

**MINUTES OF MEETING
TOSCANA ISLES
COMMUNITY DEVELOPMENT DISTRICT**

The Toscana Isles Community Development District Board of Supervisors held a Public Hearing and a Regular Meeting on Wednesday, November 28, 2018, at 2:00 p.m., at the offices of Vanguard Land, LLC, located at 6561 Palmer Park Circle, Suite B, Sarasota, Florida 34238.

Present at the meeting were:

Samantha Hays	Chair
Brian Watson	Vice Chair
Daniel Peshkin	Assistant Secretary

Also present were:

Cindy Cerbone	District Manager
Michael Szymonowicz (via telephone)	Wrathell Hunt and Associates, LLC
John Vericker	District Counsel
Shawn Leins (via telephone)	District Engineer
James Collins	Resident
Steven Wood	Resident
Mike LaBoe	Resident
Mike Paganelli	Resident
Richard Daitch	Resident
Lisa Hart	Resident
Joe Farinelli	Resident
Thomas Hart	Resident
John Todd Reagan	Resident
Matt Scheffel	Resident
Mike Shehorn	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 2:06 p.m. Supervisors Samantha Hays, Daniel Peshkin and Brian Watson were present, in person. Supervisors Alexander Hays and John Peshkin were not present.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Vericker provided a brief overview of CDDs. The purpose of today's Public Hearing is to levy debt assessments on the Developer's portion; there will be no debt assessments

levied on residents because they already had debt assessments levied in 2014. After the Public Hearing and comment period, the Board will make a decision to levy the fair share of the debt assessments on the remainder of the Developer's portion, since the 2018 bonds can be issued to pay for the CDD public infrastructure for that portion. While all attendees are free to make comments, this exercise will only impact the Developer's property. In response to a resident's request for additional explanation of the debt assessment, Mr. Vericker stated, in order to finance the public improvements, Districts issue municipal tax-free bonds and, as a security, the Landowners' property is levied assessments. Originally, the land is all one piece but then it is divided into individual lots and each lot gets its share. When the bonds are issued, the proceeds are placed into a trust account held by an independent Trustee, who then releases it upon receipt of a requisition, showing that the expense is for CDD public infrastructure and not private development. Mr. Vericker stated that his role is primarily to ensure that all legal procedures are followed. Everyone is entitled to their comment and no debt assessments will be proposed on resident property; just Developer/Landowner property. In response to a question, Mr. Vericker confirmed that the initial bond assessed to property owners in 2014 was used to start the development of the property and an additional bond issuance has become necessary to facilitate additional infrastructure improvements to make the community whole. In response to the question of what he meant by "making the community whole", Mr. Vericker replied, to complete the CDD public infrastructure that needs to be built. Ms. Cerbone stated that the agenda items that are marked "for informational purposes", namely the Supplemental Engineer's Report, which outlines the District infrastructure that the bond funds are being utilized for, as well as Developer contribution, The First Addendum to Master Special Assessment Methodology Report and The Second Supplemental Special Assessment Methodology Report, will help clarify everything.

- **Supplemental Engineer's Report (for informational purposes)**

This item, previously the Fifth Order of Business, was presented out of order.

Ms. Cerbone presented the Supplemental Engineer's Report, dated October 15, 2018, and highlighted various sections, including Purpose and Scope, Proposed District Infrastructure, Clearing and Earthwork for Stormwater and Stormwater Management System, Roadways, Sidewalks and Paths and Utilities. She called attention to the Opinion of Probable Construction Costs, reviewed the tables on Pages 10 through 13 and took questions.

Mr. Mike LaBoe: With regard to the Engineer's Report, under Table 1, Unit 1, \$14,659,413 is the total estimated project costs of infrastructure, master and interior; is that correct?

Mr. Leins: Yes, that is correct.

Mr. LaBoe: Then, what was the actual cost? That's an estimate by the Engineer. What was the actual cost for Unit 1? I could probably help you out; if you look at Tab 6, Page 18, total allocation costs for Unit 1 was \$11,306,042. Why is there a difference of \$3,300,000 between his estimates, the Engineer's Report estimated costs and the actual cost and then where is the other \$3 million?

Ms. Cerbone: The engineering costs are estimated construction costs and are used to formulate the Assessment Methodology. The assessments are based on Equivalent Residential Units (ERUs). She introduced Mr. Szymonowicz, the Director of Financial Services at Wrathell Hunt and Associates (WHA), and asked for clarification of the estimated costs in Engineer's Report versus the Assessment Methodology Report.

Mr. Szymonowicz: As stated in the Engineer's Report, the costs that are given by the Engineer relate to what goes into the ground for and in that unit, which may be totally different from and in reality, in most instances, is from what is the benefit to units that happen to be located in that unit and provided an illustration. The example illustrates the difference between what Mr. Leins is demonstrating in the Engineer's Report, where costs are more allocated on the basis of their location and being a part of a particular geographical area, be it Unit 1, 2 or 3 versus the benefits of the entirety of all of the improvements; the \$26 million for the entire CDD and how they should be viewed by the Board, in terms of what benefits should be given to units in those particular portions of the Development. That is the difference between the \$14,659,413 in the Engineer's Report that also appeared in Table 2, Page 16, of the Methodology and the Costs in Table 5, Page 18, of the Methodology. Table 5 examines what portion of the total cost of all of the improvements for the entire project is, from a benefits perspective, attributable to Unit 1 units, Unit 2 units and Unit 3 units.

Mr. LaBoe: I think we can agree with what Table 5 and Table 1 agree; that the total infrastructure costs, both from the Engineer's estimated costs plus what is going to be prorated back by ERUs back to the co-owners, will be \$26,369,829. Is that correct?

Mr. Vericker: Actually, no, because you can't finance the whole amount; the \$26 million is the estimated costs for the entire CDD. You cannot borrow enough to cover it. So, as a requirement of the bonds, the Developer is going to have to sign a Funding and Completion Agreement to pay the difference. So, the \$26 million is not what the total bonded assessment is; it is just going to be a portion of that. They are going to have to sign a Funding Agreement to guarantee the completion because, these Unit 1, 2 and 3s are kind of developing, at the end of the day, it is just going to be one CDD infrastructure that is completed at the end but they will have to make up the difference and they are required to sign a Completion Agreement.

Mr. LaBoe: The actual cost for Unit 1, which is completed, correct? Master infrastructure and interior infrastructure? There are two separate.

Mr. Vericker: No. You don't declare them completed; you declare it complete when the whole project is done, so nothing has really been completed; 1 is probably pretty close to being complete but the actual completion is of the entire community. So no. There hasn't been any Declaration of Completion.

Mr. LaBoe: So at this point in time, as we are sitting here on November 28, 2018, what is the total cost of Unit 1 that the Developer has already spent?

Mr. Vericker: I don't have the total of what the requisitions are. I think the initial construction account was \$9.2 million and that has pretty much all been spent, so you can see why there is this difference between the \$26 million and the \$9 million that was spent from the \$14 million and that's what we are here today; to fill that gap, plus the Completion Agreement for the remainder that isn't there.

Mr. LaBoe: I know what I am paying for in my CDD for Unit 1. Other residents are paying it in their non ad-valorem taxes for this bond that was issued for \$10,360,000, so we already are assessed based on that bond and then there are costs associated with Unit 1 that that bond was supposed to defray. So we know what our assessed value was and now it must be known what Unit 1's costs are and, basically, it is either the \$14,659,413 of the estimated costs from the Engineer's Report or it is the \$11,306,042 that Mr. Szymonowicz just said that we are all being assessed on; it is either one or the other.

Mr. Vericker: The amount that was actually assessed was \$9,200,000; the Developer had to make up the difference.

Mr. LaBoe: So \$9,200,000 was our--

Mr. Vericker: That is what the actual debt assessment was, divided by 413 units. This is just filling in the rest of the gap that was not financed and, while the costs were higher, there was only \$9,200,000 levied on those first—

Mr. LaBoe: What was that cost for Unit 1; it could have been less than \$9.2 million?

Mr. Vericker: No, they used up all of the bond funds.

Mr. LaBoe: How do you know?

Mr. Vericker: The Trustee has a record.

Ms. Cerbone stated, how this works is when we need to acquire assets and the work is done, proof of the work is provided to our District Engineer to review and certify. That information would come to a Board Meeting for Board Member review and would then come to the District Manager's office, at WHA, and go to our accounting department, where it would be reviewed to make sure that the packet of information that was certified by the Engineer has all of the appropriate invoices, cancelled checks and whatever it may be that we need to have before it is forwarded to the Trustee, we ourselves as District Staff cannot access those funds; that money is held by the Trustee so the Trustee reviews the documents, as well, before releasing the bond funds, which will allow for the acquisition of the District infrastructure.

Mr. LaBoe: The reason why I am asking this question is, it comes right down to this point, it is basically what you wrote in the Engineer's Report, stating, as part of the certain Master Infrastructure benefitting Unit 1 from the original bond, it also benefits Units 2 and 3. I think we all agree on that, based on when it was completed. So, now a new 2018 Series bond will be issued for \$19,770,000, as per the public records. You will take a portion of those bonds and you will allocate it back to Unit 1 to basically give the builder and the builder will take those funds back from the original bond. It says because Unit 1 has paid out \$10,360,000 and some of those funds were used to also benefit Units 2 and 3 and now that you will go in for the Series 2018 bonds and get monies to do the master infrastructure and interior structure, part of that \$19,770,000 is going to go back to Vanguard Group. I am just trying to find out if it is pro-rated back, based on how much money is used to build out Unit 1, what that value is, and I am also trying to find out what Unit 1's cost was compared to what bond was issued that residents are all repaying.

Mr. Vericker: The part of the cost that Unit 1 had was \$9,200,000; that was all of the construction proceeds. As to how much was in the construction account for 2018 in the pricing schedule.

Mr. Szymonowicz: The par amount is \$16,725,000 and the construction amount is \$11,997,000.

Mr. Vericker: Unit 3 has \$2,457,000 so there is not enough bond proceeds to cover everything. The Developer will have to come up with the shortfall and their assessments will be the same as residents' and everything is on par.

Mr. Shehorn: By statute, can bond proceeds only be used for certain purposes? Can you briefly explain that? I understand the Trustee aspect, as a former banker. What I am interested in is, during the due diligence process, did Counsel to the governmental funding agency and, presumably Bond Counsel is here as well, do they scrutinize the purposes fairly closely?

Mr. Vericker: They do due diligence over everything because these are municipal tax-free bonds; it can only be used for municipal capital infrastructure like stormwater pipes.

Mr. Shehorn: This is a public offering too, right?

Mr. Leins: Yes, sir—

Mr. Shehorn: --which gives you an extra level of due diligence.

Mr. Vericker: Yes, there is a Bond Counsel, an Underwriter Counsel, and continuing disclosure obligations, under the Securities and Exchange Commission (SEC), where sales information must be reported. It is all disclosed and quarterly reports are filed.

Mr. Shehorn: So Bond Counsel would issue an opinion, presumably, stating the use of the proceeds is in accordance with statutes?

Mr. Vericker: There are many layers of legal opinion.

Mr. LaBoe: I still did not get an answer to my question. So we used the \$9.2 million already that was paid out of the Series 2014 Bonds, which we are paying for, for 30 years. Then, there was an additional cost for Unit 1 that the Developer had to pitch in, since he only had \$9.2 million from the bonds. How much did he pitch in for Unit 1? Either it is the \$11,306,042, or it is the \$14,659,413; those are the only two numbers that are in the public records that state what was paid for Unit 1.

Ms. Cerbone stated that District Staff and Board Members must determine if Mr. LaBoe's question could be revisited at a later date or addressed during the meeting. Mr. Liens

stated that it may require additional research, especially if residents would like to see all of the requisitions, and the purpose of today's meeting is the debt assessment on the undeveloped portion of the District. Mr. LaBoe stated it would be great if Management could convey the information and circulate it with the meeting minutes. Ms. Cerbone stated that the requested information would not go out with the meeting minutes but she could transmit it to Mr. LaBoe via email. She stated that Mr. LaBoe's question will be noted in the record and that District Staff quickly conferred with the Board regarding verification of the dollar amount.

Ms. Cerbone recapped the question as "What was the total amount the Developer contributed to the public infrastructure for Unit 1?" Mr. LaBoe added, over and above the \$9.2 million of the bonds that residents are paying back. Mr. Liens stated Mr. LaBoe is interested in the shortfall financing and, although the data is available, it will take time to compile the records. Mr. Laboe stated that the Developer paid \$2,106,042, per Table 5, Page 18, of the First Addendum to Master Special Assessment Methodology Report. Mr. Szymonowicz stated the amount is the mathematical representation of the difference between the allocation of costs that are derived from the application of ERU meant to go to Unit 1, per the Engineer's Report Costs, and the \$9.2 million that were funded with bond proceeds. That is not the purpose of Table 5; to provide an actual number of costs expended to date.

Mr. Farinelli: I am just curious to know why you can't have it as part of the minutes?

Ms. Cerbone: Because I am not providing a dollar amount at the moment. I can only provide in the minutes what we discuss during the meeting; we will have in the minutes that we discussed this...

Mr. Farinelli: Could we open action items for the minutes?

Ms. Cerbone: The minutes will state that the District Manager will respond to Mr. LaBoe at some point after the meeting, as quickly as possible after the meeting, to provide the answer to his question, which will be verbatim in the minutes.

Mr. Farinelli: But I would like to see the answer recorded somewhere.

Ms. Cerbone: Since the answer is not given during the meeting, I cannot put that in the minutes, but I can email you.

Mr. Farinelli: I do not want an e-mail. I want something for a public record.

Ms. Cerbone: In order to meet the public halfway, in the next meeting that will be held, if I reply to Mr. LaBoe, I can include my email reply as part of the meeting agenda, which will go in the minutes.

Mr. Steven Wood, a resident: On Page 6 of the Supplemental Engineer's Report, it states that all property owners will share a portion of the costs meant for Units 1, 2 and 3. Does that include all of the costs for the storm management facility, which will consist of seven lakes or retention ponds? My question is when the apartments that are currently being constructed next door are connected to our stormwater management, how will we be compensated?

Ms. Cerbone: Apartments within the community itself?

Mr. Wood: No, they are not ours. They are next door but the Engineer that designed it said that they will be connected to our stormwater management system.

Ms. Cerbone: Mr. Leins, do you hear that question.

Mr. Leins: I heard.

Ms. Cerbone: I know you cannot answer the compensation part but do you want to explain how this works, in general?

Mr. Wood: I will take that as a yes or no; will we be compensated or not?

Ms. Cerbone: I don't believe we have anything from the City or the County offering compensation for any infrastructure. Mr. Vericker and Mr. Liens did not recall anything either.

Mr. Wood: We are paying for all of this infrastructure and now this apartment complex will get away free while we are paying millions of dollars?

Ms. Cerbone: So the question is, when the water and sewer is tied in the apartments with some existing lines—

Mr. Wood: I know the stormwater runoff is going to be tied in but I am not sure of the sewer but, if the sewer does get tied in, it will be even more expensive.

Mr. Vericker: They will have to check on that to see if that is really going on; the Engineer will have to research it.

Mr. Wood: Well, that is what the Engineer told us at a meeting at our Clubhouse.

Ms. Cerbone: Please allow the District Manager to meet and confer with District Counsel and the District Engineer.

Mr. Wood: Okay.

Ms. Cerbone: What else do we have before we move to the next report? Is there anything on the Supplemental Engineer's Report before we move on to the next item.

Mr. LaBoe: It is not part of the Supplemental Engineer's Report but it is part of the regular meeting, not the Series 2018 Bond.

Ms. Cerbone: There are two more reports on the agenda, for informational purposes. Perhaps, if I briefly go through those, it may or may not answer your questions but it might provide a little more background for the rest of the members of the public in attendance. She asked Mr. Liens to remain on the call in case anything discussed on the Methodologies begs an answer from the District Engineer, instead of from Mr. Szymonowicz.

- **First Addendum to Master Special Assessment Methodology Report (for informational purposes)**

This item, previously the Sixth Order of Business, was presented out of order.

Ms. Cerbone presented the First Addendum to Master Special Assessment Methodology Report, dated October 17, 2018, and highlighted various sections including, Purpose, the Scope of the First Addendum, Special benefits, the revised Development plan, CIP, Master Financing and the Revised Master Special Assessment, benefit allocation for Units 1, 2 and 3, ERU per residential units, assessment rolls and debt assessments. She reviewed the tables found on Pages 14 through 19 and announced that she will continue to the next Methodology, then pause and take questions on both methodologies.

- **Second Addendum Special Assessment Methodology Report (for informational purposes)**

This item, previously the Seventh Order of Business, was presented out of order.

Ms. Cerbone presented the Second Addendum Special Assessment Methodology Report, dated October 17, 2018. With regard to the Purpose on Page 1, she mentioned that there are seven residential units in Unit 1.

In response to Mr. LaBoe's request for an elaboration on the seven residential units, Mr. Szymonowicz stated there is a tract of land leftover that was not part of what was the area that was not set for the 2014 bonds and that land will be subdivided into seven residential lots. Even though, geographically, the landfill is part of Unit 1, because it was not part of the bonds, the seven future lots are being segregated as an add-on to the future development lands, which will be Units 2 and 3. As to the actual location of the plats for the seven units, Mr.

Szymonowicz stated that they are designated on the plats as future development areas and are not designated as lots. Mr. LaBoe stated that the models are platted and asked if residents were paying CDD fees on the seven units. Mr. Laboe stated that there are tracts of land on the north and south side of the road, as one drives into the community, that do not have models on them but are parcels identified and platted as future development areas. Ms. Cerbone stated, if a plat is not designated as a unit, then, by default, it would have to be designated on the plat, itself, that it is a lot. Mr. Leins stated that, typically, we plat large tracts of land and we do one overall plat initially that covers the first bank of lots but then the balance of the property that is platted as a large tract for future development. Mr. Vericker stated that the tract did not have any debt assessments, which is the reason why debt assessments are being placed on it now and it will be replatted into individual lots, eventually.

Mr. LaBoe: Part of the public information in the District papers, on Page 35, states that --

Ms. Cerbone: You have a document in your hand that I, as the District Manager, along with Mr. Szymonowicz and Mr. Leins, do not have so it will be difficult to address your concerns.

Mr. LaBoe: The document was the Limited Offering Memorandum that was on the CDD's website that says that the bond was in the amount of \$16,980,000; Toscana Isles CDD, Venice Florida, Special Assessment Revenue Bonds Series 2018. It goes through an introduction and then basically gives this bond piece of paper--

Ms. Cerbone: --it is the preliminary.

Mr. LaBoe: So it is Page 35 of the preliminary and basically says that those seven parcels were platted in Unit 1, based on your documents here from the public record—

Ms. Cerbone: --but they were not assessed for debt; there is no debt assessment on them from 2014.

Mr. LaBoe: So, there are no CDD fees being collected currently on those seven parcels?

Mr. Vericker: There would be maintenance assessments but no debt assessments, which is why it is being done now.

In response to Mr. LaBoe's question regarding platting, Mr. Vericker stated that it was platted but a re-plat must be done and platted property can be changed. The property is the same but the lines are different. As to who pays for the maintenance assessments, Mr. Vericker replied, the current landowner, which is the Developer.

Mr. LaBoe: If there are parcels, the Sarasota County Tax Collector is going to have them in their records; right?

Mr. Vericker: Yes.

Mr. LaBoe: So, we will be able to see, that is the Developer, that is going to be paying for those non ad-valorem taxes for those seven parcels.

Mr. Vericker: Until they sell it to another entity.

Mr. LaBoe: So, can I have it in the record, maybe we can get what those seven parcel ID numbers are, so I can go and check the Sarasota County records?

Ms. Hays: They are future development tracts, so they are currently in tracts of land; we need to re-plat them into seven lots.

Mr. LaBoe: So, nobody is paying any fees on that then?

Ms. Hays: Because they are not---

Mr. LaBoe: So that is different than what this gentleman just said?

Mr. Watson: If you own a tract of land, that tract of land has, most probably, a Property Identification Number (PID) that is attached to it and that PID, whether it is a house or a huge tract of land, is assessed by the property appraiser and paid through the tax collector.

Mr. LaBoe: And you are saying there are seven of them on our property?

Mr. Watson: No, I did not say there are seven of them. We said that there is land that is designated as future development and they will be turned into seven lots, in the future, just like we are saying in here, that Unit 2 will be turned into 483 future lots. It is no different; they just have to be in smaller chunks.

Mr. LaBoe: So, I am in the 420, that total, or the 413 and I am paying CDD fees every year on mine. It says in these documents that Unit 1 has been developed and platted and contains 364 single-family units and 56 multi-family units; added together, 364 and 56 is 420. So, take seven out of there because something else has been designated but somebody is paying CDD fees on the other 413. Is that correct? I am paying one so, now it is down to 412. So somebody else is paying CDD fees for those other parcels that are actually platted in Unit 1?

Mr. Watson: We are going to examine the language that is in the Preliminary Limited Offering Memorandum (PLOM) and in the Limited Offering Memorandum (LOM); we are going to have to take a look and see what is stated in there and reply to you.

Mr. LaBoe: Okay, so the question will be, out of the 413 in Unit 1, are CDD fees being assessed?

Ms. Cerbone: I can tell you that right now. They are. There is a debt assessment and Operation & Maintenance (O&M) Assessments; the cost of being a Community Development District includes District Engineer, District Counsel, Management, Audit and Trustee fees. We will be reviewing financial statements later in the agenda and those line items will be pointed out.

In response to a question regarding maintenance fees, Ms. Cerbone stated that no maintenance expenses are currently being incurred by the CDD and there is an agreement in place between the CDD and the HOA or POA for maintenance.

Mr. LaBoe: So, just to give everybody just a little bit more information, out of 413, we know there is not 413 homes in there but there are 413 areas that a home can be built on, so you have one of the pieces of land on my street, in Tuscavilla, vacant land, DR Horton owns it and are they just paying O&M fees on that or the whole CDD?

Ms. Cerbone: They are paying the whole thing; just like everybody else; correct.

Mr. Mike Paganelli, a resident, asked, if DR Horton buys a lot and it takes them two years to sell it, they are paying the CDD for the first two years; does that mean that when the homeowner buys it, that he only has 28 years of the CDD left to pay? Ms. Cerbone stated that Management keeps those records, which is one of the reasons why Mr. Szymonowicz is on the telephone today; not only does he do the Methodology, but he also prepares Estoppel letters, answers calls from residents regarding their assessments, whether it is the debt assessment, the O&M, early payoff of the debt assessment if some property owners wish to do that, etc. In response to Mr. LaBoe's question regarding early payoff of the debt assessment, Ms. Cerbone suggested that he contact her office sometime after the meeting and ask for her or Mr. Szymonowicz. Mr. Vericker stated that CDD fees do not go away even when the debt is paid because the property always has to be maintained; O&M will always exist to cover the landscape maintenance fees, etc. As to how prepayment works, Mr. Vericker stated there would be less principal and, if there is a refunding, there will be no interest savings.

Ms. Cerbone reviewed the remainder of the Report, Pages 11 to 19. In response to a question regarding the Assessment Roll total, Mr. Szymonowicz stated that the total par

amount should be changed from \$16,980,000 to \$16,725,000. Mr. Vericker stated that a similar public hearing will be held for Unit 3, in January, and an advertisement will be posted.

Mr. Wood questioned why Toscana Isles residents should be responsible if a bridge fails or a pipe burst, when the apartments are connected to it. Ms. Cerbone stated that the question will be added to Mr. Wood's original question and answered in writing.

THIRD ORDER OF BUSINESS

Approval of Requisition(s)

This item was addressed during the Eleventh Order of business.

FOURTH ORDER OF BUSINESS

Ratification of Contract/Change Order(s)/Purchase Order(s)

There was nothing to ratify.

FIFTH ORDER OF BUSINESS

Supplemental Engineer's Report (for informational purposes)

This item was addressed following the Second Order of Business.

SIXTH ORDER OF BUSINESS

First Addendum to Master Special Assessment Methodology Report (for informational purposes)

This item was addressed following the Second Order of Business.

SEVENTH ORDER OF BUSINESS

Second Addendum Special Assessment Methodology Report (for informational purposes)

This item was addressed following the Second Order of Business.

EIGHTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessments Relating to the Financing and Securing of Certain Public Improvements

- *Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessments on the property.*
- *Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.*

A. Affidavit of Publication/Proof of Publication

Ms. Cerbone presented the affidavits of publication.

B. Mailed Notice to Property Owner(s)

Copies of the affidavit of mailing, certified mail receipts and a sample letter of the Notice to Property Owners were included for informational purposes.

C. Consideration of Resolution 2019-06, Authorizing the Construction and Acquisition of Certain Capital Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on the Property Specially Benefited by Such Improvements to Pay the Cost Thereof; Providing a Method for Allocating the Total Assessments Among the Benefited Parcels Within the District; Confirming the District's Intention to Issue its Special Assessment Revenue Bonds, Series 2018; Setting Forth the Final Terms of the Special Assessments Which Secure the Series 2018 Bonds; Adopting a Final Second Supplemental Special Assessment Methodology Report; Providing for Severability, Conflicts and an Effective Date

Mr. Szymonowicz stated that the statutory upper limit that the equalizing Board will be levying on the land is \$19,777,000. Mr. Vericker stated the Developer or affected party has consented to the debt assessments and the hearing could proceed to hear general comments.

Ms. Cerbone opened the Public Hearing.

Mr. LaBoe: When the Assessment Roll was reduced from \$16,980,000 to \$16,725,000 but the bond was kept at \$19,770,000, wouldn't you bring the bond down to, rough calculation, was another \$165,000? Why not bring it down for what is being requested because the people will be assessed on \$19,770,000?

Mr. Vericker stated that another report will be produced containing the exact amount, post closing, and this will not fund for another week.

Mr. LaBoe: Today is the pre-close on the 2018 Series but, on 12/3, which is next week, that is where you will fund the bonds. So you will rewrite all the paperwork to show the new amount?

Mr. Vericker: Yes, they typically will do a cleanup report.

Mr. LaBoe: Will you have all of that for us on your website with the new---

Ms. Cerbone: --once it is completed; that is correct. It may not be posted on the same day but, as soon as we can, we will get it out there, yes.

Mr. LaBoe: Am I correct and true in this statement that the people in Units 1 and 2—

Ms. Cerbone: -- which are the Developers.

Mr. LaBoe: Right, and Unit 3; they are going to be assessed on \$19,770,000 unless somebody changes that number, right?

Ms. Cerbone: The WHA office, acting as District Management, are the ones based on the final dollar amount, we prepare the assessment rolls and provide them to the County.

Mr. Vericker: They will do another bring-down resolution, post closing.

Mr. Mike Shehorn, a resident, stated that he noticed that part of the proceeds of the new bond issue would be applied to the construction gate. Ms. Cerbone did not see gates noted accordingly and asked District Staff to assist. Mr. Szymonowicz stated that there are references to gates and entry features that the Engineer identified for these categories in Units 1 and 3 improvements. Mr. Liens confirmed that the gates are for the second entrance; northern area, aka, the construction entrance.

Mr. Shehorn: The bond will be funded initially but of course it will not be dispersed until the Trustee receives invoices--

Ms. Cerbone: Until the Trustee receives a certified requisition package, as I call it.

Mr. Shehorn: If the bond proceeds are already there for the construction gate, I was led to believe, from the last meeting, that the permanent gate, which is contemplated in this document, was going to be built in 2019 or 2020; something like that? I got the impression that it was farther away than in the next couple of months.

Ms. Cerbone: What meeting are you referring to?

Mr. Shehorn: It was the HOA meeting, in which there was no quorum, so I guess, technically, it never actually took place.

Ms. Cerbone: I cannot answer HOA questions.

Mr. Shehorn: If the proceeds are there, can the Developer go ahead and proceed with installation of the permanent gate? Is there anything statutorily that prohibits him from doing that at the very beginning of the project?

Ms. Hays: We have permitting requirements, as well as putting pipes in the ground before a road is placed over it, so a lot of work must be done in advance of wanting to put a road and gates, etc.

Mr. Shehorn: As a snowbird, and talking to other residents in the neighborhood here who have been extremely diligent about bird-dogging the property, it sounds like we have some security issues there and I personally would like to see that buttoned up as soon as possible and I would presume the Developer would, as well. I am just trying to ask what the intentions and the expected timeline is.

Mr. Wood stated that there are a lot of people coming in and out of the construction gate and a resident had a knife pulled on him while asking people to leave. He asked why the CDD does not put a chain on the gate at 6:00 p.m., and erect signs along the back of the lake that say no fishing, no hunting, no trespassing.

Ms. Cerbone: Construction proceeds, bond proceeds, can only be used for public infrastructure as outlined in the District Engineer's report.

Ms. Cerbone closed the Public Hearing.

Ms. Cerbone presented Resolution 2019-06 and read the title.

On MOTION by Mr. Watson and seconded by Ms. Hays, with all in favor, Resolution 2019-06, Authorizing the Construction and Acquisition of Certain Capital Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on the Property Specially Benefited by Such Improvements to Pay the Cost Thereof; Providing a Method for Allocating the Total Assessments Among the Benefited Parcels Within the District; Confirming the District's Intention to Issue its Special Assessment Revenue Bonds, Series 2018; Setting Forth the Final Terms of the Special Assessments Which Secure the Series 2018 Bonds; Adopting a Final Second Supplemental Special Assessment Methodology Report; Providing for Severability, Conflicts and an Effective Date, was adopted.

Ms. Cerbone presented the Amendment to the AM Engineering, Inc., contract.

On MOTION by Mr. Peshkin and seconded by Ms. Hays, with all in favor, the Amendment to the AM Engineering, Inc., contract, was ratified.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Straley Robin Vericker*

Mr. Vericker stated that the financing issues will be completed by the following week.

B. District Engineer: *AM Engineering, Inc.*

There being no report, the next item followed.

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

i. NEXT MEETING DATE: December 5, 2018 at 10:00 A.M.

The next meeting will be held on December 5, 2018 at 10:00 a.m.

ELEVENTH ORDER OF BUSINESS

Board Members' Comments/Requests

A Board Member inquired about the Third Order of Business.

▪ **Approval of Requisition(s)**

This item, previously the Third Order of Business, was presented out of order.

Ms. Cerbone presented the following requisitions:

- Requisition No. 219, 2014 Bond Series \$181.58: The gross requisition amount of \$196.13 was reduced by a Developer contribution of \$14.55.

On MOTION by Ms. Hays and seconded by Mr. Peshkin, with all in favor, Requisition No. 219 from the 2014 Construction Account, in the amount of \$181.58, was approved.

- Requisition No. 001, 2018 Bond Series \$2,537,889.02: The gross requisition amount of \$3,492,597.28 was reduced by a Developer contribution of \$954,708.26. The requisition break down was as follows:

Clearing and earth work for stormwater	\$401,000
Stormwater management system	\$562,000

Roadways, Sidewalks and Paths	\$1,179,000
Water and sewer utilities	\$897,000
Gate and entry features	\$24,000
Walls, buffers and landscaping	\$427,000

On MOTION by Mr. Watson and seconded by Ms. Hays, with all in favor, Requisition No. 001 from the 2018 Construction Account, in the amount of \$2,537,889.02, was approved.

TWELFTH ORDER OF BUSINESS**Public Comments**

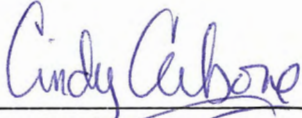
Mr. Richard Daitch, a resident, asked what happens if requisitions are received and there is nothing in the bond account. Ms. Cerbone stated that the requisitions are sent back, as requisition funds have been used up. As to how vendors get paid, Mr. Vericker stated the Developer signs a Funding Agreement so that all shortfalls are guaranteed. Mr. Daitch asked what if the Developer has financial problems. Mr. Vericker replied there would be a lawsuit against the Developer. As to whether homeowners would have any liability, Mr. Vericker stated if there was a default there would be an enforcement suit. Mr. Daitch asked if homeowners had any exposure. Mr. Vericker stated, currently no, because no one is in default, an agreement is in place and a lawsuit would likely be filed to try to recover the funds. Discussion ensued regarding rules and regulations, foreclosures and mechanisms for enforcement.

Mr. Wood asked why the bond issuer does not require a bond for the issuance and payment. Mr. Vericker stated that the bonds are secured by the assessments and, as long as residents pay their bond debt assessment, there would be no enforcement action; the suits go against property owners that do not pay their assessments. Discussion ensued regarding DR Horton, homeowner liability, debt assessments and the economy.

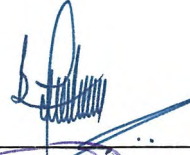
THIRTEENTH ORDER OF BUSINESS**Adjournment**

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Watson and seconded by Mr. Peshkin, with all in favor, the meeting adjourned at 3:42 a.m.

Handwritten signature of Cindy Carbone in blue ink.

Secretary/Assistant Secretary

Handwritten signature in blue ink, partially obscured by a horizontal line.

Chair/Vice Chair