

MINUTES OF MEETING
ST. AUGUSTINE LAKES
COMMUNITY DEVELOPMENT DISTRICT

The continued meeting of the Board of Supervisors of the St. Augustine Lakes Community Development District was held on Wednesday, October 19, 2022 at 11:00 a.m. at the offices of Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida.

Present and constituting a quorum were:

Zenzi Rogers	Chairperson
Chris Mayo	Vice Chairman
Michael Della Penta	Supervisor
Tiffany Csalovszki	Supervisor
Ginny Feiner	Supervisor

Also, present were:

Jim Oliver	District Manager
Wes Haber <i>by phone</i>	District Counsel, Kutak Rock
Bill Schaefer <i>by phone</i>	District Engineer
Steve Sanford <i>by phone</i>	Greenberg Traurig

The following is a summary of the actions taken at the October 19, 2022 St. Augustine Lakes Community Development District's continued Board of Supervisor's Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 11:00 a.m. Five Supervisors were in attendance at the meeting constituting a quorum.

**The recording started under the third item of business. Items 1 and 2 are summarized.*

SECOND ORDER OF BUSINESS

Audience Comments (*regarding agenda items listed below*)

Mr. Oliver opened the public comment period, there were no members of the public present.

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THIRD ORDER OF BUSINESS**Consideration of Bond Delegation Resolution,
Resolution 2023-01**

**The meeting recording started during the third order of business.*

Mr. Sanford stated when it came time to sell and price the bonds and if the bond terms were within the parameters set by the Board, the Chair or the Vice Chair would be authorized to execute a bond purchase contract. He reviewed what the parameters were stating that they were authorizing a principal amount of bonds not to exceed \$11,000,000 in special assessment bonds that doesn't commit the Board to issue that amount of bonds at the maximum amount. He noted that the interest rate on the bonds can't exceed the maximum interest rate, which is set by statutes. He stated that the term of the bonds would not exceed 30 years and was required by the statute. He added that the underwriter's compensation was 98%, which means that the underwriter would buy the bonds at a discount and then would sell the bonds to the investors at the par amount. He noted that if they were within the parameters of Section 3 then the Chair or Vice Chair could sign the Bond Purchase Contract.

Mr. Sanford added that they were also asking the Board to approve the forms of certain documents. He reviewed what these documents were stating that the Bond Purchase Contract was between the District and FMS bonds as their underwriter. He explained that this contract spelled out what conditions were required to have a successful closing. He noted that when the agreement got executed, it would have the final terms of the bonds. He reviewed the next exhibit, which was the Preliminary Limited Offering Memorandum, which is the marketing tool that they use to find investors. He explained that once the bonds were sold, that preliminary becomes a final document with all the bond terms, sources and uses, and the redemption provisions. He noted that the final document would get delivered to the ultimate investor. He reviewed the next exhibit which was a Continuing Disclosure Agreement. He explained that this agreement was required under the SEC rules, which required that there be annual dates regarding the bonds and the development. He added that the point of this agreement was that if someone wanted to buy these bonds in the secondary market, it would have the same information that everyone else had so that they could make an informed investment decision. He reviewed the last exhibit, which was the First Supplemental Trust Indenture. He explained that they approved this document in December when they adopted the Authorizing Resolution, but there were some changes that were significant enough that they asked the Board to reapprove this document. He added that this was between the

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District and US Bank Trust as the Trustee and once the bonds were sold, this document would have all the payment information that was in the bond purchase contracts such as interest rates, sources and uses, and redemption provision. He asked the Board if they had any questions over this resolution. Hearing none, he recommended that the Board make a motion to adopt Resolution 2023-01.

On MOTION by Ms. Rogers, seconded by Mr. Mayo, with all in favor, the Bond Delegation Resolution, Resolution 2023-01, was approved.

FOURTH ORDER OF BUSINESS**Consideration of Supplemental Assessment Methodology**

Mr. Oliver presented the Supplemental Assessment Methodology stating that there was a copy in the agenda package. He stated that this was a Supplemental Special Assessment Methodology and was based on the Master Assessment Methodology that was adopted on December 22, 2021. He explained that it addressed the special benefits in general and concludes that those properties within the District do receive special benefits as compared to those properties outside of the District boundaries, which have some general benefit from this development. He stated that the District Development Program was discussed in section 2.0 and showed that the developments would consist with approximately 426 single-family residential homes comprised of 43' and 53' lots. He reviewed over the District's Capital Improvement Plan on page 3 stating that at the time of the writing, the total cost of the CIP according to the engineer's report was projected at \$22,541,000. He noted that it reviewed over the financing, which they would also see in the exhibits under section 4.1. He stated that section 5.2 had the assigning of debt and the current development plans for the District projected approximately 426 single-family residential homes. He added that this may change during the development process. He reviewed the next section which addressed the assessment levied on the gross acres within the District on an equal acreage basis, because at that juncture, every acre benefited equally from the Capital Improvement Plan. He noted that the lien ability to have special and peculiar benefit to the property showed that the CIP could be shown to be creating the special and peculiar benefits to the property. He added that it also talked about some of the elements of those improvements including roadway improvements, utility improvements, amenities and entry features, landscaping, and stormwater systems. He also

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added that there would be contingency because of the economic situation where there was increased cost for materials and labor due to inflation. He stated that they had determined that the assessments were apportioned and reasonable to meet the lien ability test. He reviewed the true-up mechanism stating that the debt would be spread equally over the number of acres that were out there. He added that as acres were developed, the remaining acres should not have debt accumulated of greater than \$30,892. He explained that if that was ever calculated to be above that point, that would trigger a true-up payment. He stated that table 1 showed 426 lots broken out between 43' and 53' residentials. Table 2 showed infrastructural costs which totaled \$22,541,200. Ms. Rogers stated that this should have been updated because it was up about \$7,000,000 more to \$29,990,000. Mr. Oliver stated that he didn't think it would affect the assessments because so much of this was developer funded. He noted that they would update that table and anywhere else that the number didn't show \$29,990,000. Mr. Schaefer stated that those cost were reflective of actual construction contracts, so all three phases were now under construction. Mr. Oliver responded that they would make that adjustment on that table. Table 3 showed the financing estimates, which is not tied to the \$29,990,000 but is tied to the bond sizing. He noted that it showed a total par of \$7,010,000. He stated that it showed how it was allocated between construction and acquisition requirements, debt service reserve fund, capitalized interest, cost of issuance, and no underwriter's discount. He stated that the table below this showed that there would be 30 principal installments over the life of the bonds, capitalized interests through June of 2023, and the maturity of the bonds is June of 2053. Table 4 showed the establishment of benefit for the two different lot sizes. He explained that the benefit per unit for the 43' exceeds \$48,000, the 53' exceeds \$59,000 and the par debt on all the units was at \$16,455. He further explained that the benefit exceeded the debt allocated on all those land units. Table 5 showed the developer contribution. He noted that to keep the assessments equal for the 43' and 53' lots, developer contributions of \$385,000 were structured into this. Table 6 showed the allocation of assessments, which included the two different lot types, the debt of \$16,455 on all lots, the net assessment for debt service was \$1,176, and the debt service annual assessment per unit was \$1,251. Table 7 showed the preliminary assessment roll between two property owners, Lennar Homes, LLC and Ag Essential Housing Multi State 2, LLC. He asked for any discussion before they looked for a motion.

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Mr. Haber stated that once they know the actual terms of the bonds, they would be following up with a Supplemental Assessment Resolution, which would identify the actual par amount of the bonds, the interest rate and all those factors. He recommended that the motion could be approving this report in substantial form and authorizing the Chair to make any revisions that may arise between now and when they publish the offering document to provide flexibility to get it finalized. He noted that he would be happy to answer any questions. Mr. Sanford stated that he forgot to mention when he went through the resolution that there was authorization in the resolution to make changes to both the methodology report and the engineer's report, if necessary, in connection with the marketing of the bonds without the need for a special meeting.

Ms. Rogers noted that they may need to update the acreage based on some closing between Lennar and Ag. Mr. Sanford asked if she meant the number of take downs. Ms. Rogers responded yes. After discussion, Ms. Rogers stated that Lennar owned 212 lots, and they owned 214 lots. Mr. Sanford stated that he would let underwriter counsel know that they need to correct that.

On MOTION by Ms. Rogers, seconded by Ms. Feiner, with all in favor, the Supplemental Assessment Methodology and Authorizing the Chair to Make Any Revisions that May Arise Between Now and When They Publish the Offering Document, was approved in substantial form.

FIFTH ORDER OF BUSINESS

Matters Related to Series 2022 Bond Issue Process

Mr. Sanford stated that it was brought up that they needed the engineer's report. Mr. Haber responded that he didn't think that it was on the agenda, but the agenda still had a matter identified as bond related matters. He noted that he was going to update the Board that there were some revisions that were being made to the engineer's report with respect to the updated cost, updated unit numbers, and bringing it current with respect to any updates on permits, etc. He noted that to Mr. Sanford's point, the resolution that they had already approved in this meeting delegated authority to their Chair to sign off on those revisions, so that report could be used in the offering document. He added that there would be revisions to that updated report and that it was still being worked on. He explained that as a result, they would be relying on the delegation of authority to their Chair to sign off on those revisions for using the offering documents. He noted that the final version would be included with the Supplemental Assessment Resolution.

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Mr. Schaefer stated that he thought that he had everything updated on it at this point and he just had to put it together and make sure everything was good, then he could send it out. Mr. Sanford stated that one thing that he wanted to make a comment on was to include the amenities in the breakdown. He explained that there was no description within the text on that and that they only had a cost estimate. Mr. Schaefer responded that it was part of the Capital Improvement Plan, but as far as being financed he asked if he wanted him to remove that item. Mr. Haber responded that he didn't want to remove it because he liked to show the contribution. Mr. Sanford responded that he agreed and suggested a sentence or two about what it was in the report. The Board all agreed.

SIXTH ORDER OF BUSINESS

Supervisors Requests

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

**Next Scheduled Meeting – November 2, 2022
at 11:00 a.m.**

Mr. Oliver stated that the next meeting date was scheduled for November 2, 2022 at 11:00 a.m.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Rogers, seconded by Ms. Feiner, with all in favor, the Meeting was scheduled for November 2, 2022 at 11:00 a.m. at GMS office.

DocuSigned by:

Jim Oliver

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Secretary/Assistant Secretary

DocuSigned by:

Benzji Rogers

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Chairman/Vice Chairman