

**MINUTES OF MEETING
STONEBROOK SOUTH AT CHAMPIONSGATE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Stoneybrook South at ChampionsGate Community Development District was held Monday, April 11, 2022 at 11:30 a.m. at the Oasis Club at ChampionsGate, 1520 Oasis Club Blvd., ChampionsGate, Florida 33896.

Present and constituting a quorum were:

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| Adam Morgan | Chairman |
| Rob Bonin | Assistant Secretary |
| Daniel La Rosa | Assistant Secretary |

Also present were:

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| George Flint | District Manager |
| Alan Scheerer | Field Manager |
| Dylan Schwartz | Underwriter |
| Jan Carpenter | District Counsel |
| Steve Sanford | Bond Counsel by phone |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: We just have Board members and staff present.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the March 7, 2022 Meeting

Mr. Flint: We will move onto the approval of your March 7th meeting. Did the Board have any comments or corrections to those minutes?

Mr. Morgan: They looked good. I make a motion to approve.

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| On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, the Minutes of the March 7, 2022 Meeting, were approved. |
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FOURTH ORDER OF BUSINESS

Financing Matters

April 11, 2022

Stoneybrook South at ChampionsGate CDD

A. Consideration of Supplemental Engineer's Report

Mr. Flint: This is a public hearing and for the record we will note that there are no members of the public here to provide comment or testimony. The first item is the Supplemental Engineer's Report for Fox North and Parcel B. This is collectively the Series 2022 Assessment Area and I do not believe Dave Reid is here but you do have his report, it was presented to you back on March 7, so the Board had an opportunity to review the report when you set the public hearing. I believe there have been some changes, but they have been minor.

B. Consideration of Master Assessment Methodology Report

Mr. Flint: The next item is the Master Assessment Methodology for the Series 2022 Assessment Area. If you refer to Table 1 on page 10, this is the development program that we took from the Engineer's Report. There is a combination of townhomes, single family 40' and single family 50'. This includes the Fox North parcel and Parcel B which is also referred to as Parcel X. There is a total of 358 units and 280 ERUs. Table 2 is the infrastructure cost estimates that were taken from the Engineer's Report and they total \$13,294,304. They are broken up by the major improvement category and by Fox North and Parcel B. Table 3 is a bond sizing for purpose of master assessments. We take the \$13.3 million in improvements and we add one year of the max annual debt, 24 months of capitalized interest, 2% underwriter's discount and a cost of issuance estimate for a par amount of \$17,450,000. Once the bonds are actually priced, we will issue a final supplemental that will reflect the actual pricing of the bonds.

Mr. Morgan: On Table 6, that gross annual debt assessment is \$3,784 for the townhome units, is that keeping in line with other townhome units?

Mr. Flint: These are the master assessment levels, so these are not your target assessments. When we actually issue bonds, we will tie them to the target assessment amounts. These amounts are just for purposes of setting a maximum.

Mr. Morgan: I always have to ask that question. I want to be clear for the record.

Mr. Flint: Those are higher than the total assessment amounts. We have tables in here that demonstrate the benefit received through improvement costs per unit as well as par debt per unit. Table 7 is the preliminary assessment roll. We have two different owners, Lennar Homes LLC which owns the Fox North piece and then Len-CG South LLC which owns Parcel B. The legal descriptions for both of those parcels are attached to the report. Are there any questions on the Master Methodology? Do you have anything, Jan?

April 11, 2022

Stoneybrook South at ChampionsGate CDD

Ms. Carpenter: No, you covered it well.

C. Public Comment and Testimony

Mr. Flint: As we noted earlier, there are no members of the public here to provide comment or testimony, so we will move onto the next item.

D. Consideration of Resolution 2022-07 Levying Assessments

Mr. Flint: This resolution levies the assessments. The Board previously adopted a resolution declaring your intent to levy and set today as the public hearing and this resolution would actually levy the assessments. Jan, do you want to say anything?

Ms. Carpenter: As George said, you previously declared assessments and set a public hearing and this resolution will levy the special assessments at that high number that you noted. Once bonds are issued, we will do another assessment resolution bringing it down to your target levels that you picked and that the bonds would be sized to match. This also does what we need to do under Chapter 170, 190, and 197 and provides for payment and confirms our intent to issue bonds and provides for recording of a lien notice in the public record.

Mr. Flint: Are there any questions on the Resolution 2022-07? Hearing none,

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, Resolution 2022-07 Levying Assessments, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2022-08 Bond Delegation Resolution

Mr. Flint: Item 5 is Resolution 2022-08, this is the Bond Delegation Resolution. Steve Sanford, who is the District's Bond Counsel, is on the phone. Steve, do you want to present the Bond Delegation resolution?

Mr. Sanford: We Resolution 2022-07 already?

Ms. Carpenter: Yes.

Mr. Flint: Yes, that was the levying resolution. The Board just adopted that. Resolution 2022-08 is the delegation resolution.

Mr. Sanford: Did you adopt 2022-09 already?

Mr. Flint: No, that is the budget adoption. That will be next.

Mr. Sanford: Alright. For the record, this is Steve Sanford, serving as the District's bond counsel. Resolution 2022-08 is what we call the Delegation Resolution. This sets forth the

April 11, 2022

Stoneybrook South at ChampionsGate CDD

parameters that when the time comes to price the bonds, it will be within the parameters set by the Board and that it is not necessary to call a special meeting. The Chairman and Vice Chairman are authorized to sign the bond purchase contract. I will go through what those parameters are. Even though the cost of this project is greatly more than what we are authorizing, I was instructed to authorize a principal amount of not to exceed \$6.5 million to hit the planned assessment levels, is that right, George? I am not sure now because your cost in your master was a lot higher than \$6.5 million.

Mr. Flint: We have a par amount of \$17,450,000. That is funding 100% of the improvements. The \$13.3 million in improvements.

Mr. Sanford: Okay, but is \$6.5 million a safe number for the delegation? I think I got that from FMS.

Mr. Flint: We don't have the supplement of the target assessments. We have a master here for the master lien so I don't know how the bond sizing shakes out for the target assessments and whether \$6.5 million is the right number or not.

Mr. Sanford: Would it be safe for them to increase that amount? It does not do any harm.

Mr. Flint: Yes, I would suggest doing it for the par amount and the master, that way they tie.

Mr. Sanford: What was that, 13?

Mr. Flint: \$17,450,000.

Mr. Sanford: Okay. Sorry about the confusion, I just want to make sure since looking at your numbers and looking at mine they are so different.

Mr. Flint: Yeah, and I don't know if you just picked up on the Fox North and you didn't include the Tract B improvements, it is possible.

Mr. Sanford: I got these from FMS. Anyways, the parameters are in Section 3 of the resolution and the resolution will authorize a principal amount of not exceeding \$17,450,000. The bonds have maturity no later than the statutory permitted period which is 30 years. The compensation to the underwriter would be 98% and what that means is that the underwriter would buy the bonds at a discount of 98 cents on the dollar and turn around and sell the bonds at 1 dollar and the difference is the compensation paid to the underwriter. The bonds are going to be subject to optional redemption, and that decision would be made by Board staff at the time of the pricing. Most likely, the bonds would be subject to optional redemption but with the full protection of 10

April 11, 2022

Stoneybrook South at ChampionsGate CDD

years, which means the bonds can be redeemed in that 10-year period regardless of interest rates. After the 10-year period, the bonds would be able to be optionally redeemed if the interest rates did go lower. In addition to those parameters, the resolution asks the Board to include certain documents and I will go through what they are. They are the Bond Purchase Agreement, which I mentioned earlier, that is between the District and FMS as your underwriter. That sets forth what the conditions would be for closing and funding the bonds and it would be approximately 10 days before we close on the bonds. The next exhibit is the Preliminary Limited Offering Memorandum and that is the prospectus that is used to find investors for the bonds. Once the bonds are sold, this Preliminary Limited Offering Memorandum would be completed with the final terms of the bonds. It would have the interest rates of the redemption provisions and the sources and uses of the bonds. The next exhibit is the Continuing Disclosure Agreement. That is an agreement that is required and what that does is it provides a mechanism by which the potential investors in the secondary market would have the most up to date information about the bonds and the development. Also, there is a requirement that if there were any material events that are listed in that agreement that they would be disclosed. The intent is to have a level playing field, so everybody has the most current information so if someone wants to buy the bonds in the secondary market, they aren't reviewing a possibly scaled prospectus. The next is the Fourth Supplemental Trust Indenture. We are operating under a Master Trust Indenture that is already in place. This document is between the District and the Trustee, and once the bonds are sold, it would be completed with all of the interest rates and redemption provisions similar to the information that would be in the final prospectus. There are a couple other exhibits that were prepared by Jan's office. A Completion Agreement, that is between the District and the developer and that obligates them to complete the project and notwithstanding the proceeds of the bond. The next exhibit is the True-Up Agreement. That requires that there be payment made by the developer if the development plan changes and there are not enough assessment revenues to pay the outstanding debt service, a true-up payment is required to be made. The Acquisition Agreement is also between the District and its developer and that basically spells out how completed aspects of the projects are sold to the District. The last is a Collateral Assignment that is between the District and the developer and that is basically an assignment of all of the development rights that the developer has in respect to this project, so if there were ever an event of default, there is a means by which the project would be completed. That assignment has really no effect unless there was an event of default, and then it becomes an

April 11, 2022

Stoneybrook South at ChampionsGate CDD

absolute assignment. Other than that, we have a mechanism that if the report has to be amended in any way or the methodology has to be amended in anyway, this resolution authorizes those actions to be taken without the need for calling a special meeting. Unless anyone has any questions, I would recommend to move to adopt Resolution 2022-08 with the only change being the authorized amount would be \$17,450,000 instead of the \$6,500,000.

Mr. Flint: Are there any questions on the Delegation Resolution?

Mr. Morgan: No, thank you Steve.

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, Resolution 2022-08 Bond Delegation Resolution, was approved.

Mr. Sanford: I will get that changed and that amount corrected.

Mr. Flint: Thank you, talk to you later.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2022-09
Approving the Proposed Fiscal Year 2023
Budget and Setting a Public Hearing**

Mr. Flint: Next is Resolution 2022-09 which approves the proposed budget and sets the public hearing for your Fiscal Year 2023 budget. The Board is required each year to approve a proposed budget by June 15 and set the date, place, and time for its public hearing and final consideration which has to be at least 60 days from today. There are some other noticing requirements that we will also comply with; two ads in the newspaper and placing it on our website and sending a copy to Osceola County. We are recommending your August 1, 2022 meeting at 11:30 a.m. in this location for the public hearing. Attached is Exhibit A to this resolution and is the proposed budget. It is not binding on the Board and is the start of the budget process to comply with that June 15 timeline. As long as you are not increasing the per unit assessment amounts, you have the flexibility to make changes between now and the public hearing if you chose to do that. If there was a need to increase assessments, then there would be some additional steps we need to take and we would need to know that a little earlier than otherwise. We are not recommending any change in the per unit assessment amounts, they are indicated at the bottom of page 1, those are the same as your current year, and they are also the same as your Stoneybrook South CDD right now. We are trying to keep those assessments similar to the extent we can. There are some increases in administrative costs. The current year, the increase is about \$12,000. Part of that is

April 11, 2022

Stoneybrook South at ChampionsGate CDD

related to an additional bond issue, so the Dissemination Agent, the Trustee’s fees, the arbitrage calculations, all of those will be increasing because you will have one more bond issue. We are asking for a 5% increase in the management fee, going from \$35,000 to \$36,750. There are some other increases. As you know with the current labor market, with inflation, with gas prices, all of those factors that are impacting us and the District’s other vendors are also impacting us. We have kept our fee level since the District was created so we are asking consideration of that. You are not voting on it today, but you have it included in the proposed budget.

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, Resolution 2022-09 Approving the Proposed Fiscal Year 2023 Budget and Setting a Public Hearing for August 1, 2022 at 11:30 a.m., was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2022-10 Authorizing Use of Electronic Documents and Signatures

Mr. Flint: You have seen this resolution with the other Lennar Districts. There have been some legislative changes that allow us now to use electronic documents and signatures in certain circumstances. If there is a witness required or a notarization, we would still use hard copies. For documents like resolutions and agreements and other things that don’t require that we have the ability to use DocuSign or other programs, this would give us that ability.

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, Resolution 2022-10 Authorizing Use of Electronic Documents and Signatures, was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Water Management Agreement with The Lake Doctors

Mr. Flint: Next is an agreement with Lake Doctors, Alan?

Mr. Scheerer: Yes, this is a renewal with Lake Doctors for the seven ponds located within the Stonybrook South at ChampionsGate CDD. There is a slight increase in price from \$385 to \$404 going forward, we have money in the budget to absorb that increase and are just seeking approval from the Board. The agreement expires at the end of April.

Mr. Flint: We will need District Counsel to draft a front-end agreement for this. We will attach the Lake Doctor’s agreement to our standard agreement.

April 11, 2022

Stoneybrook South at ChampionsGate CDD

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, the Water Management Agreement with The Lake Doctors, was approved.

NINTH ORDER OF BUSINESS

Discussion of Pending Plat Conveyances

Mr. Flint: Next is a general discussion of pending plats and conveyances. This is a discussion item to the extent of if there is anything pending that we need to talk about at this point.

Mr. Morgan: We are good on the plats for all of this stuff, aren't we?

Mr. Bonin: I have that the Fox North plat was approved by DRC last week, and the Tract X plat will be approved on the 20th so I will be recording both of those plats by the end of the month.

Mr. Morgan: Super. There is your report.

Mr. Flint: Sounds good.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Anything else, Jan?

Ms. Carpenter: I do not have anything else to report.

B. Engineer

Mr. Flint: There is no Engineer's Report.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the approval of the check register for the month of March totaling \$57,500.60. If there are any questions we can discuss those, if not I would ask for a motion to approve.

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, the Check Register, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You also have the unaudited financials through the end of February. There is no action required by the Board. If you have any questions, we can discuss those.

iii. General Election Qualifying Period and Procedure

April 11, 2022

Stoneybrook South at ChampionsGate CDD

Mr. Flint: We will have the first two seats on the Board transitioning to general election in November. There will be two seats that are general election, and one seat will be landowner elected. It looks like Adam’s, Dominick’s, and Rob’s seats are up. We are required to announce that in a meeting and there is a legal ad we need to run, but basically any general elector, which means anybody who lives within the District with their full-time address and they are registered to vote, could qualify to run for these two seats. To do that, they need to go through the Supervisor of Elections for Osceola County. The qualifying period is from noon on June 7 to noon on June 13, 2022. The state has streamlined the process for running for special District seats and the individuals either need to get 25 valid signatures on a petition, or pay a fee of \$25 and file a couple other forms. As long as they don’t open a campaign account and take donations, they don’t need to name a campaign treasurer and do those other things. Any questions anyone has they can direct those to the Supervisor of Elections.

iv. Designation of November 7, 2022 as Landowners’ Meeting Date

Mr. Flint: One of the three seats that are up will be the last landowner elected seat. We have included the instructions in the sample agenda as well as the form of the landowner proxy in your agenda. We are asking the Board to designate November 7, 2022 as the Landowner Meeting date.

On MOTION by Mr. Morgan, seconded by Mr. Bonin, with all in favor, the Designation of November 7, 2022 as the Landowners’ Meeting Date, was approved.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Flint: Was there anything else the Board wanted to discuss? Hearing none,

TWELFTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Adjournment

April 11, 2022

Stoneybrook South at ChampionsGate CDD

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



Secretary/Assistant Secretary

Adam Morgan

Chairman/Vice Chairman