

# ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending December 31, 2017

*\$12,550,000*

*Southfield Redevelopment Authority  
Infrastructure Development Revenue Bonds  
Series 2010A*

*CUSIP NUMBER*

*840266 AA8*

Prepared by:

**MUNICAP, INC.**

March 1, 2018

# ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

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## ***I. UPDATED INFORMATION***

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Information updated from the annual development activity and disclosure report dated March 1, 2017, is as follows:

- As of the date of this report, the Administrator has not received a Developer's continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.
- The Annual Obligations for the 2017-2018 Tax Year are expected to exceed the estimated Pledged Property Tax Revenues and other funds available pursuant to the Indenture. As a result, the Annual Revenue Requirement is \$436,905.
- The Annual Payment for Tax Year 2016-2017 is \$511,819, and real property taxes were levied in the amount of \$588,181, for a total invoice amount of \$1,100,000. As further described in Section VI(D), as of February 21, 2018, the Issuer reported that real property taxes in the amount of \$4,595 on five Parcels remains outstanding for Tax Year 2016-2017. As of the date of this report, the Administrator has requested an update on the collection of the Annual Payment in the amount of \$511,819 for Tax Year 2016-2017 from the Issuer; however, this information is not yet available.
- According to the Issuer, the aggregate assessed value of the property in the District for Tax Year 2017-2018 is equal to \$166,958,070.
- As of December 19, 2017, the Issuer reported that a total of 75 certificates of occupancies were issued in 2016 and 2017.
- As of December 19, 2017, the Issuer reported that a total of 77 building permits were issued in 2016 and 2017.
- As of December 31, 2017, property owners responsible for more than five percent of the annual Pledged Revenues includes LSTAR Southfield LLC and Southfield Commons LLC.

## ***II. INTRODUCTION***

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The \$12,550,000 Series 2010A South Shore Tri-Town Development Corporation Infrastructure Development Revenue Bonds (the “Bonds”) were issued pursuant to Chapter 301 of the Massachusetts Acts and Resolves of 1998, as amended by Chapter 303 of the Massachusetts Acts of Resolves of 2008, and a Trust Indenture, dated as of August 1, 2010 (the “Indenture”) between South Shore Tri-Town Development Corporation (the “Issuer”) and Wells Fargo Bank, N.A., as trustee (the “Trustee”).

LNR South Shore, LLC, a Delaware limited liability company (the “Developer”), a wholly-owned subsidiary of LNR Property LLC (“LNR”), is currently developing the former South Weymouth Naval Air Station located in three separate municipalities: Abington, Rockland and Weymouth, Massachusetts and two counties: Norfolk County and Plymouth County (the “Master Development”), which is also known as “SouthField.” The Base is situated between Route 18 and Route 3 and consists of approximately 1,385 acres with construction anticipated to occur on approximately 1,004 acres. At full build-out, the Redevelopment Area, which will be known as SouthField, is expected to be a transit-oriented master planned community containing up to 2,855 residential units, 2,000,000 square feet of commercial space for uses such as office, medical office, retail, hotel, biopharmaceutical manufacturing, light industrial, an 18-hole golf course, a 48-acre sports complex and over 1,000 acres of open space.

The proceeds of the Bonds were applied to (i) finance the acquisition by the Issuer of certain public improvements serving the District; (ii) fund interest on the Bonds for twelve months; (iii) fund a Reserve Fund for the Bonds; and (iv) pay certain costs of issuance of the Bonds.

As mentioned in the preceding Section I of this report, under the provisions of the Act, South Shore Tri-Town Development Corporation was reconstituted as the Southfield Redevelopment Authority (the “SRA”), and the term “Issuer” herein refers to the SRA. References to the SRA in this report may pertain to events prior to the reconstitution of South Shore Tri-Town Development Corporation and subsequent name change.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, this report is provided pursuant to the specific requirements of the continuing disclosure agreement.

**No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2017, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.**

### ***III. DEVELOPMENT ACTIVITY***

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#### **A. OVERVIEW**

According to the Infrastructure Assessment Plan provided in the Limited Offering Memorandum, the Redevelopment Area is the former United States Naval Air Station South Weymouth located in Norfolk and Plymouth Counties. The Redevelopment Area is situated between State Highway 18 and State Highway Route 3 and is comprised of six acres of land known as “FOSTs” (Finding of Suitability to Transfer). In May 2003, the United States conveyed FOST 1 and FOST 2 to the Corporation. FOST 1 and FOST 2 total 549.41 acres. Of this amount, 324.11 acres are “Economic Development Conveyance” (“EDC”) land and the balance of 225.3 acres constitutes “Public Benefit Conveyance” (“PBC”) land. In June 2006, the Issuer conveyed the EDC land, consisting of approximately 324.11 acres, to the Developer pursuant to the Amended and Restated Disposition and Development Agreement between the Corporation and the Developer, as amended, for purposes of development. The Corporation retains ownership of the PBC land, consisting of approximately 225.3 acres, which it holds and administers for the public benefit.

At full build-out, the Redevelopment Area, which will be known as SouthField, will be a transit-oriented master planned community containing up to 2,855 residential units, 2,000,000 square feet of commercial space for uses such as office, medical office, retail, hotel, biopharmaceutical manufacturing, light industrial, an 18-hole golf course, a 48-acre sports complex and over 1,000 acres of open space.

#### **B. GOVERNMENTAL APPROVALS**

According to the Engineer’s Report provided in the Limited Offering Memorandum, at the time the Series 2010A Bonds were issued, the permits and approvals required for the development of SouthField included: zoning, subdivision approval, affordable and workforce housing regulations, health regulations, Massachusetts Endangered Species Act permits, Wetlands Protection Act permits and local wetlands by-laws, National Environmental Policy Act review, Massachusetts Environmental Policy Act, Massachusetts Highway Department/Federal Highway Administration Permits, Sewer Connection permit, Water Systems Modification Permit, NPDES permits and Massachusetts Department of Public Safety approvals. The zoning, subdivision, affordable and workforce housing, health and wetland approvals were expected to be issued by the Issuer for the central redevelopment area of the base, or the towns for the perimeter areas of the base.

Table III-1 shows the permit type, the permitting agency and the date of approval as reported by the Developer as of February 27, 2015. As of the date of this report, the Administrator has not received a Developer’s continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.

**Table III-1  
Governmental Approvals**

| Permit/Approval  | Approval Status           | Date of Approval                 | Permitting Agency                                     |
|--|---------------------------|----------------------------------|---|
| Zoning   | Approved                  | 05/05/05                         | Tri-Town  |
| Subdivision approval   | Approved for 46 acres     | As of September 2009             | Tri-Town  |
| Massachusetts Highway Department/Federal Highway Administration permits – Access permit related Shea Memorial Drive and Phase 1A | Approved                  | 10/18/07                         | MA Highway Dept.                                      |
| National Environmental Policy Act review   | Approved                  | 01/12/09<br>06/02/10             | Federal Transit<br>Federal Highway                    |
| Massachusetts Endangered Species Act   | Approved                  | 12/07/06<br>11/01/08<br>10/29/10 | MA Division of<br>Fisheries and<br>Wildlife           |
| Wetlands protection act permits and local wetlands by-laws:  |                           |                                  |   |
| Amended Order of Conditions – Phase 1A DSP (DEP File SE 081-1005)  | Approved                  | 01/24/11                         | Tri-Town  |
|  |                           | 07/11/11                         |   |
|  |                           | 10/15/12                         |   |
| Extension Permit for Orders of Conditions – Phase 1A DSP (DEP File SE 081-1005)  | Approved                  | 01/21/11                         | Tri-Town  |
| Determination of Applicability – Taxiway C Restoration   | Approved                  | 01/24/11                         | Tri-Town  |
| Order of Conditions – SouthField Commons Corcoran – (DEP File SE 081-1082)   | Approved                  | 01/24/11                         | Tri-Town  |
| Massachusetts Environmental Policy Act   | Approved                  | 07/18/07                         | MA Executive<br>Office of<br>Environmental<br>Affairs |
| Sewer extension permit (Phase 1A)  | Approved                  | 08/24/07                         | MA DEP  |
| Sewer extension permit (Phase 1A and 1B)   | Approved                  | 09/27/12                         | MA DEP  |
| Consecutive Public Water System Agreement  | Executed                  | 10/22/10                         | Town of<br>Weymouth/Tri-<br>Town                      |
| NPDES permits  | To be secured by builders |                                  | EPA   |
| Massachusetts Highway Department – Access permit for Trotter Road  | Approved                  | 11/25/2013                       | MassDOT   |

**C. STATUS OF PUBLIC IMPROVEMENTS**

According to the Limited Offering Memorandum, the proceeds of the Bonds were expected to be applied to (i) finance the acquisition by the Issuer of certain public improvements serving the District; (ii) fund interest on the Bonds for twelve months; (iii) fund a Reserve Fund for the Bonds; and (iv) pay certain costs of issuance of the Bonds.

As of February 27, 2015, the Developer reported that final surface pavement on the 900 linear feet of Snow Bird Avenue between Stonehaven Drive and Memorial Grove Avenue remains to be completed. These final improvements are scheduled for completion in 2015 in conjunction with the development of the

adjacent R2E and R3E development Parcels.

As of February 27, 2015, the Developer reported that \$9,801,208 had been expended for the construction of the public improvements, representing 100 percent of the amount to be funded with the Series 2010A Bonds. Table III-2 shows the public improvements, the original budget, budget changes, the revised budget and the amount spent by line item as reported by the Developer as of February 27, 2015. As of the date of this report, the Administrator has not received a Developer's continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.

**Table III-2  
Status of Construction of Public Improvements**

| <b>On-Site Public Improvements</b>                      | <b>Base Contract</b> | <b>Change Orders</b> | <b>Revised Contract Amount</b> | <b>Spent to Date</b> | <b>Percent Complete</b> |
|---|----------------------|----------------------|--------------------------------|----------------------|-------------------------|
| <b>Phase 1 - Actual Cost</b>                            |                      |                      |                                |                      |                         |
| Construction Costs                                      |                      |                      |                                |                      |                         |
| Memorial Grove Avenue and Parkview Street               | \$16,950,000         | \$2,130,430          | \$19,080,430                   | \$19,080,430         | 100%                    |
| Thistle Lane, Stonehaven Drive, and Snowbird Avenue     | \$1,687,449          | \$1,563,792          | \$3,251,241                    | \$3,251,241          | 100%                    |
| Snowbird Ave: From Memorial Grove Ave to Stonehaven Dr. | \$945,559            | \$58,013             | \$1,003,572                    | \$1,003,572          | 100%                    |
| Stonehaven Drive  | \$54,207             | \$0                  | \$54,207                       | \$54,207             | 100%                    |
| Skye Lane   | \$1,587,285          | \$41,059             | \$1,628,344                    | \$1,628,344          | 100%                    |
| Design and Engineering                                  | Not Included         |                      |                                |                      |                         |
| SSTTDC Fees   | Not Included         |                      |                                |                      |                         |
| Construction Management                                 | Not Included         |                      |                                |                      |                         |
| <b>Subtotal Phase 1 - Actual Costs</b>                  | <b>\$21,224,500</b>  | <b>\$3,793,294</b>   | <b>\$25,017,794</b>            | <b>\$25,017,794</b>  | <b>100%</b>             |
| <b>Phase 1 - Anticipated Costs</b>                      |                      |                      |                                |                      |                         |
| Parcel R1 Roadways                                      | \$950,000            | \$0                  | \$950,000                      | \$950,000            | 100%                    |
| Snowbird Avenue (South)                                 | \$354,214            | \$0                  | \$354,214                      | \$712,013            | 100%                    |
| Design and Engineering                                  | Not Included         |                      |                                |                      |                         |
| SSTTDC Fees   | Not Included         |                      |                                |                      |                         |
| Construction Management                                 | Not Included         |                      |                                |                      |                         |
| <b>Subtotal Phase 1 - Anticipated Costs</b>             | <b>\$1,304,214</b>   | <b>\$0</b>           | <b>\$1,304,214</b>             | <b>\$1,662,013</b>   | <b>100%</b>             |
| <b>Total Public Infrastructure Costs</b>                | <b>\$22,528,714</b>  | <b>\$3,793,294</b>   | <b>\$26,322,008</b>            | <b>\$26,733,807</b>  | <b>100%</b>             |

|                                 |                     |
|---------------------------------|---------------------|
| <b>Total Bond Funded Costs</b>  | <b>\$9,801,208</b>  |
| <b>Total Non-Funded Costs *</b> | <b>\$16,932,599</b> |

#### **D. STATUS OF VERTICAL DEVELOPMENT**

##### *Status of Lot Sales*

As of February 27, 2015, the Developer reported that a total of 44.82 acres of property within the District have been sold to builders. Table III-3 shows the properties sold to each buyer, the acreage of the Parcel sold, the anticipated use, the closing date and the sales price of each lot sold to builders as reported by

the Developer as of February 27, 2015. As of the date of this report, the Administrator has not received a Developer's continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.

**Table III-3**  
**Property Closings with Builders**

| <b>Buyer</b>                    | <b>Acreage</b> | <b>Proposed Use</b>   | <b>Purchase and Sale Agreement Date</b> | <b>Closing Date</b> | <b>Sales Price</b>  |
|---------------------------------|----------------|---|---|---------------------|---------------------|
| Whitman Homes, Inc.             | 0.55           | Townhomes and Small Lot Single Family                           | 07/06/10                                | 09/01/10            | \$656,970           |
| IBG Highlands, LLC              | 0.55           | Townhomes   | 07/06/10                                | 09/10/10            | \$809,800           |
| Rice SouthField, LLC            | 9.39           | Nursing Home (40,000 sq. ft.) and 221 units                     | 08/02/10                                | 11/29/10            | \$2,500,000         |
| John M. Corcoran                | 6.07           | 226 multi-family rental apartments and 8,700 sf of retail space | 12/09/11                                | 04/28/11            | \$6,780,000         |
| Whitman Homes, Inc.             | 0.47           | Townhomes and Small Lot Single Family                           | 08/31/10                                | 07/15/11            | \$625,500           |
| IBG Highlands, LLC              | 0.50           | Townhomes and Garden Courts                                     | 10/17/11                                | 10/11/11            | \$762,200           |
| Whitman Homes, Inc.             | 0.34           | Townhomes   | 10/11/11                                | 11/23/11            | \$574,000           |
| Whitman Homes, Inc.             | 0.32           | Small Lot Single Family   | 01/26/12                                | 02/28/12            | \$410,444           |
| Whitman Homes, Inc.             | 0.32           | Small Lot Single Family   | 03/08/12                                | 04/11/12            | \$416,671           |
| IBG Highlands, LLC              | 0.51           | Town Homes and Garden Courts                                    | 07/06/10                                | 9/14/12             | \$858,000           |
| Whitman Homes, Inc.             | 0.77           | Townhomes   | 09/04/12                                | 10/18/12            | \$1,525,000         |
| IBG Cottages, LLC               | 0.84           | Townhomes   | 10/19/12                                | 11/18/12            | \$780,230           |
| IBG Cottages, LLC               | 0.81           | Townhomes   | 10/19/12                                | 12/11/12            | \$786,016           |
| IBG Highlands, LLC              | 0.28           | Townhomes   | 1/17/13                                 | 2/19/13             | \$640,000           |
| John M. Corcoran                | 1.85           | 72 multi-family rental apartments and 6,642 sf of retail space  | 6/20/13                                 | 6/27/13             | \$2,520,000         |
| IBG Cottages, LLC               | 0.86           | Townhomes   | N/A                                     | 8/28/13             | \$879,380           |
| IBG Highlands, LLC              | 0.61           | Townhomes   | N/A                                     | 10/8/13             | \$302,200           |
| Whitman Homes, Inc              | 0.38           | Townhomes   | N/A                                     | 11/20/13            | \$725,000           |
| Pulte Homes of New England, LLC | 19.40          | 200 condominium units   |   | 1/14/15             | \$4,500,000         |
| <b>Total</b>                    | <b>44.82</b>   |   |   |                     | <b>\$27,051,411</b> |

As of February 27, 2015, the Developer reported that an additional 47 acres is under contract for purchase and sale, though a closing date for the sales had not been established. As of the date of this report, the Administrator has not received a Developer's continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.

*Status of Vertical Construction*

According to the Limited Offering Memorandum, at full build-out, the Redevelopment Area, which will be known as SouthField, is expected to be a transit-oriented master planned community containing up to 2,855 residential units, 2,000,000 square feet of commercial space for uses such as office, medical office, retail, hotel, biopharmaceutical manufacturing, light industrial, an 18-hole golf course, a 48-acre sports complex and over 1,000 acres of open space. Table III-4 shows the anticipated number of residential units or square footage of commercial development in Phase I and future phases of the development.

**Table III-4  
Anticipated Development**

| <b>Development Type</b>            | <b>Anticipated Units</b> | <b>Anticipated Square Footage</b> |
|------------------------------------|--------------------------|-----------------------------------|
| <b>Phase I</b>                     |                          |                                   |
| <b>Residential:</b>                |                          |                                   |
| Multi-family (Rental)              | 301                      | N/A                               |
| Multi-family (For sale)            | 65                       | N/A                               |
| Townhouse                          | 197                      | N/A                               |
| Single-family                      | 147                      | N/A                               |
| Senior Housing                     | 221                      | N/A                               |
| <b>Subtotal - Residential</b>      | <b>931</b>               |                                   |
| <b>Commercial:</b>                 |                          |                                   |
| Office                             | N/A                      | TBD                               |
| Retail                             | N/A                      | TBD                               |
| <b>Subtotal - Commercial</b>       |                          | 657,000                           |
| <b>Total - Phase I development</b> | <b>931</b>               | <b>657,000</b>                    |
| <b>Future Phases</b>               |                          |                                   |
| Residential                        | 1,924                    | N/A                               |
| Commercial                         | N/A                      | 1,343,000                         |
| <b>Total – all phases</b>          | <b>2,855</b>             | <b>2,000,000</b>                  |

As of February 27, 2015, the Developer reported that 413 residential units are currently completed or under construction, consisting of 293 multi-family rental units and a mix of 115 townhouse and single-family units. According to the Developer, construction of the commercial development has not yet commenced, apart from 15,342 square feet of retail already completed. Table III-5 shows the status of vertical construction and sales, as reported by the Developer, as of February 27, 2015. As of the date of this report, the Administrator has not received a Developer’s continuing disclosure statement from the Developer since the period ending January 15, 2015. The Administrator and Issuer have made several attempts to request this information from the Developer; however, no update has been provided.

**Table III-5**  
**Status of Vertical Construction**

| <b>Builder</b>                            | <b>Anticipated Number of Units at Build-out</b> | <b>Number of Units Constructed or Under Construction</b> | <b>Status of Units</b>                                | <b>Projected Date of Completion</b> |
|---|---|--|---|-------------------------------------|
| Whitman Homes Inc.<br>(Eastern Highlands) | 26  | 26   | 26 units completed and sold                           | First occupancy<br>7/2011           |
| IBG Highlands, LLC<br>(Eastern Highlands) | 34  | 34   | 28 units complete and closed; 6 units under agreement | First occupancy<br>8/2011           |
| John M. Corcoran                          | 226   | 226  | 226 units complete; lease-up complete                 | First occupancy<br>3/2012           |
| John M. Corcoran                          | 72  | 72   | 72 units in construction                              | First occupancy<br>6/2014           |
| Whitman Homes Inc.<br>(Western Parcel)    | 24  | 24   | 12 units completed and sold; 8 units under agreement  | First occupancy<br>6/2013           |
| IBG Cottages, LLC<br>(Western Parcel)     | 31  | 31   | 17 units closed; 8 units under agreement              | First occupancy<br>8/2013           |
| <b>Total</b>                              | <b>413</b>                                      | <b>413</b>   |   |                                     |

#### **IV. TRUSTEE ACCOUNTS**

The Trustee for the Series 2010A Bonds is Wells Fargo Bank, National Association. The account balances as of January 1, 2017, investment income, additional proceeds, disbursements and account balances as of December 31, 2017 are shown by the following table.

**Table IV-1  
Fund Balances**

| <b>Account</b>              | <b>Balance<br/>01/01/17</b> | <b>Interest Paid</b> | <b>Additional<br/>Proceeds</b> | <b>Disburse-<br/>ments</b> | <b>Balance<br/>12/31/17</b> |
|-----------------------------|-----------------------------|----------------------|--------------------------------|----------------------------|-----------------------------|
| Revenue Fund                | \$10                        | \$27                 | \$1,092,733                    | \$1,091,856                | \$914                       |
| Debt Service Account        | \$0                         | \$0                  | \$1,091,856                    | \$1,091,856                | \$0                         |
| Reserve Fund                | \$250,000                   | \$914                | \$0                            | \$914                      | \$250,000                   |
| Administrative Expense Fund | \$0                         | \$0                  | \$0                            | \$0                        | \$0                         |
| Redemption Account          | \$0                         | \$285                | \$371,414                      | \$350,285                  | \$21,414                    |
| <b>Total</b>                | <b>\$250,010</b>            | <b>\$1,226</b>       | <b>\$2,556,003</b>             | <b>\$2,534,911</b>         | <b>\$272,328</b>            |

- Additional proceeds to the Revenue Fund represent Pledged Revenues and Special Assessments collected by the Authority and investment income transferred from the Reserve Fund and Redemption Account pursuant to the Indenture.
- Additional proceeds to the Debt Service Account represent transfers from the Revenue Fund for the payment of debt service.
- Additional proceeds to the Redemption Account represents excess bond proceeds transferred by the Authority for the redemption of a portion of the Series 2010A Bonds.

Bond proceeds are invested in government money market funds earning between zero and 0.62 percent per annum. Table IV-2 below shows the average rate of return on the balances in the funds and accounts as of December 31, 2017.

According to the Trust Indenture for the Series 2010A Bonds, dated August 1, 2010, investment income on the Funded Interest Account shall be transferred to the Revenue Fund. Investment earnings on the Revenue Fund will be retained in the Revenue Fund and be used for the purposes of the account. Earnings on investments in excess of the reserve requirement in the Reserve Fund will be transferred to the Revenue Fund. Investment income on the Administrative Expense Fund will remain in the fund and will be used to pay administrative expenses.

**Table IV-2  
Rate of Return**

| <b>Account</b>              | <b>Rate of<br/>Return</b> |
|-----------------------------|---------------------------|
| Revenue Fund                | 0.62%                     |
| Debt Service Account        | 0.00%                     |
| Reserve Fund                | 0.62%                     |
| Administrative Expense Fund | 0.00%                     |
| Redemption Account          | 0.00%                     |

## **V. DISTRICT OPERATIONS**

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The information provided in this section is based on the Pledged Revenue and Special Assessment calculations for 2017-2018. The information herein reflects information available as of the same date and may not contain the most updated information regarding ad valorem real property tax collections, delinquencies, changes to the assessed value of property within the District or other updates to the expected debt service on the Series 2010A Bonds as of the date of this annual continuing disclosure report.

### **A. ANNUAL PAYMENT**

The Assessments are payable each Tax Year as the Annual Installments. The Annual Installments may be reduced for pledged property taxes, capitalized interest, interest income, and other available funds. The Annual Installment as reduced for each Parcel is the Annual Payment. The Annual Payment is the actual amount of the Assessment to be collected from each Parcel each Tax Year. The Annual Installment for the 2017-2018 Tax Year is equal to \$1,502,904. The Annual Payment for the 2017-2018 Tax Year is \$436,905, which is to be collected from Undeveloped Property. An explanation of the Annual Payment to be collected from the Parcels in the District follows.

#### **Undeveloped Property**

According to the Method of Imposing and Collecting the Assessments, the Annual Payment each Tax Year for each Parcel of Undeveloped Property for which the Assessment has not been paid in full shall be an amount equal to the lesser of two amounts, defined herein as the “Annual Payment A” and the “Annual Payment B.” The Method of Imposing and Collecting the Assessments defines Undeveloped Property as Assessed Property not classified as Developed Property. (Developed Property is defined as Assessed Property either within a Development Plan or for which a building permit for vertical development has been issued, as determined each Tax Year on the Assessment Date. Developed Property is discussed further in a separate section herein.)

The calculation of the Annual Payment A and the Annual Payment B is presented below.

#### **Annual Payment A**

According to the Method of Imposing and Collecting the Assessment, the Annual Payment A per Parcel of Undeveloped Property is calculated pursuant to the following formula:

$$A = B \times C$$

Where the terms have the following meaning:

- A = the Annual Payment for a Parcel of Undeveloped Property
- B = the number of Equivalent Units of the Parcel
- C = the Annual Payment Rate for the Tax Year for which the calculation is being made

#### **Annual Payment Rate**

The Annual Payment Rate means an amount per Equivalent Unit for any Tax Year equal to the Annual Obligations for such Tax Year divided by the Equivalent Units for all Parcels as of the Assessment Date for such Tax Year.

The Annual Installment is equal to \$1,502,904. The total number of Equivalent Units for all Parcels within the District is 576.47 units. The Annual Payment Rate for each Parcel of Undeveloped Property in the District is shown in Table V-1.

**Table V-1**  
**Annual Payment Rate per Parcel**  
**2017-2018 Tax Year**

|                                      |                       |
|--------------------------------------|-----------------------|
| Total Annual Obligations             | \$1,502,904           |
| Total Equivalent Units (all Parcels) | 576.47                |
| <b>Annual Payment Rate</b>           | <b>\$2,607 per EU</b> |

The total number of Equivalent Units for the Parcels of Undeveloped Property is 244.18 units. The following Parcels will be classified as Developed for the 2017-2018 Tax Year, as explained in the “Developed Property” section of this report:

|                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| Parcel 8805970019 | Parcel 9005970076 | Parcel 9005970106 | Parcel 9005970214 | Parcel 9005970244 |
| Parcel 9005970014 | Parcel 9005970077 | Parcel 9005970107 | Parcel 9005970215 | Parcel 9005970245 |
| Parcel 9005970029 | Parcel 9005970078 | Parcel 9005970108 | Parcel 9005970216 | Parcel 9005970246 |
| Parcel 9005970030 | Parcel 9005970079 | Parcel 9005970109 | Parcel 9005970217 | Parcel 9005970247 |
| Parcel 9005970034 | Parcel 9005970080 | Parcel 9005970110 | Parcel 9005970218 | Parcel 9005970248 |
| Parcel 9005970044 | Parcel 9005970081 | Parcel 9005970111 | Parcel 9005970219 | Parcel 9005970249 |
| Parcel 9005970045 | Parcel 9005970082 | Parcel 9005970112 | Parcel 9005970220 | Parcel 9005970250 |
| Parcel 9005970046 | Parcel 9005970083 | Parcel 9005970113 | Parcel 9005970221 | Parcel 9005970251 |
| Parcel 9005970047 | Parcel 9005970084 | Parcel 9005970114 | Parcel 9005970222 | Parcel 9005970252 |
| Parcel 9005970048 | Parcel 9005970085 | Parcel 9005970115 | Parcel 9005970223 | Parcel 9005970253 |
| Parcel 9005970050 | Parcel 9005970086 | Parcel 9005970116 | Parcel 9005970224 | Parcel 9005970254 |
| Parcel 9005970051 | Parcel 9005970087 | Parcel 9005970117 | Parcel 9005970225 | Parcel 9005970255 |
| Parcel 9005970054 | Parcel 9005970088 | Parcel 9005970118 | Parcel 9005970226 | Parcel 9005970256 |
| Parcel 9005970055 | Parcel 9005970089 | Parcel 9005970119 | Parcel 9005970227 | Parcel 9005970257 |
| Parcel 9005970056 | Parcel 9005970090 | Parcel 9005970120 | Parcel 9005970228 | Parcel 9005970258 |
| Parcel 9005970057 | Parcel 9005970091 | Parcel 9005970121 | Parcel 9005970229 | Parcel 9005970259 |
| Parcel 9005970058 | Parcel 9005970092 | Parcel 9005970122 | Parcel 9005970230 | Parcel 9005970260 |
| Parcel 9005970059 | Parcel 9005970093 | Parcel 9005970123 | Parcel 9005970231 | Parcel 9005970261 |
| Parcel 9005970060 | Parcel 9005970094 | Parcel 9005970124 | Parcel 9005970232 | Parcel 9005970262 |
| Parcel 9005970061 | Parcel 9005970095 | Parcel 9005970203 | Parcel 9005970233 | Parcel 9105980012 |
| Parcel 9005970062 | Parcel 9005970096 | Parcel 9005970204 | Parcel 9005970234 | Parcel 9205970038 |
| Parcel 9005970063 | Parcel 9005970097 | Parcel 9005970205 | Parcel 9005970235 | Parcel 586522     |
| Parcel 9005970064 | Parcel 9005970098 | Parcel 9005970206 | Parcel 9005970236 | Parcel 586523     |
| Parcel 9005970065 | Parcel 9005970099 | Parcel 9005970207 | Parcel 9005970237 | Parcel 586524     |
| Parcel 9005970066 | Parcel 9005970100 | Parcel 9005970208 | Parcel 9005970238 | Parcel 586525     |
| Parcel 9005970067 | Parcel 9005970101 | Parcel 9005970209 | Parcel 9005970239 | Parcel 586526     |
| Parcel 9005970068 | Parcel 9005970102 | Parcel 9005970210 | Parcel 9005970240 | Parcel 9808000006 |
| Parcel 9005970069 | Parcel 9005970103 | Parcel 9005970211 | Parcel 9005970241 | Parcel 5865210    |
| Parcel 9005970070 | Parcel 9005970104 | Parcel 9005970212 | Parcel 9005970242 | Parcel 5865211    |
| Parcel 9005970075 | Parcel 9005970105 | Parcel 9005970213 | Parcel 9005970243 | Parcel 5865212    |
| Parcel 5865213    | Parcel 5865214    | Parcel 5865215    | Parcel 5865216    | Parcel 5865217    |
| Parcel 5865218    | Parcel 5865219    | Parcel 5865220    |                   |                   |

Annual Payment A per Parcel of Undeveloped Property

Pursuant to the Method of Imposing and Collecting the Assessments, the Annual Payment A for each Parcel of Undeveloped Property is equal to the number of Equivalent Units of the Parcels multiplied by the Annual Payment Rate for the 2017-2018 Tax Year as shown above. Table V-2 shows the Annual Payment A for each Parcel of Undeveloped Property in the 2017-2018 Tax Year.

**Table V-2**  
**Annual Payment A**  
**Undeveloped Property**  
**2017-2018 Tax Year**

| Assessed Parcels | Equivalent Units | Annual Payment Rate per EU | Annual Payment A per Parcel |
|------------------|------------------|----------------------------|-----------------------------|
| 89-597-011       | 56.78            | \$2,607                    | \$148,037                   |
| 89-597-022       | 21.29            | \$2,607                    | \$55,514                    |
| 89-597-023       | 21.29            | \$2,607                    | \$55,514                    |
| 89-597-024       | 49.61            | \$2,607                    | \$129,347                   |
| 90-597-014       | 34.56            | \$2,607                    | \$90,101                    |
| 90-597-015       | 23.85            | \$2,607                    | \$62,175                    |
| 586521           | 1.00             | \$2,607                    | \$2,607                     |
| 586527           | 1.00             | \$2,607                    | \$2,607                     |
| 586528           | 1.00             | \$2,607                    | \$2,607                     |
| 586529           | 1.00             | \$2,607                    | \$2,607                     |
| 5865219          | 1.00             | \$2,607                    | \$2,607                     |
| 5865220          | 1.00             | \$2,607                    | \$2,607                     |
| 5865221          | 1.00             | \$2,607                    | \$2,607                     |
| 5865222          | 1.00             | \$2,607                    | \$2,607                     |
| 5865223          | 1.00             | \$2,607                    | \$2,607                     |
| 5865224          | 1.00             | \$2,607                    | \$2,607                     |
| 5865225          | 1.00             | \$2,607                    | \$2,607                     |
| 5865226          | 1.00             | \$2,607                    | \$2,607                     |
| 5865227          | 1.00             | \$2,607                    | \$2,607                     |
| 5865228          | 1.00             | \$2,607                    | \$2,607                     |
| 5865229          | 1.00             | \$2,607                    | \$2,607                     |
| 58597111         | 1.00             | \$2,607                    | \$2,607                     |
| 58597122         | 1.00             | \$2,607                    | \$2,607                     |
| 58597263         | 1.00             | \$2,607                    | \$2,607                     |
| 58597264         | 1.00             | \$2,607                    | \$2,607                     |
| 90-597-034       | 17.79            | \$2,607                    | \$46,380                    |
| <b>Total</b>     | <b>244.18</b>    | <b>\$67,784</b>            | <b>\$636,603</b>            |

**Annual Payment B**

According to the Method of Imposing and Collecting the Assessment, the Annual Payment B per Parcel of Undeveloped Property is calculated pursuant to the following formula:

$$A = B \div C \times D$$

Where the terms have the following meaning:

- A = the Annual Payment for a Parcel of Undeveloped Property;
- B = the Annual Revenue Requirement for the Tax Year;
- C = the number of Equivalent Units for all Parcels of Undeveloped Property; and
- D = the number of Equivalent Units of the Parcel.

### Annual Revenue Requirement

According to the Method of Imposing and Collecting the Assessments, the Annual Revenue Requirement means, for any Tax Year, (a) Annual Obligations, less (b) the sum of the following: (1) estimated Pledged Property Tax Revenues that may be applied to the payment of Annual Obligations for such Tax Year and (2) any funds available pursuant to the Indenture to apply to Annual Obligations, such as capitalized interest and interest earnings or principal from any account balances.

A summary of the Annual Revenue Requirement for the 2017-2018 Tax Year is provided in Table V-3.

**Table V-3**  
**Annual Revenue Requirement**  
**2017-2018 Tax Year**

|   |                  |
|---|------------------|
| Annual Obligations:                                 |                  |
| Debt Service  |                  |
| Interest payment on August 1, 2018                  | \$461,125        |
| Principal payment on August 1, 2018                 | \$100,000        |
| Interest payment on February 1, 2019                | \$457,250        |
| Principal payment on February 1, 2019               | \$100,000        |
| Total debt service                                  | \$1,118,375      |
| Administrative expenses                             | \$25,000         |
| Contingency   | \$10,065         |
| <i>Sub-total Annual Obligations</i>                 | \$1,153,440      |
| Estimated Pledged Taxes:                            |                  |
| Town of Weymouth Residential Property Pledged Taxes | (\$458,203)      |
| Town of Weymouth Commercial Property Pledged Taxes  | (\$248,673)      |
| Town of Rockland Residential Property Pledged Taxes | (\$1,152)        |
| Town of Rockland Commercial Property Pledged Taxes  | (\$6,494)        |
| Town of Abington Commercial Property Pledged Taxes  | (\$2,014)        |
| Total pledged taxes                                 | (\$716,535)      |
| <b>Annual Revenue Requirement for 2017-2018</b>     | <b>\$436,905</b> |

### *Annual Obligations*

According to the Method of Imposing and Collecting the Assessments, Annual Obligations mean, for any Tax Year, (a) the sum of the following: (1) regularly scheduled debt service on the Bonds; (2) periodic costs associated with the Bonds, including but not limited to rebate payments and credit enhancement on the Bonds; (3) Administrative Expenses for the current Tax Year and any unpaid Administrative Expenses for any prior Tax Year; and (4) any contingencies for the calculation of the Annual Obligations estimated by the Administrator and approved by the Corporation.

### *Debt Service*

Debt service includes interest and principal on the Series 2010A Bonds payable on August 1, 2018 and February 1, 2019. The interest rate on the Series 2010A Bonds is 7.75 percent. Total debt service on the Series 2010A Bonds for the periods contemplated is equal to \$1,118,375.

### *Administrative Expenses*

Administrative expenses include the fees of the Administrator, the Trustee and the SRA in carrying out their duties related to the Bonds and all other costs and expenses of levying, collecting and enforcing Assessments and complying with arbitrage rebate requirements and disclosure requirements associated with applicable federal and state securities law, including fees of any professionals retained by the SRA to provide these services, legal expenses associated with those duties and any expenses directly related to the Bonds, including contingencies and reserves for administrative expenses.

Administrative expenses in the amount of \$25,000 are estimated for Tax Year 2017-2018.

### Contingency

For the 2017-2018 Tax Year, a contingency of approximately \$10,065 has been included.

### *Estimated Pledged Property Taxes*

According to the Trust Indenture for the Series 2010A Bonds, “Pledged Property Taxes” shall mean:

an amount of property taxes equal to the lesser of (i) twenty-five percent of the total amount of property taxes levied, assessed and collected in such fiscal year upon all taxable property within the FOST 1 Parcel and the FOST 2 Parcel, and (ii) the Debt Service Requirement (as defined in the Trust Indenture) for such fiscal year with respect to the bonds outstanding. Upon each issuance of a certificate of occupancy for one or more Development Units (as defined in the DDA) within the FOST 1 Parcel or the FOST 2 Parcel, the Issuer shall increase the allocation for the payment of the Debt Service Requirement for the bonds outstanding to the lesser of (x) thirty-five percent of the total amount of property taxes levied, assessed and collected in such fiscal year related to the completed units within the FOST 1 Parcel or the FOST 2 Parcel, or (y) such Debt Service Requirement.

The Issuer reports that the amounts shown in Table V-4 were invoiced to the Towns based on calculated pledged revenue.

**Table V-4**  
**Estimated Pledged Property Taxes**  
**2017-2018 Tax Year**

|                                  | Assessed<br>Value | Certificate<br>of<br>Occupancy | Mill<br>Rate | Total<br>Revenues | %<br>Pledged. | Pledged<br>Revenues |
|----------------------------------|-------------------|--------------------------------|--------------|-------------------|---------------|---------------------|
| <b><u>Weymouth</u></b>           |                   |                                |              |                   |               |                     |
| Commercial                       | \$50,568,894      | N                              | \$19.67      | \$994,690         | 25%           | \$248,673           |
| Residential                      | \$33,361,700      | N                              | \$12.50      | \$417,021         | 25%           | \$104,255           |
| Residential                      | \$80,902,376      | Y                              | \$12.50      | \$1,011,280       | 35%           | \$353,948           |
| Sub-total Weymouth               | \$164,832,970     |                                |              | \$2,422,991       |               | \$706,876           |
| <b><u>Rockland</u></b>           |                   |                                |              |                   |               |                     |
| Commercial                       | \$1,406,600       | N                              | \$18.22      | \$25,628          | 25%           | \$6,407             |
| Commercial                       | \$13,700          | Y                              | \$18.22      | \$250             | 35%           | \$87                |
| Residential                      | \$252,800         | N                              | \$18.22      | \$4,606           | 25%           | \$1,152             |
| Sub-total Rockland               | \$1,673,100       |                                |              | \$30,484          |               | \$7,646             |
| <b><u>Abington</u></b>           |                   |                                |              |                   |               |                     |
| Commercial                       | \$452,000         | N                              | \$17.82      | \$8,055           | 25%           | \$2,014             |
| Residential                      | \$0               | N                              | \$17.82      | \$0               | 25%           | \$0                 |
| Sub-total Abington               | \$452,000         |                                |              | \$8,055           |               | \$2,014             |
| <b><u>Total -- All Towns</u></b> |                   |                                |              |                   |               |                     |
| Commercial                       | \$52,427,494      | N                              |              | \$1,028,373       | 25%           | \$257,093           |
| Commercial                       | \$13,700          | Y                              |              | \$250             | 35%           | \$87                |
| Residential                      | \$33,614,500      | N                              |              | \$421,627         | 25%           | \$105,407           |
| Residential                      | \$80,902,376      | Y                              |              | \$1,011,280       | 35%           | \$353,948           |
| Total                            | \$166,958,070     |                                |              | \$2,461,530       |               | \$716,535           |

*Residential Property Pledged Property Taxes*

As shown in Table V-4, the residential real property tax rate for the 2017-2018 Tax Year is different for each Town. The percent of real property taxes from Parcels on which a certificate of occupancy has been issued is equal to 35 percent. The percent of real property taxes from Parcels on which a certificate of occupancy has not been issued is equal to 25 percent. As a result, the estimated Pledged Property Taxes from residential property is \$459,355.

*Commercial Property with Certificates of Occupancy Pledged Property Taxes*

As shown in Table V-4, the residential real property tax rate for the 2017-2018 Tax Year is different for each Town. The percent of real property taxes from Parcels on which a certificate of occupancy has been issued is equal to 35 percent. The percent of real property taxes from Parcels on which a certificate of

occupancy has not been issued is equal to 25 percent. As a result, the estimated Pledged Property Taxes from residential property is \$257,180.

Estimated Reserve Fund Investment Income

For Tax Year 2017-2018, the Administrator did not assume any reserve fund investment income in the calculation of the Annual Revenue Requirement.

Surplus from Prior Year

For Tax Year 2017-2018, the Administrator did not assume any prior year surplus in the calculation of the Annual Revenue Requirement.

Annual Payment B - Summary

In accordance with the Method of Imposing and Collecting the Assessments, the Annual Payment B is calculated as follows:

$$A = B \div C \times D$$

Where the terms have the following meaning:

- A = the Annual Payment for a Parcel of Undeveloped Property;
- B = the Annual Revenue Requirement for the Tax Year;
- C = the number of Equivalent Units for all Parcels of Undeveloped Property; and
- D = the number of Equivalent Units of the Parcel.

As shown in Table V-3, the Annual Revenue Requirement is equal to \$436,905 for the 2017-2018 Tax Year. The number of Equivalent Units for all Parcels of Undeveloped Property is equal to 244.18 units. Accordingly, the Annual Revenue Requirement divided by the Equivalent Units for all Parcels of Undeveloped Property is equal to \$1,789 (\$436,905 ÷ 253.18 units = \$1,789 per unit). Table V-7 on the following page shows the Annual Payment B for a Parcel of Undeveloped Property in the District as calculated by the above formula.

**Table V-7**  
**Annual Payment B**  
**Undeveloped Property**  
**2017-2018 Tax Year**

| <b>Assessed Parcels</b> | <b>Equivalent Units</b> | <b>Annual Payment B<br/>Rate per EU</b> | <b>Annual Payment B<br/>per Parcel</b> |
|-------------------------|-------------------------|---|--|
| 89-597-011              | 56.78                   | \$1,789                                 | \$101,599                              |
| 89-597-022              | 21.29                   | \$1,789                                 | \$38,100                               |
| 89-597-023              | 21.29                   | \$1,789                                 | \$38,100                               |
| 89-597-024              | 49.61                   | \$1,789                                 | \$88,772                               |
| 90-597-014              | 34.56                   | \$1,789                                 | \$61,837                               |
| 90-597-015              | 23.85                   | \$1,789                                 | \$42,671                               |
| 586521                  | 1.00                    | \$1,789                                 | \$1,789                                |
| 586527                  | 1.00                    | \$1,789                                 | \$1,789                                |
| 586528                  | 1.00                    | \$1,789                                 | \$1,789                                |
| 586529                  | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865219                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865220                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865221                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865222                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865223                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865224                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865225                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865226                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865227                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865228                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 5865229                 | 1.00                    | \$1,789                                 | \$1,789                                |
| 58597111                | 1.00                    | \$1,789                                 | \$1,789                                |
| 58597122                | 1.00                    | \$1,789                                 | \$1,789                                |
| 58597263                | 1.00                    | \$1,789                                 | \$1,789                                |
| 58597264                | 1.00                    | \$1,789                                 | \$1,789                                |
| 90-597-034              | 17.79                   | \$1,789                                 | \$31,831                               |
| <b>Total</b>            | <b>244.18</b>           |   | <b>\$436,905</b>                       |

**Annual Payment for Undeveloped Property - Summary**

As stated, the Annual Payment per Parcel is equal to the lesser of the Annual Payment A per Parcel as shown in Table V-2 or the Annual Payment B per Parcel as shown in Table V-7. As shown in Table V-8 on the following page, the Annual Payment B per Parcel is less than the Annual Payment A per Parcel. Accordingly, the aggregate amount of Annual Payment to be collected on the Parcels of Undeveloped Property in the 2017-2018 Tax Year is equal to \$436,905

**Table V-8**  
**Annual Payment**  
**Undeveloped Property**  
**2017-2018 Tax Year**

| <b>Assessed Parcels</b> | <b>Annual Payment A</b> | <b>Annual Payment B</b> | <b>Annual Payment</b> |
|-------------------------|-------------------------|-------------------------|-----------------------|
| 89-597-011              | \$148,037               | \$101,599               | \$101,599             |
| 89-597-022              | \$55,514                | \$38,100                | \$38,100              |
| 89-597-023              | \$55,514                | \$38,100                | \$38,100              |
| 89-597-024              | \$129,347               | \$88,772                | \$88,772              |
| 90-597-014              | \$90,101                | \$61,837                | \$61,837              |
| 90-597-015              | \$62,175                | \$42,671                | \$42,671              |
| 586521                  | \$2,607                 | \$1,789                 | \$1,789               |
| 586527                  | \$2,607                 | \$1,789                 | \$1,789               |
| 586528                  | \$2,607                 | \$1,789                 | \$1,789               |
| 586529                  | \$2,607                 | \$1,789                 | \$1,789               |
| 5865219                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865220                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865221                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865222                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865223                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865224                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865225                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865226                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865227                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865228                 | \$2,607                 | \$1,789                 | \$1,789               |
| 5865229                 | \$2,607                 | \$1,789                 | \$1,789               |
| 58597111                | \$2,607                 | \$1,789                 | \$1,789               |
| 58597122                | \$2,607                 | \$1,789                 | \$1,789               |
| 58597263                | \$2,607                 | \$1,789                 | \$1,789               |
| 58597264                | \$2,607                 | \$1,789                 | \$1,789               |
| 90-597-034              | \$46,380                | \$31,831                | \$31,831              |
| <b>Total</b>            | <b>\$636,603</b>        | <b>\$436,905</b>        | <b>\$436,905</b>      |

**Developed Property**

According to the Method of Imposing and Collecting the Assessments, Developed Property means Assessed Property either within a Development Plan or for which a building permit for vertical development has been issued, as determined each Tax Year on the Assessment Date.

For each Tax Year, the Annual Payment for each Parcel of Developed Property for which the Assessment has not been paid in full shall be an amount calculated pursuant to the following formula:

$$A = B \div C \times D$$

Where the terms have the following meaning:

- A = the Annual Payment for a Parcel of Developed Property;
- B = the Annual Revenue Requirement for such Tax Year less the Annual Payment to be collected from all Parcels of Undeveloped Property;
- C = the number of Equivalent Units for all Parcels of Developed Property; and
- D = the number of Equivalent Units of the Parcel.

As shown above, the Annual Revenue Requirement is equal to \$436,905 for the 2017-2018 Tax Year. The Annual Payment to be collected from all Parcels of Undeveloped Property is equal to \$436,905. As a result, the Annual Payment for Parcels of Developed Property is equal to zero (\$436,905 – \$436,905 = \$0).

As of December 31, 2017, the Issuer reports that 156 certificates of occupancy were issued for taxable Parcels within the District. As a result, 156 Parcels will be classified as Developed for Tax Year 2017-2018.

As noted, the total Annual Payment to be collected from all Parcels of Developed Property in the 2017-2018 Tax Year is zero; therefore, the Annual Payment to be collected from any Parcel of Developed Property is also equal to zero.

**REALLOCATION OF THE ASSESSMENTS**

According to the Method of Imposing and Collecting the Assessments, upon the subdivision of a Parcel, the Assessment for the Parcel prior to the subdivision shall be allocated to each new Parcel. The reallocation of the Assessment shall be made pursuant to the following formula:

$$A = B \times (C \div D)$$

Where the terms have the following meaning:

- A = the Assessment of the new Parcel;
- B = the Assessment of the Parcel or Parcels prior to the subdivision;
- C = the Equivalent Units of the new Parcel; and
- D = the sum of the Equivalent Units for all new Parcels that result from the subdivision.

In all cases, the sum of the Assessments after the reallocation of Assessments shall equal the total of the Assessments prior to such reallocation of Assessments.

According to the Method of Imposing and Collecting the Assessments, Equivalent Units means, for Class 1 Property, Class 2 Property, Class 3 Property and Class 4 Property, the number of units, and for Class 5 Property, the Building Square Footage in 1,000s of square feet, multiplied by the Equivalent Unit factors shown in Table V-9.

**Table V-9  
Equivalent Unit Factors**

| Classification | Development Type   | Equivalent Unit Factor |
|----------------|--|------------------------|
| Class 1        | Multi-family attached  | 0.25 per unit          |
| Class 2        | Income-restricted residential                                  | 0.09 per unit          |
| Class 3        | Single family or townhouse up to 5,000 square feet of lot area | 1.00 per unit          |
| Class 4        | Single family more than 5,000 square feet of lot area          | 1.39 per unit          |
| Class 5        | Commercial property  | 0.28 per 1,000 SF      |

The computation of the Equivalent Units for each Parcel shall be based on the expected development, which may be measured by actual development, development plans, the legal maximum development allowed, the acreage of a Parcel and reasonable density ratios, or other reasonable methods, as calculated by the Administrator and approved by the SRA, based on the information available regarding the use of the Parcel and such computation as confirmed shall be conclusive as long as there is a reasonable basis for such determination.

According to the Issuer, as of December 31, 2017, no Parcels were subdivided in 2017.

### **Finalizing the Tax Roll Following Final Approval**

At the time the Assessments were calculated, the Tax Roll for the 2017-2018 Tax Year was subject to final approval by the Board of Assessors and the Department of Revenue. The reallocation of the Assessments shall not be considered final until final approval of the Parcels has been obtained by the Board of Assessors and the Department of Revenue.

### **OTHER UPDATES TO THE TAX ROLL**

#### **Changes in Tax Parcel Numbers**

According to the Issuer, there have been no tax Parcel number changes within the District for the 2017-2018 Tax Year.

#### **Prepaid Assessments**

As of this writing, the Issuer reports that there have been no prepayments of the Assessment on any Parcels, either Optional or Mandatory, within the District.

#### **Summary – Annual Payment**

The Annual Obligations for the 2017-2018 Tax Year are expected to exceed the estimated Pledged Property Tax Revenues and other funds available pursuant to the Indenture. As a result, the Annual Revenue Requirement is \$436,905.

### **B. DELINQUENT ASSESSMENTS AND REAL PROPERTY TAXES**

The Annual Payment for Tax Year 2016-2017 in the amount of \$511,819 and real property taxes in the amount of \$588,181 were levied, for a total invoice amount of \$1,100,000. As further described in Section VI(D), as of February 21, 2018, the Issuer reported that real property taxes in the amount of \$4,595 on five Parcels remains outstanding for Tax Year 2016-2017. As of the date of this report, the Administrator has requested an update on the collection of the Annual Payment in the amount of \$511,819 for Tax Year 2016-2017 from the Issuer; however, this information is not yet available.

### **C. COLLECTION EFFORTS**

There are no collection efforts underway at this time.

## ***VI. DISTRICT FINANCIAL INFORMATION***

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The information provided in this section is intended to meet the requirements for the annual report as provided for in Section 4 of the Continuing Disclosure Agreement. The items listed below are in the same order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

All information in this section is provided as of December 31, 2017, unless otherwise stated.

### **A. ISSUER FINANCIAL STATEMENTS**

Pursuant to Section 4(i) of the Continuing Disclosure Agreement, dated as of August 1, 2010, the audited annual financial statements for the Issuer for the period ending June 30, 2017 will be provided under separate cover. As of the date of this report, the Administrator has requested the audited financial statements from the Issuer for the period ending June 30, 2017; however, the financial statements are not yet available. Once the audited financial statements for the period ending June 30, 2017 have been provided by the Issuer, they will be provided under a separate cover.

### **B. FUND BALANCES**

The fund balances as provided for in the Indenture of Trust are included in Table IV-1 of Section IV, "Trustee Accounts," of this report.

### **C. ASSESSED VALUATION**

According to the Issuer, the aggregate assessed value of the property in the District for Tax Year 2017-2018 is equal to \$166,958,070. Table VI-1 on the following page shows the land value, improvement value, other value and total assessed value of Parcels subject to Assessments for Tax Year 2017-2018.

**Table VI-1**  
**2017-2018 Assessed Value**  
**Assessed Parcels**

| <b>Assessed<br/>Parcels</b> | <b>Developed/Undeveloped</b> | <b>Land Value</b>   | <b>Improvement<br/>Value</b> | <b>Other</b>    | <b>Total<br/>Assessed<br/>Value</b> |
|-----------------------------|------------------------------|---------------------|------------------------------|-----------------|-------------------------------------|
| 597-11                      | Undeveloped                  | \$9,153,100         | \$2,245,200                  | \$44,000        | \$11,442,300                        |
| 597-22                      | Undeveloped                  | \$516,700           | \$0                          | \$0             | \$516,700                           |
| 597-23                      | Undeveloped                  | \$972,200           | \$0                          | \$0             | \$972,200                           |
| 597-24                      | Undeveloped                  | \$996,400           | \$0                          | \$0             | \$996,400                           |
| 597-14                      | Undeveloped                  | \$9,600             | \$0                          | \$0             | \$9,600                             |
| 597-15                      | Undeveloped                  | \$1,098,600         | \$0                          | \$0             | \$1,098,600                         |
| 652-19                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-20                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-21                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-22                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-23                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-24                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-25                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-26                      | Undeveloped                  | \$135,800           | \$0                          | \$0             | \$135,800                           |
| 652-27                      | Undeveloped                  | \$4,700             | \$0                          | \$0             | \$4,700                             |
| 652-28                      | Undeveloped                  | \$16,400            | \$0                          | \$0             | \$16,400                            |
| 652-29                      | Undeveloped                  | \$4,600             | \$0                          | \$0             | \$4,600                             |
| 597-111                     | Undeveloped                  | \$1,100             | \$0                          | \$0             | \$1,100                             |
| 597-122                     | Undeveloped                  | \$400               | \$0                          | \$0             | \$400                               |
| 597-263                     | Undeveloped                  | \$2,300             | \$0                          | \$0             | \$2,300                             |
| 597-264                     | Undeveloped                  | \$5,000             | \$0                          | \$0             | \$5,000                             |
| 597-34                      | Undeveloped                  | \$19,900            | \$0                          | \$0             | \$19,900                            |
| <b>Total</b>                |                              | <b>\$13,887,400</b> | <b>\$2,245,200</b>           | <b>\$44,000</b> | <b>\$16,176,600</b>                 |

**D. PAYMENT OF REAL PROPERTY TAXES**

As of February 21, 2018, the Issuer provided an update on the delinquent property taxes by Parcel for the Town of Weymouth, the Town of Abington and the Town of Rockland. According to the Issuer, there were no delinquent property taxes for Parcels located within the Town of Weymouth for Tax Year 2016-2017. However, the Issuer reported that there were delinquencies in the amount of \$28.28 for the Town of Abington and delinquencies in the amount of \$4,566.45 for the Town of Rockland for Tax Year 2016-2017. Table VI-2 on the following page provides a summary of delinquencies by Parcel for each town.

**Table VI-2**  
**Delinquent Pledged Revenues**  
**Tax Year 2016-2017**

| Parcel                                     | Amount Delinquent<br>(8/1/2017) | Amount Delinquent<br>(11/1/2017) | Total Delinquent<br>Amount |
|--|---------------------------------|----------------------------------|----------------------------|
| <b><u>Abington</u></b>                     |                                 |                                  |                            |
| 65-123C                                    | \$0.04                          | \$1.47                           | \$1.51                     |
| 69-008E                                    | \$0.56                          | \$20.65                          | \$21.21                    |
| 69-008F                                    | \$0.15                          | \$5.41                           | \$5.56                     |
| <i>Sub-total of Abington delinquencies</i> | \$0.75                          | \$27.53                          | \$28.28                    |
| <b><u>Rockland</u></b>                     |                                 |                                  |                            |
| 27-802-0                                   | \$200.80                        | \$3,019.82                       | \$3,220.62                 |
| 27-809-0                                   | \$92.94                         | \$1,252.89                       | \$1,345.83                 |
| <i>Sub-total of Rockland delinquencies</i> | \$293.74                        | \$4,272.71                       | \$4,566.45                 |
| <b>Total</b>                               | <b>\$294.49</b>                 | <b>\$4,300.24</b>                | <b>\$4,594.73</b>          |

**E. CERTIFICATES OF OCCUPANCY**

Table VI-3 below provides a summary of the certificate of occupancies issued in 2016 and 2017 as reported by the Issuer as of December 19, 2017.

**Table VI-3**  
**Certificates of Occupancy**

| Fiscal Year  | Number of<br>Certificates of<br>Occupancy Issued |
|--------------|--|
| 2016         | 19   |
| 2017         | 56   |
| <b>Total</b> | <b>75</b>  |

**F. PRINCIPAL DISTRICT TAXPAYERS**

Table VI-4 below provides a summary listing of the property owners responsible for more than five percent of the annual Pledged Revenues.

**Table VI-4**  
**Principal District Taxpayers**

| Owner                  | Percent of Pledge<br>Revenues |
|------------------------|-------------------------------|
| LSTAR Southfield LLC   | 46%                           |
| Southfield Commons LLC | 25%                           |
| Individual Homeowners  | 24%                           |
| IBG Highlands LLC      | 2%                            |
| Dorset Park LLC        | 4%                            |
| <b>Total</b>           | <b>100%</b>                   |

## G. BUILDING PERMITS

Table VI-5 provides a summary of the building permits issued in 2016 and 2017 as reported by the Issuer as of December 19, 2017.

**Table VI-5**  
**Building Permits**

| <b>Fiscal Year</b> | <b>Number of<br/>Building Permits<br/>Issued</b> |
|--------------------|--|
| 2016               | 40   |
| 2017               | 37   |
| <b>Total</b>       | <b>77</b>  |

## H. ESTIMATED PLEDGED REVENUES ON DEVELOPED AND UNDEVELOPED PROPERTY

Table VI-6 on the following page shows the estimated amount of Pledged Revenues expected to be made available to pay debt service from the ad valorem real property taxes collected in fiscal year 2016-2017. According to the Trust Indenture for the Series 2010A Bonds, Pledged Revenues are equal to the lesser of (i) twenty-five percent (25%) of the total amount of property taxes levied, assessed and collected in such fiscal year upon all taxable property within the FOST 1 Parcel and the FOST 2 Parcel, and (ii) the debt service requirement for such fiscal year with respect to the bonds outstanding under the indenture. Upon each issuance of a certificate of occupancy for one or more development units within the FOST 1 Parcel and the FOST 2 Parcel, the Issuer shall increase the allocation for the payment of the debt service requirement for the bonds outstanding under the indenture with respect to such completed units to the lesser of (x) thirty-five percent (35%) of the total amount of property taxes levied, assessed and collected in such fiscal year related to such completed units, or (y) such debt service.

**Table VI-6**  
**Estimated Aggregate Pledged Revenues**  
**Fiscal Year 2017-2018**

|                                  | Assessed<br>Value    | Total<br>Revenues  | Pledged<br>Revenues | Percent of<br>Pledged<br>Revenues |
|----------------------------------|----------------------|--------------------|---------------------|-----------------------------------|
| <b><u>Weymouth</u></b>           |                      |                    |                     |                                   |
| Commercial                       | \$50,568,894         | \$994,690          | \$248,673           | 35%                               |
| Residential                      | \$114,264,076        | \$1,428,301        | \$458,203           | 65%                               |
| Sub-total Weymouth               | \$164,832,970        | \$2,422,991        | \$706,876           |                                   |
| <b><u>Rockland</u></b>           |                      |                    |                     |                                   |
| Commercial                       | \$1,420,300          | \$25,878           | \$6,494             | 85%                               |
| Residential                      | \$252,800            | \$4,606            | \$1,152             | 15%                               |
| Sub-total Rockland               | \$1,673,100          | \$30,484           | \$7,646             |                                   |
| <b><u>Abington</u></b>           |                      |                    |                     |                                   |
| Commercial                       | \$452,000            | \$8,055            | \$2,014             | 100%                              |
| Residential                      | \$0                  | \$0                | \$0                 | 0%                                |
| Sub-total Abington               | \$452,000            | \$8,055            | \$2,014             |                                   |
| <b><u>Total -- All Towns</u></b> |                      |                    |                     |                                   |
| Commercial                       | \$52,441,194         | \$1,028,623        | \$257,181           | 36%                               |
| Residential                      | \$114,516,876        | \$1,432,907        | \$459,355           | 64%                               |
| <b>Total</b>                     | <b>\$166,958,070</b> | <b>\$2,461,530</b> | <b>\$716,535</b>    | <b>100%</b>                       |

## ***SIGNIFICANT EVENTS***

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### **A. DEVELOPER'S SIGNIFICANT EVENTS**

Pursuant to the provisions of Section 5 of the Developer's Continuing Disclosure Agreement, the Property Owner shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material. Such notice shall be given within 30 days of the date the Property Owners obtains actual knowledge of the occurrence of any such event:

- (i) bankruptcy or insolvency proceedings commenced by or against the Property Owner or LNR Property Corporation that would materially adversely affect the Property Owner's ability to complete the Development Plan or to pay and Pledged Revenues levied against the Property;
- (ii) failure to pay any taxes or assessments (including the Pledged Revenues) due with respect to the Property;
- (iii) filing of a lawsuit against the Property Owner or LNR Property Corporation seeking damages, or a judgment in a lawsuit against the Property Owner or LNR Property Corporation, which, if successful, would materially adversely affect the Property Owner's ability to pay the Pledged Revenues or to sell or develop the Property;
- (iv) any conveyance by the Property Owner of any Property to an entity that is not an Affiliate of such Property Owner, the result of which conveyance is to cause the transferee to become a Major Owner;
- (v) any previously undisclosed significant amendments to land use entitlements for the Property;
- (vi) any previously undisclosed governmentally-imposed preconditions to commencement or continuation of development on the Property; and
- (vii) any previously undisclosed legislative, administrative or judicial challenges to the development of the Property.

Inquiries have been made to the Developer regarding the occurrence of any significant events. As of this writing, this information is not yet available and will be provided in a supplemental disclosure.

### **B. LISTED EVENTS**

Pursuant to the provisions of Section 5 of the Issuer's Continuing Disclosure Agreement, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) modifications to rights of Bondowners;
- (iv) optional, contingent or unscheduled bond calls;

- (v) defeasances;
- (vi) rating changes;
- (vii) adverse tax opinions or events adversely affecting the tax-exempt status of the Bonds;
- (viii) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (ix) unscheduled draws on credit enhancements reflecting financial difficulties;
- (x) substitution of credit or liquidity providers, or their failure to perform;
- (xi) release, substitution or sale of property securing repayment of the Bonds;

The Administrator does not have knowledge of any listed event as of the date of this report.