

MINUTES OF MEETING
ROLLING OAKS COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Oaks Community Development District was held Thursday, September 13, 2018 at 12:00 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

John Chiste	Chairman
Jared Bouskila	Vice Chairman by telephone
Cora DiFiore	Assistant Secretary by telephone
Peter Brown	Assistant Secretary
Samir Yajnik	Assistant Secretary

Also present were:

George Flint	District Manager
Vivek Babbar	District Counsel
Bruce Taylor	District Engineer by telephone
Steve Sanford	Bond Counsel by telephone
Cynthia Strattum	Resident

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 16, 2018 Meeting

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the minutes of the August 16, 2018 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Financing Matters

A. Consideration of Supplemental Engineer's Report

Mr. Flint stated the most recent report is dated as of today, September 13, 2018. Bruce Taylor with David Schmitt & Associates is on the phone. Bruce, go over Exhibit A and explain to the Board the costs we are talking about, Exhibit D, Phase 2 costs, which are the 400 single-family lots in the next phase defined as the 2018 Project.

Mr. Taylor stated Exhibit A outlines the current boundaries of the District, the legal description is called “sketch of description Community Development District proposed boundary description” and that is on the next four pages as Exhibit B. The acreage of that is approximately 201.65 acres more or less.

Mr. Sanford joined the meeting by telephone at this time.

Mr. Taylor stated Exhibit D is the summary of estimated costs. Steve had some minor comments and I have already made those changes. Do we have to reissue this report?

Mr. Sanford stated I haven’t had a chance to look at it. I think you got most of them. I suggest the Engineer’s Report be approved in substantially final form so if we have to tweak it a little bit we can do that.

On MOTION by Mr. Brown seconded by Mr. Chiste with all in favor the supplemental Engineer’s Report was approved in substantially final form.

B. Consideration of Supplemental Assessment Methodology

Mr. Flint stated the next item is the Second Supplemental Assessment Methodology. We originally prepared a Master Assessment Methodology for the entire project and then the first Supplemental Methodology dealt with the Phase 1 the 500 single-family lots that were included in the 2016 project. The Second Supplemental covers the next 400 single-family lots and what we are calling the 2018 Project. Table 1 is the development plan and reflects 400 vacation rental homes. Table 2 is the project costs as defined in the Engineer’s Report you just reviewed, the total of \$12.3 million. Table 3 is the bond sizing and this is subject to change based on the final pricing and terms but we have prepared a bond sizing based on interest rate assumptions, 30-year amortization, capitalized interest through November 1, 2019, debt service reserve of 1 year’s max annual debt and underwriters discount of 2% and based on that the par amount would be \$13,080,000. Table 4 shows you the improvement cost per unit based on the improvement plan and the 400 units. Table 5 shows the benefit cost per unit and Table 6 is the par debt per unit.

Mr. Chiste stated the overall allocation will be each home will carry a similar amount of assessment as we have in the first phase.

Mr. Flint stated if that is the goal then during pricing we will true it up based on that per unit amount and the interest rates that are in place at the time.

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the Supplemental Assessment Methodology Report was approved in substantially final form.

C. Consideration of Resolution 2018-07 Bond Delegation

Mr. Sanford stated this resolution is the second resolution to be adopted by the Board in connection with the issuance of the 2018 bonds in a principal amount not to exceed \$20 million. It does not permit the Board to issue \$20 million in debt, that is the maximum, not that it can't be issued but that would require further Board action. This is what is called a delegation resolution because we set forth in the resolution certain parameters and when bonds are priced if they fall within the parameters the Chairman or Vice Chairman is authorized to sign a bond purchase contract without having to go back to the Board. The other thing this resolution is doing is approving the form of certain documents, the bond purchase contract, which is the contract between the District and the underwriter and that gets signed at the time the bonds are priced and it has certain requirements that are necessary to have a successful closing, certain deliverables. Then there is the draft of the Preliminary Limited Offering Memorandum, that is the document that is used by the underwriter to market the bonds. Once the bonds are marketed that preliminary limited offering memorandum gets filled in with all the price and terms and becomes a final limited offering memorandum that gets delivered to the purchasers of the bonds. The third document is a continuing disclosure agreement and that is required under SEC rules and requires the District, GMS as the dissemination agent, and the developer to provide certain annual information regarding the bonds and the development and certain material events such as the reserve account. The underwriter is required to have that undertaking in the form of this agreement before they are permitted to underwrite the bonds. The last document is the Second Supplemental Trust Indenture. If you will recall when we issued the bonds in 2016 for the first phase we had a Master Trust Indenture and a First Supplemental Indenture between the District and Regions Bank as your trustee. Now that we are issuing the second series of Phase 2, there is another Supplemental

Indenture required for this series of bonds, which we are calling a Second Supplemental Indenture. All of these documents that I'm describing are in substantially final form, they need to be filled in when we know the bond terms and minor adjustments that might be necessary. We are not approving anything in final form. The last thing are the parameters, you can't issue more than \$20 million in bonds, the bond yield may not exceed 6%, and if the bonds will be subject to optional redemption, which they likely will be there is a certain amount of lockout period in which the bonds can't be redeemed sooner because the investors want some protection. We can't provide any more protection than November 1, 2035, I suspect the lockout period will be shorter than that. Why that is beneficial to the District is if interest rates are lower that would give you an opportunity to redeem the bonds and have a lower interest rate. The last parameter is the price that the underwriter will pay for the bonds, which is 97 ½%, they buy the bonds at that percentage of par and they turn around and sell the bonds at par and the difference is the compensation to the underwriter. This allows the Methodology and Engineer's Report to be modified if necessary in connection with the pricing without a need for a Board meeting.

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor Resolution 2018-07 was approved.

Mr. Sanford left the telephone conference at this time.

FIFTH ORDER OF BUSINESS

Consideration of Agreement with Berger Toombs Elam Gaines & Frank to Provide Auditing Services for Fiscal Year 2018

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the engagement letter with Berger, Toombs, Elam, Gaines & Frank to perform the Fiscal Year 2018 Audit was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

- A. Attorney**
 - i. Signage Easement Agreement**

Mr. Flint stated I believe the Board had authorized it to be prepared and executed, we were going to ratify it if it had been executed but it appears it is not and we will put this on the next agenda.

B. Engineer

There being none, the next item followed.

C. Manager

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Ratification of Funding Request No. 11

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor funding request no. 11 in the amount of \$13,368.23 was ratified.

SEVENTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. Babbar stated right now there is a stormwater pond that is adjacent to the hotel site, not within the District boundaries but the pond is and it is anticipated the pond will be conveyed to the District once it is fully built out. The developer had requested that the Board authorize staff to work with the developer with respect to granting them an easement for that main pond, to make it a recreational pond and there might be boat docks or rental spaces that will not interfere with the permit or the function of the stormwater pond. It will be an additional amenity for guests as well as the residents. To the extent that we can with staff working with the developer once we get a firm idea as to what will be going in there and once it is conveyed and have either a license agreement or easement agreement, some sort of agreement between the developer and the District that authorizes the developer or their agents to control and monitor or administer the recreational facilities.

Mr. Flint stated whatever agreement that was I assume there would be language in there obligating the owner to maintain those assets and I’m assuming we will have some insurance requirements as well from a liability perspective that we would want to make sure that we have in place. How soon do you think that will happen?

Mr. Brown stated there will be some temporary dock fairly quickly.

Mr. Flint stated then a motion to delegate authority to the Chairman to execute a temporary license or easement agreement allowing the construction of the dock. It needs to be in compliance with any regulatory agency permits, the maintenance needs to be the obligation of the resort, any damage to CDD property would have to be paid for by the dock owner and we would want insurance with reasonable limits to protect us from a liability perspective.

On MOTION by Mr. Brown seconded by Mr. Yajnik with all in favor a temporary easement was approved with the parameters listed above.

Mr. Flint stated we will bring the temporary easement as well as any permanent one back to the Board to ratify and get it on the record.

Mr. Babbar stated to the extent that the developer still owns the property we really won't have anything delegated from the District because the District doesn't own the property yet. That is something we wanted to put in place in the event we needed it for any sort of authorization or permit.

Mr. Flint stated the temporary easement may not even need to involve the CDD.

EIGHTH ORDER OF BUSINESS

Next Meeting Date

Mr. Flint stated the next meeting date is the second Thursday in October and we will check with the Board about ten days before and once we have a draft agenda put together we will make sure we have a quorum if we need a meeting.

On MOTION by Mr. Chiste seconded by Mr. Brown with all in favor the meeting adjourned at 12:22 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman