

**MINUTES OF MEETING  
LAKE FLORES  
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Lake Flores Community Development District held a Special Meeting on September 14, 2023 at 11:00 a.m., at ZNS Engineering, 1023 Manatee Avenue West, 7th Floor, Bradenton, Florida 34205.

**Present at the meeting were:**

Gary Walker	Chair
David Brasher	Vice Chair
Krystal Parsons	Assistant Secretary
Walter Preston	Assistant Secretary
Reggie Tisdale (via telephone)	Assistant Secretary

**Also present were:**

Craig Wrathell	Wrathell, Hunt and Associates, LLC
Jere Earlywine (via telephone)	District Counsel
Steve Sanford	Bond Counsel
Jeb Mulock	District Engineer
Ed Hill	Developer Representative
Whiting Preston	Landowner

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 11:04 a.m.

Supervisors Walker, Brasher, Parsons and Preston were present. Supervisor Tisdale attended via telephone.

**SECOND ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

**THIRD ORDER OF BUSINESS**

**Consideration of Construction Funding Agreement**

Mr. Earlywine presented the Construction Funding Agreement between the CDD and Cortez75W Investors, LLC (Cortez75W). He confirmed that any advanced funds, under the Agreement, can be reimbursed with bond proceeds, if requested. He recommended approval in substantial form.

Mr. Walker stated the Agreement stipulates that Cortez75W will fund the project until the bonds are issued. There is an existing contract that was executed by Cortez75W with E.T. MacKenzie (MacKenzie) for approximately \$32 million, who is on site, mobilized and is doing the work.

Mr. Wrathell stated the Fifth Order of Business deals with the assignment of the McKenzie Agreement over to the CDD, enabling the CDD can start paying them directly. A notable advantage of this is, once the contract is in the CDD's name, construction materials can be purchased using the CDD's tax-exempt status. He discussed the acquisition packet, bond requisitions and the vendor reimbursement process. Asked if it is a 30-day pay cycle, Mr. Wrathell stated Accounting typically prefers to make payments faster than 30 days, recognizing invoices must be reviewed, approved, funds requested from the Developer, cleared and paid out.

Mr. Wrathell and Mr. Earlywine responded to questions regarding the Construction Funding Agreement, Trustee, funding process timeline and the Engineer's Report.

**On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, the Construction Funding Agreement between the CDD and Cortez75W Investors, LLC, in substantial form, was approved.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2023-04, Authorizing an Individual Designated by the Board of Supervisors to Act as the District's Purchasing Agent for the Purpose of Procuring, Accepting, and Maintaining Any and All Construction Materials Necessary for the Construction, Installation, Maintenance or Completion of the District's Infrastructure Improvements as Provided In the District's Adopted**

**Improvement Plan; Providing for the Approval of a Work Authorization; Providing for Procedural Requirements For the Purchase of Materials; Approving the Form of a Purchase Requisition Request; Approving the Form of a Purchase Order; Approving the Form of a Certificate of Entitlement; Authorizing the Purchase of Insurance; Providing a Severability Clause; and Providing an Effective Date**

Mr. Wrathell presented Resolution 2023-04 and responded to questions regarding who would serve as purchasing agents, the purchase order process, the benefits of the sales tax exemption and builder’s risk insurance.

Mr. Earlywine stated Staff will arrange a preliminary/exploratory call with McKenzie to discuss who the vendors are and how purchase orders will be processed.

**On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor, Resolution 2023-04, Authorizing an Individual Designated by the Board of Supervisors to Act as the District’s Purchasing Agent for the Purpose of Procuring, Accepting, and Maintaining Any and All Construction Materials Necessary for the Construction, Installation, Maintenance or Completion of the District’s Infrastructure Improvements as Provided In the District’s Adopted Improvement Plan; Providing for the Approval of a Work Authorization; Providing for Procedural Requirements For the Purchase of Materials; Approving the Form of a Purchase Requisition Request; Approving the Form of a Purchase Order; Approving the Form of a Certificate of Entitlement; Authorizing the Purchase of Insurance; Providing a Severability Clause; and Providing an Effective Date, was adopted.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Assignment of Construction Agreement & Acquisition of Completed Improvements**

Mr. Wrathell presented the Assignment of Construction Agreement & Acquisition of Completed Improvements. He stated this will authorize the assignment of the McKenzie Agreement over to the CDD, as previously discussed. He asked the Board to declare that the

intent is to acquire, in advance or when the bonds are issued, whatever work product is completed, thus far.

Mr. Earlywine concurred and stated the Board should approve the assignment packet for the McKenzie contract, in substantial form, approve an additional acquisition agreement to the extent that the CDD already has one, which could be spelled out in a separate motion, and also approve the acquisition of any work product and other improvements outlined in the Engineer's Report.

Mr. Walker asked if the Acquisition Agreement is general in nature and allows the CDD to acquire previously completed projects.

Mr. Earlywine replied affirmatively.

**On MOTION by Mr. Walker and seconded by Mr. Brasher, with all in favor, the Assignment of the E.T. McKenzie Construction Agreement & Acquisition of Completed Improvements, in substantial form, was approved.**

**On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor, authorizing any amendments to the Acquisition Agreement that was previously approved by the Board, whereby the CDD would acquire needed improvements to be paid for with bond proceeds, was approved.**

**On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, authorizing District Staff to proceed with the acquisition of any work product whose costs were incurred related to the Capital Improvement Plan outlined in the First Supplemental Engineer's Report, was approved.**

**SIXTH ORDER OF BUSINESS**

**Ratification of Florida Permitting, Inc., Proposal Number 23040 for Submerged Aquatic Vegetation (SAV) Monitoring Program**

Mr. Wrathell presented Florida Permitting, Inc., Proposal Number 23040 for the Submerged Aquatic Vegetation (SAV) Monitoring Program. Asked if this will come up again in

the future, Mr. Mulock stated it is a recurring, construction-related item that will be a part of the CDD's annual budget.

Discussion ensued regarding if this item should be paid from the Operations and Maintenance (O&M) budget or the construction budget. The U.S. Army Corps of Engineers (USACE) permit, the stormwater system and the monitoring program were also discussed.

**On MOTION by Ms. Parsons and seconded by Mr. Tisdale, with all in favor, Florida Permitting, Inc., Proposal Number 23040 for the Submerged Aquatic Vegetation Monitoring Program, was ratified.**

## SEVENTH ORDER OF BUSINESS

### Consideration of Delegation Resolutions

Mr. Sanford stated the reason there are two delegation resolutions is because it is uncertain but very likely that there will be a private placement with Preston Hollow and that both resolutions will be presented simultaneously. One resolution deals with the scenario of a private placement and the other resolution deals with the possibility of a public offering rather than private placement. If the private placement route is not taken, the bonds would be issued as a limited public offering.

Mr. Sanford explained the differences between Resolutions 2023-05 and 2023-06 and their accompanying exhibits. He pointed out that the Board does not have the exhibits attached to Resolution 2023-06 but, if the consensus is to take the public offering route and because they are very similar, the exhibits for Resolution 2023-05 will be attached to Resolution 2023-06. There is language in the resolution stating that the exhibits would be conformed more particularly to a public offering, if that will be the case. Since the Board will be adopting both resolutions, if the consensus is to take the private placement route, although Resolution 2023-06 was adopted, it would become null and void and vice versa for Resolution 2023-05.

Both resolutions are referred to as "Delegation Resolutions" and accomplish the following:

➤ Set forth certain parameters such that, when it comes time to sell the bonds, Staff is within the parameters set by the Board and it authorizes the Chair or Vice Chair to execute the Bond Placement Agreement or Bond Purchase Agreement.

Mr. Sanford reviewed the basic parameters.

➤ The Resolutions authorize any modifications necessary to conform the Engineer's and Methodology Reports to the terms of the bonds.

Mr. Sanford responded to questions about the Trust Indentures, the optionality between private placement and public offering, Preston Hollow and the Trustee.

Mr. Walker explained that Preston Hollow offered to loan up to \$55 million, of which the bonds would be split into two series; Series A-1 and Series A-2. Preston Hollow's structure states that they will loan the CDD \$24 million up front, on closing day, and the balance can be drawn down as needed on a quarterly basis. Under the public market structure, the Underwriter recommends one single bond issuance such that, on day one, he would issue \$52 million worth of debt that must be serviced and the CDD would have to pay the interest on the debt even though it is not utilizing the funds. From the standpoint that the CDD is not borrowing as much money upfront, it reduces the risk because all the debt is not placed on the project on day one. While Preston Hollow will loan the initial amount of \$24 million, there is some uncertainty as to what happens if they default and do not loan the remaining \$30 million. Although the likelihood of that occurring is low, it must be addressed and the Board must understand the remedies. He stated, in a recent conversation with Preston Hollow, they agreed that, in the event of a default, the A-bonds could be redeemed at par plus accrued interest, not deducting any issuance costs.

Mr. Sanford noted the market conditions, the differential and costs of issuance and stated the CDD has the right, under his documents, to take action against Preston Hollow if they fail to fund the draws.

Discussion ensued regarding the risks associated with the two options, marketing the bonds, re-issuing both A and B bonds in the private placement scenario, ticketing, Preston Hollow's term sheet, FMSbonds, closing period and the Declaration of Intent and Collateral Assignment documents.

Mr. Walker introduced Mr. Whiting Preston, the seller, representing LF Manatee.

In response to Mr. Preston's question about the amount, Mr. Sanford stated that \$5 million worth of A bonds will be placed on the seller's land. Asked how that affects the Phase 1B land in the event of a default by the Developer, Mr. Sanford stated Staff does not accelerate all the bonds and, if there is a default, only the defaulting landowner would be targeted.

Mr. Preston stated that he already forwarded the Declaration of Intent and Collateral Assignment documents to his Counsel for review. Asked who Mr. Preston's Counsel should contact to address any questions about the two agreements, Mr. Sanford stated Mr. Jonathan Johnson.

Ms. Parsons stated that bonds are a new venture for her and the documents were very lengthy. She expressed discomfort voting yes to adopt the Resolutions, even in substantial form. Mr. Walker concurred with Ms. Parsons and suggested taking time to review the resolutions in detail and answer any possible questions. He explained the difference between the A-1 and A-2 bonds, the disparities in the private placement option and the public market, the interest rates and how the shortfall would be handled.

Discussion ensued regarding whether to schedule a special meeting, continue today's meeting to the following week, schedule a workshop or have Board Members speak individually with Staff, offline, to answer questions and locking in the parameters.

Mr. Sanford stated he would like for both resolutions to be adopted and the documents approved, in substantial final form, and, if today's meeting is continued and the Board has any comments or additional questions, the continued meeting could be viewed as a workshop to answer the questions.

Mr. Wrathell recommended approving the resolutions and holding a special meeting on September 28, 2023. He responded to questions regarding the Appendix Tables in the First Supplemental Special Assessment Methodology Report.

Mr. Wrathell asked for Board approval of Resolutions 2023-05 and 2023-06.

- A. [PRIVATE PLACEMENT] Resolution 2023-05, Authorizing the Issuance of Not Exceeding \$56,000,000 Series 2023 Bonds to be Issued in Two Series, Namely Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1**

Assessment Area) (the “A-1 Bonds”) and Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the “A-2 Bonds” and, Together with the A-1 Bonds, the “Series 2023 Bonds”) to Finance Certain Public Infrastructure Within Certain Assessment Areas Within the District; Determining the Need for a Negotiated Private Placement of the Series 2023 Bonds and Providing for an Award of Such Series 2023 Bonds to PHCC LLC (d/b/a Preston Hollow Community Capital); Appointing the Placement Agent for the Private Placement of the Series 2023 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Placement Agreement with Respect to the Series 2023 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust Indenture Previously Approved by the Board with Respect to the Series 2023 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust Indenture Governing the A-1 Bonds and the Form of and Authorizing the Execution and Delivery of a Second Supplemental Trust Indenture With Respect to the A-2 Bonds; Approving the Form of and Authorizing the Execution and Distribution of a Private Placement Memorandum; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement, and Appointing a Dissemination Agent; Approving the Application of Series 2023 Bond Proceeds; Authorizing Certain Modifications to the Assessment Methodology Report and Engineer’s Report; Providing for the Registration of the Series 2023 Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection With the Issuance, Sale and Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts and an Effective Date

- Exhibit A: Form of Bond Placement Agreement
- Exhibit B: Draft Copy of Private Placement Memorandum
- Exhibit C: Form of Continuing Disclosure Agreement
- Composite Exhibit D: Forms of First Supplemental Trust Indenture and Second Supplemental Trust Indenture



On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, [PRIVATE PLACEMENT] Resolution 2023-05, in substantial form, Authorizing the Issuance of Not Exceeding \$56,000,000 Series 2023 Bonds to be Issued in Two Series, Namely Lake Flores Community Development District Special Assessment Bonds, Series 2023A-1 (2023A-1 Assessment Area) (the "A-1 Bonds") and Lake Flores Community Development District Special Assessment Bonds, Series 2023A-2 (2023A-2 Assessment Area) (the "A-2 Bonds" and, Together with the A-1 Bonds, the "Series 2023 Bonds") to Finance Certain Public Infrastructure Within Certain Assessment Areas Within the District; Determining the Need for a Negotiated Private Placement of the Series 2023 Bonds and Providing for an Award of Such Series 2023 Bonds to PHCC LLC (d/b/a Preston Hollow Community Capital); Appointing the Placement Agent for the Private Placement of the Series 2023 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Placement Agreement with Respect to the Series 2023 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust Indenture Previously Approved by the Board with Respect to the Series 2023 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust Indenture Governing the A-1 Bonds and the Form of and Authorizing the Execution and Delivery of a Second Supplemental Trust Indenture With Respect to the A-2 Bonds; Approving the Form of and Authorizing the Execution and Distribution of a Private Placement Memorandum; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement, and Appointing a Dissemination Agent; Approving the Application of Series 2023 Bond Proceeds; Authorizing Certain Modifications to the Assessment Methodology Report and Engineer's Report; Providing for the Registration of the Series 2023 Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection With the Issuance, Sale and Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts and an Effective Date, in substantial form, was adopted.

- B. [PUBLIC OFFERING] Resolution 2023-06, Authorizing the Issuance of Not Exceeding \$56,000,000 Special Assessment Bonds, Series 2023 (2023 Assessment Area) (the "Series 2023 Bonds") to Finance Certain Public Infrastructure Within a Designated Assessment Area Within the District; Determining the Need for a Negotiated Limited Offering of the Series 2023 Bonds; Approving The Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract With Respect To The Series 2023 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust Indenture Previously Approved by the Board With Respect to the Series 2023 Bonds; Approving

the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust Indenture Governing the Series 2023 Bonds; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum; Authorizing the Execution and Distribution of a Limited Offering Memorandum; Appointing the Underwriter; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement, and Appointing a Dissemination Agent; Approving the Application of Bond Proceeds; Authorizing Certain Modifications to the Assessment Methodology Report and Engineer's Report; Providing for the Registration of the Series 2023 Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts and an Effective Date

- Exhibit A: Form of Bond Purchase Contract
- Exhibit B: Draft Copy of Preliminary Limited Offering Memorandum
- Exhibit C: Form of Continuing Disclosure Agreement
- Exhibit D: Form of First Supplemental Trust Indenture

On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, [PUBLIC OFFERING] Resolution 2023-06, in substantial form, Authorizing the Issuance of Not Exceeding \$56,000,000 Special Assessment Bonds, Series 2023 (2023 Assessment Area) (the "Series 2023 Bonds") to Finance Certain Public Infrastructure Within a Designated Assessment Area Within the District; Determining the Need for a Negotiated Limited Offering of the Series 2023 Bonds; Approving The Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract With Respect To The Series 2023 Bonds; Authorizing the Execution and Delivery of that Certain Master Trust Indenture Previously Approved by the Board With Respect to the Series 2023 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a First Supplemental Trust Indenture Governing the Series 2023 Bonds; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum; Authorizing the Execution and Distribution of a Limited Offering Memorandum; Appointing the Underwriter; Approving the Form of and Authorizing the Execution of a Continuing Disclosure Agreement, and Appointing a Dissemination Agent; Approving the Application of Bond Proceeds; Authorizing Certain Modifications to the Assessment Methodology

**Report and Engineer's Report; Providing for the Registration of the Series 2023 Bonds Pursuant to the DTC Book-Entry Only System; Authorizing the Proper Officials to Do All Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2023 Bonds; and Providing for Severability, Conflicts and an Effective Date, in substantial form and subject to the attached exhibits being modified to conform to a public offering rather than a private placement, was adopted.**

**EIGHTH ORDER OF BUSINESS****Presentation of First Supplemental Engineer's Report**

Mr. Mulock presented the First Supplemental Engineer's Report dated September 12, 2023. The total estimated project cost is \$66,120,000.

Asked if the Engineer's Report can be approved in substantial form adding the legal description, in particular, at a later date, Mr. Earlywine replied affirmatively.

**On MOTION by Mr. Tisdale and seconded by Ms. Parsons, with all in favor, the First Supplemental Engineer's Report dated September 12, 2023, in substantial form and adding the legal description, was approved.**

**NINTH ORDER OF BUSINESS****Presentation of First Supplemental Special Assessment Methodology Report**

Mr. Wrathell presented the First Supplemental Special Assessment Methodology Report dated September 14, 2023. He reviewed the pertinent data, including the purpose and scope of the Methodology, the Development Program, the Capital Improvement Project (CIP), the financing program, benefit allocation, lienability tests, True-Up Mechanism and the Appendix Tables on Pages 13 through 17.

**On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, the First Supplemental Special Assessment Methodology Report, dated September 14, 2023, in substantial form and adding the legal description, was approved.**

**TENTH ORDER OF BUSINESS****Consideration of Resolution 2023-07, Setting Forth the Specific Terms of the**

**District’s Special Assessment Bonds, Series 2023; Making Certain Additional Findings and Confirming and/or Adopting an Engineer’s Report and a Supplemental Assessment Report; Delegating Authority to Prepare Final Reports and Update this Resolution; Confirming the Maximum Assessment Lien Securing the Bonds; Addressing the Allocation and Collection of the Assessments Securing the Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date**

Mr. Earlywine presented Resolution 2023-07, also referred to as a delegated assessment resolution. This Resolution delegates the authority to update the Engineer’s and Methodology Reports once the bonds are priced and finalized.

Asked what shows up in a title search, Mr. Earlywine stated a disclosure of public finance, any notices of special assessments and true-up agreements.

**On MOTION by Mr. Walker and seconded by Ms. Brasher, with all in favor, Resolution 2023-07, Setting Forth the Specific Terms of the District’s Special Assessment Bonds, Series 2023; Making Certain Additional Findings and Confirming and/or Adopting an Engineer’s Report and a Supplemental Assessment Report; Delegating Authority to Prepare Final Reports and Update this Resolution; Confirming the Maximum Assessment Lien Securing the Bonds; Addressing the Allocation and Collection of the Assessments Securing the Bonds; Addressing Prepayments; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date, was adopted.**

**ELEVENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of July 31, 2023**

**On MOTION by Mr. Walker and seconded by Mr. Tisdale, with all in favor, the Unaudited Financial Statements as of July 31, 2023, were accepted.**

**TWELFTH ORDER OF BUSINESS**

**Approval of June 22, 2023 Public Hearing and Regular Meeting Minutes**

**On MOTION by Mr. Tisdale and seconded by Mr. Walker, with all in favor, the June 22, 2023 Public Hearing and Regular Meeting Minutes, as presented, were approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel: Kutak Rock LLP**

**B. District Engineer: ZNS Engineering, LC**

There were no District Counsel or District Engineer reports.

**C. District Manager: Wrathell, Hunt and Associates, LLC**

- **NEXT MEETING DATE: TBD**
  - **QUORUM CHECK**

**On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, a holding a Special Meeting on September 28, 2023 and authorizing Staff to advertise, was approved.**

**FOURTEENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

There were no Board Members' comments or requests.

**FIFTEENTH ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

**SIXTEENTH ORDER OF BUSINESS**

**Adjournment**

**On MOTION by Ms. Parsons and seconded by Mr. Brasher, with all in favor, the meeting adjourned at 2:02 p.m.**

  
Secretary/Assistant Secretary

  
Chair/Vice Chair