

MINUTES OF MEETING

OSCEOLA CHAIN OF LAKES COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Osceola Chain of Lakes Community Development District was held Wednesday, February 14, 2018, at 1:30 p.m. at the District office, 313 Campus Street, Celebration, FL 34747

Present and constituting a quorum were:

Chris Tyree
Ryan Kahn
Nihit Patel

Chairman
Vice Chairman
Assistant Secretary

Also present were:

Gary Moyer
Sarah Sandy
Nicole Stalder
Cynthia Wilhelm (*by phone*)
Members of the public

Manager: Moyer Management Group
Attorney: Hopping Green & Sams
Engineer: Dewberry
Bond Counsel: Nabors, Giblin & Nickerson

FIRST ORDER OF BUSINESS

Call to Order

Mr. Moyer called the meeting to order at 1:30 p.m.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll and stated a quorum was present for the meeting.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the January 3, 2018, Regular Meeting

Mr. Moyer reviewed the minutes, which are included in the agenda package and are available for public review in the District Office during normal business hours or on the website, and requested additions, corrections, or deletions.

Ms. Sandy stated I previously reviewed the minutes and provided comments to Ms. Brenda Burgess that were incorporated into the version included in the agenda package.

<p>On MOTION by Mr. Tyree, seconded by Mr. Kahn, with all in favor, unanimous approval was given to the minutes, as presented.</p>
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FIFTH ORDER OF BUSINESS

**Matters Relating to the Issuance of the Series
2018 Bonds**

A. Presentation of the First Supplemental Engineering Report

Ms. Stalder stated the supplemental engineering report for the 2018 project largely includes phases 1 and 2 of construction of the Osceola Chain of Lakes community. The first sections of the report include the introduction which describes the entire community. Section 3 describes the proposed Series 2018 infrastructure, which includes onsite roadway improvements for phases 1 and 2; water, sewer, and reuse water distribution systems within phases 1 and 2; the portions of offsite public roadway and utility improvements including Hickory Tree Road utility improvements, as well as Alligator Lake roadway and utility improvements; portions of the stormwater system highlighted as phases 1 and 2 on the exhibits; portions of landscaping, irrigation, and hardscaping within phases 1 and 2 and some of the perimeter; portions of the conservation mitigation areas; and portions of the electrical service systems that service phases 1 and 2 of the project. All the ownership tables remain the same as in the master report and are listed in Table 4. The stormwater management system that is being construction is the southern portion of the pond that is within phases 1 and 2, which will treat the runoff from phases 1 and 2 that are currently being constructed. The remainder of the pond will be built in the future, and it is listed as Exhibit 3. The breakdown of areas for phases 1, 2, and 3 are shown in Table 5. The master public roadway systems, onsite and offsite, are the roadways within phases 1 and 2 for onsite roadways and include the main entrance off Alligator Lake Road as well as improvements on Alligator Lake Road to properly access the project. The water distribution, sanitary sewer, and reuse distribution systems are included in the Series 2018 Project for phases 1 and 2, as well as a little irrigation for the additional landscaping. Landscaping, irrigation, and entry features include additional landscaping. The Series 2018 Project includes phases 1 and 2 for all these items as well as entrance landscaping and features. The electrical underground systems for the Series 2018 Project provide services for phases 1 and 2 and proper lighting of the streets for those sections, as well as services for the homes. Conservation areas are getting started, and portions of those areas are included in the Series 2018 Project and in phases 1 and 2. Those will be mitigated and potentially funded with this project. The cost has been done for the Series 2018 Project for all those items, including stormwater drainage, water, sewer, reuse, landscaping, underground electrical service, onsite and offsite roadway

improvements, and conservation mitigation. They are included in Exhibit F. Regarding the permitting status, currently permits are in hand for phases 1 and 2 from the City of Saint Cloud, South Florida Water Management District, the Army Corps of Engineers, and Florida Department of Environmental Protection. Construction has commenced and is well underway for phases 1 and 2.

Ms. Sandy stated the version of the engineering report included in the agenda package had some exhibits left off, including the costs which has been distributed to the Board. The exhibit number changed but the totals are the same. I will ask the Board to approve this first supplemental engineering report as presented with all the exhibits for inclusion in the preliminary limited offering memorandum.

On MOTION by Mr. Tyree, seconded by Mr. Patel, with all in favor, approval was given to the first supplemental engineering report, as presented, to be included in the preliminary limited offering memorandum.

B. Presentation of the First Supplemental Assessment Report

Mr. Moyer stated this report tracks what we discussed at the last meeting with adjustments to reflect the allocation of costs to the first 168 units within the project. Based on our conversations with the developer, we adjusted the assessment amount to a level that, at least for this phase of the development, represents a marketable assessment, and we made that allocation to the properties within the District, which resulted in a bond issue of \$2,200,000. The maximum annual debt service is higher than that because of associated costs, and we allocated that to the benefited properties. As you will recall, initially it is levied on all the property within the District, and that is what we plan to do in this case, as well. As property is platted through the County and the developer sells various parcels of land, units will be assigned to those parcels, and adjustments will be made to the assessment methodology to reflect those parcels. This is a summary of the assessment methodology as it currently stands and will serve as the basis of our non-ad valorem assessments going forward.

Ms. Sandy stated this is a draft based on the estimated par amount of the bonds. That may change, and we will come back to the Board with a resolution to adopt the final assessments based on the final numbers. I will ask the Board to approve the first supplemental assessment report as presented for inclusion in the preliminary limited offering memorandum.

Mr. Tyree asked if this property is annexed into the City, will this have any impact? It is proposed to be annexed into the City.

Ms. Sandy stated at this time in terms of the assessments, the only thing is they might have additional property taxes. They have a co-equal status in terms of lien priority with the District's assessments.

On MOTION by Mr. Tyree, seconded by Mr. Patel, with all in favor, approval was given to the first supplemental assessment report, as presented, to be included in the preliminary limited offering memorandum.

C. Consideration of Resolution 2018-35, Delegation Award Resolution

Exhibits to the Resolution:

- i. Bond Purchase Agreement**
- ii. Master Trust Indenture and First Supplemental Trust Indenture**
- iii. Preliminary Limited Offering Memorandum**
- iv. Continuing Disclosure Agreement**

Mr. Moyer read Resolution 2018-35 into the record by title.

Mr. Moyer stated this Resolution identifies certain parameters that, on a going-forward basis if the underwriter meets those parameters, you are delegating to the Chairman the right to sign a bond purchase agreement. It expedites the process. Certain items are included as listed: master trust indenture, first supplemental trust indenture, preliminary limited offering memorandum, and continuing disclosure agreement, along with the bond purchase agreement. Those are the components of the Resolution.

Ms. Wilhelm stated as Mr. Moyer mentioned, this Resolution delegates authority to the Chairman to move forward with the transaction if the underwriter agrees to purchase the bonds within the parameters. Schedule I of the Resolution shows the parameters. The maximum aggregate principal amount is not to exceed \$2,500,000. The maximum coupon rate is the maximum Statutory rate. The underwriting discount needs to be changed; it will be a maximum of 2% and there will be no minimum. We will revise that for the final resolution. The not-to-exceed maturity date is May 1, 2049. The reduction provisions are as provided in the form of the bonds, which is attached to the supplemental indenture but subject to actual redemption no earlier than May 1, 2028.

Ms. Sandy stated the master trust indenture and first supplemental trust indenture are contracts with the trustee setting forth the rights of the parties relative to issuance of the bonds. The preliminary limited offering memorandum is the marketing document that the

underwriter will use to market to investors. The continuing disclosure agreement requires the developer to make certain disclosures going forward relative to the bonds and the infrastructure they are financing.

On MOTION by Mr. Tyree, seconded by Mr. Patel, with all in favor, unanimous approval was given to Resolution 2018-35 delegating award of the Series 2018 Bonds, as presented and discussed.

Ms. Sandy stated the next step is to market the bonds. The next meeting is scheduled for March 7, and we will ask the Board to adopt a resolution approving the final terms of the bonds and levying the Series 2018 assessments to support those bonds, as well as any additional agreements the District will be entering into in conjunction with issuing the bonds. We will also probably pre-close on the bonds at that meeting.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Bond Validation Update

Ms. Sandy stated the Board previously authorized a not-to-exceed amount of \$21,000,000 in bonds to finance the District's public infrastructure. Last week on Monday was the bond validation hearing, and the judge validated the bonds and entered the order. We are currently in the appeals period, which is 30 days. Once that has expired, then we can move forward in issuing the bonds.

ii. Other Matters

Mr. Tyree stated we need to coordinate the verbiage between the CDD and the HOA for some construction documents. I will work with Ms. Sandy on that language.

B. Engineer

There being nothing to report, the next item followed.

C. Manager

i. Financial Statements and Check Register

Mr. Moyer reviewed the financial statements, which are contained in the agenda package and available for public review on the website or at the District office during normal business hours.

Mr. Moyer stated our prorata year-to-date budget is \$29,739, and we have spent \$14,284, so we are \$15,454 under the prorated budget for this time period.

ii. Approval of Funding Request #3

Mr. Moyer reviewed funding request #3, which is contained in the agenda package and available for public review on the website or at the District office during normal business hours.

On MOTION by Mr. Tyree, seconded by Mr. Kahn, with all in favor, unanimous approval was given to funding request #3 in the amount of \$4,172.40, as presented.

iii. Approval of Agreement with Tax Collector

Mr. Moyer reviewed the agreement with the Osceola County tax collector, which is contained in the agenda package and available for public review on the website or at the District office during normal business hours.

Mr. Moyer stated this agreement is in furtherance of our ability to put future assessments on the tax roll, in which the tax collector will be our agent to collect those non-ad valorem assessments as part of the real estate tax bills. It pretty much assures we are going to collect what we levy, so we strongly recommend the Board approve this agreement.

Ms. Sandy stated the form of this agreement was presented at a previous meeting, and the Board approved the form at that time.

Mr. Moyer stated that is correct.

Ms. Sandy stated I provided a few minor changes to be incorporated, such as the establishment ordinance which is incorrect.

On MOTION by Mr. Kahn, seconded by Mr. Tyree, with all in favor, unanimous approval was given to the form of agreement with the Osceola County tax collector to be executed upon final review by the District's legal counsel.

SEVENTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

There being none, the next order of business followed.

NINTH ORDER OF BUSINESS

Adjournment

- The next meeting is scheduled for March 7, 2018, at 1:30 p.m.

On MOTION by Mr. Tyree, seconded by Mr. Kahn, with all in favor, the meeting adjourned at 1:50 p.m.

Gary L. Moyer, Secretary

Chris Tyree, Chairman