

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

The Board of Supervisors of the Toscana Isles Community Development District held a Regular Meeting on April 3, 2019, at 10:00 a.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
Lisa Dao	Wrathell, Hunt and Associates, LLC
John Vericker (via telephone)	District Counsel
Jim Collins	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:02 a.m. Supervisors Samantha Hays, Brian Watson and Daniel Peshkin were present, in person. Supervisors Alexander Hays and John Peshkin were not present.

SECOND ORDER OF BUSINESS

Update: Communications to Members of the Public

Ms. Cerbone provided the following answers to questions posed in previous meetings, along with actions taken to requests:

QUESTION 1: At what point will the public know if there will be any other bonds issued?

ANSWER: The Board of Supervisors has not discussed issuing additional bonds and, at this time, the Board Chair does not believe that there is an intent to issue additional debt.

QUESTION 2: Who pays for the difference between the actual costs and the bond proceeds for the CDD improvements?

ANSWER: The Developer. That commitment is secured from the Developer is with the Trust Indenture, which includes a Completion and Funding Agreement. For the Series 2014 bonds, the Agreement was executed on October 6, 2014 and on December 6, 2018 for the Series 2018 bonds. Additionally, a document was executed on November 21, 2014 regarding the Series 2014 bonds that also required a monetary contribution, on behalf of the Developer, which was made by the Developer, was documented and was provided to the members of the public that requested it.

QUESTION 3: What if there is not enough money to pay for the CDD improvements?

ANSWER: The Developer pays the difference through the Completion Agreement.

QUESTION 4: What type of agreement is in place to ensure the above?

ANSWER: See response above to Question 2.

QUESTION 5: Who has ultimate responsibility on the easements?

ANSWER: It is the responsibility of the Toscana Isles Stormwater Maintenance Association, Inc., to maintain the various stormwater easements on the property. All other granted easements on the property are the Toscana Isles Master Association's responsibility to maintain, pursuant to the Maintenance Agreement executed in 2016. An exhibit to the Maintenance Agreement outlines the responsibility by either Master Association or Maintenance Association.

REQUEST 1: Dr. Barry Zelesnick requested the audio file from the meeting.

ACTION: Dr. Zelesnick was provided a link to the audio on March 21st and Ms. Cerbone confirmed with him that he was able to access the audio.

QUESTION 6: Please explain more about the easements in place prior to the CDD formation?

ANSWER: Not only does the District have infrastructure in place that others may connect into, the District itself connects into infrastructure that others have in place. It is part of not just the District and not just the City but the whole water network within the City, County and State, and is governed and managed through a variety of permits, easements, etc.

QUESTION 7: What types of homes will be built in Unit 3? His understanding is that there will be terrace homes and he would like to understand what a terrace home is and are they high density structures?

ANSWER: From inquiring with the Developer, the product type planned for the western tract of the property has not been finalized. The permitted product types could range from single-family homes to multi-family homes up to three stories. "Terrace Home" was a term used to describe a not-yet designed multi-family product, with density and number of units per building, not one building, which are potentially different than the existing "Coach Homes".

QUESTION 8: How will the higher density, meaning residents, impact the Toscana community?

ANSWER: While Toscana Isles has a zoning maximum of 1,714 units; it is currently anticipated that there would be just over 1,100 units at project buildout, which were outlined in the Assessment Methodology Reports and are a matter of public record and the information was distributed in previous meetings. As referenced above, the Developer has not yet finalized the product for the Western Tract.

QUESTION 9: In the future will more debt be placed on any of the properties in addition to the 2014 and 2018 debt?

ANSWER: See above answer to Question 1.

QUESTION 10: Who has the ultimate responsibility for the easements?

ANSWER: See above answer to Question 5.

QUESTION 11: In the future, will any additional CDD debt be placed on Unit 1?

ANSWER: See above answer to Question 1.

THIRD ORDER OF BUSINESS

Public Comments

Mr. Jim Collins, a resident, referred to the Completion and Funding Agreement and asked "So what you are saying is the two bonds that are floated should cover everything that is going to be done through the CDD, yet there is still an option of having a third bond? I don't quite understand that. Like, in other words, if I was to understand what you are saying, if there is a Completion and Funding Agreement and we have two bonds that, whatever the amount of

money is, \$20 million or whatever, that should cover all that, so, how could there be the possibility of even a third bond, it is sort of like one forecloses the other, from what I understand, just from what you are saying, unless the Completion and Funding Agreement doesn't cover everything that is being done? See, even when we talked on the phone, I understood what you were saying but I really didn't understand it because, when my wife asked me, I couldn't explain it, so maybe I need it simpler."

Mr. Watson stated that the way it works is that bonds are "floated" but it does not mean that the bonds that are floated will cover all the CDD-eligible expenses so there is another mechanism in place, the Funding Agreement, where the Developer agrees to pay the difference between the bond amount and the actual development costs but it does not state that the CDD cannot float additional debt but, the floating of additional debt is more governed by what the market will bear. For instance, if an additional \$10 million was floated, on top of the bonds already issued, the project might become unmarketable so it is probable that the Developer would not float additional debt to make the project to make the project unmarketable because then the Developer would be hurting themselves.

Mr. Collins asked why it would be unmarketable if you floated two bonds, \$20 to \$25 million and you are going to float another bond for \$2 million?

Mr. Watson stated that it is not cost-feasible to float a very small bond issue because of all the fixed costs that go into issuing debt so the amount of money the developer would have to go after would have to be more than a couple million; it must be a more substantial amount. Regarding whether there was an intent to float more debt, Ms. Hays stated that there is not.

Mr. Collins stated you also said among eligible expenses and asked how is it determined, for a bond, what is eligible and what is not eligible?

Mr. Watson stated, for instance, the Clubhouse was not eligible because the Developer decided they wanted the Clubhouse private and for the residents so things like a Clubhouse would not be eligible to be financed using bond funds.

Mr. Collins stated so the Clubhouse and the recreation part, the facility, I think everyone understands that but, going forward, what else would not be?

Mr. Watson stated that the Engineer's Report lays out what is and is not eligible; for instance, the irrigation system is not eligible. A part of the Methodology talks about a certain portion of the basically dirt, earthmoving, excavation, grading, et. al., a portion of that is not eligible in CDDs.

Mr. Collins asked is that common in CDDs? Is that common or unique to us, this one?

Mr. Watson stated the only CDD this Board knows about is this one; therefore, he could not speak about others. The Developer had discussions with all the attorneys involved in issuing the debt to determine what could be included and this is what was determined.

Mr. Collins stated that he did not get to read most of the information that was sent and some of it confused him. He referred to a monetary contribution by the Developer and asked how much was it and what was it for?

Ms. Cerbone stated about \$1.154 million, which was part of the Agreement regarding the issuance of the Series 2014 bonds. She stated that Mr. Collins was previously provided with the Agreement with the amount and a Certification that those dollars were actually spent, which included invoices, cancelled checks and confirmation that the District did not fund the Developer or the vendor and that the Developer actually paid those expenses. The Developer also made a cash contribution. Mr. Watson stated that both Requisition #1 of the Series 2014 bond issue and Requisition #1 of the Series 2018 bond issue did basically the same thing of contributing infrastructure to the District that the Developer had already paid for, in lieu of cash.

Mr. Collins asked would part of that infrastructure be the Clubhouse?

Mr. Watson replied no; the Clubhouse was outside of that because it is private. He was speaking about CDD-eligible items; the Clubhouse and the recreation area are not CDD-eligible costs.

Mr. Collins asked, so, therefore, the Developer contributed CDD-eligible costs rather than having the bond pay for it?

Mr. Watson replied affirmatively.

Mr. Collins asked why would the Developer contribute rather than just doing a higher bond?

Mr. Watson stated that it comes down to what the Developer thinks is an acceptable level of debt to leave on the property for the homeowners.

Mr. Collins asked is it easier to float a bond if you are contributing "x" amount of monies, something like that, you are kicking in, the Developer is doing this so the bonds...does that make it more viable or is?

Mr. Watson stated that it only makes it more viable because you are floating less debt.

FOURTH ORDER OF BUSINESS

Approval of Requisition(s)

There were no requisitions to approve.

FIFTH ORDER OF BUSINESS

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

There was nothing to ratify.

SIXTH ORDER OF BUSINESS

Discussion: RFP for Construction Services and Materials

Ms. Cerbone distributed and reviewed a copy of the Request for Proposals (RFP) for Construction Services and Materials for Site Work and Utility Installation work in Units 2 and 3. The goal was to advertise the RFP next Wednesday, April 10th, with submittals due by 8:00 a.m., May 13th and the bid opening at 8:15 a.m. Award of the contract would be considered at the May 15th meeting.

On MOTION by Mr. Watson and seconded by Mr. Peshkin, with all in favor, the Request for Proposals and authorizing Staff to advertise the RFP, was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of February 28, 2019

Ms. Cerbone presented the Unaudited Financial Statements as of February 28, 2019.

On MOTION by Ms. Hays and seconded by Mr. Peshkin, with all in favor, the Unaudited Financial Statements as of the February 28, 2019, were accepted.

EIGHTH ORDER OF BUSINESS

Staff Reports

- A. **District Counsel: *Straley Robin Vericker***
There being no report, the next item followed.
- B. **District Engineer: *AM Engineering, Inc.***
There being no report, the next item followed.
- C. **District Manager: *Wrathell, Hunt and Associates, LLC***
 - **NEXT MEETING DATE: April 17, 2019 at 10:00 A.M.**
The next meeting will be held on April 17, 2019 at 10:00 a.m.

NINTH ORDER OF BUSINESS

Board Members' Comments/Requests

There being no Board Members' comments or requests, the next item followed.

TENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

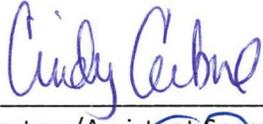
ELEVENTH ORDER OF BUSINESS

Adjournment

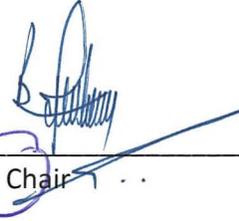
There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Hayes and seconded by Mr. Peshkin, with all in favor, the meeting adjourned at 10:25 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair