | | drawn: CLJ |
|  RHODES & RHODES LAND SURVEYING, INC. LICENSE #LB 6897 | | checked: MMR |
| | | view: SKETCH |
| date: SEPTEMBER 2, 2016 scale: 1" = 1000' cadd file: 2016-859 CDD FLOW WAY | | project#: 2012-93 |
| 28100 BONITA GRANDE DRIVE SUITE 107 BONITA SPRINGS, FL 34135 (239) 405-8166 (239) 405-8163 FAX | | sheet #: 5 of 6 |




| LINE | BEARING | DISTANCE |
|------|-------------|----------|
| L1 | N89°59'45"E | 328.98' |
| L2 | N24°02'48"E | 139.54' |
| L3 | N77°48'44"E | 98.12' |
| L4 | S57°28'56"E | 38.87' |
| L5 | N52°30'22"E | 75.67' |
| L6 | S70°52'38"E | 215.48' |
| L7 | N87°04'12"E | 80.88' |
| L8 | S56°58'09"E | 74.98' |
| L9 | N56°34'20"E | 160.60' |
| L10 | S00°38'11"E | 30.52' |
| L11 | N89°59'08"E | 655.79' |
| L12 | N89°59'29"W | 658.03' |
| L13 | N89°59'29"W | 164.50' |

| CURVE | RADIUS | DELTA | ARC | CHORD | CHORD BEARING |
|-------|----------|------------|---------|---------|---------------|
| C1 | 359.00' | 29°37'31" | 185.62' | 183.56' | N54°28'20"E |
| C2 | 381.00' | 18°46'59" | 124.90' | 124.34' | N49°03'05"E |
| C3 | 312.00' | 27°38'40" | 150.54' | 149.08' | N44°37'14"E |
| C4 | 1988.00' | 3°33'22" | 123.39' | 123.37' | N32°34'35"E |
| C5 | 412.00' | 35°06'17" | 252.43' | 248.50' | N16°48'08"E |
| C6 | 188.00' | 24°47'52" | 81.37' | 80.73' | N11°38'55"E |
| C7 | 98.00' | 107°41'02" | 184.18' | 158.25' | N77°53'19"E |
| C8 | 212.00' | 53°55'06" | 199.50' | 192.22' | S75°13'43"E |
| C9 | 88.00' | 44°42'20" | 68.66' | 66.93' | S79°50'06"E |
| C10 | 112.00' | 71°41'55" | 140.15' | 131.19' | N86°40'07"E |
| C11 | 225.00' | 28°55'44" | 113.60' | 112.40' | N65°17'01"E |
| C12 | 212.00' | 27°20'10" | 101.15' | 100.19' | N66°04'48"E |
| C13 | 38.00' | 58°26'43" | 38.76' | 37.10' | N81°38'05"E |
| C14 | 212.00' | 32°15'37" | 119.37' | 117.80' | S85°16'22"E |
| C15 | 188.00' | 23°02'51" | 75.62' | 75.12' | S89°52'45"E |
| C16 | 212.00' | 46°44'53" | 172.97' | 168.21' | N78°16'14"E |
| C17 | 188.00' | 28°19'29" | 92.94' | 92.00' | N69°03'32"E |
| C18 | 212.00' | 30°42'52" | 113.65' | 112.29' | N67°51'50"E |
| C19 | 188.00' | 56°37'01" | 185.77' | 178.31' | N80°48'53"E |
| C20 | 312.00' | 15°36'30" | 84.99' | 84.73' | S78°40'53"E |
| C21 | 138.00' | 30°18'09" | 72.99' | 72.14' | S71°20'03"E |
| C22 | 162.00' | 38°42'28" | 109.44' | 107.37' | S75°32'13"E |
| C23 | 138.00' | 34°16'32" | 82.55' | 81.33' | S77°45'11"E |
| C24 | 162.00' | 32°18'53" | 91.37' | 90.16' | S76°46'21"E |
| C25 | 138.00' | 93°01'46" | 224.07' | 200.25' | S46°24'55"E |
| C26 | 312.00' | 60°40'03" | 330.36' | 315.14' | S30°14'03"E |
| C27 | 112.00' | 29°30'43" | 57.69' | 57.05' | S75°19'26"E |
| C28 | 308.00' | 71°16'11" | 383.12' | 358.89' | S54°26'42"E |
| C29 | 908.00' | 30°33'57" | 484.39' | 478.67' | S03°31'38"E |
| C30 | 112.00' | 68°43'29" | 134.34' | 126.43' | S22°36'24"E |
| C31 | 512.00' | 37°22'29" | 333.98' | 328.09' | S75°39'23"E |
| C32 | 488.00' | 18°16'33" | 155.66' | 155.00' | S85°12'21"E |
| C33 | 512.00' | 33°19'39" | 297.82' | 293.64' | N87°16'06"E |
| C34 | 488.00' | 20°54'59" | 178.15' | 177.16' | N81°03'46"E |
| C35 | 212.00' | 25°30'56" | 94.41' | 93.63' | N78°45'47"E |
| C36 | 588.00' | 21°09'09" | 217.08' | 215.85' | N76°34'54"E |
| C37 | 103.00' | 30°35'07" | 54.98' | 54.33' | N71°51'55"E |

SKETCH AND DESCRIPTION

FLOW WAY CDD ESPLANADE TABLES

 RHODES & RHODES
LAND SURVEYING, INC.
LICENSE #LB 6897

date: **SEPTEMBER 2, 2016**
scale: **1" = 1000'**
cadd file:
2016-859 CDD FLOW WAY

28100 BONITA GRANDE DRIVE SUITE 107
BONITA SPRINGS, FL 34135
(239) 405-8166 (239) 405-8163 FAX

PSM:
JSR
drawn:
CLJ
checked:
MMR
view:
SKETCH
project #:
2012-93
sheet #:
6 of 6

EXHIBIT "B"
ASSESSMENT REPORT

*FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
SERIES 2017 – PHASE AND PHASE 7 CAPITAL
IMPROVEMENT PROGRAM*

Special Assessment Report

Prepared by:

JPWard & Associates LLC

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10/25/2017

*2900 NORTHEAST 12TH TERRACE
SUITE 1
OAKLAND PARK
FLORIDA 33334*

1.0 BACKGROUND AND THRESHOLD MATTERS

The District was created and chartered by law and established on the property by Collier County effective February 26, 2002, as amended. In November, 2016 the District boundaries were expanded to include an additional 19.66 acres, bringing the total size of the District to approximately 849.44 acres.

The District was dormant since establishment, until 2013 when Taylor Morrison Esplanade Naples, LLC (“Taylor Morrison Esplanade”) acquired the entire land area within the District. In 2013 the District issued its first Series of Bonds, the Series 2013 Bonds, to fund the first phase of development, of its capital improvement program (Phases 1 and 2 of the Development (as defined below) and the District continued the development of the capital improvement program with the issuance of the Series 2015 Phase 3 Bonds for the second phase of development of the capital improvement program (Phase 3 of third Development), its Series 2015 – Phase 4 Bonds for the third phase of development of the capital improvement program (Phase 4 of the Development, and its Series 2016 Bonds for the fourth phase of development of the capital improvement program (Phase 5 of the Development).

The District manages the infrastructure for the community known as Esplanade Golf and Country Club of Naples (the “Development”), which is approximately 849.44 acres of land and is situated northwest of the intersection of Immokalee Road and County Road 951, entirely in unincorporated Collier County, Florida. The District’s single and special purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, systems, facilities, services and improvements.¹

¹ See Florida Statutes sections 190.002(1)(a) and (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.*, at 456. The Supreme Court also references section 190.002, Florida Statutes, to “evidence the narrow objective” in providing community

(footnote continued)

This report is intended to define and allocate the assessments that will be required to be levied to implement the capital improvement plan for Phase 6 of the Development. Phase 6 of the Development is being financed, in part, with the Series 2017 Bonds. This report is also intended to define and provide for the levy of certain assessment related to 36 Unassigned Units in Phase 4 (“Unassigned Units”), which assessment (the “Future Assessments”) will not constitute a lien on such lands until such time as Phase 4 has been fully developed and platted and been assigned the entire lien of the District’s Series 2015 – Phase 4 Bonds in accordance with the methodology for the Series 2015 – Phase 4 bonds. At such time the Future Assessments will constitute a lien on the 36 Unassigned Units that are expected to be pledged as a portion of the security for the District’s next series of bonds after the issuance of the Series 2017 bonds and which are expected to be issued in the latter part of 2018 (the “Future Bonds.”)

Phase 6

The Series 2017 Special Assessments will be initially levied on all of the 21.78 gross acres in Phase 6 of the District (the “2017 Assessment Area”) and allocated to the platted lots and developed lots in Phase 6 of the District. The 21.78 gross acres represents the gross acres for the Phase 6 – 87 units

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.

| Preliminary Development Plan | |
|---|--------------|
| Type | Units |
| 52' | 3 |
| 57' | 0 |
| 62' | 43 |
| 76' | 25 |
| 90' | 0 |
| 100' | 0 |
| MF (Esplanade) | 50 |
| MF (Vercelli) | 2 |
| Total | 123 |

The Unassigned units and Future Assessments

When the Series 2015 – Phase 4 Bonds were issued by the District, it was anticipated that the Series 2015 – Phase 4 Bonds would be secured by special assessments (the “Series 2015 – Phase 4 Special Assessments”) on 163 residential units in the Phase 4 assessment area. Through the development, the number of units planned by the developer have changed as did the type of units to be developed, and now Phase 4 will include 204 Units and the Series 2015 – Phase 4 Bonds will be secured by the Series 2015 – Phase 4 Special Assessments on 204 units. It is intended that the 30 Unassigned Units (as defined herein) in the original Phase 4 assessment area will be assigned Series 2017 debt as described herein. The location of the Unassigned Units is shown in the Engineer’s Report and the chart below identifies the change in units within Phase 4. It is intended that the 36 Unassigned Units (as defined herein) in the original Phase 4 assessment area will be assigned Future Special Assessments as described herein that will ultimately be pledged to pay principal and interest on the Future Bonds. The location of the Unassigned Units is shown in the Engineer’s Report.

| Type | Phase 6 Plan (1) | Phase 4 ORIGINAL BOND | Phase 4 with Site Plan Changes | Units Moved to Phase 6 | Phase 4 Minus Units Moved to Phase 6 REVISED | Phase 6 Final Including Phase 4 CHANGED |
|-------------------|---------------------|-----------------------------|--------------------------------------|---------------------------------|---|--|
| 52' (2-3) | 3 | 76 | 51 | | 51 | 3 |
| 57' | 0 | 0 | 0 | | 0 | 0 |
| 62' | 43 | 31 | 31 | | 31 | 43 |
| 76' | 25 | 0 | 0 | | 0 | 25 |
| 90' | 0 | 0 | 0 | | 0 | 0 |
| 100' | 0 | 0 | 0 | | 0 | 0 |
| MF (Esplanade) | 14 | 0 | 66 | 36 | 30 | 50 |
| MF (Vercelli) | 2 | 56 | 56 | 0 | 56 | 2 |
| Total | 87 | 163 | 204 | 36 | 168 | 123 |

(1) Phase 6 Plan without Phase 4

(2) Reduction of 52' units from 76 to 51 (24) units - absorbed by additional Esplanade Units

Therefore, these special assessments securing the 2017 Bonds and Future Bonds will be levied on the Phase 6 area, and the Future Special Assessment Area in Phase 4.

To comply with the restrictions in the supplemental indenture for the Series 2015 – Phase 4 Bonds, the Series 2017 Special Assessment Bonds will be initially assigned to all gross acres or a platted lot in the Series 2017 Assessment Area (the “Phase 6 Plan Area”).

The District contemplates issuing additional bonds in the latter part of 2018 for the Unassigned Units currently included in Series – 2015 - Phase 4.

The above chart identifies the units planned for Phase 6 and the additional Future Special Assessment Area from Phase 4 that will be allocated to Phase 6 in accordance with this Report.

The Series 2017 Special Assessments will be assigned to the acreage in Phase 6 and the Future Special Assessment Area on an unassigned area basis.

Until such time as the Series 2015 – Phase 4 Special Assessments have been assigned to lots or units as platted or as the developer files a declaration of condominium as originally contemplated by the Series 2015 – Phase 4 Bonds no further debt shall be issued on the Series 2015 – Phase 4 Area for the Unassigned lots. Exhibit 1 (the assessment roll) attached to this report depicts the areas in Phase 4 that will be subject to the lien of the Series 2017 Special Assessments (depending upon the product type). Due to the assignment of the Series 2015 –

Phase 4 Special Assessments as anticipated to the 168 units in Phase 4 as stated above, the result will be the 36 Unassigned Units then being free and clear of the lien of the Series 2015 – Phase 4 Special Assessments. Until such time as the Unassigned Units are free and clear of the lien of the Series 2015 –Phase 4 Special Assessments. The District anticipates an additional financing in 2017 for the Sereis 2014 – Phase 4 unassigned units.

This report will identify the special and peculiar benefits for the works and services including added use of the property, added enjoyment of the property, and probability of increased marketability, value of the property and decreased insurance premiums will be evaluated for each of the revised residential and commercial product types to insure that the new assessments are fair, just and reasonable for all property within the District.

2.0 THE DISTRICT

The District was established by Ordinance of the Board of County Commissioners of Collier County, Florida, effective February 26, 2002 and originally encompassed a total of 830 acres. As noted above the boundaries of the District were expanded in November, 2016 to include an additional 19.66 acres for a total of 849.44. The development, known as Esplanade Golf and Country Club of Naples (the “Development”) also encompasses approximately all of the land within the boundaries of the District.

Interstate 75 and U.S. 41 provide direct access to Fort Lauderdale and Miami, respectively. Interstate 75 also provides access to Fort Myers, Sarasota, Tampa and northern Florida. The Southwest Florida International Airport is located approximately forty (40) minutes north via Interstate 75, and the Miami International Airport is located approximately one (1) hour and forty-five (45) minutes east via Interstate 75.

3.0 PURPOSE OF THIS REPORT

This Special Assessment Report has been developed to provide a roadmap and lays out in detail each step for use by the Board for the imposition and levy of non-ad valorem special assessments. This report begins by introducing the Cost Allocation methodology, as prepared by Waldrop Engineering, Inc. to the Board, and then the report introduces the Assessment Methodology. These two methodologies constitute the District’s procedure for instituting the Assessments to fund the capital improvement program for the District.

The Cost Allocation Methodology discloses the computations for the cost and dollar amounts for the systems, facilities and services provided by the District per parcel for each unity type of acre.

The Assessment Methodology outlines the properties within the District that are subject to the Assessments and the special benefit conferred peculiar to each property by, and received from, the systems, facilities and services provided by the District's capital improvement program. The Assessment Methodology will have three primary objectives: (1) to determine the special and peculiar benefits that flow to the assessable properties in the District from the capital improvement plan provided by the District; (2) to apportion the special benefits peculiar to all parcels in a manner that is fair and reasonable, resulting in the proportionate special benefit; and (3) to apply the proportionate special benefit to the proposed allocated costs in each assessment category potentially resulting in a modification to the costs allocated and fixing the Assessments per parcel or acre. The first two objectives of the Assessment Methodology set forth a framework to apply to the already allocated costs and dollar amount of Assessments associated with the operations and maintenance expenditures benefiting properties. Once the framework is set, the proportionate special benefit may modify the earlier allocated dollar amounts of the assessments per parcel or per acre. The report is designed to conform to the requirements of Chapters 189, 190, 170 and 197, Florida Statutes, and is consistent with the District's understanding of the case law on this subject.

The existing systems, facilities and services earlier acquired and constructed by this District produced special benefits, peculiar to both acres and platted parcels, which were apportioned in a manner that is fair and reasonable and which were based on the development plan by the Original Developer. The capital improvement plan which was initially implemented with the issuance of the District's Series 2013 Bonds, the Series 2015 Bonds and the Series 2015 – Phase 4 Bonds, and the Series 2016 Bonds, and this report continues that implementation for Phase 6 with the Series 2017 Bonds and partially for the next phase of development in connection with the Future assessments being levied on the Unassigned units that are expected to eventually secure a portion of certain Future Bonds.

This methodology will describe the allocation of the District's special assessments for Phase 6, based on the preliminary development plan, as provided by the Developer.

4.0 DEFINED TERMS

“Developer” – Taylor Morrison Esplanade Naples, LLC, a Florida limited Liability Company.

“District” – Flow Way Community Development District.

“District Engineer” – Waldrop Engineering

“Equivalent Assessment Unit” – (EAU) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District’s capital project on a particular land use, relative to other land uses.

“Engineer’s Report”- that certain Flow Way Community Development District Phase 6 Engineer’s Report prepared by the District Engineer and dated October 2017.

“Phase 1 and 2” – The first development phases of the Development. The phase 1 and 2 development is subject to the lien of the Series 2013 Bonds.

“Phase 3”- The second development phase of the Development. The phase 3 development is subject to the lien of the special assessments securing the Series 2014 Phase 3 bonds.

“Phase 4” – The third development phase of the Development. Currently all of the land in phase 4 development are subject to the lien of the special assessments securing the Series 2015 – Phase 4 Bonds. It is anticipated that the lien of the special assessment securing the Series – 2015 Phase 4 Bonds ultimately will be absorbed by 204 Planned units in Phase 4, leaving 36 Unassigned Units. Subject to the terms herein, the Unassigned Units in Phase 4 will be subject to the lien of the Future Special Assessments that are anticipated to secure the Future bonds after the special assessments securing the Series 2015 – Phase 4 bonds have been fully allocated to platted and developed units. Prior to such time, the Future Special Assessments shall not be able to be pledged to secure any District debt

“Phase 5” – The fourth development phase of the Development. Certain units in phase 5 development are subject to the lien of the special assessments securing the Series 2016 Bonds.

“Phase 6” – The fifth development phase of the Development. Phase 6 will be subject to the lien of the Series 2017 special assessments securing the Series 2017 Bonds.

“Allocable Costs” – Proportionate Phase 6 allocable costs.

“Phase 6 Capital Improvement Program” – Public infrastructure necessary to support the development of Phase 6.

“Platted Units” – lands configured as their intended end-use and subject to the lien of the Series 2017 Assessments.

“Unplatted Parcels” – Undeveloped lands or parcels not yet subject to a recorded plat and in their final end-use configuration.

“Unassigned Units” – planned units in Phase 4 that were not contemplated when the Series 2015 – Phase 4 were issued and which will not be subject to the Series 2015 – Phase 4 Special Assessments

5.0 METHODOLOGY FOR ALLOCATING COSTS AND ASSESSMENTS

5.1 Cost Allocation

The allocation of costs in the cost allocation methodology is based on accepted practices in accordance with applicable laws and the procedure for the imposition, levy and collection of non-ad valorem special assessments as set forth in the District Charter ² and in conformity with State laws applicable to such assessments.

The allocation of costs is really in effect a disclosure of the costs as a first step towards determining the final dollar amount of the assessment per unit.

The District’s capital program can be broken down into six (6) broad categories: (1) surface water management system, (2) utilities including potable water, wastewater and irrigation, (3) exterior landscaping, (4) off-site improvements, (5) environmental mitigation and (6) professional & permit fees. Mitigation as used herein, is both on-site and off-site preserve enhancement, creation and preservation.

These programs have costs identified in Table 1 below and are merely the first step in the special assessments to be paid. To provide further information, the division (i.e., the allocation) of these cost for each program is further discussed in the Waldrop Engineering Inc., report dated October, 2017.

² See the Act in chapter 190, Florida Statutes.

The special benefits that these programs provide to the properties are more fully disclosed in this report and a preview of some apportionment factors is helpful.³ The key to such factor is the use of Equivalent Residential Units (“ERUs”). These units are a tried and true measurement to compare the costs as divided or allocated.

Included in the Allocated Cost noted in the table below, \$1,079,610.10 is allocated costs related to the Unassigned Units from Phase 4.

| Phase 6 and Phase 7 - Cost Allocation | |
|--|------------------------|
| Description | Allocated Cost |
| Stormwater Management System | \$ 3,254,179.71 |
| Utilities | |
| Potable Water | \$ 395,562.57 |
| Sanitary Sewer | \$ 803,183.45 |
| irrigation | \$ 136,756.24 |
| Exterior Landscaping | \$ 142,926.29 |
| Off-Site Improvement | \$ 107,029.47 |
| Environmental Mitigation | \$ 337,036.38 |
| Professional & Permit Fees | \$ 759,654.86 |
| Total: | \$ 5,936,328.97 |

5.2 Surface Water Management System

The District’s surface water management system was designed to be an integrated and functional water management system for the treatment and attenuation of stormwater runoff for the entire District. As such, the allocation of costs are based on the capacity usage anticipated for each land use within the District.

³ As will be disclosed later, apportionment determines the relative magnitude of the special benefits also and provides a further breakdown in costs.

5.3 Potable Water, Wastewater and Irrigation

The District's utility system consists of potable water, sanitary sewer and irrigation water for the community. The development within the District consists primarily residential properties, and a golf course with associated amenities. The potable water and sanitary sewer are divided among all property owners based on typical flow rates established by the District Engineer for similar use types based on the Florida Administrative Code, and that the irrigation water be distributed based on the anticipated use for each land use type.

5.4 Exterior Landscaping, Off-Site Improvements, Mitigation and Miscellaneous

The exterior landscaping consists of buffering along the project boundaries and is necessitated by the requirements of the Collier County Land Development Code, which requires landscape buffering along public roadways and between different zoning categories and uses within the County. As such, the allocation of costs are based on trip generation anticipated for each land use within the District.

5.5 Off-Site Improvements

The off-site improvements consist of transportation related improvements for County Road 951 Extension right-of-way. These improvements were also necessitated by the requirements of the Collier County Land PUD Ordinance NO. 12-14. These roadway improvement costs are divided between the various individual properties based on the size of a typical lot, according to the Engineer's report.

5.6 Environmental Mitigation

The environmental mitigation costs consist of wetland and other habitat improvements caused by the development of Esplanade Golf & Country Club of Naples, to replace existing wetlands. As such, the allocation of costs are based on the capacity usage anticipated for each land use within the District.

5.7 Professional & Permit Fees

Professional and Permit costs are allocated based on the typical lot size anticipated for each land use within the District.

6.0 OVERVIEW OF ASSESSMENT METHODOLOGY; SPECIAL PECULIAR BENEFIT; REASONABLE AND FAIR APPORTIONMENT; PROPORTIONATE SPECIAL BENEFIT

The purpose of this Assessment Report is to discuss the special benefits peculiar to the properties from construction and acquisition of the District systems, facilities and services, along with the further enhancement and enjoyment of the property from the District's use of its special pinpointed and focused management capabilities to construct these systems, facilities and services.

The Assessment Report herein constitutes a valid and legal methodology for the Flow Way Community Development District in that it confers special benefits peculiar to the properties and apportions those benefits in a reasonable and fair manner resulting in and applying the proportionate special benefit. This section is broken down into four (4) subsections:

Subsection 6.1 provides a detailed overview of the requirements for a valid special assessment. In this subsection, Florida's legal requirements to make the assessments liens equal in dignity to property taxes are explained and detailed. (A lien travels with the property and may result in the loss of the property if it is not paid.)

Subsection 6.2 identifies and details the actual special benefits flowing from the District's construction activities of its systems, facilities and services to the properties. A breakdown of each special benefit (added use, added enjoyment, the combination of enhanced value and increased marketability and finally decreased insurance premiums) is provided and the way the properties are benefited is explained.

Subsection 6.3 covers the apportionment of these special benefits. This subsection shows the proportion of the special benefit flowing to the individual properties. For example, the Off-site Services will create equal special benefits peculiar to individual properties. That is, the relative magnitude of any one of these special benefits to any one property is proportional to the special benefits to another property. Similarly, the Water Management Services will benefit certain properties more than others, as will the Utilities and Irrigation Services.

The special benefits can be broken down into a percentage of the overall special benefit flowing based on each category. This section explains this breakdown in specificity for each property unit type in relation to the magnitude of the special benefit each property unit enjoys. This apportionment results in the proportionate special benefit.

Subsection 6.4 applies the proportionate special benefit to the dollar amount allocated in the Cost Allocation Methodology.

6.1 Requirements For a Valid Assessment Methodology

Valid assessments under Florida Law have two (2) requirements that must be met by the Board using this methodology to provide that the assessments will be liens on property equal in dignity to County property tax liens and to justify reimbursement by the property owners to the District for the special benefits received by and peculiar to their properties.

First, the properties assessed must receive, peculiar to the acre or parcel of property, a special benefit that flows as a logical connection from the systems, facilities and services constituting improvements.⁴ The courts recognize added use, added enjoyment, enhanced value and decreased insurance premiums as the special benefits that flow as a logical connection from the systems, facilities and services peculiar to the property. Additionally, the properties will receive the special benefit of enhanced marketability.

⁴ The two basic requirements for a valid assessment under law are stated succinctly in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (“There are two requirements for the imposition of a valid special assessment. First, the property assessed must derive a special benefit from the service provided. Second, the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.”) (Citations omitted). The requirement that the benefits received from the property must be peculiar to the parcel or acres is stated in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (A special assessment “is imposed upon the theory that that portion of the community which is required to bear it receives some special or peculiar benefit in the enhancement of value of the property against which it is imposed as a result of the improvement made with the proceeds of the special assessment.”). The requirement for the existence of a logical connection from the systems, facilities and services constituting the improvements to the parcel or acre is found in *Lake County v. Water Management Corp.*, 695 So. 2d 667, 669 (Fla. 1997) (The test for evaluating whether a special benefit is conferred to property by the services for which an assessment is imposed “is whether there is a ‘logical relationship’ between the services provided and the benefit to real property.”)

Second, the special benefits must be fairly and reasonably apportioned in relation to the magnitude of the special benefit received by and peculiar to the various properties being assessed,⁵ resulting in the proportionate special benefit to be applied.

Although property taxes are automatically liens on the property, non-ad valorem assessments, including special assessments, are not automatically liens on the property but will become liens if the governing Board applies the following test in an informed, non-arbitrary manner. If this test for lienability is determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be imposed, levied, collected and enforced as a first lien on the property equal in dignity to the property tax lien.⁶ Florida courts have found that it is not necessary to calculate special benefits with mathematical precision at the time of imposition and levy⁷ so long as the levying and imposition process is not arbitrary, capricious or unfair.⁸

⁵ *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999).

⁶ *Workman Enterprises, Inc. v. Hernando County*, 790 So. 2d 598, 600 (Fla. 5th DCA 2001) (“When a trial court is presented with a property owner’s challenge to a special assessment the appropriate ‘standard of review is the same for both prongs; that is, the legislative determination as to the existence of special benefits and as to the apportionment of the costs of those benefits should be upheld unless the determination is arbitrary.’”) (Citation omitted). § 170.09, Fla. Stat. (2010) (“The special assessments . . . shall remain liens, coequal with the lien of all state, county, district, and municipal taxes, superior in dignity to all other liens, titles, and claims, until paid.”)

⁷ *City of Boca Raton v. State*, 595 So. 2d 25, 31 (Fla. 1992) (In determining the special benefit each parcel or acre receives, the District is “not required to specifically itemize a dollar amount of benefit to be received by each parcel.”). Pursuant to section 197.122(1), Florida Statutes, all taxes imposed pursuant to the State Constitution and laws of this state shall be a first lien, superior to all other liens, on any property against which the taxes have been assessed and shall continue in full force from January 1 of the year the taxes were levied until discharged by payment or until barred under chapter 95. Pursuant to the collection laws, section 197.3632,

(footnote continued)

6.2 Special Peculiar Benefits

Focused, pinpointed and responsive management by the District of its systems, facilities and services, create and enhance special benefits that flow peculiar to property within the borders of the District, as well as general benefits to the public at large.

All benefits conferred on District properties are special benefits conferred on property because only property within the District will specially benefit from the enhanced services to be provided as a result of these new assessments. Any general benefits resulting from these assessments are incidental and are readily distinguishable from the special benefits that accrue to the property within the District. Properties outside the District do not depend on the District's programs and undertakings in any way for their own benefit and are therefore not considered to receive benefits for the purposes of this methodology. The four assessments imposed by this resolution are designed with the specific properties of the District in mind and for their exclusive special benefit.

6.2.1 General Review

From the District's focused and pinpointed management flows the special benefit peculiar to each parcel or acre of added use of the property. This special benefit of added use of a piece of property contemplates the increased ability to "use" the property for its intended purpose.

The District's control and management will also provide another special benefit peculiar to each parcel or acre of added enjoyment of the property. The special benefit of added enjoyment of property contemplates the increase in the satisfaction or quality of use of the specially benefitted property.

Additionally, the District's control and management will provide the special benefit peculiar to each parcel or acre of the probability of increased marketability and value of the property.

Florida Statutes, and all applicable case law, this provision on taxes also applies to non-ad valorem assessments.

⁸ See *Workman Enterprises, Inc. v. Hernando County*, 790 So. 2d 598 (Fla. 5th DCA 2001), *supra* note 5, at 600.

The dollar increase in the value of the property could be determined at a later time by a property appraiser.

Because the benefits of the District's control and management are greater than the costs of the assessments, an overall net special benefit occurs. This net special benefit equates into an increase in at least some of the property values of the surrounding homes. An increase in property values makes these properties more marketable and more saleable. Put differently, when a property's value increases and the price a property is for sale remains the same, the property will have a greater chance of being sold; therefore, the marketability of that property is increased.

Further, a derivative special benefit also exists from this increased marketability. Because of the overall benefit and increases in property values, the surrounding homes will increase in their marketability. More enhanced neighboring properties mean increased marketability. Therefore, even if a single property's value is not increased from the particular District service, many surrounding properties' value will increase, and the non-value improving property will still gain an increase in marketability.

Finally, the District's focused and pinpointed control and management will provide a special benefit peculiar to each parcel or acre of decreased insurance premiums. The monetary decrease in the insurance premiums could be determined at a later time by an insurance adjuster.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated and assessed as to value with mathematical certainty; however, their magnitude can be determined with certainty today. Each special benefit is by orders of magnitude more valuable than the cost of, or the actual assessment imposed and levied for, the services and improvements that they provide peculiar to the receiving properties.

Accordingly, each system, facility and service provided by the District is discussed.

(A) Surface Water Management Systems, Facilities and Services

The Special Benefit of Added Use

From the District's focused and pinpointed management of the Surface Water Management System flows the special benefit peculiar to each parcel or acre of added use of the property. The special benefits peculiar to each parcel or acre from the Surface Water Management System

that contributes, as a logical relationship, to the added use of property throughout the District are flood reduction and prevention and reduced over-drainage. The community is being developed as a bundled golf community, where each owner of property within the District will be a member of the Homeowner's Association and the Association will be the owner of the Golf Course. With this development concept, the development of the Golf Course will benefit the property owners directly by permitting the owner's the use of the course and it's associated facilities.

The District's focused and pinpointed control and maintenance of the Surface Water Management System will avoid the need to undergo intense revitalization efforts of the system in the future for all residential properties and of the Golf Course, however the sole beneficiaries of the added use of the Golf Course are the individual property owners in the District, and not the Golf Course since the Golf Course will be owned and operated by the Homeowner's Association to which all individual property owner's will be members of the Homeowner's Association. As such, the individual properties (excluding the Golf Course) will receive the entire benefit of flood protection, treatment and attenuation of stormwater runoff.

The Special Benefit of Added Enjoyment

The District's construction of the Surface Water Management Services will also provide a special benefit peculiar to each parcel or acre of added enjoyment of the property. The items contributing, as a logical relationship, to the special benefit of added enjoyment of the property are reduced pollution on the property and throughout the District, improved water quality throughout the District, and an aesthetic enhancement of property in general through a better-maintained landscape resulting in a clean and pristine environment. Use of the Golf Course will be significantly enhanced by allowing owner's to enjoy a better game-play experience in playing on well drained, hence dry, lands as well as the satisfaction of playing on a highly maintained course with an admirable beauty as a direct result of that maintenance. Again however, since the Golf Course is owned by the Homeowner's Association, the benefit's that are derived from the enjoyment of the surface water management system, flow as a logical consequence to the individual properties (excluding the Golf Course) within the District. These individual properties will also enjoy the significant decrease in pollutant build up on their lands and common areas and the consequent positive environmental and aesthetic effects on their lands and local community as a direct result of the enhanced Surface Water Management System's construction, operation and maintenance by focused District management.

The Special Benefit of the Probability of Enhanced Value and Increased Marketability

The District's construction of the surface water management system will provide further a special benefit peculiar to each parcel or acre in the probability of increased marketability and enhanced value of the property. Specific benefits of this type include decreased landscaping and maintenance costs, reduced environmental degradation, higher quality property maintenance, reduced water treatment costs (since the system is effectively removing a substantial portion of the pollutants before the run-off water reaches a water treatment facility), and increased prestige. Moreover, the enhanced value received by the property will remain despite any change in future use because the surface water management system benefits the lands of the District irrespective of their current or anticipated purpose. The dollar increase in the value of the property can be determined at a later time by a property appraiser. The Golf Course itself, as a better served entity, will be much more valuable, and consequently as a result of the ownership by the Homeowner's Association the individual home values may be positively affected by the golf course. Additionally, as a result of the construction of the surface water management system, this will provide owner's potentially more playing time should its overall enhancement entice more property owners to visit and use the golf course; again, this in turn could increase the prestige and visibility of the course, further driving up the market value of the individual properties in the District. Finally, these individual properties would specially benefit from value increases in the individual properties, which are directly attributable to providing flood protection, treatment and attenuation of stormwater, a stormwater system that raises the project's finished floor elevations above FEMA's flood elevation, all from the construction of the District's surface water system, and all at residents' disposal. Finally, the construction of the District's surface water system, will provide less local maintenance and landscaping expenditures, and significantly more attractive individual lots which by their aesthetic characteristics are more sought after and marketable.

The Special Benefit of Decreased Insurance Premiums

Finally, the District's control and management of the surface water management system will provide a special benefit peculiar to each parcel or acre of decreased insurance premiums. The monetary decrease in the insurance premiums could be determined at a later time by an insurance adjuster. The Golf Course as well as residential properties within the District should enjoy significant reductions in insurance costs if the system is proved to decrease pollutants locally in the manner intended as well as provide a means of flood prevention that will reduce the potential for property damage throughout the entire District. Additionally, the mere fact that the system is being constructed to raise the project's finished floor elevations above

FEMA's flood elevation, will potentially eliminate the need for or reducing the cost of flood insurance to all individual properties in the District.

(B) Utilities

From the District's focused and pinpointed management, the construction of the District's utility systems, including potable water, sanitary sewer and the irrigation system flows the special benefits peculiar to each parcel or acre in terms of added use, added enjoyment, enhanced value and marketability. All these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct a utility system for the benefit of and upon each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based because without these services, no capital infrastructure nor its maintenance and operation could ever accrue to the properties.

(C) Exterior Landscaping

From the District's focused and pinpointed management, the construction of the exterior landscaping elements flows special benefits peculiar to each parcel within the District. The Board will provide exterior landscaping which include buffering along Immokalee Road and other areas of the District. This landscaping was required by Collier County Land Development Code. It is these specific services from which all property will gain and specially benefit from added use, added enjoyment, and enhanced value and marketability.

(D) Off-Site Improvements

From the District's focused and pinpointed management, off-site improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements are primarily transportation related improvements and from these improvements the community will mitigate any transportation related deficiencies to the off-site roadway system that are due to the traffic being generated from the parcels and properties in the District. These off-site improvements would not be required if not for the development of the properties in the District and these parcels will specifically benefit from the better flow of traffic into and out of the District. However, the golf course does not generate any additional traffic, since the golf course is not a public course nor open to membership outside the residential property within the District, as such, the golf course receives no benefit from these off-site improvements. Similarly

the discovery center does not generate any additional traffic, since it too is not open to the public and is for use only the property owner's in the District, as such, the discover center receives no benefit from these off-site improvements. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

(E) Environmental Mitigation

From the District's focused and pinpointed management, mitigation improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements include the construction of wetland, and other habitat replacement due to the development of the community. These mitigation improvements would not be required if not for the development of the properties in the District and these parcels will specifically benefit from increased storm protection and flood damage due to major storm events. These wetland and other habitat replacements increase nature's nurseries for various birds, animals and plant life, and ultimately increase the enjoyment by residents in the District to participate in wetland activities, such as canoeing, bird watching, photography, and other outdoor recreation. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

(F) Professional & Permit Services

From the District's focused and pinpointed management, from these miscellaneous improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements are required and include the necessary soft costs, such as engineering design and inspection, permitting, etc. for all of the other systems, facilities and services. These miscellaneous improvements would not be required if not for the balance of the others systems, facilities and services and as such, development of the properties in the District and these

parcels will specifically benefit from all of the other systems, facilities and services. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

5.3 Reasonable and Fair Apportionment: The Proportionate Special Benefit

The special benefits described above must be fairly and reasonably apportioned in relation to the relative magnitude (not the value) of the special benefit received by and peculiar to the various properties being assessed. The magnitude of such benefit is different for each type of property within the District and for each type of assessment on which the special benefit is based. The apportionment here is divided by unit type (as opposed to each individual parcel or acre) because the differences among the parcels and acres in each unit type, while present, are de minimus in this situation. It is illustrative of such benefit which one parcel or acre enjoys in comparison to another parcel or acre and that relationship informs the respective assessments which each parcel or acre must pay; always in proportion to the extent of the total benefit which they receive in relation to all other properties which also enjoy such benefit. All assessments discussed below are either equal to or less than such benefit with which it is associated.

(A) Surface Water Management System Apportionment

The Surface Water Management System provides several special benefits, peculiar to certain properties within the District, as described above in section 6.2(A). Such benefits conferred by this system, as a whole, are to be apportioned to properties based on: (1) common areas that benefit the entire District (2) common areas that benefit residential only, and (3) specific land uses which generate anticipated runoff based on type of property on a per parcel or per acre basis. These three methods combined will constitute the makeup of the Water Management Services special assessment for each individual parcel or acre.

For the first apportionment method, the District's Water Management assessment will consist of an amount representative of all common areas within the District from which all properties within the District benefit. Because all properties within the District benefit from all

District common areas, all properties share in the special benefit conferred on these areas. This is also reflective of the fact that the entire Surface Water Management System is one aggregate system and all properties must bear their share of the respective costs in managing not only their own properties but also of the common areas whose proper functioning is paramount to the integrity of the system as whole.

The second apportionment method addresses the special benefits received by the properties within the residential areas that are common to the residential areas, such as roadways that serve residential areas only, the leisure center and residential common areas as a result of the Surface Water Management system. The residential areas contain additional rights-of-way and common areas that affect water flow only within those residential communities. Therefore, only those properties will receive special benefits from the proper drainage and treatment of stormwater run-off in these areas. Consequently, all properties within these communities are apportioned to reflect the magnitude of these proportionate special benefits.

The third apportionment method, which makes up the remainder of the Water Management assessment, addresses the unit type of individual parcels or acres. Property will be assessed, despite its run-off rate (as calculated in the “Cost Allocation Methodology” above), to reflect the relative magnitude of the individual special benefit it receives proportionally from the entire Water Management System. A considerable portion of the residential properties within the District consists of impervious surfaces and therefore generate significant run-off from storm events.

(B) Utilities Apportionment

The utility services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure provision. As explained earlier, because certain properties, by their nature, require more utility services and consideration when it comes to the provision of infrastructure, such properties benefit proportionally more than others within the District. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional special benefit for each property for this particular assessment varies according to the particular characteristics of the parcel or acre, as well as the apportionment that each unit type receives from the other services.

(C) Exterior Landscaping Apportionment

The exterior landscaping services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require these buffer landscaping areas outside the District in order to develop the property within the District, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional benefit for each property for this particular assessment does not vary according to the particular characteristics of the parcel or acre.

(D) Off-Site Apportionment

The off-site services which consist primarily of roadway related improvements within County Road 951 right-of-way and which benefit the communities are apportioned according to the use, expressed as ITE trip generation rates, associated with specific types of property in those communities. Single Family homes generally have more inhabitants, more vehicles, and therefore higher frequency of use of roadways in their respective community. Condominiums, club homes and villas, however, utilize the community roadways less and therefore benefit less than their Single Family unit counterparts. As a result, Single Family units can be said to enjoy the special benefits of these community specific improvements to a larger magnitude than all other types of units. Single Family units within each respective community will therefore be assessed significantly, but not substantially, more than Multi-Family and for the reason that they will be using community roadways more often and hence receive significantly more special benefits from the specific improvements of roadway lighting, signage and maintenance provided by the District.

(E) Environmental Mitigation Apportionment

The mitigation infrastructure services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require the replacement of lost wetland and habitat, irrespective of the type of land use, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional benefit for each property for this particular assessment does not vary according to the particular characteristics of the parcel or acre.

(F) Professional & Permitting Apportionment

The professional and permitting services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require the these design, inspection, permitting and other costs that are required for the entire infrastructure program, irrespective of the type of land use, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive.

5.4 Application of the Proportionate Special Benefits to the Allocated Costs

Accordingly, the reasonable and fair apportionment of the special benefits provided by the District which is peculiar to both the acres and the platted parcels results in the proportionate special benefit which is the final step required under Florida law to complete the fixing of the assessments to be imposed and levied.

The application of the proportionate special benefit is important. The relative magnitude of each special benefit peculiar to each property for Water Management Services is determined by analyzing the respective acreage of each unit in proportion to the total acreage of the entire District. The relative magnitude of added use is directly related to the total acreage of each unit type. The greater acreage a particular unit occupies, the greater the special benefit received from the District’s Water Management System and thus, the greater relative magnitude as compared with the other units. The same analysis was employed for the special benefit of added enjoyment because the Golf Course receives more added enjoyment because its purpose is recreational whereas residential plats are mainly for dwelling. Better water management leads to enhanced course conditions and increases the quality and satisfaction of the land use.

| Surface Water Management System | | | | | | | | | |
|---------------------------------|-----------------|-----------------|------------------------|----------------------------|---------------|---------------|----------------|-------------------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost Allocation | Use (1) | Enjoyment (2) | All (3) | Allocation by use & Enjoyment | Allocation by Unit |
| 52' | 3 | 1 | \$ 52,144.74 | 1.60% | 1.20% | 0.40% | 1.60% | \$ 52,144.74 | \$ 17,381.58 |
| 57' | 0 | 1.5 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 1.84 | \$ 1,375,230.73 | 42.26% | 31.70% | 10.57% | 42.26% | \$ 1,375,230.73 | \$ 31,982.11 |
| 76' | 25 | 2.52 | \$ 1,095,039.50 | 33.65% | 25.24% | 8.41% | 33.65% | \$ 1,095,039.50 | \$ 43,801.58 |
| 90' | 0 | 2.73 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 3.27 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 50 | 0.82 | \$ 712,645.00 | 21.90% | 16.42% | 5.47% | 21.90% | \$ 712,645.00 | \$ 14,252.90 |
| MF (Vercelli) | 2 | 0.55 | \$ 19,119.74 | 0.59% | 0.44% | 0.15% | 0.59% | \$ 19,119.74 | \$ 9,559.87 |
| Golf Course & Amenity | 0 | - | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 123 | | \$ 3,254,179.71 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 3,254,179.71 | |

(1) Relative Magnitude
 (2) Relative magnitude of Added Enjoyment
 (3) Relative Magnitude of All Services

The second and third charts below, shows the cost allocation methodology for Utilities, including potable water, sanitary sewer and irrigation was analyzed based on two distinct component parts. First the potable water and sanitary sewer component, flow rates established by Florida Administrative Code for different use types was used. These flow rates help determine the units that use the infrastructure the most, determining the size of pipes and other ancillary facilities for the different unit types, and consequently the most money to be spent on the construction of these facilities.

Similarly for the irrigation system, the cost allocation methodology is based on the use of the facilities with a notable exception that is the use is based on the average irrigated area for each lot type. The area of land area to be irrigated helps determine the units that use the infrastructure the most, again, also determining the size of pipes and other ancillary facilities for the different unit types, and consequently the most money to be spent on the construction of these facilities.

A similar analysis can be used to determine the relative magnitude of the special benefits peculiar to the properties between the various land use types. The units that cause the most dollars to be spent on the construction of the facilities are the same units that use the infrastructure the most. The units that use the infrastructure the most are also the same units that benefit the most from the infrastructure. Thus, a direct correlation exists between the units causing the most money to be spent on the cost of construction receiving the most benefits from the capital improvement program.

| Potable Water and Sanitary Sewer | | | | | | | | | |
|----------------------------------|-----------------|-----------------|------------------------|-----------------|---------------|---------------|-------------------------------|------------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Enjoyment | |
| 52' | 3 | 1.00 | \$ 26,402.94 | 2.20% | 1.65% | 0.55% | 2.20% | \$ 26,402.94 | \$ 8,800.98 |
| 57' | 0 | 1.24 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 1.18 | \$ 446,222.82 | 37.22% | 27.92% | 9.31% | 37.22% | \$ 446,222.82 | \$ 10,377.27 |
| 76' | 25 | 1.43 | \$ 314,602.20 | 26.24% | 19.68% | 6.56% | 26.24% | \$ 314,602.20 | \$ 12,584.09 |
| 90' | 0 | 1.65 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 1.87 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 50 | 0.62 | \$ 400,641.62 | 33.42% | 25.07% | 8.36% | 33.42% | \$ 400,641.62 | \$ 8,012.83 |
| MF (Vercelli) | 2 | 14.93 | \$ 10,876.44 | 0.91% | 0.68% | 0.23% | 0.91% | \$ 10,876.44 | \$ 5,438.22 |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 123 | 23.90 | \$ 1,198,746.02 | 99.09% | 75.00% | 25.00% | 100.00% | \$ 1,198,746.02 | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

| Irrigation Water System | | | | | | | | | |
|--------------------------|-----------------|-----------------|----------------------|-----------------|---------------|---------------|-------------------------------|----------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Enjoyment | |
| 52' | 3 | 1.00 | \$ 5,691.30 | 4.16% | 3.12% | 1.04% | 4.16% | \$ 5,691.30 | \$ 1,897.10 |
| 57' | 0 | 1.03 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 0.65 | \$ 53,354.61 | 39.01% | 29.26% | 9.75% | 39.01% | \$ 53,354.61 | \$ 1,240.80 |
| 76' | 25 | 0.68 | \$ 32,325.38 | 23.64% | 17.73% | 5.91% | 23.64% | \$ 32,325.38 | \$ 1,293.02 |
| 90' | 0 | 1.01 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 0.45 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 50 | 0.66 | \$ 42,883.53 | 31.36% | 23.52% | 7.84% | 31.36% | \$ 42,883.53 | \$ 42,883.53 |
| MF (Vercelli) | 2 | 79.12 | \$ 2,501.42 | 1.83% | 1.37% | 0.46% | 1.83% | \$ 2,501.42 | \$ 2,501.42 |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 123 | 4.825152 | \$ 136,756.24 | 66.81% | 75.00% | 25.00% | 100.00% | \$ 136,756.24 | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The cost allocation methodology for roadway related off-site improvements used ITE (International Traffic Engineers) TRIP rates to determine the allocation of costs for this part of the capital improvement program. The ITE TRIP rates help determine the units that use the infrastructure the most, generating the size of the roadway facilities and consequently cause the most money to be spent in capital on these facilities. A similar analysis can be used to determine the relative magnitude of the special benefits peculiar to the properties in the District. The units that cause the most cost to be spent, and use the infrastructure the most benefit the most from the roadway capital improvement program. Thus, a direct correlation exists between the units causing the most capital to be spent on the roadways and the units receiving the most benefits from the implementation of the capital improvement program

| Off-Site Improvements | | | | | | | | | | |
|--------------------------|-----------------|-----------------|----------------------|-----------------|---------------|---------------|----------------|-------------------------------|--------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Use & Enjoyment | Allocation by Unit | |
| 52' | 3 | 1 | \$ 2,989.65 | 2.79% | 2.09% | 0.70% | 2.79% | \$ 2,989.65 | \$ 996.55 | |
| 57' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 62' | 43 | 1 | \$ 42,851.65 | 40.04% | 30.03% | 10.01% | 40.04% | \$ 42,851.65 | \$ 996.55 | |
| 76' | 25 | 1 | \$ 24,913.75 | 23.28% | 17.46% | 5.82% | 23.28% | \$ 24,913.75 | \$ 996.55 | |
| 90' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 100' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Multi-family (Esplanade) | 50 | 0.7 | \$ 34,879.25 | 32.59% | 24.44% | 8.15% | 32.59% | \$ 34,879.25 | \$ 697.59 | |
| MF (Vercelli) | 2 | 0 | \$ 1,395.17 | 1.30% | 0.98% | 0.33% | 1.30% | \$ 1,395.17 | \$ 697.59 | |
| Golf Course & Amenity | 0 | 0 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Total | 123 | 6.7 | \$ 107,029.47 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 107,029.47 | | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The cost allocation methodology for project landscaping – off-site, environmental wetland mitigation along with professional & permit fees are all project costs that are due to the development of the District as a whole, in that if it were not for the entire development, specific land uses benefit equally from the entire development program. All properties within the District receive increased enjoyment from the off-site landscaping, environmental wetland mitigation and increased use of all services from the typical soft costs associated with development projects of this size and magnitude. As these miscellaneous services are not attributable to any specific land uses the apportionment of these services is reflective of the special benefits explained earlier in this report.

| Exterior Landscaping, Environmental Mitigation, Professional & Permitting Fees | | | | | | | | | | |
|--|-----------------|-----------------|------------------------|-----------------|---------------|---------------|----------------|-------------------------------|--------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Use & Enjoyment | Allocation by Unit | |
| 52' | 3 | 1.00 | \$ 29,936.07 | 2.41% | 1.81% | 0.60% | 2.41% | \$ 29,936.07 | \$ 9,978.69 | |
| 57' | 0 | 1.24 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 62' | 43 | 1.19 | \$ 511,283.61 | 41.25% | 30.93% | 10.31% | 41.25% | \$ 511,283.61 | \$ 11,890.32 | |
| 76' | 25 | 1.51 | \$ 377,652.42 | 30.47% | 22.85% | 7.62% | 30.47% | \$ 377,652.42 | \$ 15,106.10 | |
| 90' | 0 | 1.79 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 100' | 0 | 0.62 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Multi-family (Esplanade) | 50 | 0.62 | \$ 308,409.07 | 24.88% | 18.66% | 6.22% | 24.88% | \$ 308,409.07 | \$ 6,168.18 | |
| MF (Vercelli) | 2 | 0.00 | \$ 12,336.36 | 1.00% | 0.75% | 0.25% | 1.00% | \$ 12,336.36 | \$ 6,168.18 | |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Total | 123 | 7.97 | \$ 1,239,617.53 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 1,239,617.53 | | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The table on the following page shows the total apportioned costs after apportionment of the special benefit application.

| Total Apportioned Costs after apportionment of Special Benefit Application | | | | | | |
|--|--------------------------|----------------------------------|----------------------|---|-----------------------|------------------------|
| Parcel Type | Surface Water Management | Potable Water and Sanitary Sewer | Irrigation Water | Landscaping, Mitigation, Prof/Permitting Fees | Off-Site Improvements | Total |
| 52' | \$ 52,144.74 | \$ 26,402.94 | \$ 5,691.30 | \$ 29,936.07 | \$ 2,989.65 | \$ 117,164.70 |
| 57' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 62' | \$ 1,375,230.73 | \$ 446,222.82 | \$ 53,354.61 | \$ 511,283.61 | \$ 42,851.65 | \$ 2,428,943.42 |
| 76' | \$ 1,095,039.50 | \$ 314,602.20 | \$ 32,325.38 | \$ 377,652.42 | \$ 24,913.75 | \$ 1,844,533.25 |
| 90' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Multi-family (Esplanade) | \$ 712,645.00 | \$ 400,641.62 | \$ 42,883.53 | \$ 308,409.07 | \$ 34,879.25 | \$ 1,499,458.47 |
| MF (Vercelli) | \$ 19,119.74 | \$ 10,876.44 | \$ 2,501.42 | \$ 12,336.36 | \$ 1,395.17 | \$ 46,229.13 |
| Golf Course & Amenity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 3,254,179.71 | \$ 1,198,746.02 | \$ 136,756.24 | \$ 1,239,617.53 | \$ 107,029.47 | \$ 5,936,328.97 |

7.0 Overview of the Inventory Adjustment Determination

The assessment methodology is based on the development plan that is currently proposed by the Developer. 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 insure that all of the debt is 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.

Since a plat can and may be changed during the development plan, there are times when a tract of land is re-platted for various reasons, including but not limited to, market conditions, sales to builders who desire to build different products on the properties, as such, in order to insure that properties benefit from the system wide improvements, all land, even if platted, is initially assessed as undeveloped tracts of land on an equal per acre basis. As such, until the developer finalizes the development plan for a track of land and advises the District, the equal per acre basis will be utilized.

When the events noted above occur, the District then allocates the appropriate portion of its debt to the newly established and distinct parcel identification numbers as finally will be

developed. 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 insure that the principal assessment for each type of property constructed never exceed 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 developer 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.

Alternatively, in this instant case, the development plan has changed for Phase 4, and there are 36 Unassigned Units that are intended to be constructed in Phase 4, that are now included in Phase 6. The District will continue to follow the process established for the Phase 4 assessment area and allocate the appropriate portion of its debt until such time as there is no remaining debt to be allocated to Phase 4. Once this debt is fully allocated in Phase 4, and the lien on the remaining land then becomes extinguished, the additional 36 Unassigned Units now contemplated to be included in Phase 6 will be assigned to this Phase 4 remaining land that is now not encumbered by the lien of Phase 4.

In order to insure that the amount of debt does not exceed the maximum per acre assessment, excluding the additional land relating to the Unassigned Units anticipated to be included from Phase 4, the District shall take the total acres in Phase 6 (excluding the Phase 4) acres, remove all platted acres from said calculation, and calculate the remaining debt for the unplatted acres and if the developer shall make any payments to the District to bring the unplatted acres remaining debt per acre to the maximum.

8.0 Allocation of Series 2017 Phase 6 Capital Improvement Revenue Bonds to Properties in the District.

This section of the report takes the cost allocations identified in this report and spreads that cost over the proposed development plan, taking into consideration the costs of issuing the Series 2017 – Phase 6 Bonds, including Capitalized Interest, Reserve Account Requirements and Cost of Issuance. It should be noted that that the developer, Taylor Morrison Esplanade has advised the District that it will construct assets within the Phase 6 Area to insure that these constructed assets will be an obligation of the completion agreement with Taylor Morrison

Esplanade, and such as such, the total infrastructure to be financed by the District is \$5,936,328.97 plus the costs of issuance, as shown in the chart below.

The following chart reflects the preliminary sizing for the Series 2017 – Phase 6 Bonds.

From the determination of the Par Debt needed to finance the project, we can compute the outstanding per unit debt, and estimated annual debt service payments on the units. The below chart shows the allocation of debt including the additional 39 Unassigned Units currently in Phase 4 that are anticipated to be allocated debt from the Phase 6 Bonds.

Flow Way Community Development District
Assessment Levels
Series 2017 - Phase 6 and 7 Special Assessment Bonds

| Parcel Type | Number of Units | Total Apportioned Costs | Completion Agreement Obligation of Developer (1) | NET Total Apportioned Costs after Obligation of Completion | Percent of Apportioned Costs | Series 2017 - Total Par Debt By Product Type | Series 2017 Par Debt Per Unit | ESTIMATED Annual Debt Service | Collection Costs and Discounts | ESTIMATED Total Annual Payment Per Unit | Total Debt Service |
|--------------------------|-----------------|-------------------------|--|--|------------------------------|--|-------------------------------|-------------------------------|--------------------------------|---|----------------------|
| 52' | 3 | \$ 117,164.70 | \$ - | \$ 117,164.70 | 1.97% | \$ 142,993.80 | \$ 47,664.60 | \$ 3,279.58 | \$ 229.57 | \$ 3,509.15 | \$ 9,838.74 |
| 57' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 62' | 43 | \$ 2,428,943.42 | \$ - | \$ 2,428,943.42 | 40.92% | \$ 2,964,406.98 | \$ 68,939.70 | \$ 4,743.42 | \$ 332.04 | \$ 5,075.46 | \$ 203,967.18 |
| 76' | 25 | \$ 1,844,533.25 | \$ - | \$ 1,844,533.25 | 31.07% | \$ 2,251,162.88 | \$ 90,046.52 | \$ 6,195.69 | \$ 433.70 | \$ 6,629.38 | \$ 154,892.14 |
| 90' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Multi-family (Esplanade) | 50 | \$ 1,499,458.48 | \$ - | \$ 1,499,458.48 | 25.26% | \$ 1,830,015.94 | \$ 36,600.32 | \$ 2,518.30 | \$ 176.28 | \$ 2,694.58 | \$ 125,914.96 |
| MF (Vercelli) | 2 | \$ 46,229.13 | \$ - | \$ 46,229.13 | 0.78% | \$ 56,420.40 | \$ 28,210.20 | \$ 1,941.01 | \$ 135.87 | \$ 2,076.88 | \$ 3,882.03 |
| Total | 123 | \$ 5,936,328.98 | \$ - | \$ 5,936,328.98 | 100.00% | \$ 7,245,000.00 | | | | | \$ 498,495.05 |
| | | | | | | | | | | Max Annual Debt Service | \$0.00 |
| | | | | | | | | | | Rounding | \$ 498,495.05 |

(1) The completion agreement obligation is NOT a financial obligation - it is an obligation of the the Developer to ONLY complete the infrastructure

As noted earlier in this report, initially the debt is levied on the lands in the Phase 6 area on an equal acreage basis, and that 36 units in this assessment area, are also included in the Phase 4 assessment area but are not anticipated to be subject to the lien of the Series 2015 Phase 4 Special Assessments due to the planned unit changes by the Developer. These 36 units are in addition to the original development plan (as amended), and the District will continue to follow the process outlined in the Phase 4 Methodology, and assign debt as property is platted, however, the 36 additional Unassigned Units will be subject to the lien of the special assessments securing the Future Bonds.

The below chart shows the allocation of debt excluding the 36 Unassigned Units currently in Phase 4 , if the Phase 4 lien is unable to be extinguished for any reason.

9.0 PRELIMINARY Source and Use of the Series 2017 Phase 6 and Phase 7 Special Assessment Bonds

**Flow Way Community Development District
Source & Use of Funds
Series 2017 - Phase 6 and Phase 7
Special Assessment Bonds**

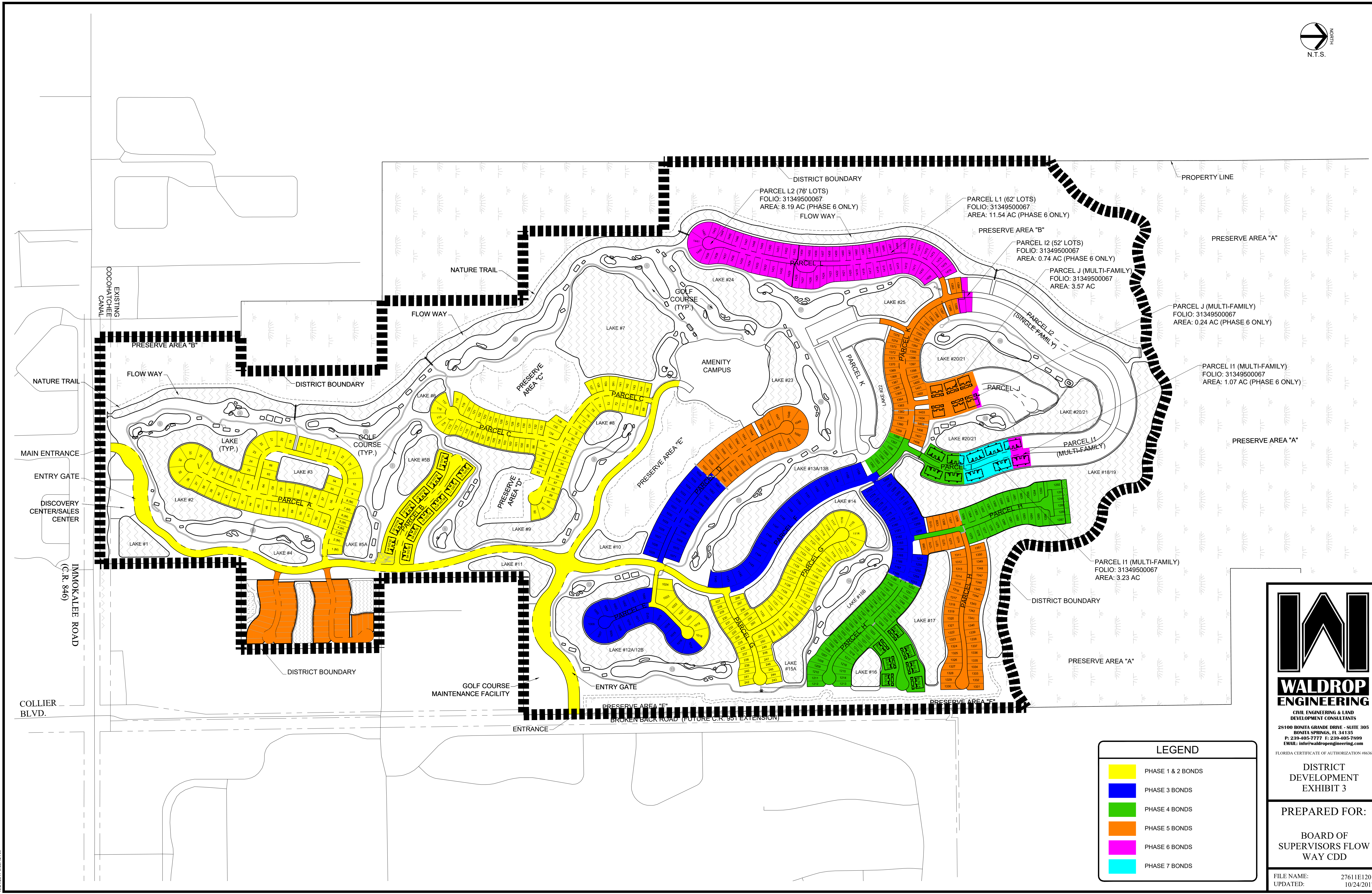
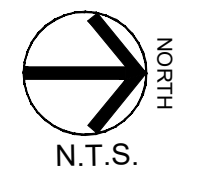
| PRELIMINARY SIZING | |
|----------------------|------------------------|
| Par Debt Issued | \$ 7,245,000.00 |
| Project Costs | \$ 5,936,328.98 |
| Capitalized Interest | \$ 498,495.05 |
| Debt Service Reserve | \$ 498,495.05 |
| Cost of Issuance | \$ 309,700.00 |
| Rounding Proceeds | \$ 1,980.93 |
| Total: | \$ 7,245,000.00 |

10.0 Preliminary Assessment Roll

Exhibit 1 provides the assessment roll for the Series 2017 – Phase 6 Capital Improvement Program, excluding any capitalized interest period. Debt Service assessments shall be paid in thirty (30) annual installments.

Flow Way Community Development District
EXHIBIT 1 - Assessment Roll - Series 2017 - Phase 6 and Phase 7 Capital Improvement Program

| Old Lot Number | Folio # | Phase 4 Acreage | Phase 6 Acreage | Total Acreage | Property Owner | Assessment by Acre | Total Assessment by Folio | Planned Units by Folio Number | | | | | | | | |
|--|-------------|-----------------|-----------------|---------------|---|--------------------|---------------------------|-------------------------------|-----|-----|-----|-----|----------------|---------------|---|--|
| | | | | | | | | 52' | 57' | 62' | 76' | 90' | MF (Esplanade) | MF (Vercelli) | | |
| Phase 6 | | | | | | | | | | | | | | | | |
| Tract F1 | 31347500067 | 0 | 11.54 | 11.54 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 3,383,477.61 | | | 43 | | | | | | |
| Tract F1 | 31347500067 | 0 | 8.19 | 8.19 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 2,401,272.24 | | | | 25 | | | | | |
| Tract F1 | 31347500067 | 0 | 0.74 | 0.74 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 216,964.77 | 3 | | | | | | | | |
| Tract F1 | 31347500067 | 0 | 1.07 | 1.07 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 313,719.33 | | | | | | | 14 | | |
| Tract F1 | 31347500067 | 0 | 0.24 | 0.24 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 70,366.95 | | | | | | | | 2 | |
| Total Acres | | 0 | 21.78 | 21.78 | | | | 0 | 0 | 43 | 25 | 0 | 0 | 0 | 0 | |
| Phase 4 Units Moved to Phase 7 | | | | | | | | | | | | | | | | |
| Tract F1 | 31347500067 | 2.93 | 0 | 2.9304635 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 293,195.63 | \$ 859,199.10 | | | | | | | 36 | | |
| Total Acres | | 2.93 | 0.00 | 2.93 | | | | 0 | 0 | 0 | 0 | 0 | 0 | 36 | 0 | |
| Total Assessment - All Assessment Area | | | | | | | \$ 7,245,000.00 | | | | | | | | | |
| Total Assessment - All Assessment Area | | | | | | | \$ | 7,245,000 | | | | | | | | |



| LEGEND | |
|--------|-------------------|
| | PHASE 1 & 2 BONDS |
| | PHASE 3 BONDS |
| | PHASE 4 BONDS |
| | PHASE 5 BONDS |
| | PHASE 6 BONDS |
| | PHASE 7 BONDS |



WALDROP ENGINEERING
 CIVIL ENGINEERING & LAND DEVELOPMENT CONSULTANTS

28100 BONITA GRANDE DRIVE - SUITE 305
 BONITA SPRINGS, FL 34135
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 EMAIL: info@waldropengineering.com
 FLORIDA CERTIFICATE OF AUTHORIZATION #8636

DISTRICT DEVELOPMENT EXHIBIT 3

PREPARED FOR:

BOARD OF SUPERVISORS FLOW WAY CDD

FILE NAME: 27611E1201
 UPDATED: 10/24/2017

B:\Project\276-11 (Espinosa Naples)\CDD\Ausc\276-11 E12 Jim Ward Exhibit\Current Plans\27611E1201.dwg
 10/24/2017 9:35:12 AM

RESOLUTION NO. 2018-5

A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTING RESOLUTION 2018-4 WHICH RESOLUTION PREVIOUSLY EQUALIZED, APPROVED, CONFIRMED, IMPOSED AND LEVIED SPECIAL ASSESSMENTS ON AND PECULIAR TO PROPERTY SPECIALLY BENEFITED (APPORTIONED FAIRLY AND REASONABLY) BY THE DISTRICT'S PROJECTS; APPROVING AND ADOPTING THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SUPPLEMENTAL SPECIAL ASSESSMENT REPORT FOR SERIES 2017 PHASE 6 BONDS PREPARED BY JPWARD & ASSOCIATES, LLC AND DATED NOVEMBER 17, 2017, WHICH SETS FORTH THE SPECIFIC TERMS OF THE FLOW WAY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT BONDS, SERIES 2017 (PHASE 6 PROJECT); PROVIDING FOR THE SUPPLEMENTATION OF THE SPECIAL ASSESSMENTS AS SET FORTH IN THE IMPROVEMENT LIEN BOOK; AND PROVIDING FOR SEVERABILITY, CONFLICTS, AND AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of Flow Way Community Development District (the "Board") and the "District", respectively) has determined to proceed at this time with the sale and issuance of \$3,665,000 Flow Way Community Development District Special Assessment Bonds, Series 2017 (Phase 6 Project) (the "Series 2017 Bonds") pursuant to the delegation resolution known as Resolution 2018-3 adopted by the Board on November 9, 2017; and

WHEREAS, the Series 2017 Bonds will be issued under and pursuant to a Master Trust Indenture, dated as of December 1, 2013 (the "Master Indenture"), between the District and U.S. Bank National Association (the "Trustee"), as amended and supplemented by a Fifth Supplemental Trust Indenture, dated as of December 1, 2017, between the District and the Trustee (the "Supplemental Indenture"). The Master Indenture and the Supplemental Indenture are sometimes collectively referred to herein as the "Indenture"; and

WHEREAS, the Board has previously indicated its intention to undertake, install, establish, construct or acquire certain public improvements for Phases 6 and 7 described in Resolutions 2018-1 and 2018-4 and collectively referred to therein as the "Project" and to finance a portion of the Project through the imposition of special assessments on benefited property within the District; and

WHEREAS, the District previously adopted Resolution 2018-4, equalizing, approving, confirming, imposing and levying special assessments on the property specially benefited by the Project within the area described as the "Assessment Area" in Resolution 2018-4 (the "Assessments") for the purpose of generating funds to repay issuances of bonds or other indebtedness, which Resolution is still in full force and effect; and

WHEREAS, pursuant to and consistent with the terms of Resolution 2018-4 relating to the Assessments, this Resolution sets forth the terms of the Assessments for the Series 2017 Bonds as it relates to the Phase 6 Project (as defined herein), adopts a final assessment roll for the Series 2017 Bonds consistent with the final terms of the Series 2017 Bonds to be issued by the District, and ratifies and confirms the lien of the levy of the Assessments for Phase 6 securing the Series 2017 Bonds.

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

Section 1. Definitions. All words and phrases used herein in capitalized form, unless otherwise defined herein, shall have the meaning ascribed to them in Resolution 2018-4.

Section 2. Authority for this Resolution. This Resolution is adopted pursuant to Chapter 190, Florida Statutes, including without limitation, Sections 190.021 and 190.022, Florida Statutes; Chapter 170, Florida Statutes including without limitation, Section 170.08, Florida Statutes; and Chapter 197, Florida Statutes including, without limitation, Section 197.3632, Florida Statutes; and Resolution 2018-4.

Section 3. Findings. As a supplement to the findings set forth in Resolution 2018-4, the Board of the District hereby finds and determines as follows:

a. The above recitals are true and correct and are incorporated herein by this reference.

b. On November 29, 2017, the District, after due notice and public hearing, adopted Resolution 2018-4, which, among other things, equalized, approved, confirmed and levied the Assessments on property specially benefiting from the Project authorized by the District, which property is known as the Assessment Area.

c. The District has determined to issue the Series 2017 Bonds for the principal purpose of providing funds for a portion of the overall Project known as the "Phase 6 Project". The Phase 6 Project is more particularly set forth that certain Flow Way Community Development District Phase 6 & 7 Engineer's Report for the 2017 Project prepared by Waldrop Engineering, Inc. and dated October 2017 (the "Supplemental Engineer's Report"), which Supplemental Engineer's Report is a supplement to that certain Master Engineer's Report prepared by Waldrop Engineering, Inc. and dated August, 2013 ("Original Engineer's Report"). (The Original Engineer's Report as supplemented by the Supplemental Engineer's Report are sometimes collectively referred to herein as the "Engineer's Report").

d. It is necessary to the public health, safety and welfare and in the best interests of the District that the District provide the Phase 6 Project as described in the Engineer's Report and the cost of such Phase 6 Project be assessed against the Phase 6 lands in the Assessment Area specially benefitted by the Phase 6 Project ("Phase 6 Area"). The Phase 6 Area is legally described on Exhibit "A" attached hereto and made a part hereof.

e. That certain Flow Way Community Development District Supplemental Special Assessment Report for Series 2017 Phase 6 Bonds prepared By JPWard & Associates, LLC and dated November 17, 2017, a copy of which attached hereto and made a part of this Resolution as Exhibit "B" (the "Supplemental Assessment Report"), applies the methodology previously approved for the benefited parcels within the Phase 6 Area under Resolution 2018-4 to the terms of the Series 2017 Bonds pursuant to the Special Assessment Report for Flow Way Community Development District, Series 2017 - Phase 6 Capital Improvement Program prepared by JPWard & Associates, LLC and dated October

25, 2017 ("Master Assessment Report"), and establishes an assessment roll for the Series 2017 Bonds ("Series 2017 Assessments").

f. The Phase 6 Project to be funded, in part, by the Series 2017 Bonds, will specially benefit the benefited parcels within the Phase 6 Area as reflected in the assessment roll in the Supplemental Assessment Report. The Board previously determined pursuant to Resolution 2018-4 that it is reasonable, proper, just and right to assess the costs of these improvements financed with the Series 2017 Bonds on the benefitted parcels within the Phase 6 Area.

g. The sale, issuance and closing of the Series 2017 Bonds, and the confirmation of the Series 2017 Assessments on the benefited parcels within the Phase 6 Area, are in the best interests of the District.

h. The issuance and sale of the Series 2017 Bonds, the adoption of all resolutions relating to the Series 2017 Bonds, and all actions taken in furtherance of the closing on the Series 2017 Bonds, are declared and affirmed as being in the best interest of the District and are hereby ratified, approved and confirmed.

Section 4. Supplemental Assessment Report; Allocation and Apportionment of Assessments Securing Series 2017 Bonds. The Board hereby adopts the Supplemental Assessment Report. The Series 2017 Assessments shall be allocated and apportioned in accordance with the Master Assessment Report, which allocation and apportionment shall be on the benefited parcels within the Phase 6 Area. The assessment roll in the Supplemental Assessment Report reflects the actual terms of the Series 2017 Bonds and is hereby adopted by the District. The lien of the Series 2017 Assessments securing the Series 2017 Bonds shall be on the lands within the Phase 6 Area described in the Master Assessment Report, as supplemented by the Supplemental Assessment Report, and such lien is ratified and confirmed.

Section 5. Improvement Lien Book. The Series 2017 Assessments on and peculiar to the parcels specifically benefited by the Phase 6 Project, all as previously equalized, approved, confirmed and imposed and levied pursuant to Resolution 2018-4, are hereby modified and supplemented as specified in the final assessment roll set forth in Exhibit "1" of the Supplemental Assessment Report. Immediately following the adoption of this Resolution, the Series 2017 Assessments shall be recorded by the Secretary of the Board of the District in its Improvement Lien Book or similar District official document. The Series 2017 Assessments against each respective parcel shown on the final assessment roll and interest, costs and penalties thereon, shall be and shall remain a legal, valid and binding first lien on such parcel until paid and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles and claims.

Section 6. Severability. If any section or part of a section of this Resolution is declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

Section 7. Conflicts. This Resolution is intended to supplement Resolution 2018-4, which remains in full force and effect except to the extent modified herein. This Resolution and Resolution

2018-4 shall be construed to the maximum extent possible to give full force and effect to the provisions of each resolution. All District resolutions or parts thereof in actual conflict with this Resolution are, to the extent of such conflict, superseded and repealed.

Section 8. Effective Date. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Supervisors of Flow Way Community Development District, this 29th day of November, 2017

**FLOW WAY COMMUNITY
DEVELOPMENT DISTRICT**

Attest:

James P. Ward, Secretary

David Truxton, Chairman

Exhibit A: Phase 6 Area

Exhibit B: Flow Way Community Development District Supplemental Special Assessment Report for Series 2017 Phase 6 Bonds prepared By JPWard & Associates, LLC and dated November 17, 2017

Exhibit "A"
Phase 6 Area

Exhibit "B"
Supplemental Assessment Report

*FLOW WAY COMMUNITY DEVELOPMENT DISTRICT
SERIES 2017 - PHASE 6 - CAPITAL IMPROVEMENT
PROGRAM*

Supplemental Special Assessment Report for Series 2017 Phase 6 Bonds - FINAL

Prepared by:

JPWard & Associates LLC

JAMES P. WARD, Chief Operating Officer

954.658.4900

JIMWARD@JPWARDASSOCIATES.COM

11/17/2017

*2900 NORTHEAST 12TH TERRACE
SUITE 1
OAKLAND PARK
FLORIDA 33334*

1.0 BACKGROUND AND THRESHOLD MATTERS

The District was created and chartered by law and established on the property by Collier County effective February 26, 2002, as amended. In November, 2016 the District boundaries were expanded to include an additional 19.66 acres, bringing the total size of the District to approximately 849.44 acres.

The District was dormant since establishment, until 2013 when Taylor Morrison Esplanade Naples, LLC (“Taylor Morrison Esplanade”) acquired the entire land area within the District. In 2013 the District issued its first Series of Bonds, the Series 2013 Bonds, to fund the first phase of development, of its capital improvement program (Phases 1 and 2 of the Development (as defined below) and the District continued the development of the capital improvement program with the issuance of the Series 2015 Phase 3 Bonds for the second phase of development of the capital improvement program (Phase 3 of third Development), its Series 2015 – Phase 4 Bonds for the third phase of development of the capital improvement program (Phase 4 of the Development, and its Series 2016 Bonds for the fourth phase of development of the capital improvement program (Phase 5 of the Development).

The District manages the infrastructure for the community known as Esplanade Golf and Country Club of Naples (the “Development”), which is approximately 849.44 acres of land and is situated northwest of the intersection of Immokalee Road and County Road 951, entirely in unincorporated Collier County, Florida. The District’s single and special purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, systems, facilities, services and improvements.¹

¹ See Florida Statutes sections 190.002(1)(a) and (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.*, at 456. The Supreme Court also references section 190.002, Florida Statutes, to “evidence the narrow objective” in providing community

(footnote continued)

This supplemental report is intended to define and allocate the assessments that will be required to be levied to implement the capital improvement plan for Phase 6 of the Development. Phase 6 of the Development is being financed, in part, with the Series 2017 Bonds. This supplemental report excludes the levy of certain assessment related to 36 Unassigned Units in Phase 4 as provided for in the Special Assessment Report dated October 25, 2017, the (“Unassigned Units”), which assessment (the “Future Assessments”) will not constitute a lien on any District lands until such time as Phase 4 has been fully developed and platted and been assigned the entire lien of the District’s Series 2015 – Phase 4 Bonds in accordance with the methodology for the Series 2015 – Phase 4 Bonds. At such time the Future Assessments will constitute a lien on the 36 Unassigned Units that are expected to be pledged as a portion of the security for the District’s next series of bonds after the issuance of the Series 2017 bonds and which are expected to be issued in the latter part of 2018 (the “Future Bonds.”)

Phase 6

The Series 2017 Special Assessments will be initially levied on all of the 21.78 gross acres in Phase 6 of the District (the “2017 Assessment Area”) and allocated to the platted lots and developed lots in Phase 6 of the District. The 21.78 gross acres represents the 87 units, in this supplemental assessment methodology.

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.

| Preliminary Development Plan | |
|---|--------------|
| Type | Units |
| 52' | 3 |
| 57' | 0 |
| 62' | 43 |
| 76' | 25 |
| 90' | 0 |
| 100' | 0 |
| MF (Esplanade) | 14 |
| MF (Vercelli) | 2 |
| Total | 87 |

The Unassigned units and Future Assessments

When the Series 2015 – Phase 4 Bonds were issued by the District, it was anticipated that the Series 2015 – Phase 4 Bonds would be secured by special assessments (the “Series 2015 – Phase 4 Special Assessments”) on 163 residential units in the Phase 4 assessment area. Through the development, the number of units planned by the developer have changed as did the type of units to be developed, and now Phase 4 will include 204 Units and the Series 2015 – Phase 4 Bonds will be secured by the Series 2015 – Phase 4 Special Assessments on 204 units. It is intended that the 36 Unassigned Units (as defined herein) in the original Phase 4 assessment area will be assigned in the Phase 6 and 7 report to the Future Bonds as described in the Special Assessment Report dated October 25, 2017. The location of the Unassigned Units is shown in the Engineer’s Report and the chart below identifies the change in units within Phase 4. It is intended that the 36 Unassigned Units (as defined herein) in the original Phase 4 assessment area will be assigned Future Special Assessments as described in the Phase 6 and 7 Report, dated October 25, 2017 that will ultimately be pledged to pay principal and interest on the Future Bonds. The location of the Unassigned Units is shown in the Engineer’s Report.

This report will identify the special and peculiar benefits for the works and services including added use of the property, added enjoyment of the property, and probability of increased marketability, value of the property and decreased insurance premiums will be evaluated for each of the revised residential and commercial product types to insure that the new assessments are fair, just and reasonable for all property within the District.

2.0 THE DISTRICT

The District was established by Ordinance of the Board of County Commissioners of Collier County, Florida, effective February 26, 2002 and originally encompassed a total of 830 acres. As noted above the boundaries of the District were expanded in November, 2016 to include an additional 19.66 acres for a total of 849.44. The development, known as Esplanade Golf and Country Club of Naples (the “Development”) also encompasses approximately all of the land within the boundaries of the District.

Interstate 75 and U.S. 41 provide direct access to Fort Lauderdale and Miami, respectively. Interstate 75 also provides access to Fort Myers, Sarasota, Tampa and northern Florida. The Southwest Florida International Airport is located approximately forty (40) minutes north via Interstate 75, and the Miami International Airport is located approximately one (1) hour and forty-five (45) minutes east via Interstate 75.

3.0 PURPOSE OF THIS REPORT

This Special Assessment Report has been developed to provide a roadmap and lays out in detail each step for use by the Board for the imposition and levy of non-ad valorem special assessments. This report begins by introducing the Cost Allocation methodology, as prepared by Waldrop Engineering, Inc. to the Board, and then the report introduces the Assessment Methodology. These two methodologies constitute the District’s procedure for instituting the Assessments to fund the capital improvement program for the District.

The Cost Allocation Methodology discloses the computations for the cost and dollar amounts for the systems, facilities and services provided by the District per parcel for each unity type of acre.

The Assessment Methodology outlines the properties within the District that are subject to the Assessments and the special benefit conferred peculiar to each property by, and received from, the systems, facilities and services provided by the District’s capital improvement program. The Assessment Methodology will have three primary objectives: (1) to determine the special and peculiar benefits that flow to the assessable properties in the District from the capital improvement plan provided by the District; (2) to apportion the special benefits peculiar to all parcels in a manner that is fair and reasonable, resulting in the proportionate special benefit; and (3) to apply the proportionate special benefit to the proposed allocated costs in each assessment category potentially resulting in a modification to the costs allocated and fixing

the Assessments per parcel or acre. The first two objectives of the Assessment Methodology set forth a framework to apply to the already allocated costs and dollar amount of Assessments associated with the operations and maintenance expenditures benefiting properties. Once the framework is set, the proportionate special benefit may modify the earlier allocated dollar amounts of the assessments per parcel or per acre. The report is designed to conform to the requirements of Chapters 189, 190, 170 and 197, Florida Statutes, and is consistent with the District's understanding of the case law on this subject.

The existing systems, facilities and services earlier acquired and constructed by this District produced special benefits, peculiar to both acres and platted parcels, which were apportioned in a manner that is fair and reasonable and which were based on the development plan by the Original Developer. The capital improvement plan which was initially implemented with the issuance of the District's Series 2013 Bonds, the Series 2015 Bonds, the Series 2015 – Phase 4 Bonds, and the Series 2016 Bonds, and this report continues that implementation for Phase 6 with the Series 2017 Bonds and as more fully defined in the Phase 6 and 7 Report dated October 25, 2017.

This methodology will describe the allocation of the District's special assessments for Phase 6, based on the preliminary development plan, as provided by the Developer.

4.0 DEFINED TERMS

"Developer" – Taylor Morrison Esplanade Naples, LLC, a Florida limited Liability Company.

"District" – Flow Way Community Development District.

"District Engineer" – Waldrop Engineering

"Equivalent Assessment Unit" – (EAU) Allocation factor which reflects a quantitative measure of the amount of special benefit conferred by the District's capital project on a particular land use, relative to other land uses.

"Engineer's Report"- that certain Flow Way Community Development District Phase 6 Engineer's Report prepared by the District Engineer and dated October 2017.

"Phase 1 and 2" – The first development phases of the Development. The phase 1 and 2 development is subject to the lien of the Series 2013 Bonds.

“Phase 3”- The second development phase of the Development. The phase 3 development is subject to the lien of the special assessments securing the Series 2014 Phase 3 bonds.

“Phase 4” – The third development phase of the Development. Currently all of the land in phase 4 development are subject to the lien of the special assessments securing the Series 2015 – Phase 4 Bonds. It is anticipated that the lien of the special assessment securing the Series – 2015 Phase 4 Bonds ultimately will be absorbed by 204 Planned units in Phase 4, leaving 36 Unassigned Units. Subject to the terms herein, the Unassigned Units in Phase 4 will be subject to the lien of the Future Special Assessments that are anticipated to secure the Future bonds after the special assessments securing the Series 2015 – Phase 4 bonds have been fully allocated to platted and developed units. Prior to such time, the Future Special Assessments shall not be able to be pledged to secure any District debt

“Phase 5” – The fourth development phase of the Development. Certain units in phase 5 development are subject to the lien of the special assessments securing the Series 2016 Bonds.

“Phase 6” – The fifth development phase of the Development. Phase 6 will be subject to the lien of the Series 2017 special assessments securing the Series 2017 Bonds.

“Allocable Costs” – Proportionate Phase 6 allocable costs.

“Phase 6 Capital Improvement Program” – Public infrastructure necessary to support the development of Phase 6.

“Platted Units” – lands configured as their intended end-use and subject to the lien of the Series 2017 Assessments.

“Unplatted Parcels” – Undeveloped lands or parcels not yet subject to a recorded plat and in their final end-use configuration.

“Unassigned Units” – planned units in Phase 4 that were not contemplated when the Series 2015 – Phase 4 were issued and which will not be subject to the Series 2015 – Phase 4 Special Assessments

5.0 METHODOLOGY FOR ALLOCATING COSTS AND ASSESSMENTS

5.1 Cost Allocation

The allocation of costs in the cost allocation methodology is based on accepted practices in accordance with applicable laws and the procedure for the imposition, levy and collection of non-ad valorem special assessments as set forth in the District Charter ² and in conformity with State laws applicable to such assessments.

The allocation of costs is really in effect a disclosure of the costs as a first step towards determining the final dollar amount of the assessment per unit.

The District's capital program can be broken down into six (6) broad categories: (1) surface water management system, (2) utilities including potable water, wastewater and irrigation, (3) exterior landscaping, (4) off-site improvements, (5) environmental mitigation and (6) professional & permit fees. Mitigation as used herein, is both on-site and off-site preserve enhancement, creation and preservation.

These programs have costs identified in Table 1 below and are merely the first step in the special assessments to be paid. To provide further information, the division (i.e., the allocation) of these cost for each program is further discussed in the Waldrop Engineering Inc., report dated October, 2017.

The special benefits that these programs provide to the properties are more fully disclosed in this report and a preview of some apportionment factors is helpful.³ The key to such factor is the use of Equivalent Residential Units ("ERUs"). These units are a tried and true measurement to compare the costs as divided or allocated.

Included in the Allocated Cost noted in the table below, are only those costs related to Phase 6 – (87 units).

² See the Act in chapter 190, Florida Statutes.

³ As will be disclosed later, apportionment determines the relative magnitude of the special benefits also and provides a further breakdown in costs.

| Phase 6- Cost Allocation | |
|---------------------------------|------------------------|
| Description | Phase 6 |
| Stormwater Management System | \$ 2,741,075.31 |
| Utilities | |
| Potable Water | \$ 300,375.81 |
| Sanitary Sewer | \$ 609,908.25 |
| irrigation | \$ 105,880.10 |
| Exterior Landscaping | \$ 117,323.69 |
| Off-Site Improvement | \$ 81,916.41 |
| Environmental Mitigation | \$ 276,662.55 |
| Professional & Permit Fees | \$ 623,576.76 |
| Total: | \$ 4,856,718.88 |

5.2 Surface Water Management System

The District's surface water management system was designed to be an integrated and functional water management system for the treatment and attenuation of stormwater runoff for the entire District. As such, the allocation of costs are based on the capacity usage anticipated for each land use within the District.

5.3 Potable Water, Wastewater and Irrigation

The District's utility system consists of potable water, sanitary sewer and irrigation water for the community. The development within the District consists primarily residential properties, and a golf course with associated amenities. The potable water and sanitary sewer are divided among all property owners based on typical flow rates established by the District Engineer for similar use types based on the Florida Administrative Code, and that the irrigation water be distributed based on the anticipated use for each land use type.

5.4 Exterior Landscaping, Off-Site Improvements, Mitigation and Miscellaneous

The exterior landscaping consists of buffering along the project boundaries and is necessitated by the requirements of the Collier County Land Development Code, which requires landscape buffering along public roadways and between different zoning categories and uses

within the County. As such, the allocation of costs are based on trip generation anticipated for each land use within the District.

5.5 Off-Site Improvements

The off-site improvements consist of transportation related improvements for County Road 951 Extension right-of-way. These improvements were also necessitated by the requirements of the Collier County Land PUD Ordinance NO. 12-14. These roadway improvement costs are divided between the various individual properties based on the size of a typical lot, according to the Engineer's report.

5.6 Environmental Mitigation

The environmental mitigation costs consist of wetland and other habitat improvements caused by the development of Esplanade Golf & Country Club of Naples, to replace existing wetlands. As such, the allocation of costs are based on the capacity usage anticipated for each land use within the District.

5.7 Professional & Permit Fees

Professional and Permit costs are allocated based on the typical lot size anticipated for each land use within the District.

6.0 OVERVIEW OF ASSESSMENT METHODOLOGY; SPECIAL PECULIAR BENEFIT; REASONABLE AND FAIR APPORTIONMENT; PROPORTIONATE SPECIAL BENEFIT

The purpose of this Assessment Report is to discuss the special benefits peculiar to the properties from construction and acquisition of the District systems, facilities and services, along with the further enhancement and enjoyment of the property from the District's use of its special pinpointed and focused management capabilities to construct these systems, facilities and services.

The Assessment Report herein constitutes a valid and legal methodology for the Flow Way Community Development District in that it confers special benefits peculiar to the properties and apportions those benefits in a reasonable and fair manner resulting in and applying the proportionate special benefit. This section is broken down into four (4) subsections:

Subsection 6.1 provides a detailed overview of the requirements for a valid special assessment. In this subsection, Florida's legal requirements to make the assessments liens equal in dignity to property taxes are explained and detailed. (A lien travels with the property and may result in the loss of the property if it is not paid.)

Subsection 6.2 identifies and details the actual special benefits flowing from the District's construction activities of its systems, facilities and services to the properties. A breakdown of each special benefit (added use, added enjoyment, the combination of enhanced value and increased marketability and finally decreased insurance premiums) is provided and the way the properties are benefited is explained.

Subsection 6.3 covers the apportionment of these special benefits. This subsection shows the proportion of the special benefit flowing to the individual properties. For example, the Off-site Services will create equal special benefits peculiar to individual properties. That is, the relative magnitude of any one of these special benefits to any one property is proportional to the special benefits to another property. Similarly, the Water Management Services will benefit certain properties more than others, as will the Utilities and Irrigation Services.

The special benefits can be broken down into a percentage of the overall special benefit flowing based on each category. This section explains this breakdown in specificity for each property unit type in relation to the magnitude of the special benefit each property unit enjoys. This apportionment results in the proportionate special benefit.

Subsection 6.4 applies the proportionate special benefit to the dollar amount allocated in the Cost Allocation Methodology.

6.1 Requirements For a Valid Assessment Methodology

Valid assessments under Florida Law have two (2) requirements that must be met by the Board using this methodology to provide that the assessments will be liens on property equal in dignity to County property tax liens and to justify reimbursement by the property owners to the District for the special benefits received by and peculiar to their properties.

First, the properties assessed must receive, peculiar to the acre or parcel of property, a special benefit that flows as a logical connection from the systems, facilities and services

constituting improvements.⁴ The courts recognize added use, added enjoyment, enhanced value and decreased insurance premiums as the special benefits that flow as a logical connection from the systems, facilities and services peculiar to the property. Additionally, the properties will receive the special benefit of enhanced marketability.

Second, the special benefits must be fairly and reasonably apportioned in relation to the magnitude of the special benefit received by and peculiar to the various properties being assessed,⁵ resulting in the proportionate special benefit to be applied.

Although property taxes are automatically liens on the property, non-ad valorem assessments, including special assessments, are not automatically liens on the property but will

⁴ The two basic requirements for a valid assessment under law are stated succinctly in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (“There are two requirements for the imposition of a valid special assessment. First, the property assessed must derive a special benefit from the service provided. Second, the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.”) (Citations omitted). The requirement that the benefits received from the property must be peculiar to the parcel or acres is stated in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (A special assessment “is imposed upon the theory that that portion of the community which is required to bear it receives some special or peculiar benefit in the enhancement of value of the property against which it is imposed as a result of the improvement made with the proceeds of the special assessment.”). The requirement for the existence of a logical connection from the systems, facilities and services constituting the improvements to the parcel or acre is found in *Lake County v. Water Management Corp.*, 695 So. 2d 667, 669 (Fla. 1997) (The test for evaluating whether a special benefit is conferred to property by the services for which an assessment is imposed “is whether there is a ‘logical relationship’ between the services provided and the benefit to real property.”)

⁵ *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999).

become liens if the governing Board applies the following test in an informed, non-arbitrary manner. If this test for lienability is determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be imposed, levied, collected and enforced as a first lien on the property equal in dignity to the property tax lien.⁶ Florida courts have found that it is not necessary to calculate special benefits with mathematical precision at the time of imposition and levy⁷ so long as the levying and imposition process is not arbitrary, capricious or unfair.⁸

6.2 Special Peculiar Benefits

Focused, pinpointed and responsive management by the District of its systems, facilities and services, create and enhance special benefits that flow peculiar to property within the borders of the District, as well as general benefits to the public at large.

⁶ *Workman Enterprises, Inc. v. Hernando County*, 790 So. 2d 598, 600 (Fla. 5th DCA 2001) (“When a trial court is presented with a property owner’s challenge to a special assessment the appropriate ‘standard of review is the same for both prongs; that is, the legislative determination as to the existence of special benefits and as to the apportionment of the costs of those benefits should be upheld unless the determination is arbitrary.’”) (Citation omitted). § 170.09, Fla. Stat. (2010) (“The special assessments . . . shall remain liens, coequal with the lien of all state, county, district, and municipal taxes, superior in dignity to all other liens, titles, and claims, until paid.”)

⁷ *City of Boca Raton v. State*, 595 So. 2d 25, 31 (Fla. 1992) (In determining the special benefit each parcel or acre receives, the District is “not required to specifically itemize a dollar amount of benefit to be received by each parcel.”). Pursuant to section 197.122(1), Florida Statutes, all taxes imposed pursuant to the State Constitution and laws of this state shall be a first lien, superior to all other liens, on any property against which the taxes have been assessed and shall continue in full force from January 1 of the year the taxes were levied until discharged by payment or until barred under chapter 95. Pursuant to the collection laws, section 197.3632, Florida Statutes, and all applicable case law, this provision on taxes also applies to non-ad valorem assessments.

⁸ See *Workman Enterprises, Inc. v. Hernando County*, 790 So. 2d 598 (Fla. 5th DCA 2001), *supra* note 5, at 600.

All benefits conferred on District properties are special benefits conferred on property because only property within the District will specially benefit from the enhanced services to be provided as a result of these new assessments. Any general benefits resulting from these assessments are incidental and are readily distinguishable from the special benefits that accrue to the property within the District. Properties outside the District do not depend on the District's programs and undertakings in any way for their own benefit and are therefore not considered to receive benefits for the purposes of this methodology. The four assessments imposed by this resolution are designed with the specific properties of the District in mind and for their exclusive special benefit.

6.2.1 General Review

From the District's focused and pinpointed management flows the special benefit peculiar to each parcel or acre of added use of the property. This special benefit of added use of a piece of property contemplates the increased ability to "use" the property for its intended purpose.

The District's control and management will also provide another special benefit peculiar to each parcel or acre of added enjoyment of the property. The special benefit of added enjoyment of property contemplates the increase in the satisfaction or quality of use of the specially benefitted property.

Additionally, the District's control and management will provide the special benefit peculiar to each parcel or acre of the probability of increased marketability and value of the property. The dollar increase in the value of the property could be determined at a later time by a property appraiser.

Because the benefits of the District's control and management are greater than the costs of the assessments, an overall net special benefit occurs. This net special benefit equates into an increase in at least some of the property values of the surrounding homes. An increase in property values makes these properties more marketable and more saleable. Put differently, when a property's value increases and the price a property is for sale remains the same, the property will have a greater chance of being sold; therefore, the marketability of that property is increased.

Further, a derivative special benefit also exists from this increased marketability. Because of the overall benefit and increases in property values, the surrounding homes will increase in their marketability. More enhanced neighboring properties mean increased marketability. Therefore,

even if a single property's value is not increased from the particular District service, many surrounding properties' value will increase, and the non-value improving property will still gain an increase in marketability.

Finally, the District's focused and pinpointed control and management will provide a special benefit peculiar to each parcel or acre of decreased insurance premiums. The monetary decrease in the insurance premiums could be determined at a later time by an insurance adjuster.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated and assessed as to value with mathematical certainty; however, their magnitude can be determined with certainty today. Each special benefit is by orders of magnitude more valuable than the cost of, or the actual assessment imposed and levied for, the services and improvements that they provide peculiar to the receiving properties.

Accordingly, each system, facility and service provided by the District is discussed.

(A) Surface Water Management Systems, Facilities and Services

The Special Benefit of Added Use

From the District's focused and pinpointed management of the Surface Water Management System flows the special benefit peculiar to each parcel or acre of added use of the property. The special benefits peculiar to each parcel or acre from the Surface Water Management System that contributes, as a logical relationship, to the added use of property throughout the District are flood reduction and prevention and reduced over-drainage. The community is being developed as a bundled golf community, where each owner of property within the District will be a member of the Homeowner's Association and the Association will be the owner of the Golf Course. With this development concept, the development of the Golf Course will benefit the property owners directly by permitting the owner's the use of the course and it's associated facilities.

The District's focused and pinpointed control and maintenance of the Surface Water Management System will avoid the need to undergo intense revitalization efforts of the system in the future for all residential properties and of the Golf Course, however the sole beneficiaries of the added use of the Golf Course are the individual property owners in the District, and not the Golf Course since the Golf Course will be owned and operated by the Homeowner's Association to which all individual property owner's will be members of the Homeowner's

Association. As such, the individual properties (excluding the Golf Course) will receive the entire benefit of flood protection, treatment and attenuation of stormwater runoff.

The Special Benefit of Added Enjoyment

The District's construction of the Surface Water Management Services will also provide a special benefit peculiar to each parcel or acre of added enjoyment of the property. The items contributing, as a logical relationship, to the special benefit of added enjoyment of the property are reduced pollution on the property and throughout the District, improved water quality throughout the District, and an aesthetic enhancement of property in general through a better-maintained landscape resulting in a clean and pristine environment. Use of the Golf Course will be significantly enhanced by allowing owner's to enjoy a better game-play experience in playing on well drained, hence dry, lands as well as the satisfaction of playing on a highly maintained course with an admirable beauty as a direct result of that maintenance. Again however, since the Golf Course is owned by the Homeowner's Association, the benefit's that are derived from the enjoyment of the surface water management system, flow as a logical consequence to the individual properties (excluding the Golf Course) within the District. These individual properties will also enjoy the significant decrease in pollutant build up on their lands and common areas and the consequent positive environmental and aesthetic effects on their lands and local community as a direct result of the enhanced Surface Water Management System's construction, operation and maintenance by focused District management.

The Special Benefit of the Probability of Enhanced Value and Increased Marketability

The District's construction of the surface water management system will provide further a special benefit peculiar to each parcel or acre in the probability of increased marketability and enhanced value of the property. Specific benefits of this type include decreased landscaping and maintenance costs, reduced environmental degradation, higher quality property maintenance, reduced water treatment costs (since the system is effectively removing a substantial portion of the pollutants before the run-off water reaches a water treatment facility), and increased prestige. Moreover, the enhanced value received by the property will remain despite any change in future use because the surface water management system benefits the lands of the District irrespective of their current or anticipated purpose. The dollar increase in the value of the property can be determined at a later time by a property appraiser. The Golf Course itself, as a better served entity, will be much more valuable, and consequently as a result of the ownership by the Homeowner's Association the individual home values may be positively affected by the golf course. Additionally, as a result of the construction of the surface water management system, this will provide owner's potentially more playing time should its overall

enhancement entice more property owners to visit and use the golf course; again, this in turn could increase the prestige and visibility of the course, further driving up the market value of the individual properties in the District. Finally, these individual properties would specially benefit from value increases in the individual properties, which are directly attributable to providing flood protection, treatment and attenuation of stormwater, a stormwater system that raises the project's finished floor elevations above FEMA's flood elevation, all from the construction of the District's surface water system, and all at residents' disposal. Finally, the construction of the District's surface water system, will provide less local maintenance and landscaping expenditures, and significantly more attractive individual lots which by their aesthetic characteristics are more sought after and marketable.

The Special Benefit of Decreased Insurance Premiums

Finally, the District's control and management of the surface water management system will provide a special benefit peculiar to each parcel or acre of decreased insurance premiums. The monetary decrease in the insurance premiums could be determined at a later time by an insurance adjuster. The Golf Course as well as residential properties within the District should enjoy significant reductions in insurance costs if the system is proved to decrease pollutants locally in the manner intended as well as provide a means of flood prevention that will reduce the potential for property damage throughout the entire District. Additionally, the mere fact that the system is being constructed to raise the project's finished floor elevations above FEMA's flood elevation, will potentially eliminate the need for or reducing the cost of flood insurance to all individual properties in the District.

(B) Utilities

From the District's focused and pinpointed management, the construction of the District's utility systems, including potable water, sanitary sewer and the irrigation system flows the special benefits peculiar to each parcel or acre in terms of added use, added enjoyment, enhanced value and marketability. All these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct a utility system for the benefit of and upon each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based because without these services, no capital infrastructure nor its maintenance and operation could ever accrue to the properties.

(C) Exterior Landscaping

From the District's focused and pinpointed management, the construction of the exterior landscaping elements flows special benefits peculiar to each parcel within the District. The Board will provide exterior landscaping which include buffering along Immokalee Road and other areas of the District. This landscaping was required by Collier County Land Development Code. It is these specific services from which all property will gain and specially benefit from added use, added enjoyment, and enhanced value and marketability.

(D) Off-Site Improvements

From the District's focused and pinpointed management, off-site improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements are primarily transportation related improvements and from these improvements the community will mitigate any transportation related deficiencies to the off-site roadway system that are due to the traffic being generated from the parcels and properties in the District. These off-site improvements would not be required if not for the development of the properties in the District and these parcels will specifically benefit from the better flow of traffic into and out of the District. However, the golf course does not generate any additional traffic, since the golf course is not a public course nor open to membership outside the residential property within the District, as such, the golf course receives no benefit from these off-site improvements. Similarly the discovery center does not generate any additional traffic, since it too is not open to the public and is for use only the property owner's in the District, as such, the discover center receives no benefit from these off-site improvements. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

(E) Environmental Mitigation

From the District's focused and pinpointed management, mitigation improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements include the construction of wetland, and other habitat replacement due to the development of the community. These mitigation improvements would not be required if not for the

development of the properties in the District and these parcels will specifically benefit from increased storm protection and flood damage due to major storm events. These wetland and other habitat replacements increase nature's nurseries for various birds, animals and plant life, and ultimately increase the enjoyment by residents in the District to participate in wetland activities, such as canoeing, bird watching, photography, and other outdoor recreation. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

(F) Professional & Permit Services

From the District's focused and pinpointed management, from these miscellaneous improvements flows the special benefit peculiar to each parcel or acre within the District. These improvements are required and include the necessary soft costs, such as engineering design and inspection, permitting, etc. for all of the other systems, facilities and services. These miscellaneous improvements would not be required if not for the balance of the others systems, facilities and services and as such, development of the properties in the District and these parcels will specifically benefit from all of the other systems, facilities and services. As applicable to the other services, that is, all these special benefits would not exist but for the successful operation of the District's functions and duties by the Board of Supervisors. Each parcel or acre within the District requires the Board to construct infrastructure that benefit each individual property in order to meet the District's single, special purpose in providing sustained high quality infrastructure to the District. These services constitute the source of the special benefit peculiar to the property on which the assessment is based since without these services, no development could ever occur.

5.3 Reasonable and Fair Apportionment: The Proportionate Special Benefit

The special benefits described above must be fairly and reasonably apportioned in relation to the relative magnitude (not the value) of the special benefit received by and peculiar to the various properties being assessed. The magnitude of such benefit is different for each type of property within the District and for each type of assessment on which the special benefit is based. The apportionment here is divided by unit type (as opposed to each individual parcel or acre) because the differences among the parcels and acres in each unit type, while present, are

de minimus in this situation. It is illustrative of such benefit which one parcel or acre enjoys in comparison to another parcel or acre and that relationship informs the respective assessments which each parcel or acre must pay; always in proportion to the extent of the total benefit which they receive in relation to all other properties which also enjoy such benefit. All assessments discussed below are either equal to or less than such benefit with which it is associated.

(A) Surface Water Management System Apportionment

The Surface Water Management System provides several special benefits, peculiar to certain properties within the District, as described above in section 6.2(A). Such benefits conferred by this system, as a whole, are to be apportioned to properties based on: (1) common areas that benefit the entire District (2) common areas that benefit residential only, and (3) specific land uses which generate anticipated runoff based on type of property on a per parcel or per acre basis. These three methods combined will constitute the makeup of the Water Management Services special assessment for each individual parcel or acre.

For the first apportionment method, the District's Water Management assessment will consist of an amount representative of all common areas within the District from which all properties within the District benefit. Because all properties within the District benefit from all District common areas, all properties share in the special benefit conferred on these areas. This is also reflective of the fact that the entire Surface Water Management System is one aggregate system and all properties must bear their share of the respective costs in managing not only their own properties but also of the common areas whose proper functioning is paramount to the integrity of the system as whole.

The second apportionment method addresses the special benefits received by the properties within the residential areas that are common to the residential areas, such as roadways that serve residential areas only, the leisure center and residential common areas as a result of the Surface Water Management system. The residential areas contain additional rights-of-way and common areas that affect water flow only within those residential communities. Therefore, only those properties will receive special benefits from the proper drainage and treatment of stormwater run-off in these areas. Consequently, all properties within these communities are apportioned to reflect the magnitude of these proportionate special benefits.

The third apportionment method, which makes up the remainder of the Water Management assessment, addresses the unit type of individual parcels or acres. Property will be assessed, despite its run-off rate (as calculated in the "Cost Allocation Methodology" above), to reflect the relative magnitude of the individual special benefit it receives proportionally from the

entire Water Management System. A considerable portion of the residential properties within the District consists of impervious surfaces and therefore generate significant run-off from storm events.

(B) Utilities Apportionment

The utility services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure provision. As explained earlier, because certain properties, by their nature, require more utility services and consideration when it comes to the provision of infrastructure, such properties benefit proportionally more than others within the District. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional special benefit for each property for this particular assessment varies according to the particular characteristics of the parcel or acre, as well as the apportionment that each unit type receives from the other services.

(C) Exterior Landscaping Apportionment

The exterior landscaping services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require these buffer landscaping areas outside the District in order to develop the property within the District, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional benefit for each property for this particular assessment does not vary according to the particular characteristics of the parcel or acre.

(D) Off-Site Apportionment

The off-site services which consist primarily of roadway related improvements within County Road 951 right-of-way and which benefit the communities are apportioned according to the use, expressed as ITE trip generation rates, associated with specific types of property in those communities. Single Family homes generally have more inhabitants, more vehicles, and therefore higher frequency of use of roadways in their respective community. Condominiums, club homes and villas, however, utilize the community roadways less and therefore benefit less than their Single Family unit counterparts. As a result, Single Family units can be said to enjoy

the special benefits of these community specific improvements to a larger magnitude than all other types of units. Single Family units within each respective community will therefore be assessed significantly, but not substantially, more than Multi-Family and for the reason that they will be using community roadways more often and hence receive significantly more special benefits from the specific improvements of roadway lighting, signage and maintenance provided by the District.

(E) Environmental Mitigation Apportionment

The mitigation infrastructure services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require the replacement of lost wetland and habitat, irrespective of the type of land use, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive. Therefore, the magnitude of the proportional benefit for each property for this particular assessment does not vary according to the particular characteristics of the parcel or acre.

(F) Professional & Permitting Apportionment

The professional and permitting services provide special benefits peculiar to all properties within the District in the manner described above. These assessments are apportioned relative to the derivative benefits received by particular properties from Board undertakings in the construction of the infrastructure. As explained earlier, this is because all properties, by their nature, require the these design, inspection, permitting and other costs that are required for the entire infrastructure program, irrespective of the type of land use, such properties therefore benefit proportionally. While all properties benefit from these services, they are only assessed in accordance with the proportional benefit they receive.

5.4 Application of the Proportionate Special Benefits to the Allocated Costs

Accordingly, the reasonable and fair apportionment of the special benefits provided by the District which is peculiar to both the acres and the platted parcels results in the proportionate special benefit which is the final step required under Florida law to complete the fixing of the assessments to be imposed and levied.

The application of the proportionate special benefit is important. The relative magnitude of each special benefit peculiar to each property for Water Management Services is determined by

analyzing the respective acreage of each unit in proportion to the total acreage of the entire District. The relative magnitude of added use is directly related to the total acreage of each unit type. The greater acreage a particular unit occupies, the greater the special benefit received from the District’s Water Management System and thus, the greater relative magnitude as compared with the other units. The same analysis was employed for the special benefit of added enjoyment because the Golf Course receives more added enjoyment because its purpose is recreational whereas residential plats are mainly for dwelling. Better water management leads to enhanced course conditions and increases the quality and satisfaction of the land use.

| Phase 6 - Surface Water Management System | | | | | | | | | |
|---|-----------------|-----------------|------------------------|----------------------------|---------------|---------------|----------------|-------------------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost Allocation | Use (1) | Enjoyment (2) | All (3) | Allocation by use & Enjoyment | Allocation by Unit |
| 52' | 3 | 1 | \$ 52,144.74 | 1.90% | 1.43% | 0.48% | 1.90% | \$ 52,144.74 | \$ 17,381.58 |
| 57' | 0 | 1.5 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 1.84 | \$ 1,375,230.73 | 50.17% | 37.63% | 12.54% | 50.17% | \$ 1,375,230.73 | \$ 31,982.11 |
| 76' | 25 | 2.52 | \$ 1,095,039.50 | 39.95% | 29.96% | 9.99% | 39.95% | \$ 1,095,039.50 | \$ 43,801.58 |
| 90' | 0 | 2.73 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 3.27 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 14 | 0.82 | \$ 199,540.60 | 7.28% | 5.46% | 1.82% | 7.28% | \$ 199,540.60 | \$ 14,252.90 |
| MF (Vercelli) | 2 | 0.55 | \$ 19,119.74 | 0.70% | 0.52% | 0.17% | 0.70% | \$ 19,119.74 | \$ 9,559.87 |
| Golf Course & Amenity | 0 | - | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 87 | | \$ 2,741,075.31 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 2,741,075.31 | |

(1) Relative Magnitude

(2) Relative magnitude of Added Enjoyment

(3) Relative Magnitude of All Services

The second and third charts below, shows the cost allocation methodology for Utilities, including potable water, sanitary sewer and irrigation was analyzed based on two distinct component parts. First the potable water and sanitary sewer component, flow rates established by Florida Administrative Code for different use types was used. These flow rates help determine the units that use the infrastructure the most, determining the size of pipes and other ancillary facilities for the different unit types, and consequently the most money to be spent on the construction of these facilities.

Similarly for the irrigation system, the cost allocation methodology is based on the use of the facilities with a notable exception that is the use is based on the average irrigated area for each lot type. The area of land area to be irrigated helps determine the units that use the infrastructure the most, again, also determining the size of pipes and other ancillary facilities for the different unit types, and consequently the most money to be spent on the construction of these facilities.

A similar analysis can be used to determine the relative magnitude of the special benefits peculiar to the properties between the various land use types. The units that cause the most dollars to be spent on the construction of the facilities are the same units that use the infrastructure the most. The units that use the infrastructure the most are also the same units

that benefit the most from the infrastructure. Thus, a direct correlation exists between the units causing the most money to be spent on the cost of construction receiving the most benefits from the capital improvement program.

| Phase 6 - Potable Water and Sanitary Sewer | | | | | | | | | |
|--|-----------------|-----------------|----------------------|-----------------|---------------|---------------|-------------------------------|----------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | Allocation by use & Enjoyment | | |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Enjoyment | Allocation by Unit |
| 52' | 3 | 1.00 | \$ 26,402.94 | 2.90% | 2.18% | 0.73% | 2.90% | \$ 26,402.94 | \$ 8,800.98 |
| 57' | 0 | 1.24 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 1.18 | \$ 446,222.82 | 49.02% | 36.77% | 12.26% | 49.02% | \$ 446,222.82 | \$ 10,377.27 |
| 76' | 25 | 1.43 | \$ 314,602.20 | 34.56% | 25.92% | 8.64% | 34.56% | \$ 314,602.20 | \$ 12,584.09 |
| 90' | 0 | 1.65 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 1.87 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 14 | 0.62 | \$ 112,179.66 | 12.32% | 9.24% | 3.08% | 12.32% | \$ 112,179.66 | \$ 8,012.83 |
| MF (Vercelli) | 2 | 14.93 | \$ 10,876.44 | 1.19% | 0.90% | 0.30% | 1.19% | \$ 10,876.44 | \$ 5,438.22 |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 87 | 23.90 | \$ 910,284.06 | 98.81% | 75.00% | 25.00% | 100.00% | \$ 910,284.06 | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

| Phase 6 - Irrigation Water System | | | | | | | | | |
|-----------------------------------|-----------------|-----------------|----------------------|-----------------|---------------|---------------|-------------------------------|----------------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | Allocation by use & Enjoyment | | |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | Enjoyment | Allocation by Unit |
| 52' | 3 | 1.00 | \$ 5,691.30 | 5.38% | 4.03% | 1.34% | 5.38% | \$ 5,691.30 | \$ 1,897.10 |
| 57' | 0 | 1.03 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 62' | 43 | 0.65 | \$ 53,354.61 | 50.39% | 37.79% | 12.60% | 50.39% | \$ 53,354.61 | \$ 1,240.80 |
| 76' | 25 | 0.68 | \$ 32,325.38 | 30.53% | 22.90% | 7.63% | 30.53% | \$ 32,325.38 | \$ 1,293.02 |
| 90' | 0 | 1.01 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| 100' | 0 | 0.45 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Multi-family (Esplanade) | 14 | 0.66 | \$ 12,007.39 | 11.34% | 8.51% | 2.84% | 11.34% | \$ 12,007.39 | \$ 857.67 |
| MF (Vercelli) | 2 | 79.12 | \$ 2,501.42 | 2.36% | 1.77% | 0.59% | 2.36% | \$ 2,501.42 | \$ 1,250.71 |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - |
| Total | 87 | 4.825152 | \$ 105,880.10 | 86.30% | 75.00% | 25.00% | 100.00% | \$ 105,880.10 | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The cost allocation methodology for roadway related off-site improvements used ITE (International Traffic Engineers) TRIP rates to determine the allocation of costs for this part of the capital improvement program. The ITE TRIP rates help determine the units that use the infrastructure the most, generating the size of the roadway facilities and consequently cause the most money to be spent in capital on these facilities. A similar analysis can be used to determine the relative magnitude of the special benefits peculiar to the properties in the District. The units that cause the most cost to be spent, and use the infrastructure the most benefit the most from the roadway capital improvement program. Thus, a direct correlation exists between the units causing the most capital to be spent on the roadways and the units receiving the most benefits from the implementation of the capital improvement program

| Phase 6 - Off-Site Improvements | | | | | | | | | | |
|---------------------------------|-----------------|-----------------|---------------------|-----------------|---------------|---------------|----------------|-------------------------------|-----------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | | | |
| 52' | 3 | 1 | \$ 2,989.65 | 3.65% | 2.74% | 0.91% | 3.65% | \$ 2,989.65 | \$ 996.55 | |
| 57' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 62' | 43 | 1 | \$ 42,851.65 | 52.31% | 39.23% | 13.08% | 52.31% | \$ 42,851.65 | \$ 996.55 | |
| 76' | 25 | 1 | \$ 24,913.75 | 30.41% | 22.81% | 7.60% | 30.41% | \$ 24,913.75 | \$ 996.55 | |
| 90' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 100' | 0 | 1 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Multi-family (Esplanade) | 14 | 0.7 | \$ 9,766.19 | 11.92% | 8.94% | 2.98% | 11.92% | \$ 9,766.19 | \$ 697.59 | |
| MF (Vercelli) | 2 | 0 | \$ 1,395.17 | 1.70% | 1.28% | 0.43% | 1.70% | \$ 1,395.17 | \$ 697.59 | |
| Golf Course & Amenity | 0 | 0 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Total | 87 | 6.7 | \$ 81,916.41 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 81,916.41 | | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The cost allocation methodology for project landscaping – off-site, environmental wetland mitigation along with professional & permit fees are all project costs that are due to the development of the District as a whole, in that if it were not for the entire development, specific land uses benefit equally from the entire development program. All properties within the District receive increased enjoyment from the off-site landscaping, environmental wetland mitigation and increased use of all services from the typical soft costs associated with development projects of this size and magnitude. As these miscellaneous services are not attributable to any specific land uses the apportionment of these services is reflective of the special benefits explained earlier in this report.

| Phase 6 - Exterior Landscaping, Environmental Mitigation, Professional & Permitting Fees | | | | | | | | | | |
|--|-----------------|-----------------|------------------------|-----------------|---------------|---------------|----------------|-------------------------------|--------------|--------------------|
| Parcel Type | Number of Units | Number of ERU's | Cost Allocation | Percent of Cost | | | | Allocation by use & Enjoyment | | Allocation by Unit |
| | | | | Allocation | Use (1) | Enjoyment (2) | All (3) | | | |
| 52' | 3 | 1.00 | \$ 29,936.07 | 2.94% | 2.21% | 0.74% | 2.94% | \$ 29,936.07 | \$ 9,978.69 | |
| 57' | 0 | 1.24 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 62' | 43 | 1.19 | \$ 511,283.61 | 50.25% | 37.68% | 12.56% | 50.25% | \$ 511,283.61 | \$ 11,890.32 | |
| 76' | 25 | 1.51 | \$ 377,652.42 | 37.11% | 27.84% | 9.28% | 37.11% | \$ 377,652.42 | \$ 15,106.10 | |
| 90' | 0 | 1.79 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| 100' | 0 | 0.62 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Multi-family (Esplanade) | 14 | 0.62 | \$ 86,354.54 | 8.49% | 6.36% | 2.12% | 8.49% | \$ 86,354.54 | \$ 6,168.18 | |
| MF (Vercelli) | 2 | 0.00 | \$ 12,336.36 | 1.21% | 0.91% | 0.30% | 1.21% | \$ 12,336.36 | \$ 6,168.18 | |
| Golf Course & Amenity | 0 | 0.00 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - | \$ - | |
| Total | 87 | 7.97 | \$ 1,017,563.00 | 100.00% | 75.00% | 25.00% | 100.00% | \$ 1,017,563.00 | | |

- (1) Relative Magnitude
- (2) Relative magnitude of Added Enjoyment
- (3) Relative Magnitude of All Services

The table on the following page shows the total apportioned costs after apportionment of the special benefit application.

| Phase 6 Total Apportioned Costs after apportionment of Special Benefit Application | | | | | | |
|--|--------------------------|----------------------------------|----------------------|---|-----------------------|------------------------|
| Parcel Type | Surface Water Management | Potable Water and Sanitary Sewer | Irrigation Water | Landscaping, Mitigation, Prof/Permitting Fees | Off-Site Improvements | Total |
| 52' | \$ 52,144.74 | \$ 26,402.94 | \$ 5,691.30 | \$ 29,936.07 | \$ 2,989.65 | \$ 117,164.70 |
| 57' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 62' | \$ 1,375,230.73 | \$ 446,222.82 | \$ 53,354.61 | \$ 511,283.61 | \$ 42,851.65 | \$ 2,428,943.42 |
| 76' | \$ 1,095,039.50 | \$ 314,602.20 | \$ 32,325.38 | \$ 377,652.42 | \$ 24,913.75 | \$ 1,844,533.25 |
| 90' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100' | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Multi-family (Esplanade) | \$ 199,540.60 | \$ 112,179.66 | \$ 12,007.39 | \$ 86,354.54 | \$ 9,766.19 | \$ 419,848.38 |
| MF (Vercelli) | \$ 19,119.74 | \$ 10,876.44 | \$ 2,501.42 | \$ 12,336.36 | \$ 1,395.17 | \$ 46,229.13 |
| Golf Course & Amenity | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total | \$ 2,741,075.31 | \$ 910,284.06 | \$ 105,880.10 | \$ 1,017,563.00 | \$ 81,916.41 | \$ 4,856,718.88 |

7.0 Overview of the Inventory Adjustment Determination

The assessment methodology is based on the development plan that is currently proposed by the Developer. 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 insure that all of the debt is 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.

Since a plat can and may be changed during the development plan, there are times when a tract of land is re-platted for various reasons, including but not limited to, market conditions, sales to builders who desire to build different products on the properties, as such, in order to insure that properties benefit from the system wide improvements, all land, even if platted, is initially assessed as undeveloped tracts of land on an equal per acre basis. As such, until the developer finalizes the development plan for a track of land and advises the District, the equal per acre basis will be utilized.

When the events noted above occur, the District then allocates the appropriate portion of its debt to the newly established and distinct parcel identification numbers as finally will be

developed. 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 insure that the principal assessment for each type of property constructed never exceed 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 developer 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.

In order to insure that the amount of debt does not exceed the maximum per acre assessment, the District shall take the total acres in Phase 6, remove all platted acres from said calculation, and calculate the remaining debt for the unplatted acres and if the developer shall make any payments to the District to bring the unplatted acres remaining debt per acre to the maximum.

8.0 Allocation of Series 2017 Phase 6 Special Assessment Bonds to Properties in the District.

This section of the report takes the cost allocations identified in this report and spreads that cost over the proposed development plan, taking into consideration the costs of issuing the Series 2017 – Phase 6 Bonds, including Capitalized Interest, Reserve Account Requirements and Cost of Issuance. It should be noted that that the developer, Taylor Morrison Esplanade has advised the District that it will construct assets within the Phase 6 Area to insure that these constructed assets will be an obligation of the completion agreement with Taylor Morrison Esplanade, and such as such, the total infrastructure to be financed by the District is \$3,043,718.88 plus the costs of issuance, as shown in the chart below.

The following chart reflects the preliminary assessment levels for the Series 2017 Bonds.

From the determination of the Par Debt needed to finance the project, we can compute the outstanding per unit debt, and estimated annual debt service payments on the units. The below chart shows the allocation of debt.

Flow Way Community Development District
Assessment Levels
Series 2017 - Phase 6 Special Assessment Bonds

| Parcel Type | Number of Units | Total Apportioned Costs | Completion Agreement Obligation of Developer (1) | NET Total Apportioned Costs after Obligaion of Completion | Percent of Apportioned Costs | Series 2017 - Total Par Debt By Product Type | Series 2017 Par Debt Per Unit | ESTIMATED Annual Debt Service | Collection Costs and Discounts | MAXIMUM Annual Debt Service Per Unit | Total Debt Service (2) |
|---|-----------------|-------------------------|--|---|------------------------------|--|-------------------------------|-------------------------------|--------------------------------|--------------------------------------|------------------------|
| 52' | 3 | \$ 117,164.70 | \$ 28,000.00 | \$ 89,164.70 | 2.11% | \$ 77,369.88 | \$ 25,789.96 | \$ 1,665.97 | \$ 116.62 | \$ 1,782.59 | \$ 4,997.90 |
| 57' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 62' | 43 | \$ 2,428,943.42 | \$ 500,000.00 | \$ 1,928,943.42 | 45.67% | \$ 1,673,780.34 | \$ 38,925.12 | \$ 2,514.47 | \$ 176.01 | \$ 2,690.48 | \$ 108,122.10 |
| 76' | 25 | \$ 1,844,533.25 | \$ - | \$ 1,844,533.25 | 43.67% | \$ 1,600,536.06 | \$ 64,021.44 | \$ 4,135.63 | \$ 289.49 | \$ 4,425.12 | \$ 103,390.70 |
| 900' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 100' | 0 | \$ - | \$ - | \$ - | 0.00% | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Multi-family - Esplanade | 14 | \$ 419,848.38 | \$ 100,000.00 | \$ 319,848.38 | 7.57% | \$ 277,538.43 | \$ 19,824.17 | \$ 1,280.59 | \$ 89.64 | \$ 1,370.23 | \$ 17,928.30 |
| Multi-family - Vercelli | 2 | \$ 46,229.13 | \$ 5,000.00 | \$ 41,229.13 | 0.98% | \$ 35,775.29 | \$ 17,887.65 | \$ 1,155.50 | \$ 80.88 | \$ 1,236.38 | \$ 2,311.00 |
| Total | 87 | \$ 4,856,718.88 | \$ 633,000.00 | \$ 4,223,718.88 | 100.00% | \$ 3,665,000.00 | \$ 42,126.44 | | | | \$ 236,750.00 |
| Unsigned Completion Agreement Obligation | | | \$ 763,120.98 | \$ 763,120.98 | | | | | | Max Annual Debt Service | \$ 236,750.00 |
| Totals: | | | \$ 1,396,120.98 | \$ 3,460,597.90 | | | | | | Rounding | \$ - |

(1) The completion agreement obligation is NOT a financial obligation - it is an obligation of the the Developer to ONLY complete the infrastructure
(2) Excludes Collection Costs and Discounts

As noted earlier in this report, initially the debt is levied on the lands in the Phase 6 area on an equal acreage basis.

9.0 Source and Use of the Series 2017 Phase 6 Special Assessment Bonds

**Flow Way Community Development District
Source & Use of Funds
Series 2017 - Phase 6
Special Assessment Bonds**

| FINAL SIZING | |
|-------------------------|------------------------|
| Source of Funds: | |
| Bond Proceeds: | |
| Par Amount: | \$ 3,665,000.00 |
| Premium | \$ 176,122.90 |
| | \$ 3,841,122.90 |
| Uses: | |
| Project Costs | \$ 3,460,597.90 |
| Capitalized Interest | \$ - |
| Debt Service Reserve | \$118,375.00 |
| Cost of Issuance | \$188,850.00 |
| Underwriter's Discount | \$ 73,300.00 |
| Total: | \$ 3,841,122.90 |

10.0 Assessment Roll

Exhibit 1 provides the assessment roll for the Series 2017 – Phase 6 Capital Improvement Program, and there will be no capitalized interest on the Series 2017 – Phase 6 Bonds. Debt Service assessments shall be paid in thirty (30) annual installments.

Flow Way Community Development District
EXHIBIT 1 - Assessment Roll - Series 2017 - Phase 6 Capital Improvement Program

| Old Lot Number | Folio # | Phase 4 Acreage | Phase 6 Acreage | Total Acreage | Property Owner | Assessment by Acre | Total Assessment by Folio by Acre | Assessment Per Unit (Includes Collection Costs and Discounts) | Total Assessment by Folio | Planned Units by Folio Number | | | | | | | | |
|----------------|-------------|-----------------|-----------------|---------------|---|--------------------|--|---|---------------------------|-------------------------------|----------|-----------|-----------|----------|----------------|---------------|----------|------------------------|
| | | | | | | | | | | 52' | 57' | 62' | 76' | 90' | MF (Esplanade) | MF (Vercelli) | | |
| Phase 6 | | | | | | | | | | | | | | | | | | |
| Tract F1 | 31347500067 | 0 | 11.54 | 11.54 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 168,273.65 | \$ 1,941,877.87 | \$ 2,690.48 | \$ 115,690.65 | | | 43 | | | | | | |
| Tract F1 | 31347500067 | 0 | 8.19 | 8.19 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 168,273.65 | \$ 1,378,161.16 | \$ 4,425.12 | \$ 110,628.05 | | | | 25 | | | | | |
| Tract F1 | 31347500067 | 0 | 0.74 | 0.74 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 168,273.65 | \$ 124,522.50 | \$ 1,782.59 | \$ 5,347.76 | 3 | | | | | | | | |
| Tract F1 | 31347500067 | 0 | 1.07 | 1.07 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 168,273.65 | \$ 180,052.80 | \$ 1,370.23 | \$ 19,183.28 | | | | | | | 14 | | |
| Tract F1 | 31347500067 | 0 | 0.24 | 0.24 | Taylor Morrison of Esplanade Naples LLC 551 North Cattlemen Road, Suite 200, Sarasota, FL 34232 | \$ 168,273.65 | \$ 40,385.67 | \$ 1,236.38 | \$ 2,472.77 | | | | | | | | 2 | |
| Totals: | | 0 | 21.78 | 21.78 | | | \$ 3,665,000.00 | | \$ 253,322.50 | 0 | 0 | 43 | 25 | 0 | 0 | 0 | 0 | |
| | | | | | | | Total Assessment - Phase 6 Area | | | | | | | | | | | \$ 3,665,000.00 |

EXHIBIT "C"
LEGAL DESCRIPTION OF ASSESSED LANDS

RESOLUTION 2018-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT GRANTING THE CHAIRMAN OR THE VICE CHAIRMAN (IN THE CHAIRMAN'S ABSENCE) THE AUTHORITY TO EXECUTE REAL AND PERSONAL PROPERTY CONVEYANCE AND DEDICATION DOCUMENTS, PLATS AND OTHER DOCUMENTS RELATED TO THE ACQUISITION AND DEVELOPMENT OF THE DISTRICT'S IMPROVEMENTS; APPROVING THE SCOPE AND TERMS OF SUCH AUTHORIZATION; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Flow Way Community Development District (the "District") is a local unit of special purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, and situated within Manatee County, Florida; and

WHEREAS, Chapter 190, *Florida Statutes*, authorizes the District to construct, install, operate, finance and/or maintain systems and facilities for certain basic infrastructure including, but not limited to, district roads, sanitary sewer collection system, potable water distribution system, reclaimed water distribution system, stormwater/floodplain management, off-site improvements, landscape and hardscape, irrigation system, street lighting and all other improvements; and

WHEREAS, the District has adopted a Master Engineer's Report and/or intends to adopt such supplemental reports of its District Engineer, as amended and/or supplemented from time to time (the "Engineer's Report"), which sets forth the scope of the District's capital improvement plan and the improvements which are to be constructed therewith (the "Improvements"); and

WHEREAS, in connection with the development of the Improvements in accordance with the Engineer's Report, which includes, but is not limited to, obtaining all necessary permits and approvals from local governments and agencies for the construction and/or operation of infrastructure improvements, the District is required, from time to time, to accept, convey and dedicate certain interests in real and personal property, including, but not limited to easements, plat dedications, deeds and bills of sale for infrastructure improvements (the "Permits and Conveyances"); and

WHEREAS, to facilitate the efficient development of the Improvements, the District desires to authorize the Chairman or Vice Chairman to approve and execute all documents as approved by the District Manager, District Attorney and District Engineer, the Permits and Conveyances, including any necessary financing acquisition documents, necessary to finalize the development of the District's capital improvement plan (the "Conveyance Authority"); and

WHEREAS, the Conveyance Authority shall be subject to the District Manager, District Engineer and District Counsel agreeing that each such proposed Permit or Conveyance is legal, consistent with the District's improvement plan and necessary for the development of the Improvements; and

WHEREAS, the Board of Supervisors finds that granting to the Chairman or the Vice Chairman the Conveyance Authority is in the best interests of the District so that the development of the Improvements may proceed expeditiously, subject to the terms and limitations imposed by this Resolution.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF FLOW WAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. INCORPORATION OF RECITALS. The recitals so stated are true and correct and by this reference are incorporated into and form a material part of this Resolution.

SECTION 2. DELEGATION OF AUTHORITY. The Chairman or the Vice Chairman (in the Chairman's absence) of the District's Board of Supervisors is hereby authorized to sign, accept or execute Permits and Conveyances as defined above. The Vice Chairman, Secretary, and Assistant Secretary of the District's Board of Supervisors are hereby authorized to countersign any such Permits and Conveyances signed by the Chairman, and/or to sign any such Permits and Conveyances in the Chairman's absence. Such authority shall be subject to the District Engineer and District Counsel's review and approval.

SECTION 3. SEVERABILITY. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED this 29th day of October, 2017.

ATTEST:

FLOW WAY COMMUNITY DEVELOPMENT DISTRICT

James P. Ward, Secretary

David Truxton, Chairman