

BOARD OF SUPERVISOR'S

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

REGULAR MEETING AGENDA

June 1, 2017

Board of Supervisor's

Terry Kirschner, Chairman
William Riley, Vice Chairman
David Negip, Assistant Secretary
Matt Morris, Assistant Secretary

James P. Ward
District Manager
2041 N.E. 6th Terrace
Wilton Manors, FL. 333051

Phone: 954-658-4900
E-mail: ward9490@comcast.net



www.heritageharbourmarketplacecdd.org

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

May 19, 2017

Board of Supervisors
Heritage Harbour Market Place
Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Heritage Harbour Market Place Community Development District will be held on **Thursday, June 1, 2017 at 2:15 p.m.** at the **River Strand Golf & Country Club (Club House), 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

1. Call to Order & Roll Call.
2. Acceptance of the resignation of Mr. Christopher Kemper from Seat 4 for purposes of inclusion in the record only.
3. Consideration of appointment and administration of the Oath of Office to Seat 4 – to fill the unexpired term of office, which is set to terminate in November, 2019.
 - Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
 - Membership Obligations and Responsibilities
 - Form 1 – Statement of Financial Interests
4. Consideration of Resolution 2017-3 re-designating the officer's of the District.
5. Consideration of Minutes.
 - a) February 2, 2017 – Regular Meeting
6. Consideration of acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2016.
7. Consideration of Resolution 2017-4 Approving the Proposed Budget for Fiscal Year 2017 and Setting a Public Hearing for August 32, 2017 on the Proposed Budget.
8. Consideration of Agreement with LNR Heritage Harbour, LLLP to settle the civil foreclosure action for non-payment of both the debt and general assessments.
9. Staff Reports
 - a) Attorney
 - b) Engineer



James P. Ward
District Manager

2041 N.E. 6TH TERRACE
WILTON MANORS, FL. 33305
PHONE (954) 658-4900
E-MAIL JimWard@JPWardAssociates.com

c) Manager

- I. Financial Statements for the month ended March 31, 2017
- II. Report on Number of Registered Voters as of April 15, 2017

10. Supervisor's Requests and Audience Comments

11. Adjournment

The second and third order of business is to accept the resignation of Mr. Chris Kemper from the Board of Supervisor's of the Heritage Harbour Market Place CDD and to consider a replacement member for vacant Seat 4 to fill the unexpired term of office.

The statute permits the Board, in it's sole and absolute discretion, to appoint an individual to fill the unexpired term of office, the individual must be a citizen of the United States, a resident of the State of Florida, and must not have had his/her civil rights revoked due to a felony conviction.

If the Board chooses to appoint an individual to fill the seat, the Manager will be prepared to swear that individual into office for the meeting.

The fourth order of business is to re-designate the officer's of the District. The current officer positions are as follows:

- Mr. Terry Kirschner – Chairman
- Mr. William Riley – Vice Chairman
- Mr. James Ward – Secretary, Treasurer
- Mr. David Negip – Assistant Secretary
- Mr. Matt Morris – Assistant Secretary

The Board can make any changes they would like, however the Manager should remain as Secretary/Treasurer since they are administrative positions.

The third order of business is consideration of the minutes of the February 2, 2017. .

The fourth order of business is consideration of the acceptance of the Audited Financial Statements for the year ended September 30, 2016. A representative of Keefe McCullough will be available by phone to present the audited financial statements.

The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15th of each year for your review and approval. The approval of the budget is only intended to permit the District to move through the process towards adopting the budget at a Public Hearing



James P. Ward
District Manager

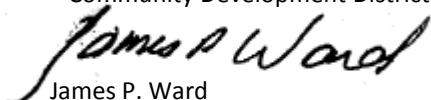
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scheduled for the August 3, 2017 meeting of the Board of Supervisor's. The approval of the Budget does not bind the Board to any of the costs contained in the budget, any of the programs contained in the Budget and most importantly it does not bind the Board to any of the Assessment Rates contemplated as a result of the preparation of the Budget. It does however set the maximum assessment rate for the general fund at the proposed rate of \$3,174.95We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 18, 2018. per acre, which is the rate the District would include on the TRIM notices that are sent to property owners in August of each year. If you re-call, the Board has also set a Cap Rate which is \$3,267.96 per acre, which is the rate that triggers mailed notice to all property owners by the District in addition to the rate being included on the TRIM notice. Since the proposed rate is below the Cap Rate, mailed notice by the District is not required.

The eighth order of business is consideration of settlement agreement LNR Heritage Harbour LLLP to settle the foreclosure action. The agreement will be discussed at the meeting.

The balance of 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.

Yours sincerely,
Heritage Harbour Market Place
Community Development District


James P. Ward
District Manager



James P. Ward
District Manager

2041 N.E. 6TH TERRACE
WILTON MANORS, FL. 33305
PHONE (954) 658-4900
E-MAIL JimWard@JPWardAssociates.com

Christopher S. Kemper

2039 Riviera Drive Sarasota, FL 34232
941-993-6955 Ckemper24@gmail.com



3/14/2017

Jim Ward
Heritage Harbour Marketplace CDD
2041 NE 6th Terrace
Wilton Manors, Florida 33305
JimWard@JPWardAssociates.com

Dear Jim Ward,

Please allow this letter to serve as my resignation as an acting board member of the Heritage Harbour Marketplace Community Development District effective immediately. It has been my pleasure to serve on the board and I thank you for the opportunity to serve in this capacity. Please let me know if you should need any additional items to complete my resignation. I can be reached at the contact information listed above.

Sincerely,

Christopher S. Kemper

CC: Russell Smith



OATH OR AFFIRMATION OF OFFICE

I, _____, a citizen of the State of Florida and of the United States of America, and being an officer of the **Heritage Harbour Market Place Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Heritage Harbour Market Place Community Development District**, Manatee County, Florida.

Signature

Printed Name: _____

STATE OF FLORIDA
COUNTY OF MANATEE

Sworn to (or affirmed) before me this ____ day of _____, 2017, by _____, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.

NOTARY PUBLIC
STATE OF FLORIDA

Print Name: _____

My Commission Expires: _____

RESOLUTION 2017-3

A RESOLUTION RE-DESIGNATING THE OFFICERS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT; PROVIDING FOR SEVERABILITY AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors of the Heritage Harbour Market Place Community Development District desire to appoint the below recited person(s) to the offices specified.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1: DESIGNATION OF OFFICER’S OF THE DISTRICT. The following persons are appointed to the offices shown:

Chairman	_____
Vice Chairman	_____
Secretary	<u>James P. Ward</u>
Treasurer	<u>James P. Ward</u>
Assistant Secretary	_____
Assistant Secretary	_____
Assistant Secretary	_____

SECTION 2: SEVERABILITY AND INVALID PROVISIONS. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

RESOLUTION 2017-3

A RESOLUTION RE-DESIGNATING THE OFFICERS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT; PROVIDING FOR SEVERABILITY AND INVALID PROVISIONS; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

SECTION 3: CONFLICT. That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

SECTION 4: PROVIDING FOR AN EFFECTIVE DATE. This Resolution shall become effective immediately upon passage.

PASSED AND ADOPTED this 1st day of June, 2016.

ATTEST:

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Terry Kirschner, Chairman

**MINUTES OF MEETING
HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, **February 2, 2017**, at **2:15 p.m.**, at the **River Strand Golf & Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

Present and constituting a quorum were:

Terry Kirschner	Chairman
Chris Kemper	Assistant Secretary
Matt Morris	Assistant Secretary

Board Members Absent:

David Negip	Assistant Secretary
William Riley	Vice Chairman

Also present were:

James P. Ward	District Manager
Jere Earlywine	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:50 p.m., and roll call determined that all members of the Board were present with the exception of Supervisor Negip and Vice Chairman William Riley.

SECOND ORDER OF BUSINESS

Administration of Oath of Office for Supervisor Negip, elected at the Landowner's Meeting of November 5, 2015

Mr. Ward stated that Mr. Negip was sworn in prior to this meeting, and a copy of his Oath of Office has been placed with record.

THIRD ORDER OF BUSINESS

Consideration of Minutes for Meeting of September 1, 2016

Mr. Ward asked if there were any questions on the minutes of the meeting. There being none, he recommended a motion be made for their approval.

MOTION was made by Mr. Kirschner and seconded by Mr. Kemper to approve the September 1, 2016 Meeting Minutes, and with all in favor, the motion was approved.

FOURTH AND FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-1 And agreement to appoint Hopping, Green and Sams as District Counsel

Mr. Ward gave some brief background on this consideration stating that the individual who had represented them at their current firm was no longer with that firm. He said the District needed a firm that had substantial in-depth knowledge of special districts with more than just one person in the firm. He said as they moved forward, he has had the opportunity to work with Hopping, Green and Sams, and specifically Mr. Jere Earlywine, for many years. Mr. Earlywine's and his firm's reputations and professionalism were unparalleled. He stated that included in the agenda packet was a copy of the agreement being codified by resolution. He said a part of this resolution essentially ratified the retention of Mr. Earlywine and his firm prior to this day's meeting due to the fact that they were in litigation with significant property owners. Mr. Ward stated that Mr. Earlywine was present and would answer any questions. He then called for two motions.

MOTION was made by Mr. Kirschner and seconded by Mr. Morris to appoint Jere Earlywine as District Attorney, and with all in favor, the motion was approved.

MOTION was made by Mr. Kirschner and seconded by Mr. Morris to remove the firm of Young Van Assenderp as Attorney of Record, and with all in favor, the motion was approved.

SIXTH ORDER OF BUSINESS**Consideration of Proposals for the Continuation of Dissemination Agent Services for the Heritage Harbour Market Place CDD**

Mr. Ward told the Board there were two proposals in the Agenda Packet: One from Mr. Sealy's firm who had acted as underwriter and dissemination agent in the past; the other was from Lerner Reporting Services who recently began providing these services for Districts. He added the fee structure was exactly the same as what was currently paid. Mr. Ward informed the Board that Lerner has been retained by the bond holder in order to assist in the repositioning of the Parcel 1920 asset with respect to this foreclosure and so he added that this might be an opportune time for them to continue to use Lerner for disclosure services.

MOTION was made by Mr. Kirschner and seconded by Mr. Kemper to retain Lerner Reporting Services as dissemination agent, and with all in favor, the motion was approved.

SEVENTH ORDER OF BUSINESS**Staff Reports**

a) Attorney

Mr. Earlywine thanked the Board for the opportunity to work with them and Mr. Ward. Mr. Earlywine gave an update on current litigation stating that Mr. Ward's deposition would be later this month. He said a settlement offer of around \$250,000 was made that was considerably under prior offers. He said the bond holders were reviewing this offer.

b) Engineer – No report was given.

c) Manager

Mr. Ward gave the Board copies of Resolution 2017-2, which changed the registered agent and office of record for the District to Mr. Ward as the registered agent and his office as the registered office and the River Strand Golf & Country Club as the office of record for the District.

MOTION was made by Mr. Morris and seconded by Mr. Kemper to approve Resolution 2017-2 as described above, and with all in favor, the motion was approved.

SEVENTH ORDER OF BUSINESS

**Supervisor's Requests and Audience
Comments**

There were no requests from the Supervisors and no comments from the audience.

EIGHTH ORDER OF BUSINESS

ADJOURNMENT

**MOTION was made by Mr. Kirschner and seconded by
Mr. Morris to adjourn the meeting, and with all in favor,
the motion was approved.**

The meeting was adjourned at 2:58 p.m.

James P. Ward, District Manager

Terry Kirschner, Chairperson

Heritage Harbour Market Place Community Development District

Basic Financial Statements
For the Year Ended September 30, 2016

Heritage Harbour Market Place Community Development District

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Heritage Harbour Market Place Community Development District (the "District") as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2016, and the respective changes in financial position and respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter Regarding Delinquent Assessments

As discussed in Note 7, parcels 19/20 have not paid any assessments since fiscal year ended September 30, 2014. For the fiscal year ended September 30, 2015 through the date of this report, this continued lack of activity has had a material adverse effect on the District's operations.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 3, 2017

**Heritage Harbour Market Place Community Development District
Management's Discussion and Analysis
September 30, 2016**

Our discussion and analysis of Heritage Harbour Market Place Community Development District's (the "District") financial performance provides an overview of the District's financial activities for the years ended September 30, 2016 and 2015. Please read it in conjunction with the District's financial statements, which immediately follow this discussion.

Financial Highlights

The following are the highlights of government-wide financial activity for the year ended September 30, 2016:

- The District's total liabilities exceeded its assets at September 30, 2016 by \$ 7,282,121. This deficit relates to various infrastructure improvements which have been financed through the issuance of long-term debt, but were conveyed to other governmental entities.
- The District's total revenues were \$ 1,728,381, \$ 1,723,194 from assessments, \$ 962 from interest income, and \$ 4,225 from miscellaneous sources. The District's expenses for the year were \$ 1,374,485.
- The District defaulted on its Series 2005 Capital Improvement Revenue Bonds at the end of the interest period on November 1, 2015 and continues to remain in default. Since fiscal year ended September 30, 2015, the District has levied \$ 1,860,969 to pay for operations and maintenance and debt service assessments all of which remain outstanding at September 30, 2016.
- In fiscal year 2015, the bondholders agreed to permit the non-payment of principal and interest due, the total of which is \$ 1,125,840 at September 30, 2016. Additionally, at the bondholder's request, the total amount of funds utilized from the Debt Service Fund for general operations was \$ 220,707. It is unlikely that the General Fund will be able to repay these funds any time in the foreseeable future.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-Wide Financial Statements: The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all the District's assets, liabilities and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

**Heritage Harbour Market Place Community Development District
Management's Discussion and Analysis
September 30, 2016**

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has only one fund type: governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 through 13 of this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 22 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2016 and 2015:

Heritage Harbour Market Place Community Development District Statements of Net Position		
	2016	2015
Current and other assets	\$ 1,114,093	\$ 984,040
Assessments receivable	2,149,793	861,230
Capital assets	4,346,527	4,605,046
Total assets	7,610,413	6,450,316
Other liabilities	1,857,534	676,333
Long-term liabilities	13,035,000	13,410,000
Total liabilities	14,892,534	14,086,333
Net position:		
Net investment in capital assets (deficit)	(8,786,554)	(8,444,541)
Unrestricted	1,504,433	808,524
Total net position (deficit)	\$ (7,282,121)	\$ (7,636,017)

**Heritage Harbour Market Place Community Development District
Management's Discussion and Analysis
September 30, 2016**

Governmental Activities: Governmental activities for the year ended September 30, 2016 increased the District's net position by \$ 353,896, as reflected in the table below:

Heritage Harbour Market Place Community Development District
Statements of Activities

	2016	2015
Revenues:		
Program revenues:		
Non-ad valorem assessments	\$ 1,723,194	\$ 1,236,200
General revenue:		
Miscellaneous revenue:	4,225	-
Interest income	962	602
	1,728,381	1,236,802
 Expenses:		
Interest expense	762,557	781,783
Physical environment	258,519	258,519
General government	353,409	90,333
	1,374,485	1,130,635
 Change in net position	353,896	106,167
 Net Position (Deficit), Beginning of Year,	(7,636,017)	(7,742,184)
 Net Position (Deficit), End of Year,	\$ (7,282,121)	\$ (7,636,017)

Analysis of the Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Project Funds comprise the total governmental funds. As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance (deficit) of approximately \$ (55,541). This deficit was caused by delinquent assessments for which the District has initiated foreclosure proceedings.

Capital Assets and Debt Administration

The District's investment in capital assets, net of accumulated depreciation, for its governmental activities as of September 30, 2016 amounts to \$ 4,346,527, and consists of improvements other than buildings and infrastructure.

**Heritage Harbour Market Place Community Development District
Management's Discussion and Analysis
September 30, 2016**

At the end of the year, the District had total bonded debt outstanding of \$ 13,765,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds).

Additional information on the District's long-term debt can be found in Note 5 on pages 20 and 21 of this report.

General Fund Budgetary Highlights

Revenues were below amounts originally budgeted, while expenditures exceeded the budgeted amount which resulted in a \$ 24,369 unfavorable to budget amount for the year ending September 30, 2016.

Economic Factors and Next Year's Budget

The General Fund budget for 2017 includes planned revenues and expenditures of \$ 365,359.

Requests for Information

This financial report is designed to provide a general overview of Heritage Harbour Market Place Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Heritage Harbour Market Place Community Development District; 2041 N.E. Sixth Terrace, Wilton Manors, FL 33305. The District Manager can be reached at (954) 658-4900 or emailed at jimward@jpwardassociates.com.

BASIC
FINANCIAL STATEMENTS

Heritage Harbour Market Place Community Development District
Statement of Net Position
September 30, 2016

	Governmental Activities
Assets:	
Cash and cash equivalents	\$ 1,114,093
Assessments receivable	2,149,793
Capital assets:	
Depreciable, net	<u>4,346,527</u>
 Total assets	 <u>7,610,413</u>
Liabilities:	
Accounts payable	43,794
Accrued interest payable	1,083,740
Bonds payable, due within one year	730,000
Bonds payable, due in more than one year	<u>13,035,000</u>
 Total liabilities	 <u>14,892,534</u>
Net Position:	
Net investment in capital assets (deficit)	(8,786,554)
Unrestricted	<u>1,504,433</u>
 Total net position (deficit)	 \$ <u><u>(7,282,121)</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Heritage Harbour Market Place Community Development District
Statement of Activities
For the Year Ended September 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Activities Net Revenues (Expenses) and Change in Net Position</u>
Functions/Programs:					
Governmental activities:					
Interest expense	\$ 762,557	\$ 27,190	\$ 1,332,905	\$ -	\$ 597,538
Physical environment	258,519	-	-	-	(258,519)
General government	<u>353,409</u>	<u>16,265</u>	<u>346,834</u>	<u>-</u>	<u>9,690</u>
Total governmental activities	\$ <u>1,374,485</u>	\$ <u>43,455</u>	\$ <u>1,679,739</u>	\$ <u>-</u>	348,709
General revenues:					
Miscellaneous revenue					4,225
Interest income					<u>962</u>
Change in net position					353,896
Net position (deficit), October 1, 2015					<u>(7,636,017)</u>
Net position (deficit), September 30, 2016					\$ <u><u>(7,282,121)</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Heritage Harbour Market Place Community Development District
 Balance Sheet - Governmental Funds
 September 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
Assets:				
Cash and cash equivalents	\$ 52,119	\$ 825,506	\$ 236,468	\$ 1,114,093
Assessments receivable	316,294	1,833,499	-	2,149,793
Total assets	\$ <u>368,413</u>	\$ <u>2,659,005</u>	\$ <u>236,468</u>	\$ <u>3,263,886</u>
Liabilities:				
Accounts payable	\$ 43,794	\$ -	\$ -	\$ 43,794
Matured bonds payable	-	355,000	-	355,000
Matured interest payable	-	770,840	-	770,840
Total liabilities	<u>43,794</u>	<u>1,125,840</u>	<u>-</u>	<u>1,169,634</u>
Deferred Inflows of Resources:				
Deferred revenue - assessments	316,294	1,833,499	-	2,149,793
Total deferred inflows of resources	<u>316,294</u>	<u>1,833,499</u>	<u>-</u>	<u>2,149,793</u>
Fund Balances (Deficit):				
Restricted for capital projects	-	-	236,468	236,468
Unassigned (deficit)	8,325	(300,334)	-	(292,009)
Total fund balance (deficit)	<u>8,325</u>	<u>(300,334)</u>	<u>236,468</u>	<u>(55,541)</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>368,413</u>	\$ <u>2,659,005</u>	\$ <u>236,468</u>	\$ <u>3,263,886</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District
 Reconciliation of the Balance Sheet - Governmental Funds
 to the Statement of Net Position
 September 30, 2016**

Total Fund Balances (Deficit) - Governmental Funds, Page 9	\$ (55,541)
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:</p>	
Governmental capital assets	6,927,093
Less accumulated depreciation	(2,580,566)
<p>Assessment revenues not available as a current financial resource are considered deferred inflows of resources on the fund level financial statements but are recognized as revenue in the statement of activities.</p>	
	2,149,793
<p>Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:</p>	
Accrued interest payable	(312,900)
Governmental revenue bonds payable	<u>(13,410,000)</u>
Net Position (Deficit) of Governmental Activities, Page 7	\$ <u><u>(7,282,121)</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.

Heritage Harbour Market Place Community Development District
Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds
For the Year Ended September 30, 2016

	Major Funds			Total Governmental Funds
	General Fund	Debt Service Fund	Capital Projects Fund	
Revenues:				
Assessments:				
Uniform method	\$ 16,265	\$ 27,190	\$ -	\$ 43,455
Non-uniform method	87,725	303,451	-	391,176
Miscellaneous income	4,225	-		4,225
Interest income	118	602	242	962
	<u>108,333</u>	<u>331,243</u>	<u>242</u>	<u>439,818</u>
Total revenues				
Expenditures:				
Current:				
General government	353,409	-	-	353,409
Debt service:				
Principal	-	355,000	-	355,000
Interest	-	770,840	-	770,840
	<u>353,409</u>	<u>1,125,840</u>	<u>-</u>	<u>1,479,249</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(245,076)	(794,597)	242	(1,039,431)
Other Financing Sources (Uses):				
Transfers in	220,707	-	454	221,161
Transfers out		(221,161)	-	(221,161)
	<u>220,707</u>	<u>(221,161)</u>	<u>454</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	(24,369)	(1,015,758)	696	(1,039,431)
Fund Balances, October 1, 2015	<u>32,694</u>	<u>715,424</u>	<u>235,772</u>	<u>983,890</u>
Fund Balances (Deficit), September 30, 2016	<u>\$ 8,325</u>	<u>\$ (300,334)</u>	<u>\$ 236,468</u>	<u>\$ (55,541)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District
 Reconciliation of the Statement of Revenues, Expenditures and Change in
 Fund Balances - Governmental Funds to the Statement of Activities
 For the Year Ended September 30, 2016**

Net Change in Fund Balances - Governmental Funds, Page 11 \$ (1,039,431)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Current year provision for depreciation (258,519)

Revenues reported in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 1,288,563

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 355,000

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in accrued interest payable 8,283

Change in Net Position of Governmental Activities, Page 8 \$ 353,896

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended September 30, 2016**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Assessments:			
Uniform method	\$ 16,216	\$ 16,265	\$ 49
Non-uniform method	311,928	87,725	(224,203)
Miscellaneous income	-	4,225	4,225
Interest income	60	118	58
	<u>328,204</u>	<u>108,333</u>	<u>(219,871)</u>
Expenditures:			
Current:			
General government	<u>328,204</u>	<u>353,409</u>	<u>(25,205)</u>
Excess (deficiency) of revenues over expenditures	-	(245,076)	(194,666)
Other Financing Sources:			
Transfers in	<u>-</u>	<u>220,707</u>	<u>220,707</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,369)</u>	<u>\$ (24,369)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

Note 1 - Organization and Operations

The Heritage Harbour Market Place Community Development District (the "District") was established on September 2, 2002, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Manatee County Ordinance 02-28. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 258 acres of land and is located entirely within Manatee County, Florida.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of property within the District. Certain members of the Board of Supervisors are affiliated with Lennar Homes, LLC (the "Developer"). The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

- Assessing and levying special assessments
- Approving and adopting budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Hiring the District Manager, District Engineer and District Attorney
- Financing, operating and maintaining improvements

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

The financial reporting entity: The criteria used for including component units consist of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting District's financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

Basis of presentation:

Financial Statements - Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the District's activities are classified as governmental activities.

Note 2 - Summary of Significant Accounting Policies (continued)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2016 the District did not have any business-type activities and therefore, no business-type activities are reported. Interest income and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use or directly benefit from goods or services) are reported as general revenues. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Financial Statements - Fund Financial Statements

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and interest income.

Debt Service Fund - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest and other financing costs.

Capital Projects Fund - This fund is used to account for the accumulation of resources for the acquisition and construction of major infrastructure within the District.

For the year ended September 30, 2016, the District does not report any proprietary funds.

Note 2 - Summary of Significant Accounting Policies (continued)

Measurement focus, basis of accounting and presentation: Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Budget: A budget is adopted for the General Fund and Debt Service Fund on an annual basis. Appropriations lapse at fiscal year-end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b. A public hearing is conducted to obtain property owner's comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate.

Cash, cash equivalents and investments: Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments, if applicable, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

Note 2 - Summary of Significant Accounting Policies (continued)

Capital assets: Capital assets, which include improvements other than buildings and infrastructure, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Roadways, parks, courts and fields	20 years
Stormwater	25 years
Buildings	30 years
Water and sewer systems	25 years
Landscaping and entry features	15 years
Motor vehicles	5 years

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from assessments that were earned but not received within sixty days of year-end. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity classifications:

Government-wide statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.

Note 2 - Summary of Significant Accounting Policies (continued)

- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund statements

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has no nonspendable fund balances as of September 30, 2016

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance as of September 30, 2016.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District did not have any assigned fund balance as of September 30, 2016.

Unassigned: This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management review: Subsequent events were evaluated by management through March 3, 2017, which is the date the financial statements were available to be issued.

Note 3 - Deposits and Investments

Deposits: The District maintains deposits with “Qualified Public Depositories” as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District’s deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, Deposits and Investment Disclosures (an Amendment of Governmental Accounting Standards Board, Statement Number 3).

At year end, the carrying amount of the District’s General Fund deposits was \$ 52,119 and the bank balance was \$ 55,613.

Investments: Investments of the General Fund are governed by Section 218.415, Florida Statutes. The authorized investments include, among others, negotiable direct or indirect obligations which are secured by the United States Government, the Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Investments of the Debt Service and Capital Projects Funds are governed by the provisions of the Trust Indenture. As of September 30, 2016, these funds held \$ 1,061,974 in money market mutual funds.

These deposits and investments are reflected in the accompanying statement of net position and balance sheet - governmental funds in cash and cash equivalents.

Credit risk: Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated A+ by Standard and Poor’s.

Interest rate risk: Florida Statutes provide that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2016, the District’s investments were not subject to custodial credit risk.

Heritage Harbour Market Place Community Development District
Notes to Basic Financial Statements
September 30, 2016

Note 4 - Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance at October 1, 2015	Additions	Deletions	Balance at September 30, 2016
Governmental Activities:				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 414,241	\$ -	\$ -	\$ 414,241
Infrastructure	<u>6,512,852</u>	<u>-</u>	<u>-</u>	<u>6,512,852</u>
Total capital assets, being depreciated	<u>6,927,093</u>	<u>-</u>	<u>-</u>	<u>6,927,093</u>
Less accumulated depreciation for:				
Improvements other than buildings	368,192	41,424	-	409,616
Infrastructure	<u>1,953,855</u>	<u>217,095</u>	<u>-</u>	<u>2,170,950</u>
Total accumulated depreciation	<u>2,322,047</u>	<u>258,519</u>	<u>-</u>	<u>2,580,566</u>
Governmental activities capital assets, net	<u>\$ 4,605,046</u>	<u>\$ (258,519)</u>	<u>\$ -</u>	<u>\$ 4,346,527</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical environment	\$ <u>258,519</u>

In connection with the 2005 project, the District established a deferred cost account reported in the Capital Projects Fund. In the event there are excess 2005 reserves, they are to be used in the Capital Projects Fund and used to repay funds advanced for the project or for the purchase of additional components. However, if funds in the account are not needed for that purpose they are to be transferred to the Debt Service Fund and used to redeem outstanding related debt. At September 30, 2015, there is a balance of \$ 236,394 in the deferred cost account. The District has not yet determined if a liability exists for deferred costs.

Note 5 - Long-Term Debt

a. Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2016 is comprised of the following:

\$ 16,755,000 Capital Improvement Revenue Bonds, Series 2005; due in annual installments through May 1, 2036; interest payable semi-annually at 5.60%	\$ <u>13,765,000</u>
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Heritage Harbour Market Place Community Development District
Notes to Basic Financial Statements
September 30, 2016

Note 5 - Long-Term Debt (continued)

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2016:

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016	Due Within One Year
Capital Improvement Revenue Bonds, Series 2005	\$ <u>13,765,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>13,765,000</u>	\$ <u>730,000</u>

b. Summary of Significant Debt Terms of Governmental Activities

\$ 16,755,000 Capital Improvement Revenue Bonds, Series 2005 - The District previously issued \$ 16,755,000 of Capital Improvement Revenue Bonds, Series 2005 for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 5.60% and mature May 1, 2036. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments (Note 7).

The Bonds are subject to redemption at the option of the District prior to maturity as outlined in the Bond Indenture. The Bonds are also subject to extraordinary mandatory redemption prior to their maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Indenture. The debt service reserve requirement was underfunded by \$ 317,590 at September 30, 2016. The use of reserve funds to pay fiscal year 2015 debt service payments was the result of unpaid debt service assessments by a property owner. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the procedures to be followed in the collection of pledged revenues and the application of the revenues to the various restricted accounts.

The annual debt service requirements for the Series 2005 Capital Improvement Revenue Bonds consist of:

Year Ending September 30,	Principal	Interest	Total
2017	\$ 730,000	\$ 1,521,880	\$ 2,251,880
2018	395,000	729,960	1,124,960
2019	420,000	707,840	1,127,840
2020	440,000	684,320	1,124,320
2021	470,000	659,680	1,129,680
2022-2026	2,780,000	2,872,800	5,652,800
2027-2031	3,670,000	2,000,600	5,670,600
2032-2036	4,860,000	847,280	5,707,280
	\$ <u>13,765,000</u>	\$ <u>10,024,360</u>	\$ <u>23,789,360</u>

Note 6 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years. There have been no claims against the District during the last three fiscal years.

Note 7 - Event of Default and Foreclosure Proceedings

The District filed a lawsuit on December 11, 2015 against LNR Heritage Harbour, LLLP ("LNR") for foreclosure of a special assessment lien as a result of LNR's failure to pay its special assessments owed in 2015. The 2015 special assessments were invoiced separately from the ad valorem taxes, and such delinquent amounts total \$ 999,740 plus interest of \$ 99,640. The 2014 special assessments totaling \$ 861,229 plus interest of \$ 189,184 are also delinquent, but they were billed on the tax roll, and a tax certificate has been issued by the Manatee County Tax Collector for the delinquency.

LNR filed a counterclaim against the District, and alleges that certain of the assessments are excessive or invalid. LNR answered the District's foreclosure complaint, and filed a counterclaim against the District. The District answered the counterclaim of LNR, and raised various affirmative defenses. The District is in the process of seeking leave to amend its operative complaint to add the special assessments that became delinquent on November 30, 2016 during the course of the litigation. The 2016 delinquent special assessments total \$ 1,024,769.

**OTHER REPORTS OF
INDEPENDENT AUDITORS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of Heritage Harbour Market Place Community Development District (the "District"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 3, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described below.

- 2015-01: The District is not compliant with a provision of its Bond Indenture that requires maintaining adequate funds in the debt service reserve account.
- 2016-01: The District did not meet the debt service requirements for the Capital Improvement Revenue Bonds, Series 2005 for the year ended September 30, 2016.

The District's response to the finding identified in our audit is described below. We did not audit the District's response and, accordingly, we express no opinion on it.

- The District did not receive billed assessments from certain property owners and has initiated foreclosure proceedings in an effort to collect assessments. If successful, the collection of assessments will allow the District to replenish the debt service reserve account, make past due debt service payments and fund the operations of the District.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 3, 2017

INDEPENDENT AUDITOR'S REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of Heritage Harbour Market Place Community Development District (the "District"), as of and for the year ended September 30, 2016, and have issued our report thereon dated March 3, 2017.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 3, 2017, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The finding and recommendation made in the preceding annual financial audit report is repeated in the current fiscal year and is listed as 2015-01 on page 24.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Heritage Harbour Market Place Community Development District was established September 2, 2002 by Manatee County Ordinance No. 02-28, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District met the condition described in Section 218.503(1)(a), Florida Statutes. The condition resulted from a deteriorating financial condition which was caused by the noncollection of special assessments which caused the District to not have sufficient funds to make the debt service payments on the Series 2005 Capital Improvement Revenue Bonds for the year ended September 30, 2016 as described in Note 7.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 3, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

We have examined Heritage Harbour Market Place Community Development District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Keefe McCullough

KEEFE McCULLOUGH

Fort Lauderdale, Florida
March 3, 2017

March 3, 2017

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Heritage Harbour Market Place Community Development District (the "District") for the year ended September 30, 2016. Professional standards require that we provide you with information about our responsibilities under the generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated November 5, 2012. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were applicable to the District and the application of existing policies was not changed during the fiscal year ended September 30, 2016. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimated affecting the District's financial statements was as follows:

Depreciation of capital assets - Depreciation is provided on a straight-line basis over the respective estimated useful lives ranging from 10 to 30 years. The District has informed us they used all relevant facts available to them at the time of acquisition to make the best judgments about the depreciation methods and estimated useful lives of capital assets.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted during our audit. A listing of adjusting journal entries has been provided to management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 3, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Supervisors and management of Heritage Harbour Market Place Community Development District and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss any questions that you may have.

Keefe McCullough

KEEFE McCULLOUGH

RESOLUTION 2017-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2018 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Heritage Harbour Market Place Community Development District (the "Board") prior to June 15, 2017, a proposed Budget for Fiscal Year 2018; and

WHEREAS, the Board has considered the proposed Budget and desires to set the required public hearing thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

SECTION 2. The proposed Budget submitted by the District Manager for Fiscal Year 2018 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

SECTION 3. A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

DATE: Thursday, August 3, 2017
HOUR: 2:15 P.M.
LOCATION: River Strand Golf and Country Club (Clubhouse)
7155 Grand Estuary Trail
Bradenton, Florida 34212

SECTION 4. The District Manager is hereby directed to submit a copy of the proposed budget to Manatee County at least 60 days prior to the hearing set above.

SECTION 5. Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary.

SECTION 6. If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

SECTION 7. That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

RESOLUTION 2017-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2018 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.

SECTION 8. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 1st day of June, 2017

ATTEST:

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Terry Kirschner, Chairman

BOARD OF SUPERVISOR'S

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

EXHIBIT A

**PROPOSED BUDGET
FISCAL YEAR 2018**

October 1, 2017 through September 30, 2018

Board of Supervisor's

**Terry Kirschner, Chairman
William Riley, Vice Chairman
David Negip, Assistant Secretary
Matthew Morris, Assistant Secretary**

James P. Ward
District Manager
2041 Northeast 6th Terrace
Wilton Manors, FL. 33305

Phone: 954-658-4900

E-mail:

jimward@jpwardassociates.com



www.heritageharbourmarketplacecdd.org



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**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Description	Anticipated			
	Fiscal Year 2017 Budget	Actual at 03/31/2017	Year End 09/30/17	Fiscal Year 2018 Budget
Revenues and Other Sources				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 60	\$ 223	\$ 440	\$ 60
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
Special Assessment Revenue				
Special Assessment - Uniform Method	\$ 19,340	\$ 23,728	\$ 23,728	\$ 20,669
Special Assessment - Non-Uniform	\$ 345,958	\$ 97,206	\$ 97,206	\$ 369,723
Operating Transfers In				
Debt Service Fund - Series 2005 Bonds	\$ -	\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$ 365,359	\$ 121,158	\$ 121,374	\$ 390,452

Appropriations

Legislative

Board of Supervisor's Fees	\$ 1,200	\$ 200	\$ 600	\$ 1,200
Board of Supervisor's - FICA	\$ 92	\$ 15	\$ 46	\$ 92

Executive

Executive Salaries	\$ 35,000	\$ 17,500	\$ 35,000	\$ 35,000
Executive Salaries - FICA	\$ 2,678	\$ 1,339	\$ 2,678	\$ 2,678
Executive Salaries - Insurance	\$ 3,100	\$ 1,944	\$ 3,100	\$ 3,100

Financial and Administrative

Audit Services	\$ 6,800	\$ 6,800	\$ 6,800	\$ 6,800
Accounting Services	\$ 4,400	\$ 1,946	\$ 4,400	\$ 4,400
Assessment Roll Preparation	\$ -	\$ -	\$ -	\$ -
Arbitrage Rebate Fees	\$ 500	\$ 500	\$ 500	\$ 500

Other Contractual Services

Recording and Transcription	\$ 250	\$ 48	\$ 250	\$ 250
Legal Advertising	\$ 2,400	\$ 101	\$ 2,400	\$ 2,400
Trustee Services	\$ 5,810	\$ -	\$ 5,810	\$ 5,810
Dissemination Agent Services	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Bank Service Fees	\$ 500	\$ 235	\$ 500	\$ 500

Travel and Per Diem

	\$ -	\$ -	\$ -	\$ -
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Communications and Freight Services

Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 300	\$ 77	\$ 160	\$ 300

Rentals and Leases

Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -
Computer Services and Website	\$ 8,000	\$ 3,351	\$ 8,000	\$ 8,000

Insurance

	\$ 6,300	\$ 5,778	\$ 5,778	\$ 6,300
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Printing and Binding

	\$ 100	\$ 202	\$ 400	\$ 100
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Office Supplies

	\$ -	\$ -	\$ -	\$ -
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Subscriptions and Memberships

	\$ 175	\$ 175	\$ 175	\$ 175
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Legal Services

General Counsel	\$ 60,000	\$ -	\$ 10,000	\$ 60,000
Litigaton Counsel	\$ 150,000	\$ -	\$ -	\$ 150,000

**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Description	Fiscal Year 2017	Actual at	Anticipated	Fiscal Year
	Budget	03/31/2017	Year End 09/30/17	2018 Budget
Comprehensive Planning Services				
Professional Services - Planning	\$ 75,000	\$ -	\$ -	\$ 100,000
Other General Government Services				
Engineering Services	\$ 400	\$ 375	\$ 400	\$ 400
Contingencies	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Other Fees and Charges				
Discounts and Fees	\$ 1,354	\$ -	\$ 1,354	\$ 1,447
Total Appropriations	\$ 365,359	\$ 40,587	\$ 89,351	\$ 390,452
Net Increase/(Decrease) in Fund Balance	\$ -	\$ 80,571	\$ 32,024	\$ -
Fund Balance - Beginning	\$ 8,325	\$ 8,325	\$ 8,325	\$ 40,349
Fund Balance - Ending (Projected)	\$ 42,540	\$ 88,896	\$ 40,349	\$ 40,349

Assessment Comparison					
Parcel Identification	Acres	Fiscal Year 2017		Fiscal Year 2018	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$248,662.13		\$265,743.16	
Parcel 22	3.38		\$10,041.55		\$10,731.32
Parcel 23	2.13	\$6,327.96		\$6,762.64	
Parcel 24	3.13		\$9,298.33		\$9,937.59
Parcel 25	16.36	\$48,603.49		\$51,942.15	
Parcel 26	9.26	\$27,510.29		\$29,400.02	
Parcel 27	5	\$14,854.37		\$15,874.74	

Notes:

- 1) Beginning Fund Balance dropped from approx. \$92k to \$33k due to non-payment by Parcel 19/20 of FY 2016 Assessments
- 2) Cap Rate Exceeded - mailed notice required.

**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Revenues and Other Sources

Carryforward	\$	-
The amount of anticipated Fund Balance is recommended to be utilized to fund the operating expenses of the District for the first three (3) months of the Fiscal Year, pending the receipt of assessment collections.		
Interest Income - General Account	\$	60
With the levy of Special Assessments - the District's operating account will earn interest on it's funds. This amount reflect's the anticipated earnings.		

Appropriations

Legislative		
Board of Supervisor's Fees	\$	1,292
The Board's fees are statutorily set at \$200 for each meeting of the Board of Supervisor's not to exceed \$4,800 for each Fiscal Year. The Budgeted amount reflects that the anticipated meetings for the District.		
Executive		
Executive Saleries and Benefits	\$	40,778
The District has one employee - that is the District Manager who handles the daily activities of the District, and which is shared with other CDD's. The expenditures are this District's anticipated share of those costs.		

	FY 2016	FY 2017
Salary	\$ 35,000	\$ 35,000
FICA	\$ 2,678	\$ 2,678
Insurance	\$ 2,400	\$ 3,100
Total:	\$ 40,078	\$ 40,778

Financial and Administrative

Audit Services	\$	6,800
Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.		
Accounting Services	\$	4,400
For the maintenance of the District's books and records on a daily basis.		
Assessment Roll Preparation	\$	-
For the preparation by the Financial Advisor of the Methodology for the General Fund and the Assessment Rolls including transmittal to the Manatee County Property Appraiser.		
Arbitrage Rebate Fees	\$	500
For requied Federal Compliance - this fee is paid for an in-depth analysis of the District's earnings on all of the funds in trust for the benefit of the Bondholder's to insure that the earnings rate does not exceed the interest rate on the Bond's.		
Other Contractual Services		
Recording and Transcription	\$	250
Legal Advertising	\$	2,400

**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Trustee Services	\$	5,810
<p>With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirements of the trust.</p>		
Dissemination Agent Services	\$	1,000
<p>With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories.</p>		
Bank Service Fees	\$	500
Travel and Per Diem	\$	-
Communitcations and Freight Services		
Telephone	\$	-
Postage, Freight & Messenger	\$	300
Rentals and Leases		
Miscellaneous Equipment	\$	-
Computer Services & Webt Site Maintenance	\$	8,000
<p>The District maintains all of it's Public Records, including all of it's programs for accounting and the administration of the District in a cloud computing environment with constant redundancy of the system. The fee includes the yearly hardware and annual software licenses to maintain the District's records, along with the continued development/maintenance of a web site for the District.</p>		
Insurance	\$	6,300
Printing and Binding	\$	100
Office Supplies	\$	-
Subscriptions and Memberships	\$	175
Legal Services		
General Counsel	\$	60,000
<p>The District's general counsel provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers"</p>		
Litigaton Counsel	\$	150,000
Comprehensive Planning Services		
Professional Services - Planning	\$	100,000
<p>The Bondholder's have retained the firm of Lerner and Associates to evaluate Parcel 19/20.</p>		
Other General Government Services		
Engineering Services	\$	400
<p>The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.</p>		
Contingencies	\$	-
Other Fees and Charges		
Discounts and Tax Collector Fees	\$	1,447
<p> 4% Discount permitted by Law for early payment and 3% Tax Collector Fee and Property Appraiser Fee</p>		
Total Appropriations:		\$ 390,452

**Heritage Harbour Market Place
Community Development District
Debt Service Fund - Proposed Budget
Fiscal Year 2018**

Description	Fiscal Year		Actual at	Anticipated	Fiscal Year
	2017	Budget	03/31/2017	Year End 09/30/17	2018 Budget
Revenues and Other Sources					
Carryforward	\$	-	\$ -	\$ -	\$ -
Interest Income	\$	-	\$ 514	\$ 1,000	\$ -
Special Assessment Revenue					
Special Assessment - Uniform Method	\$	29,034	\$ 27,214	\$ 27,214	\$ 29,008
Special Assessment - Non-Uniform Method	\$	1,080,198	\$ 300,791	\$ 300,791	\$ 1,079,223
Special Assessment - Prepayment	\$	-	\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$	1,109,232	\$ 328,519	\$ 329,005	\$ 1,108,231
Appropriations					
Debt Service					
Principal Debt Service - Mandatory					
Series 2007 Bonds	\$	375,000	\$ -	\$ -	\$ 395,000
Principal Debt Service - Early Redemptions					
Series 2007 Bonds	\$	-	\$ -	\$ -	\$ -
Interest Expense					
Series 2007 Bonds	\$	732,200	\$ -	\$ -	\$ 711,200
Trustee Services					
			\$ 7,827	\$ 7,827	
Legal - Foreclosure Counsel					
			\$ 122,642	\$ 122,642	
Operating Transfers Out					
	\$	-	\$ 362	\$ 362	\$ -
Other Fees and Charges					
Discounts and Fees	\$	2,032	\$ -	\$ 2,032	\$ 2,031
Total Appropriations	\$	1,109,232	\$ 130,831	\$ 132,863	\$ 1,108,231
Net Increase/(Decrease) in Fund Balance					
		-	197,688	196,142	-
Fund Balance - Beginning					
		958,772	(300,334)	(300,334)	(104,192)
Fund Balance - Ending (Projected)					
		<u>958,772</u>	<u>(102,645)</u>	<u>(104,192)</u>	<u>(104,192)</u>
Restricted Fund Balance:					
Reserve Account Requirement				949,510	
Restricted for November 1, 2018 Interest Payment				\$ 344,540	
Total - Restricted Fund Balance:				<u>\$ 1,294,050</u>	

Assessment Comparison					
Parcel Identification	Acres or Square Ft.	Fiscal Year 2017		Fiscal Year 2018	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$ 776,407.01		\$ 775,705.78	
Parcel 22	0		PREPAID		PREPAID
Parcel 23	2.13	\$ 19,758.03		\$ 19,740.18	
Parcel 24	3.13		\$ 29,001.58		\$ 29,007.87
Parcel 25	16.36	\$ 151,756.50		\$ 151,619.43	
Parcel 26	9.26	\$ 85,896.40		\$ 85,818.82	
Parcel 27	5	\$ 46,380.35		\$ 46,338.46	

Note: The owner of Parcel 19/20 have not paid their assessments, and as such, this bond issue is in default. At the time of preparation of this Budget, the bondholder's have directed the trustee to not pay principal or interest on the Bonds for FY 2016. The District will levy assessments each year, on all parcels subject to the assessment.

**Heritage Harbour Market Place
Community Development District
Debt Service Fund - Proposed Budget**

Description		Principal	Coupon Rate	Interest	Annual Debt Service
Principal Balance - at September 30, 2015		\$13,765,000	5.60%	No Change in Balance due to Default	
11/1/2015	Not Paid			\$ 376,040.00	
5/1/2016	Not Paid	\$ 355,000	5.60%	\$ 376,040.00	\$ 1,107,080
11/1/2016				\$ 366,100.00	
5/1/2017		\$ 375,000	5.60%	\$ 366,100.00	\$ 1,107,200
11/1/2017				\$ 355,600.00	
5/1/2018		\$ 395,000	5.60%	\$ 355,600.00	\$ 1,106,200
11/1/2018				\$ 344,540.00	
5/1/2019		\$ 420,000	5.60%	\$ 344,540.00	\$ 1,109,080
11/1/2019				\$ 332,780.00	
5/1/2020		\$ 440,000	5.60%	\$ 332,780.00	\$ 1,105,560
11/1/2020				\$ 320,460.00	
5/1/2021		\$ 470,000	5.60%	\$ 320,460.00	\$ 1,110,920
11/1/2021				\$ 307,300.00	
5/1/2022		\$ 495,000	5.60%	\$ 307,300.00	\$ 1,109,600
11/1/2022				\$ 293,440.00	
5/1/2023		\$ 525,000	5.60%	\$ 293,440.00	\$ 1,111,880
11/1/2023				\$ 278,740.00	
5/1/2024		\$ 555,000	5.60%	\$ 278,740.00	\$ 1,112,480
11/1/2024				\$ 263,200.00	
5/1/2025		\$ 585,000	5.60%	\$ 263,200.00	\$ 1,111,400
11/1/2025				\$ 246,820.00	
5/1/2026		\$ 620,000	5.60%	\$ 246,820.00	\$ 1,113,640
11/1/2026				\$ 229,460.00	
5/1/2027		\$ 655,000	5.60%	\$ 229,460.00	\$ 1,113,920
11/1/2027				\$ 211,120.00	
5/1/2028		\$ 690,000	5.60%	\$ 211,120.00	\$ 1,112,240
11/1/2028				\$ 191,800.00	
5/1/2029		\$ 730,000	5.60%	\$ 191,800.00	\$ 1,113,600
11/1/2029				\$ 171,360.00	
5/1/2030		\$ 775,000	5.60%	\$ 171,360.00	\$ 1,117,720
11/1/2030				\$ 149,660.00	
5/1/2031		\$ 820,000	5.60%	\$ 149,660.00	\$ 1,119,320
11/1/2031				\$ 126,700.00	
5/1/2032		\$ 865,000	5.60%	\$ 126,700.00	\$ 1,118,400
11/1/2032				\$ 102,480.00	
5/1/2033		\$ 915,000	5.60%	\$ 102,480.00	\$ 1,119,960
11/1/2033				\$ 76,860.00	
5/1/2034		\$ 970,000	5.60%	\$ 76,860.00	\$ 1,123,720
11/1/2034				\$ 49,700.00	
5/1/2035		\$ 1,025,000	5.60%	\$ 49,700.00	\$ 1,124,400
11/1/2035				\$ 21,000.00	
5/1/2036		\$ 1,085,000	5.60%	\$ 21,000.00	\$ 1,127,000

**Heritage Harbour Market Place
Community Development District**

**Capital Projects Fund - Proposed Budget
Fiscal Year 2018**

Description	Fiscal Year 2017 Budget	Actual at 03/31/2017	Anticipated Year End 09/30/17	Fiscal Year 2018 Budget
Revenues and Other Sources				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ 135	\$ 120	\$ -
Operating Transfers In	\$ -	\$ 362	\$ 362	\$ -
Total Revenue & Other Sources	\$ -	\$ 497	\$ 482	\$ -
Expenditures and Other Uses				
Flood Control - Stormwater Management				
Engineering Services	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	\$ -	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund	\$ -	\$ 497	\$ 482	\$ -
Fund Balance - Beginning	\$ 235,293	\$ 236,468	\$ 236,468	\$ 236,950
Fund Balance - Ending (Projected)	\$ 235,293	\$ 236,966	\$ 236,950	\$ 236,950

With the Series 2005 Bonds in default on May 1, 2015, no further transfers to the deferred cost account are permitted.

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into this ____ day of February, 2017, by and between Heritage Harbour Market Place Community Development District (the “District”) and LNR Heritage Harbour, LLLP (“LNR”) (each a “Party,” and, collectively, the “Parties”).

RECITALS:

WHEREAS, the District asserted certain claims against LNR in the civil action styled Heritage Harbour Market Place Community Development District v. LNR Heritage Harbour, LLLP et al., 2015-CA-005766AX, Circuit Court of Manatee County, Florida (the “Civil Action”);

WHEREAS, LNR has asserted a counterclaim in the Civil Action;

WHEREAS, LNR disputes the District’s claims, and denies liability for all claims and matters asserted against them in the Civil Action;

WHEREAS, the District disputes LNR’s counterclaims and defenses, and denies liability for all claims and matters asserted against it in the Civil Action;

WHEREAS, to avoid the continued cost, inconvenience, hardship and uncertainty of the Civil Action, the Parties are desirous of conclusively resolving all disputes between them, and to provide for the settlement of all claims, counterclaims and defenses asserted (or capable of being asserted) between them in the Civil Action; and

WHEREAS, this Agreement is intended to memorialize the essential terms and conditions upon which the Civil Action will be conclusively settled and resolved.

NOW, THEREFORE, for \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged by each Party hereto, the Parties hereby agree as follows:

1. The foregoing recitals are adopted herein as material terms of this Agreement.

2. The essential terms to be performed under this Agreement are as follows:

a. subject to the terms set forth below, the Parties, through their respective counsel, shall execute a Joint Stipulation for Entry of Agreed Final Judgment of Foreclosure (“Joint Stipulation for Entry of Final Judgment”) in the form outlined in Exhibit “A” attached hereto and incorporated herein by this reference. The proposed foreclosure judgment shall award *in rem* relief only, and in no event shall a personal, monetary judgment be entered against LNR;

b. simultaneously with the execution of this Agreement, the Parties, through their respective counsel, shall execute a Joint Stipulation for Dismissal *With Prejudice* of the Counterclaim in the form outlined in Exhibit “B” attached hereto and incorporated herein by this reference;

c. LNR, on behalf of itself and its parents, subsidiaries, partners, owners, investors, directors, officers, managers, agents, employees, predecessors, successors, assigns and affiliates (collectively the “LNR Parties”), completely release and forever discharge to the maximum extent permitted by law the District and its managers, directors, officers, agents, employees, predecessors, successors, assigns and affiliates (collectively, the “District Parties”), from any and all claims of any kind or nature whatsoever – including, without limitation, any demands, disputes, complaints, actions, causes of action, suits, judgments, debts, liabilities, reimbursements, obligations, costs, expenses, sums of money, accounts, controversies, agreements, promises, damages, or compensation, of any nature whatsoever, at law or in equity, whether based on contract, tort, statute, strict liability, or otherwise, whether for actual, compensatory, special,

punitive, statutory, or any other damages, harm, or remedies – whether known or unknown, arising out of, based upon, or related to any act, failure to act, commission, omission, conduct, process, activity, incident, condition, situation, circumstance, matter, thing, or otherwise existing in whole or in part as of the date of this Agreement (collectively, the “LNR Claims”) that the LNR Parties now have or may have against any or all of the District Parties. These released LNR Claims specifically include all theories, causes of action, damages, or other relief that were brought or asserted, or which could have been brought or asserted, in the Civil Action. Notwithstanding anything to the contrary contained this Agreement, nothing in this paragraph shall operate or be construed to relieve LNR of its obligations under this Agreement;

d. The District Parties completely release and forever discharge to the maximum extent permitted by law the LNR Parties from any and all claims of any kind or nature whatsoever – including, without limitation, any demands, disputes, complaints, actions, causes of action, suits, judgments, debts, liabilities, reimbursements, obligations, costs, expenses, sums of money, accounts, controversies, agreements, promises, damages, or compensation, of any nature whatsoever, at law or in equity, whether based on contract, tort, statute, strict liability, or otherwise, whether for actual, compensatory, special, punitive, statutory, or any other damages, harm, or remedies – whether known or unknown, arising out of, based upon, or related to any act, failure to act, commission, omission, conduct, process, activity, incident, condition, situation, circumstance, matter, thing, or otherwise existing in whole or in part as of the date of this Agreement (collectively, the “District Claims”) that the District Parties now have or may have against any or all of the LNR Parties. These released District Claims specifically include

all theories, causes of action, damages, or other relief that were brought or asserted, or which could have been brought or asserted, in the Civil Action. Notwithstanding anything to the contrary contained this Agreement, nothing in this paragraph shall operate or be construed to relieve the District of its obligations under this Agreement;

e. the Parties, including their managers, members, owners or agents if applicable, shall cooperate in taking any other actions that may be necessary or required by the Court in order to accomplish the agreed upon foreclosure contemplated by the Joint Stipulation for Entry of Final Judgment or the terms of this Agreement, and, to that end, shall sign any further assignments, approvals, affidavits or other instruments that may be necessary to complete the foreclosure¹;

f. within ten (10) days from the date Certificate of Title is issued to the District (or its assignee), the District shall pay to LNR the single, lump sum amount of ONE HUNDRED THOUSAND DOLLARS AND 00/100 (\$100,000.00) (“Settlement Amount”);

g. upon receipt of the Settlement Amount, LNR shall unconditionally grant, transfer and assign to the District (or its assignee) all of LNR’s rights with respect to the following

(i) any homeowners’ association governing the real property (“Property”) that is the subject of the Civil Action;

(ii) engineering and construction plans and specifications for grading, roadways, site drainage, storm water drainage, signage, water distribution, waste water collection, and other improvements to or affecting the Property;

¹ The Parties acknowledge that Heritage Harbour Market Place Association, Inc. (the “HOA”) has a lien on the subject property that is legally inferior and subordinate to the lien of the District. The Parties agree to cooperate in securing the HOA’s agreement to the Joint Stipulation for Entry of Final Judgment. In the event the HOA will not so agree, then the Parties agree to cooperate in filing whatever motions or papers may be necessary in the Civil Action to achieve the judicial foreclosure of the HOA’s junior lien.

- (iii) preliminary and final site plans for the Property;
- (iv) architectural plans and specifications for buildings and other improvements to the Property;
- (v) permits, approvals, resolutions, variances, licenses, and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the development of the Property and construction of improvements thereon;
- (vi) contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the development of the Property or the construction of improvements thereon;
- (vii) franchise or other agreements for the provision of water and waste water service to the Property, and all hookup fees and utility deposits paid by LNR in connection therewith;
- (viii) permit fees, impact fees, and other assessments and impositions paid by LNR to any governmental authority in connection with the development of the Property or the construction of improvements thereon;
- (ix) agreements for the sale of the Property, or any part thereof or interest therein, and any earnest money deposits paid in connection therewith;
- (x) all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing and any guarantees of performance of obligations to LNR arising thereunder; and
- (xi) any other tangible or intangible personal property owned and controlled by LNR related to the Property.

h. nothing contained herein or in the Irrevocable Special Releases is intended to waive or release any of the obligations created by or existing under this Agreement or the Joint Stipulation for Entry of Final Judgment. The obligations set forth in this Agreement are recognized as specific exceptions to the releases contained in subparagraphs 2.c. and 2.d. above.

3. Time is of the essence in the performance of all duties and undertakings prescribed by this Agreement.

4. LNR represents, warrants, covenants and agrees that: (a) LNR owns and controls the LNR Claims in their entirety; (b) LNR has not assigned, hypothecated, or otherwise transferred the LNR Claims, directly or indirectly, to any other person or entity; and (c) LNR, alone, has the full power and authority to permanently, fully and irrevocably release, discharge, extinguish and settle the LNR Claims. The District represents, warrants, covenants and agrees that: (a) the District owns and controls the District Claims in their entirety; (b) the District has not assigned, hypothecated, or otherwise transferred the District Claims, directly or indirectly, to any other person or entity; and (c) the District, alone, has the full power and authority to permanently, fully and irrevocably release, discharge, extinguish and settle the District Claims.

5. The Parties to this Agreement have been represented by counsel of their choice in negotiating and executing this Agreement, and, prior to signing same, had ample opportunity to consult with counsel and other advisors regarding the meaning and import of this Agreement. The Parties knowingly and voluntarily execute this Agreement fully aware of its legal effect. This Agreement was mutually negotiated and drafted by the Parties and their counsel at arms-length, and there are no presumptions in the construction or interpretation of the Agreement.

6. To the extent any party hereto is required to or desires to provide notice to any other party concerning any issue arising under this Agreement, such notice shall be in writing and addressed to the other party as follows:

If to the District:

James Ward, District Manager
Heritage Harbour Market Place Community Development
District
2041 NE 6 Terrace
Wilton Manors, Florida 33305
Telephone: (954) 658-4900
Email: JimWard@jowardassociates.com

With a copy to:

I. William Spivey, II, Esq.
Courtney M. Keller, Esq.

Greenberg Traurig, P.A.
450 South Orange Avenue, Suite 650
Orlando, Florida 32801
Telephone: (407) 420-1000
Email: spiveyw@gtlaw.com
kellerc@gtlaw.com

If to LNR:



With a copy to:

John P. Harlee, III, Esq.
Brian L. Trimyer, Esq.
Harlee & Bald, P.A.
202 Old Main Street
Bradenton, Florida 34205
Telephone: (941) 744-5537
Email: BLY@harleebald.com
BLT@harleebald.com

Such notice shall be provided by email, and/or by overnight delivery, whichever is most expedient or practicable under the circumstances.

7. This Agreement and its integrated exhibits set forth the complete understanding between the Parties regarding the subject matter hereof, and there are no other oral or written understandings or agreements regarding this subject matter. This Agreement may not be modified orally, but only by another written instrument duly executed by the Parties hereto.

8. This Agreement shall be governed by and interpreted in accordance with Florida law.

9. This Agreement shall be binding upon the Parties hereto and their respective affiliates, successors, heirs, assigns and transferees.

10. For the convenience of the Parties, this Agreement may be executed in identical counterparts, and, when the counterpart versions are taken collectively, shall constitute a single unified Agreement. Electronic copies of this Agreement and any attendant signatures shall have the same force and effect as original signatures.

Exhibits Incorporated Herein By Reference

Exhibit "A" Joint Stipulation for Entry of Agreed Final Judgment of Foreclosure

Exhibit "B" Joint Stipulation for Dismissal *With Prejudice* of Counterclaim

[SIGNATURES ON FOLLOWING SEPARATE PAGES]

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

By: _____

Its: _____

STATE OF FLORIDA

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of February, 2017, by _____, _____ of **Heritage Harbour Market Place Community Development District**, who is personally known to me [____] or has produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission No.: _____

My Commission Expires: _____

LNR HERITAGE HARBOUR, LLLP

By: _____

Its: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of February, 2017, by _____, _____ of LNR **Heritage Harbour, LLLP**, who is personally known to me [____] or has produced _____ as identification.

NOTARY PUBLIC

Print Name: _____

My Commission No.: _____

My Commission Expires: _____

IN THE CIRCUIT COURT FOR THE
TWELFTH JUDICIAL CIRCUIT IN AND
FOR MANATEE COUNTY, FLORIDA

CASE NO.: 2015CA005766AX

HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT,
a local unit of special purpose government of
the State of Florida,

Plaintiff,

v.

LNR HERITAGE HARBOUR, LLLP, a
Florida limited liability partnership; and
HERITAGE HARBOUR MARKET PLACE
ASSOCIATION, INC., a Florida non-profit
corporation,

Defendants.

JOINT STIPULATION FOR ENTRY OF FINAL JUDGMENT OF FORECLOSURE

Plaintiff, Heritage Harbour Market Place Community Development Association (the “District”), and Defendant, LNR Heritage Harbour, LLLP (“LNR”), by and through their undersigned counsel, file this Stipulation for Entry of Final Judgment of Foreclosure. In support hereof, the District and LNR state as follows:

1. This is an action to foreclose the lien of various special assessments on certain real property located in Manatee County, Florida.
2. To achieve an amicable and efficient resolution of all of the remaining issues presented in (a) the District’s Second Amended Complaint for Foreclosure of Special Assessments filed on December 6, 2016, and (b) LNR’s First Amended Counterclaim filed on

EXHIBIT “A”

January 9, 2017, the District and LNR have agreed to the entry of the Final Judgment of Foreclosure attached hereto as Exhibit “1”.

WHEREFORE, the District and LNR hereby request the Court to enter an order: (a) approving of this Joint Stipulation for Entry of Final Judgment of Foreclosure; and (b) entering the Final Judgment of Foreclosure attached hereto as Exhibit “1”.

Dated this ____ day of February, 2017.

GREENBERG TRAURIG, P.A.
450 South Orange Avenue
Suite 650
Orlando, Florida 32801
Telephone: (407) 420-1000
Facsimile: (407) 420-5909
*Counsel for Heritage Harbour Market Place
Community Development District*

HARLLEE & BALD, P.A.
202 Old Main Street
Bradenton, Florida 34205
Telephone: (941) 744-5537
Facsimile: (941) 744-5547
Counsel for LNR Heritage Harbour, LLLP

By: _____
I. William Spivey, II
Florida Bar No. 701076
Courtney M. Keller
Florida Bar No. 0028668
Colin S. Baker
Florida Bar No. 066352
spiveyw@gtlaw.com
kellerc@gtlaw.com
bakerco@gtlaw.com
FLService@gtlaw.com

By: _____
John P. Harllee, III
Florida Bar No. 0104463
Brian L. Trimyer
Florida Bar No. 0183792
BLY@harleebald.com
BLT@harleebald.com
CLW@harleebald.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the ____ day of February, 2017, I electronically filed the foregoing **Joint Stipulation for Entry of Final Judgment of Foreclosure** with the Clerk of the Court by using the State of Florida ePortal system which will send an electronic copy to the following:

John P. Harllee, III, Esquire
Brian L. Trimyer, Esquire
Harllee & Bald, P.A.
202 Old Main Street
Bradenton, Florida 34205
Email: BLY@harleebald.com
BLT@harleebald.com
*Counsel for Defendant, LNR
Heritage Harbor, LLLP*

Ramon C. Palacio, Esquire
Association Law Group, P.L.
P.O. Box 311059
Miami, Florida 33231
Email: ramon@algpl.com
filings@algpl.com
*Counsel for Defendant, Heritage
Harbour Market Place Association,
Inc.*

GREENBERG TRAUERIG, P.A.
450 South Orange Ave., Suite 650
Orlando, Florida 32801
Telephone: (407) 420-1000
Facsimile: (407) 420-5909
Email: spiveyw@gtlaw.com
Email: kellerc@gtlaw.com
Email: bakerco@gtlaw.com
Email: FLService@gtlaw.com
*Counsel for Plaintiff Heritage Harbour
Market Place Community Development
District*

By: /s/ Courtney M. Keller
I. William Spivey, II, Esquire
Florida Bar No. 701076
Courtney M. Keller, Esquire
Florida Bar No. 0028668
Colin S. Baker, Esquire
Florida Bar No. 066352

IN THE CIRCUIT COURT FOR THE
TWELFTH JUDICIAL CIRCUIT IN AND
FOR MANATEE COUNTY, FLORIDA

CASE NO.: 2015CA005766AX

HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT,
a local unit of special purpose government of
the State of Florida,

Plaintiff,

v.

LNR HERITAGE HARBOUR, LLLP, a
Florida limited liability partnership; and
HERITAGE HARBOUR MARKET PLACE
ASSOCIATION, INC., a Florida non-profit
corporation,

Defendants.

FINAL JUDGMENT OF FORECLOSURE

THIS CAUSE came before the Court upon: (a) the Joint Stipulation for Entry of Agreed Final Judgment of Foreclosure (the “Stipulation for Foreclosure”) between Plaintiff, Heritage Harbour Market Place Community Development District (the “District”), and Defendant, LNR Heritage Harbour, LLLP (“LNR”); (b) the Joint Stipulation for Dismissal *with Prejudice* of Counterclaim between the District and LNR (“Stipulation for Dismissal”); (c) the Motion for Entry of Final Summary Judgment of Foreclosure (“Motion for Summary Judgment”) against Defendant, Heritage Harbour Market Place Association, Inc. (the “HOA”). The Court, having considered the Stipulations, the Motion for Summary Judgment, all matters of record, and being otherwise duly advised in the premises, hereby

ORDERS and ADJUDGES as follows:

EXHIBIT “1”

1. The Motion for Summary Judgment is **GRANTED**, and the Stipulation for Foreclosure and the Stipulation for Dismissal are **APPROVED**.

2. This Court has jurisdiction over LNR and the HOA.

3. The District is a local unit of special purpose government properly organized and existing under Chapter 190, Florida Statutes, and established by Ordinance No. 02-28 adopted by the Board of County Commissioners of Manatee County, Florida.

4. On or about August 24, 2005, the District issued Special Assessment Revenue Bonds, Series 2005 (“2005 Bonds”) to finance various on and off-site improvements benefiting the property owners within the District.

5. On or about September 21, 2005, the District’s Board of Supervisors adopted Resolution 2005-12, which, among other things, equalized, approved, confirmed and levied special assessments pursuant to Chapters 190 and 170, Florida Statutes, for the repayment of the 2005 Bonds.

6. The 2005 Bonds are secured by a first lien upon and pledge of the amounts collected by or on behalf of the District from property owners within the District or otherwise collected as a result of the special assessments. The lien of the 2005 Bonds and special assessments represent liens on the lands within the District of equal dignity and priority as a lien for state and county taxes.

7. LNR owns two (2) parcels of real property within the District more specifically described as follows (the “Property”):

HERITAGE HARBOUR - PARCELS 19 & 20

THOSE PARTS OF SECTIONS 25, 26, 35 & 36, TOWNSHIP 34 SOUTH, RANGE 18 EAST, MANATEE COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT A POINT ON THE WEST RIGHT OF WAY LINE OF GRAND HARBOUR PARKWAY AS SHOWN ON THE PLAT OF STONEYBROOK AT HERITAGE HARBOUR, SUBPHASE A, UNIT 1, AS RECORDED IN PLAT BOOK 39, PAGES 160 THROUGH 179, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA; THENCE CONTINUING ALONG SAID WEST RIGHT OF WAY LINE, S.33°03'47"W., A DISTANCE OF 60.37; THENCE S.78°04'22"W., A DISTANCE OF 49.51 FEET TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF STATE ROAD 64 (A VARIABLE WIDTH PUBLIC RIGHT OF WAY AS RECORDED IN OFFICIAL RECORDS BOOK 1730, PAGE 1089, OFFICIAL RECORDS BOOK 1748, PAGE 7592, AND OFFICIAL RECORDS BOOK 1920, 4583, PUBLIC RECORDS OF MANATEE COUNTY, FLORIDA)(FLORIDA DEPARTMENT OF TRANSPORTATION SECTION MAP 1305/250); THENCE CONTINUING ALONG THE NORTHERLY RIGHT OF WAY LINE OF SAID STATE ROAD 64 N.56°55'35"W., A DISTANCE OF 245.90 FEET; THENCE N.52°16'41"W., A DISTANCE OF 293.00 FEET; THENCE N.60°49'42"W., A DISTANCE OF 97.09 FEET; THENCE N.60°49'42"W., A DISTANCE OF 312.48 FEET; THENCE N.61°10'48"W., A DISTANCE OF 407.58 FEET; THENCE N.68°46'35"W., A DISTANCE OF 257.64 FEET TRANSITIONING TO THE EASTERLY RIGHT OF WAY LINE OF INTERSTATE 75 (STATE ROAD #93)(A VARIABLE WIDTH PUBLIC RIGHT OF WAY)(FLORIDA DEPARTMENT OF TRANSPORTATION MAP SECTION 13075/2402) ALSO BEING THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 216.00 FEET AND A DELTA ANGLE OF 51°38'11", WHOSE CHORD BEARS N.42°54'51"W.; THENCE ALONG SAID CURVE IN A NORTHWESTERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 194.66 FEET; THENCE CONTINUING ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID INTERSTATE 75, N.17°11'10"W., A DISTANCE OF 278.59 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 457.78 FEET AND A DELTA ANGLE OF 46°44'50", WHOSE CHORD BEARS N.40°32'04"W.; THENCE ALONG SAID CURVE IN A NORTHWESTERLY AND COUNTER CLOCKWISE DIRECTION, A DISTANCE OF 373.50 FEET; THENCE N.63°54'22"W., A DISTANCE OF 501.58 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 860.93 FEET AND A DELTA ANGLE OF 40°03'32", WHOSE CHORD BEARS N.43°53'36"W.; THENCE ALONG SAID CURVE IN A NORTHWESTERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 601.93 FEET; THENCE N.23°52'09"W., A DISTANCE OF 999.15 FEET; THENCE N.22°43'23"W., A DISTANCE OF 98.04 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTHWEST, HAVING A RADIUS OF 3404.05 FEET AND A DELTA ANGLE OF 12°33'48", WHOSE CHORD BEARS N.29°00'09"W.; THENCE ALONG SAID CURVE IN A NORTHWESTERLY AND COUNTER CLOCKWISE DIRECTION, A DISTANCE OF 746.41 FEET; THENCE LEAVING THE EASTERLY RIGHT OF WAY LINE OF SAID INTERSTATE 75 ON A NON-RADIAL LINE, N.82°47'36"E., A DISTANCE OF 132.92 FEET; THENCE N.82°04'12"E., A DISTANCE OF 32.31 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 30.00 FEET AND A DELTA ANGLE OF 10°58'06", WHOSE CHORD BEARS N.87°33'15"E.; THENCE ALONG SAID CURVE IN AN EASTERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 5.74 FEET; THENCE S.86°57'42"E., A DISTANCE OF 23.84 FEET; THENCE N.88°50'22"E., A DISTANCE OF 31.64 FEET; THENCE S.89°04'05"E., A DISTANCE OF 34.89 FEET; THENCE S.89°37'45"E.,

A DISTANCE OF 36.35 FEET; THENCE S.87°07'38"E., A DISTANCE OF 50.99 FEET; THENCE S.89°35'49"E., A DISTANCE OF 46.66 FEET; THENCE N.82°10'25"E., A DISTANCE OF 35.81 FEET; THENCE N.88°31'37"E., A DISTANCE OF 183.30 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH, HAVING A RADIUS OF 30.00 FEET AND A DELTA ANGLE OF 21°46'24", WHOSE CHORD BEARS S.80°35'11"E.; THENCE ALONG SAID CURVE IN A SOUTHEASTERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 11.40 FEET; THENCE S.69°28'39"E., A DISTANCE OF 283.96 FEET; THENCE S.01°14'02"W., A DISTANCE OF 372.92 FEET; THENCE S.88°45'58"E., A DISTANCE OF 126.80 FEET; THENCE S.44°34'52"E., A DISTANCE OF 1233.70 FEET; THENCE S.55°21'38"E., A DISTANCE OF 510.74 FEET; THENCE S.49°13'14"E., A DISTANCE OF 1176.31 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, WHOSE RADIUS POINT BEARS S.38°00'05"E., A DISTANCE OF 250.00 FEET, WITH A DELTA ANGLE OF 26°35'54", WHOSE CHORD BEARS N.65°17'52"E.; THENCE ALONG SAID CURVE IN A NORTHEASTERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 116.06 FEET; THENCE N.00°17'50"E., A DISTANCE OF 536.54 FEET; THENCE S.66°52'39"E., A DISTANCE OF 679.67 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF THE AFOREMENTIONED GRAND HARBOUR PARKWAY; SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHEAST, WHOSE RADIUS POINT BEARS S.40°34'16"E., A DISTANCE OF 1162.50 FEET, WITH A DELTA ANGLE OF 15°34'15", WHOSE CHORD BEARS S.41°38'36"W.; THENCE ALONG SAID CURVE IN A SOUTHERLY AND COUNTER CLOCKWISE DIRECTION, A DISTANCE OF 315.93 FEET TO THE BEGINNING OF A COMPOUND CURVE CONCAVE TO THE EAST, HAVING A RADIUS OF 818.75 FEET AND A DELTA ANGLE OF 57°16'12", WHOSE CHORD BEARS S.05°13'22"W.; THENCE ALONG SAID CURVE IN A SOUTHERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 818.38 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST, HAVING A RADIUS OF 675.00 FEET AND A DELTA ANGLE OF 56°28'31", WHOSE CHORD BEARS S.04°49'32"W.; THENCE ALONG SAID CURVE IN A SOUTHERLY AND CLOCKWISE DIRECTION, A DISTANCE OF 665.33 FEET RETURNING TO THE POINT OF BEGINNING.

8. As of _____, the District is owed \$ _____ from LNR for the *operating and maintenance assessments* burdening the Property, which includes the following delinquent amounts:

Unpaid principal:	\$ _____
Accrued interest at the rate of ____ per annum:	\$ _____
Total:	\$ _____

Interest shall continue to accrue on such total amount at the rate of 4.97% per annum, according to Section 55.03(1), Florida Statutes. *This foreclosure relates only to the operating and*

maintenance assessments, and shall not affect the outstanding debt service assessments that also burden the subject Property related to those certain \$16,755,000.00 Heritage Harbour Market Place Community Development District Capital Improvement Revenue Bonds, Series 2005 (the “Bonds”). Such debt service assessments shall remain a lien upon the Property that survives the foreclosure.

9. The District holds a lien for the total sum outlined in paragraph 8 above superior to any claim or estate of Defendants and all parties claiming by through or under them as to the Property, and the Property shall be sold free and clear of any claims.

10. Under Section 190.024, the District’s lien is also superior to the Claim of Lien recorded by the HOA in Official Records Book 2587, Page 5325, Public Records of Manatee County, Florida (the “HOA Lien”), and no part of the HOA Lien shall survive this foreclosure. Section 720.3085(2)(c), Florida Statutes – relating to the liability of a first mortgagee for past due homeowner’s association assessments – has no applicability to this foreclosure action, which forecloses special assessments issued pursuant to Chapter 190, Florida Statutes, the lien of which is of equal dignity and priority as state and county taxes.

11. If the total sum with interest in the amount described in paragraph 8 above and all costs accrued subsequent to this Final Judgment of Foreclosure are not paid, the Clerk of this Court shall sell the Property at public sale as set forth below to the highest bidder for cash in accordance with section 45.031, Florida Statutes, using the following method:

Sales Information	Date [Clerk Inserts]	Time	Location
Manatee County		11:00 am	Foreclosure sales conducted via Internet: www.manatee.realforeclose.com

12. Plaintiff shall advance all subsequent costs of this action and shall be reimbursed for them by the Clerk if the District is not the purchaser of the Property at the sale. If Plaintiff –

or its assignee – is the purchaser at the sale, the clerk shall credit the Plaintiff’s bid with the total sum with interest and costs accruing subsequent to the Final Judgment of Foreclosure, or such part of it, as is necessary to pay the bid in full.

13. On filing the certificate of title, the Clerk shall distribute the proceeds of the sale so far as they are sufficient, by paying: (1) all of Plaintiff’s costs; (2) documentary stamps affixed to the certificate of title; (3) Plaintiff’s attorneys’ fees; and (4) the total sum due to Plaintiff, less the items paid, plus interest from this date to the date of the sale. The Clerk shall retain any remaining amount pending further Order of this Court.

14. On filing the certificate of sale (or by order of this Court ruling on any objections to the sale), defendant(s) and all persons claiming under or against defendant(s) since the filing of the notice of lis pendens shall be foreclosed of all estate or claim in the property. Upon the filing of the certificate of title, the person named on the certificate of title shall be let into possession of the property. If any defendant remains in possession of the property, the clerk shall without further order of the court issue forthwith a writ of possession upon request of the person named on the certificate of title.

15. Plaintiff may assign this Final Judgment of Foreclosure prior to the foreclosure sale without further order of this Court, and the Clerk of the Court is directed to recognize such assignment as if this Final Judgment of Foreclosure was entered directly in favor of Plaintiff’s assignee.

16. The First Amended Counterclaim of LNR is dismissed *with prejudice* as set forth in the Stipulation for Dismissal.

17. Jurisdiction of this action is retained to enter further orders that are proper, including, without limitation, writs of possession and an award of attorney’s fees and costs to the

District, which amount shall be added to the total owed under this judgment. However, no deficiency judgment of any type may be entered against LNR.

IF THIS PROPERTY IS SOLD AT PUBLIC AUCTION, THERE MAY BE ADDITIONAL MONEY FROM THE SALE AFTER PAYMENT OF PERSONS WHO ARE ENTITLED TO BE PAID FROM THE SALE PROCEEDS PURSUANT TO THIS FINAL JUDGMENT.

IF YOU ARE A SUBORDINATE LIENHOLDER CLAIMING A RIGHT TO FUNDS REMAINING AFTER THE SALE, YOU MUST FILE A CLAIM WITH THE CLERK NO LATER THAN SIXTY (60) DAYS AFTER THE SALE. IF YOU FAIL TO FILE A CLAIM, YOU WILL NOT BE ENTITLED TO ANY REMAINING FUNDS.

DONE and ORDERED in Chambers at Bradenton, Manatee County, Florida, this _____ day of _____, 2017.

THE HONORABLE GILBERT A. SMITH, JR.
Circuit Judge

Copies furnished to:

I. William Spivey, II, Esquire
Courtney M. Keller, Esquire
Colin S. Baker, Esquire
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Market Place Association, Inc.*

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*Counsel for Defendant, LNR
Heritage Harbor, LLLP*

IN THE CIRCUIT COURT FOR THE
TWELFTH JUDICIAL CIRCUIT IN AND
FOR MANATEE COUNTY, FLORIDA

CASE NO.: 2015CA005766AX

HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT,
a local unit of special purpose government of
the State of Florida,

Plaintiff,

v.

LNR HERITAGE HARBOUR, LLLP, a
Florida limited liability partnership; and
HERITAGE HARBOUR MARKET PLACE
ASSOCIATION, INC., a Florida non-profit
corporation,

Defendants.

JOINT STIPULATION FOR DISMISSAL WITH PREJUDICE OF COUNTERCLAIM

Plaintiff, Heritage Harbour Market Place Community Development Association (the “District”), and Defendant, LNR Heritage Harbour, LLLP (“LNR”), by and through their undersigned counsel, file this Stipulation for Dismissal *with Prejudice* of the First Amended Counterclaim filed by LNR on January 9, 2017. In support hereof, Plaintiff and LNR state as follows:

1. This is an action to foreclose the lien of various special assessments on certain real property located in Manatee County, Florida.
2. To achieve an amicable and efficient resolution of all of the remaining issues presented in (a) the District’s Second Amended Complaint for Foreclosure of Special Assessments filed on December 6, 2016, and (b) LNR’s First Amended Counterclaim filed on

EXHIBIT “B”

January 9, 2017, the District and LNR have agreed to dismiss *with prejudice* LNR's entire First Amended Counterclaim.

3. The District's Second Amended Complaint for Foreclosure of Special Assessments shall remain pending pursuant to the parties' agreement and the Joint Stipulation for Entry of Final Judgment of Foreclosure that will be filed simultaneously herewith.

WHEREFORE, the District and LNR hereby request the Court to enter an order approving of this stipulation and dismissing *with prejudice* LNR's First Amended Counterclaim, and enter such other relief as may be just or necessary under the circumstances.

Dated this ___ day of February, 2017.

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Counsel for LNR Heritage Harbour, LLLP

By: _____
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CLW@harleebald.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the ____ day of February, 2017, I electronically filed the foregoing **Joint Stipulation for Dismissal with Prejudice of Counterclaim** with the Clerk of the Court by using the State of Florida ePortal system which will send an electronic copy to the following:

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Brian L. Trimyer, Esquire
Harllee & Bald, P.A.
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Heritage Harbor, LLLP*

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Email: FLService@gtlaw.com
*Counsel for Plaintiff Heritage Harbour
Market Place Community Development
District*

By: /s/ Courtney M. Keller
I. William Spivey, II, Esquire
Florida Bar No. 701076
Courtney M. Keller, Esquire
Florida Bar No. 0028668
Colin S. Baker, Esquire
Florida Bar No. 066352

BOARD OF SUPERVISOR'S

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS March 31, 2017

Board of Supervisor's

Terry Kirschner, Chairman
William Riley, Vice Chairman
Chris Kemper, Assistant Secretary
Scott Edwards, Assistant Secretary
Matthew Morris, Assistant Secretary

James P. Ward
District Manager
2041 NE 6 Terrace
Wilton Manors, Florida 33305

Phone: 954-658-4900

E-mail:

JimWard@jpwardassociates.com



Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups as of March 31, 2017

	Governmental Funds			Account Groups		Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	General Long Term Debt	General Fixed Assets	
Assets						
Cash and Investments						
General Fund - Invested Cash	\$ 153,955	\$ -	\$ -	\$ -	\$ -	\$ 153,955
Capital Projects Fund-Deferred Cost Account	-	-	236,966	-	-	236,966
Debt Service Fund						
Revenue Account	-	364,238	-	-	-	364,238
Reserve Account	-	631,919	-	-	-	631,919
Prepayment Account	-	-	-	-	-	-
Due from Other Funds						
General Fund	-	-	-	-	-	-
Debt Service - Series 2005	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-
Market Valuation Adjustments						
	-	-	-	-	-	-
Due from Other Governments						
	-	-	-	-	-	-
Accounts Receivable	316,294	1,833,499	-	-	-	2,149,793
Prepaid Expenses	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	2,829,657	-	2,829,657
Amount to be Provided by Debt Service Funds	-	-	-	10,580,343	-	10,580,343
General Fixed Assets	-	-	-	-	4,346,527	4,346,527
Total Assets	\$ 470,249	\$ 2,829,657	\$ 236,966	\$ 13,410,000	\$ 4,346,527	\$ 21,293,398

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups as of March 31, 2017

	Governmental Funds			Account Groups		Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	General Long Term Debt	General Fixed Assets	
Liabilities						
Accounts Payable & Payroll Liabilities	\$ 43,634	\$ -	\$ -	\$ -	\$ -	\$ 43,634
Deferred Revenue	316,294	1,833,499	-	-	-	2,149,793
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds						
General Fund	-	-	-	-	-	-
Debt Service - Series 2005	-	-	-	-	-	-
Matured Bonds Payable - Series 2005	-	355,000	-	-	-	355,000
Matured Interest Payable - Series 2005	-	770,840	-	-	-	770,840
Bonds Payable - Series 2005	-	-	-	13,410,000	-	13,410,000
Total Liabilities	\$ 359,928	\$ 2,959,339	\$ -	\$ 13,410,000	\$ -	\$ 16,729,267
Fund Equity and Other Credits						
Investment in General Fixed Assets	-	-		-	4,346,527	4,346,527
Fund Balance						
Restricted						
Beginning: October 1, 2016	-	(300,334)	236,468	-	-	(63,866)
Results from Current Operations	-	170,651	498	-	-	171,149
Unassigned						
Beginning: October 1, 2016	8,325	-	-	-	-	8,325
Results from Current Operations	101,995	-	-	-	-	101,995
Total Fund Equity and Other Credits	110,321	(129,682)	236,966	-	4,346,527	4,564,131
Total Liabilities, Fund Equity and Other Credits	\$ 470,249	\$ 2,829,657	\$ 236,966	\$ 13,410,000	\$ 4,346,527	\$ 21,293,398

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending March 31, 2017**

	October	November	December	January	February	March	Year to Date	Annual Budget	% of Budget
Revenue and Other Sources									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Miscellaneous Revenue	-	-	-	-	-	-	-	-	N/A
Interest									
Interest - General Checking	6	9	40	56	53	59	223	60	372%
Special Assessment Revenue									
Special Assessments - Uniform Method	53	35,696	-	9,404	-	-	45,153	17,986	251%
Special Assessments - Non-Uniform Mthd	-	97,206	-	-	-	-	97,206	345,958	28%
Inter-Fund Group Transfers In	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 58	\$ 132,911	\$ 40	\$ 9,461	\$ 53	\$ 59	\$ 142,582	\$ 364,004	39%
Expenditures and Other Uses									
Legislative									
Board of Supervisor's Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200	\$ 200	\$ 1,200	17%
Board of Supervisor's - FICA	-	-	-	-	-	15	15	92	17%
Executive									
Executive Salaries	2,692	2,692	4,038	2,692	2,692	2,692	17,500	35,000	50%
Executive Salaries - FICA	206	206	309	206	206	206	1,339	2,678	50%
Executive Salaries - Insurance	324	324	324	324	324	324	1,944	3,100	63%
Financial and Administrative									
Audit Services	-	-	-	-	-	6,800	6,800	6,800	100%
Accounting Services	68	45	406	308	374	746	1,946	4,400	44%
Assessment Roll Preparation	-	-	-	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	-	-	500	500	500	100%
Other	-	-	-	-	-	-	-	-	N/A
Other Contractual Services									
Recording and Transcription	-	-	-	-	-	48	48	250	19%
Legal Advertising	-	-	101	-	-	-	101	2,400	4%
Trustee Services	-	-	-	-	-	-	-	5,810	0%
Dissemination Agent Services	-	-	-	-	-	-	-	1,000	0%

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending March 31, 2017**

	October	November	December	January	February	March	Year to Date	Annual Budget	% of Budget
Property Appraiser Fees	-	-	-	-	-	-	-	-	N/A
Bank Services	32	47	59	32	33	33	235	500	47%
Travel and Per Diem	-	-	-	-	-	-	-	-	N/A
Communications & Freight Services									
Telephone	-	-	-	-	-	-	-	-	N/A
Postage, Freight & Messenger	-	19	-	9	40	9	77	300	26%
Rentals & Leases									
Miscellaneous Equipment Leasing	-	-	-	-	-	-	-	-	N/A
Computer Services and Website	-	-	-	-	-	-	-	-	
Development	559	559	559	559	559	559	3,351	8,000	42%
Insurance	5,778	-	-	-	-	-	5,778	6,300	92%
Printing & Binding	-	-	-	-	192	10	202	100	202%
Office Supplies	-	-	-	-	-	-	-	-	N/A
Subscription & Memberships	-	175	-	-	-	-	175	175	100%
Legal Services									
Legal - General Counsel	-	-	-	-	-	-	-	60,000	0%
Legal - Foreclosure Counsel	-	-	-	-	-	-	-	150,000	0%
Comprehensive Planning									
Professional Services-Planning	-	-	-	-	-	-	-	75,000	0%
Other General Government Services									
Engineering Services - General Fund	-	-	225	150	-	-	375	400	94%
Capital Outlay	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 9,658	\$ 4,067	\$ 6,020	\$ 4,280	\$ 4,420	\$ 12,142	\$ 40,587	\$ 364,005	11%
Net Increase/ (Decrease) of Fund Balance	(9,600)	128,844	(5,980)	5,181	(4,367)	(12,083)	101,995	N/A	
Fund Balance - Beginning	8,325	(1,274)	127,569	121,589	126,771	122,404	8,325	42,540	
Fund Balance - Ending	<u>\$ (1,274)</u>	<u>\$ 127,569</u>	<u>\$ 121,589</u>	<u>\$ 126,771</u>	<u>\$ 122,404</u>	<u>\$ 110,321</u>	<u>\$ 110,321</u>	<u>\$ 42,540</u>	

Heritage Harbour Market Place Community Development District

Debt Service Fund - Series 2005 Bonds

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending March 31, 2017**

	October	November	December	January	February	March	Year to Date	Budget	% of Budget
Revenue and Other Sources									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income									
Revenue Account	16	16	12	20	45	42	152	-	N/A
Reserve Account	52	54	52	54	79	73	362	-	N/A
Prepayment Account	-	-	-	-	-	-	-	-	N/A
Special Assessment Revenue									
Special Assessments - Uniform Method	87	-	-	89	-	-	177	27,002	1%
Special Assessments - Non-Uniform Mthd	-	300,791	-	-	-	-	300,791	1,080,198	28%
Prepayment Revenue									
Prepayment Revenue	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 155	\$ 300,861	\$ 64	\$ 163	\$ 124	\$ 115	\$ 301,482	\$ 1,107,200	27%
Expenditures and Other Uses									
Debt Service									
Principal - Mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,000	0%
Principal - Early Redemptions	-	-	-	-	-	-	-	-	N/A
Interest Expense	-	-	-	-	-	-	-	732,200	0%
Operating Transfers Out	52	-	-	159	79	73	362	-	N/A
Inter-Fund Group Transfers Out									
Trustee Services	-	7,827	-	-	-	-	7,827	-	N/A
GF-Litigation (Parcel 19/20)	-	79,052	43,590	-	-	-	122,642	-	N/A
CPF-Deferred Cost Account	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ 52	\$ 86,879	\$ 43,590	\$ 159	\$ 79	\$ 73	\$ 130,831	\$ 1,107,200	12%
Net Increase/ (Decrease) of Fund Balance	104	213,982	(43,526)	4	45	42	170,651	-	
Fund Balance - Beginning	(300,334)	(300,230)	(86,248)	(129,773)	(129,770)	(129,724)	(300,334)	958,772	
Fund Balance - Ending	<u>\$ (300,230)</u>	<u>\$ (86,248)</u>	<u>\$ (129,773)</u>	<u>\$ (129,770)</u>	<u>\$ (129,724)</u>	<u>\$ (129,682)</u>	<u>\$ (129,682)</u>	<u>\$ 958,772</u>	

Heritage Harbour Market Place Community Development District

Capital Projects Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending March 31, 2017**

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
Revenue and Other Sources									
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income									
Deferred Cost Account	19	20	19	20	30	27	136	-	N/A
Operating Transfers In	52	-	-	159	79	73	362	-	N/A
Total Revenue and Other Sources:	\$ 71	\$ 20	\$ 19	\$ 179	\$ 108	\$ 100	\$ 498	\$ -	N/A
Expenditures and Other Uses									
Flood Control - Stormwater Management									
Engineering Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Legal Services	-	-	-	-	-	-	-	-	N/A
Operating Transfers Out	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Net Increase/ (Decrease) of Fund Balance	71	20	19	179	108	100	498	-	
Fund Balance - Beginning	236,468	236,539	236,559	236,578	236,757	236,866	236,468	234,491	
Fund Balance - Ending	<u>\$ 236,539</u>	<u>\$ 236,559</u>	<u>\$ 236,578</u>	<u>\$ 236,757</u>	<u>\$ 236,866</u>	<u>\$ 236,966</u>	<u>\$ 236,966</u>	<u>\$ 234,491</u>	

SUPERVISOR OF ELECTIONS

MICHAEL BENNETT

- Supervisor -

600 301 Boulevard West, Suite 108
Bradenton, Florida 34205
Phone: (941) 741-3823
Fax: (941) 741-3820
www.VoteManatee.com

Heritage Harbour Marketplace
Jim Ward
JPWard & Associates, LLC
2041 NE 6 Terrace
Wilton Manors, FL 33305

April 26, 2017

Dear Mr. Ward,

We are in receipt of your request for the number of registered voters in the Heritage Harbour Market Place Community Development District of April 15, 2017. According to our records, there were 0 persons registered in the Heritage Harbour Market Place Community Development District as of that date.

I hope this information is helpful to you. If I can be of any further assistance to you, please do not hesitate to contact my office at your earliest convenience.

Sincerely,



Michael Bennett
Supervisor of Elections

MB/klj



RECYCLED
PAPER

Protect the Manatee...