

MINUTES OF MEETING  
STONEYBROOK SOUTH AT CHAMPIONSGATE  
COMMUNITY DEVELOPMENT DISTRICT

The Continued meeting of the Board of Supervisors of the Stoneybrook South at ChampionsGate Community Development District was held Monday, November 16, 2020 at 11:30 a.m. at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida 33896.

Present and constituting a quorum were:

Adam Morgan  
Lane Register  
Tim Smith  
Rob Bonin

Chairman  
Vice Chairman  
Assistant Secretary  
Assistant Secretary

Also present were:

George Flint  
Kristen Trucco  
Steve Sanford  
John Kessler  
Michelle Barr

District Manager  
District Counsel  
Bond Counsel  
Underwriter by phone  
Lennar Homes by phone

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order and called the roll. Four Board members were in attendance constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: It does not appear we have any members of the public here or on the phone. We will move on to organizational matters.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2021-06 Bond  
Delegation Resolution – Fox South  
Assessment Area**

Mr. Flint: The main reason that we continued the last meeting was to allow the Board to consider the bond delegation resolution. Steve Sanford, who is the District's Bond Counsel, is on the line and will walk you through the delegation resolution.

Mr. Sanford: The Board sets forth certain parameters within the resolution, and if the bonds are marketed and fall within those parameters then they act of signing the Bond Purchase Contract by the Chair or Vice Chair can be done without the need for a special meeting. This resolution authorizes up to \$15 million of special assessment bonds to finance a portion of the Fox South parcel. There are a number of documents that are exhibits to the resolution. I will quickly go through what those are. We have an existing Master Trust Indenture, there is no need for an additional approval on that. We are going to issue this series as bonds as we have done with other series of bonds, using a 2017 Master Trust Indenture. The Bond Purchase Contract is the contract between the district and FMSbonds as your underwriter. That basically sets forth what the terms and conditions are to have a successful closing. The next exhibit is the Preliminary Limited Offering Memorandum, that is the marketing tool that the underwriter uses to solicit purchases of the bonds. Once those bonds are sold the PLOM would be finalized and all the terms would be inserted in a final document which would be delivered to the investors. The Continuing Disclosure Agreement is required under SEC rules, it requires the District and the developer to provide certain annual and quarterly information about the project and bonds, and also requires disclosure of any material events like a draw on the reserve account. I think the Board is familiar with this type of document. GMS would be the dissemination agenda who is responsible for getting the information from the district and the developer to be compliant with the agreement. The next document is the Third Supplemental Indenture. Every time we issue a series of bonds we have a separate and unique Supplemental Indenture. This will be approved without any bond terms at this point, but once we know what the final bond terms are this document will be finalized. It will govern the terms of these bonds for the life of the bonds. There are a couple of exhibits that were prepared by your district counsel. The Completion Agreement obligates the developer, to the extent that the bond proceeds aren't sufficient to complete the project, it puts the burden on the developer to complete the project with its own funds. Next is the True Up Agreement which is the document that if there are not sufficient revenues from the assessments, then the obligation is on the developer to make a true up payment. The Acquisition Agreement is between the District and the developer, it basically spells out the terms that describes the amount of bond proceeds that will be available. In this case, I think the developer is going to do all of the construction and then sell the completed assets to the district. Lastly, there is a Collateral Assignment, if there was ever a default the certain entitlements, permits, zoning rights, etc. that would be necessary for whoever steps in

the shoes of the developer, they could have those so the project could be completed. I will go over the parameters. If the bonds are sold within these parameters the Chair or Vice Chair can sign the Bond Purchase Contract. The parameters are that we cannot issue more than \$15 million in special assessment bonds, if we have to issue more we would have to go back to the Board. The maximum arbitrage yield can't exceed 4.75%. If the bonds are subject to optional redemption, which they likely will be, that decision will be made at the time the bonds are sold. Lastly, the Underwriter's compensation is 98 cents on the dollar. That is all the exhibits, unless there are any questions I would make a recommendation to approve Resolution 2021-06.

Mr. Flint: Are there any questions from the Board on the resolution? Hearing none,

On MOTION by Mr. Morgan, seconded by Mr. Register, with all in favor, Resolution 2021-06 Bond Delegation Resolution Fox South Assessment Area, was approved.

#### **FOURTH ORDER OF BUSINESS**

#### **Consideration of Supplemental Assessment Methodology Report for Fox South Assessment Area**

Mr. Flint: Next is the Supplemental Assessment Methodology, this is a pre-pricing report. Once the bonds are actually priced this would be revised to reflect the actual terms of the bond issue. The pre-pricing methodology gets included in the Preliminary Limited Offering Memorandum. This report takes more current parameters than the Master Assessment Methodology, and includes that in a pre-pricing supplemental. Table 1 is the development plan, the same as what is in your Master Methodology that you approved at your assessment hearing. Table 2 is the eligible cost that could be funded as included in the District Engineer's November 2<sup>nd</sup> report. Table 3 is basically a revised bond sizing that would more closely reflect what we believe the market will be when priced. The average coupon rate on this is 4%. The debt service reserve would be 50% max annual. The amortization period would be 30 years and the Underwriter's discount would be 2%. There is no capitalized interest in this scenario, we don't contemplate that there will be a capitalized interest period included. Table 4 shows you the improvement cost per unit. Table 5 shows the par debt per unit. Table 6 shows your target assessment levels. Table 7 is a preliminary assessment roll, you can see that it now reflects that we have platted lots within the district. Unplatted lots are shown on the last page.

Mr. Morgan: The unplatted will be on roll at a later date?

Mr. Flint: Yes, once the unplatted is platted the assessment roll is updated. It is updated annually.

Mr. Sanford: George, I also want to mention that the delegation resolution we just adopted authorizes there to be modifications to your report as well as the Engineer's Report if necessary.

On MOTION by Mr. Morgan, seconded by Mr. Register, with all in favor, the Supplemental Assessment Methodology Report for Fox South Assessment Area, was approved.

**FIFTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**SIXTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being none, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Adjournment**

Mr. Flint: If there is nothing else from the Board, is there a motion to adjourn the meeting?

On MOTION by Mr. Morgan, seconded by Mr. Register, with all in favor, the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman