

**MINUTES OF MEETING
LAKE EMMA
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lake Emma Community Development District was held Wednesday, **June 28, 2023** at 10:00 a.m. at the Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.

Present and constituting a quorum:

Adam Morgan	Chairman
Tony Iorio	Vice Chairman
Brent Kewley	Assistant Secretary
Rocky Owen	Assistant Secretary

Also present were:

George Flint	District Manager, GMS
Tucker Mackie	District Counsel, Kutak Rock
Ryan Dugan	District Counsel, Kutak Rock
Steve Sanford <i>by phone</i>	Bond Counsel, Greenberg Traurig
Chris Allen <i>by phone</i>	District Engineer, Dewberry

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Three members of the Board were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no members of the public present to provide comment.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the April 26, 2023
Board of Supervisors Meeting**

Mr. Flint presented the minutes of the April 26, 2023 Board of Supervisors meeting and asked for comments, corrections, or changes. Mr. Morgan stated they all look good.

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On MOTION by Mr. Morgan, seconded by Mr. Iorio, with all in favor, the Minutes of the April 26, 2023 Board of Supervisors Meeting, were approved.

FOURTH ORDER OF BUSINESS**Financing Matters****A. Consideration of Supplemental Engineer's Report Describing Master Capital Improvements Plan for Phases 3-6 dated October 18, 2022**

Ms. Mackie stated this is to kick off the process of issuing the District's Series 2023 bonds which is meant to be levied over lands included within Assessment Area Two and predominantly deals with the CIP as it relates to Phases 3 & 4 of the development. She noted prior to addressing Resolution 2023-08, we have the District's bond counsel, Steve Sanford, on the phone who will review that for you. Items 4A and 4B with the first being the Engineer's Report remains unchanged since the Board last approved it in connection with the Master Assessment process back in October. She noted the District Engineer is on the phone for any questions.

B. Consideration of Supplemental Assessment Methodology Report

Ms. Mackie stated this provides more preliminary numbers for the Series 2023 bonds that will be discussed today. Mr. Flint stated this is Assessment Area 2, 2023 project area. He noted you have gone through the assessment process for assessment area two and imposed a lean on Phases 3, 4, 5 & 6 so this Supplemental Report is only for pages 3 and 4 which we are calling the 2023 project area. He noted Table 1 on page 9 of the report shows the development plan which includes 398 units or 388.8 ERUs. Table 2 reflects the estimated infrastructure cost taken from the Engineer's Report for the 2023 project area of \$17,179,896. Table 3 is a preliminary bond sizing pre pricing so this report will be revised once the underwriter actually prices the bonds but for purposes of this preliminary report, we are using 5.75%, 30-year amortization, one year max annual debt reserve, and 2% underwriters discount and that generates a par amount of \$6,470,000 of which about \$5,500,000 of it is construction funds. Table 4 shows the allocation of benefit based on the improvement cost. Table 5 shows the allocation of benefit based on the allocation of par debt. Table 6 reflects the target assessment amounts that once we price, we believe these will probably be the target amounts that we will ultimately end up with and these were developed in communication with Hanover. Table 7 is the preliminary assessment roll and individually lists all of the platted lots and some unplatted that a portion of the debt is allocated to. Mr. Dugan asked for clarity, because the property within Assessment Area 2 isn't fully platted yet, the assessments

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will be levied to the extent platted units are assigned over the remaining undeveloped acreage within Phases 3, 4, 5 & 6 but it is anticipated that the units within 3 & 4 will ultimately be those units that support the debt. Mr. Flint stated correct. It is levied over the entire assessment area two and then it is first platted, first assigned and should be absorbed by Phases 3 & 4 once the remaining lots in that area are platted. Mr. Morgan asked if the total cost of development for Phases 3 & 4 was \$16,179,000 and we are bonding out \$6,470,000. Mr. Flint stated yes based on the target assessment. Ms. Mackie stated the Delegated Award Resolution will approve these in terms of their attachment to the Offering Statement and any modifications can be made by staff and consultation with the Chair and Vice Chair following approval of the Delegated Award Resolution. She stated at the July meeting there will be a final version of George's report for purposes of approval in connection with the assessment resolution.

C. Consideration of Resolution 2023-08 Bond Delegation Resolution

- i. Exhibit A: Form of Bond Purchase Contract**
- ii. Exhibit B: Copy of Preliminary Limited Offering Memorandum**
- iii. Exhibit C: Form of Continuing Disclosure Agreement**
- iv. Exhibit D: Form of Second Supplemental Trust Indenture**

Mr. Sanford from Greenberg Traurig serves as District Bond Counsel. He noted Resolution 2023-08 is a Delegation Resolution and the reason being that the Board sets forth certain parameters that when it comes time to market and price the bond within the parameters set by the Board then the Chair or Vice Chair is authorized to take certain actions including signing the Bond Purchase Contract without the need for a special meeting. He noted they are authorizing a principal amount of bonds not to exceed \$8,000,000 which is a little bit more than George mentioned in his Methodology Report. He stated this does not commit the Board to issue that amount of bond. The compensation to be paid to the underwriter is one of the parameters that is 98% meaning they buy the bonds from the District at a discount and then they turn around and sell the bonds and that difference is the compensation to be paid to the underwrite. He noted the maximum term of the bonds excluding any capitalized interest is 30 years set by statute. Likewise with the interest rate, there is a maximum based on Florida Statute. Mr. Sanford stated on those we can't exceed the maturity date and cannot exceed the maximum rate on the bonds. He noted in addition to this delegation concept, there are a couple of documents that the Board is being asked to approve in substantial form with the Bond Purchase Contract which I mentioned earlier between the District

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and FMS. Once the bonds are marketed, that gets signed and has all the required deliverables to get to the closing, it would set forth the final terms of the bonds. The next exhibit is the Preliminary Limited Offering Memorandum that is the document used to market the bonds. He stated this is the document that would get delivered to the investors. He stated next is the Engineering Disclosure Agreement which is required under SEC rules that requires that there be a level playing field for investors in the secondary market who might want to buy the bonds. Mr. Sanford noted lastly is the Second Supplemental Trust Indenture that was approved before but there have been substantial changes to that so would like to get the Board to approve again which is between the District and the Bond Trustee. He noted once the bonds are sold, he will also have all of the interest rate provisions and redemption provisions. He stated if there is any need to amend the Methodology Report or the Engineer's Report in connection with the pricing of the bonds, this resolution authorizes those changes to be made again without the need for calling a special meeting. Mr. Sanford asked for any questions, otherwise looking for a motion to adopt 2023-08.

On MOTION by Mr. Morgan, seconded by Mr. Iorio with all in favor, Resolution 2023-08 Bond Delegation Resolution, was approved.

FIFTH ORDER OF BUSINESS

Presentation of Arbitrage Rebate Calculation Report Series 2021, Assessment Area One

Mr. Flint stated the IRS requires the District to demonstrate that they are earning less interest than paying so we have this report for the Series 2021 bonds, assessment area one bonds. He noted there is a negative rebatable arbitrage of \$221,000. He noted any questions on the report can be discussed, if not asking for a motion to accept the report.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, the Arbitrage Rebate Calculation Report Series 2021 Assessment Area One, was approved.

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SIXTH ORDER OF BUSINESS**Consideration of Resolution 2023-09
Updating Local Bank Signatories**

Mr. Flint stated this updates authorized bank signers. Rather than having individuals listed in the resolution which can change from time to time, we are suggesting this resolution be approved which just names the titles of office authorized to sign on the bank account.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, Resolution 2023-09 Updating Local Bank Signatories, was approved.

SEVENTH ORDER OF BUSINESS**Consideration of Acquisition Items for
Phases 3 & 4****A. Consideration of Acquisition Agreement****B. Consideration of Acquisition of Certain Phase 3 Improvements**

Ms. Mackie stated included in the agenda package is an acquisition agreement between the District and Hanover Land Company, LLC for the acquisition of certain improvements within the 2023 project area. She noted the District has had an acquisition agreement previously with Lennar for the initial phases. Later in the agenda we will be considering the acquisition of certain 2023 project improvements that would allow us to requisition for funds upon issuance of the Series 2023 bonds and essentially the agreement provides for the parameters and the documentation that would be needed in order to facilitate that requisition. She noted this takes the form of every acquisition agreement that Hanover has entered into previously as well.

Ms. Mackie stated the District Engineer has reviewed and District Counsel has reviewed certain submittal information from the developer for project cost again in an amount not to exceed \$6,400,000. This includes stormwater, potable and reclaimed water, and roadway improvements within Phase 3 of the development. She stated following Boards approval, we will finalize the acquisition in advance of the issuance of the 2023 bonds. The project fund is likely to be funded in an amount approximately \$5,400,000. She stated additional improvements need to be acquired for purposes of the District owning and operating those improvements in perpetuity. She noted looking for a motion to approve the acquisition and not to exceed an amount of \$6,400,000.

On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, the Acquisition Agreement, was approved.

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On MOTION by Mr. Iorio, seconded by Mr. Morgan, with all in favor, the Acquisition of Certain Phases 3 Improvements not to exceed \$6,400,000, was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Morgan asked the anticipated closing date for this. Ms. Mackie received emails stating they are looking to price today; my understanding was pricing was going to be next week after Monday’s call but at the end of July. Mr. Morgan stated end of July is not a problem with him.

B. Engineer

i. Presentation of 2023 District Stormwater Report

Mr. Flint stated the Trust Indenture requires the engineer annually just to review the District’s infrastructure budget and insurance policy. They have provided a letter basically saying there are no issues.

ii. Ratification of Dewberry Work Authorization 2023-1

Mr. Flint stated this is just for attendance of meetings. It is an estimated budget of \$1,000 under their master agreement. He noted there are some areas identified as needing attention so this letter has been provided to the Field Manager and we are in the process of reviewing the areas identified and will address.

On MOTION by Mr. Morgan, seconded by Mr. Kewley, with all in favor, Dewberry Work Authorization 2023-1, was ratified.

C. District Manager’s Report

i. Approval of Check Register

Mr. Flint presented the check register for the general fund and Board pay which is for \$21,287.61. He asked for any comments or questions.

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

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ii. Balance Sheet and Income Statement

Mr. Flint presented the unaudited financials through May 31st. There is no action required. He stated there is no money in the capital project fund and the assessment area one bond issue. That has been fully paid.

iii. Presentation of Registered Voters – 266

Mr. Flint stated as of April 15th, there are 266 registered voters which means in November of next year, two of the five seats will transition to general election seats for qualified electors and then in 2026, two more seats.

iv. Reminder of Form 1 Filing Deadline of July 1, 2023

Mr. Flint noted Form 1 is due July 1st.

NINTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

TENTH ORDER OF BUSINESS

Supervisor’s Business

There being no comments, the next item followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned.

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

George Flint
Secretary/Assistant Secretary

Tony Lorio
Chairman/Vice Chairman