

**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 28, 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
Reggie Tisdale	Assistant Secretary

Also present were:

Kristen Suit	Wrathell, Hunt and Associates, LLC
Jonathan Johnson (via telephone)	District Counsel
Jeb Mulock	District Engineer
Ed Hill	Developer Representative
Whiting Preston	Landowner
Steve Sanford (via telephone)	Bond Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Suit called the meeting to order at 11:01 a.m.

Supervisors Walker, Brasher, Tisdale and Parsons were present. Supervisor Preston was not present.

SECOND ORDER OF BUSINESS

Public Comments

No members of the public spoke.

THIRD ORDER OF BUSINESS

Discussion: Potential Bond Funding

Mr. Walker stated that this is considered a workshop for the purposes of reviewing the bond funding documents. Any approvals will be at the next CDD Board meeting. Ms. Suit stated that the documents updated yesterday are included in the electronic version of the agenda.

A. Bond Placement Agreement

Regarding the FMSbonds, Inc., placement fee in Exhibit A, Section 2, Mr. Walks stated that the fees therein are standard industry fees. The public placement fee for the Series 2023A-1 bond is 2% and will be paid out of the bond proceeds at closing. The private placement fee for the Series 2023A-2 bond is 1.50% and will be paid out of the par amount of bonds, upon funding each draw request, pursuant to the A-2 Indenture.

Regarding whether the CDD has any leverage, subsequent to the Funding Agreement, if PHCC LLC, d/b/a Preston Hollow Community Capital (PHC) does not fund the rest of the commitment, it was noted that the document is the contractual obligation of PHC. In the event PHC does not fund its commitments, there are provisions built into the documents that will allow the CDD to refinance all the A bonds and it includes rights of remedies to pursue PHC.

B. Private Placement Memorandum

It was noted that Cortez75QW Investors, LLC prepared the document depicting the Development Plan, which describes the transaction and will be used as a marketing tool to prospective investors. Bond Counsel gives an opinion specific to the bonds in that it is fair and accurate and Developer's Counsel gives an opinion on the development sections. There is no exposure to the CDD with regard to the statements in the document.

Regarding if there are plans for the Future Phases, Mr. Walker replied no. That will be done later and will consist of master infrastructure, like the western mitigation and thoroughfare roads; its future phase is the beneficiary. The Agreement with the County will allow the development of all 1,200 acres, subject to installing thoroughfare roads. The initial Master Engineer's Report outlines the overall 2023 Project, consisting of 1,200 acres. The Supplemental Engineer's Reports outline specific projects.

The Master Engineer's Report and Supplemental Engineer's Report are exhibits to this Memorandum.

Regarding whether the reserve funds in 2B will be reinvested or just bear interest, it was noted that the funds in the construction, interest reserve and the debt service reserve funds can be reinvested, subject to meeting certain guidelines.

C. Continuing Disclosure Agreement

D. Master Trust Indenture

It was noted that the Master Trust Indenture and other forms of documents were prepared when the CDD was established and were exhibits used to validate bonds with a term of 5+ years with the Court, which is a statute requirement.

Regarding the CDD's obligation, it was noted that, other than the CDD organizing the issuance of tax-exempt bonds and imposing a lien on the property within the CDD to pay off the bonds, in the form of assessments, the CDD is not financially obligated in the event of a default. The CDD would aid the bondholder and the Trustee, on behalf of the bondholder, in pursuing a defaulting landowner who has not paid the assessment.

E. First Supplemental Trust Indenture

The First Supplemental Trust Indenture is specific to the Series 2023A-1 Assessment Area bond issue.

F. Second Supplemental Trust Indenture

The Second Supplemental Trust Indenture is specific to the Series 2023A-2 Assessment Area bond issue.

The capitalized interest period on the A bonds is through November 2024 and there is no capitalized interest period on the B bonds; payment will occur when the Developer anticipates it will be closing on lots.

Regarding what determines the price per lot for both series of bonds, it was noted that the information is depicted in the Assessment Methodology Report. The B bond funds will be drawn down via requisitions.

Discussion ensued regarding the requisition process and including Ms. Parsons on the distribution list.

Regarding amenities, specifically the three-acre building and swimming pool, it was noted that those items will be paid for by the Developer, directly, and will be HOA assets; it is still in the conceptual design stage.

Discussion ensued regarding the following:

- CDD assets versus HOA assets and each entities responsibilities.
- Clarifying that the CDD's budget is bifurcated between Operations and Maintenance (O&M) and the Bond Debt Service.
- Conveying certain roadways to the County.
- The Landowner funding the CDD budget until lots are platted, which is anticipated in the second quarter of 2024.

G. First Supplemental Engineer's Report

Regarding whether the CDD own all the permits related to the project, Mr. Walker replied affirmatively, in perpetuity.

Regarding exhibits to the documents, Mr. Walker anticipates completion by next week.

H. First Supplemental Special Assessment Methodology Report

This item was presented following Item 3I.

I. Term Sheet

Regarding whether the interest rates are annualized for each bond issue, Mr. Walker noted that interest rates are fixed for the life of the bonds. Property owners have the option to prepay the bond debt or, if after 15-years interest rates are low, the CDD can refinance the bonds.

It was noted that pricing will be set once the Bond Placement Agreement is executed and, as pricing has shifted 30 basis points or 0.3%, all the figures in the documents must be revised.

Mr. Sandford and Mr. Walker summarized the Bond Pooling Program.

▪ First Supplemental Special Assessment Methodology Report

This item, previously Item 4H, was discussed out of order.

Mr. Walker pointed out the Bond Assessment Tables, on Pages 22 and 23. He noted that the Capital Improvement Plan (CIP) Cost Allocation assessments are based on each parcel's Equivalent Residential Unit (ERU) values.

Discussion ensued regarding the conservation/mitigation area maintenance budget, the CDD processing the recent bids to clean up the hurricane damaged conservation area along 47th Steet, a non-budgeted expense and the decision not to delay the process of transferring and recording the deeded plat to the western mitigation property to the CDD.

Mr. Walker reiterated that the goal is to execute the finalized documents next week and obtain funding once the 10 to 14 day period is over.

FOURTH ORDER OF BUSINESS

NEXT MEETING DATE: TBD

- **QUORUM CHECK**

FIFTH ORDER OF BUSINESS

Board Members' Comments/Requests

There were no Board Members' comments or requests.

SIXTH ORDER OF BUSINESS

Public Comments

No members of the public spoke.

SEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Walker and seconded by Ms. Parsons, with all in favor, the meeting adjourned at 12:11 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair