

MINUTES OF MEETING
PRESTON COVE
COMMUNITY DEVELOPMENT DISTRICT

The Organizational meeting of the Board of Supervisors of the Preston Cove Community Development District was held Thursday, August 26, 2021 at 3:00 p.m. at 8 Broadway, Suite 104, Kissimmee, Florida.

Present and constituting a quorum were:

Shaman Foradi	Chairman
Owais Khanani <i>by phone</i>	Vice Chairman
Dan Eshleman	Assistant Secretary
Kristin Banks <i>by phone</i>	Assistant Secretary
Jawaad Khanani	Assistant Secretary

Also present were:

George Flint	District Manager, GMS
Brett Sealy	MBS Capital Markets
Sete Zare	MBS Capital Markets
Peter Dame	Akerman
Jan Carpenter	District Counsel
Shawn Hindle	District Engineer

FIRST ORDER OF BUSINESS

Introduction

A. Call to Order

Mr. Flint called the meeting to order.

B. Public Comment Period

There were no members of the public present for the meeting.

C. Oath of Office

Mr. Flint swore in three Supervisors; Mr. Jawaad Khanani, Mr. Shaman Foradi, and Mr. Dan Eshleman. He noted that five members were named in the creating ordinance. Ms. Banks and Mr. Owais Khanani were not sworn in and were not able to vote during the meeting but could engage in discussion.

Ms. Carpenter noted that Form 1 the Statement of Financial Interest has to be filed within 30 days of today. Ms. Carpenter briefly reviewed Chapter 190 of the Florida statutes regarding Community Development Districts.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Confirmation of Notice of Meeting

Mr. Flint noted that the meeting was advertised in accordance with the statutes.

B. Information on Community Development Districts and Public Official Responsibilities and Florida Statutes Chapter 190

Mr. Flint and Ms. Carpenter reviewed public official responsibilities and statutes pertaining to Community Development Districts. The Board had no questions.

C. Election of Officers

1. Consideration of Resolution 2021-01 Designating Officers

Mr. Flint noted that the Board was appointed by the creating ordinance, and they would need to designate officers. Mr. Flint noted that the Chair and Vice Chair must be members of the Board, and the other officers don't need to be but can be. Mr. Flint noted that as District Manager he typically serves as the Secretary.

Mr. Foradi motioned to appoint himself as Chairperson, Mr. Owais Khanani as Vice Chairman, and Ms. Banks, Mr. Jawaad Khanani, and Mr. Eshleman as Assistant Secretaries.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-01 Appointing Officers as slated above, was approved.

2. Consideration of Resolution 2021-02 Designating Treasurer & Assistant Treasurer

Mr. Flint asked that Jill Burns be named Treasurer and Katie Costa be named as the Assistant Treasurer, both work in his office with GMS.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-02 Designating Jill Burns as Treasurer and Katie Costa as Assistant Treasurer, was approved.

D. Consideration of Resolution 2021-03 Approving Interlocal Agreement with Osceola County

Mr. Flint noted that Resolution 2021-03 approves and interlocal agreement with Osceola and is a requirement of the county. Ms. Carpenter stated that the agreement requires certain notices, notice of a meeting schedule, and the District website.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-03 Approving Interlocal Agreement with Osceola County, was approved.

THIRD ORDER OF BUSINESS Retention of District Staff

A. Consideration of Contract for District Management Services

Mr. Flint reported that this contract would appoint GMS as the District Manager. He noted that the fees are consistent with what they had seen before. There was a footnote that they would only charge 50% of their management fee until such time that bonds are issued.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, the Contract for District Management Services with GMS, was approved.

B. Consideration of Appointment of District Counsel

Mr. Flint introduced Ms. Jan Carpenter with Latham, Luna, Eden, & Beaudine. Ms. Carpenter noted that they try to have their associates and paralegals do as much of the work as they can to keep their fees down.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Appointing Jan Carpenter as District Counsel, was approved.

C. Consideration of Resolution 2021-04 Designating a Registered Agent and Office

Ms. Carpenter noted that her office could be designated as the registered agent and office. Mr. Flint noted that this was for purposes of any official communication from the state or service of lawsuits.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-04 Selecting Ms. Carpenter as the Registered Agent and her office as the Registered Office, was approved.

D. Consideration of Interim District Engineering Agreement with Hanson, Walter & Associates, Inc.

Mr. Flint stated this would appoint Hanson, Walter & Associates, Inc. as the Interim District Engineer. The rates were in the agenda as an exhibit. For the record, Exhibit 'A' would be revised.

On MOTION by Mr. Eshleman, seconded by Mr. Foradi, with all in favor, the Interim District Engineering Agreement with Hanson, Walter & Associates, Inc., was approved.

E. Request Authorization to Issue RFQ for Engineering Services

Mr. Flint noted that in the state of Florida engineering services fall under the Consultants Competitive Negotiation Act, which requires that engineering services be bid through an RFQ process. Hanson Walter will serve as the interim District Engineer and the Board will authorize staff to issue an RFQ for engineering services. Ms. Carpenter noted that it was a Request for Qualifications rather than bids, so the Board could pick the best qualified engineer.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Authorization of Staff to Issue an RFQ for Engineering Services, was approved.

FOURTH ORDER OF BUSINESS

Designation of Meetings and Hearing Dates

A. Designation of Regular Monthly Meeting Date, Time and Location

Mr. Flint reviewed the proposed meeting schedule for the fourth Thursday of each month at 3:00 p.m. at their current location. Mr. Owais Khanani asked if the meeting could be changed to the morning at 9:00 a.m.

Mr. Flint noted that for November and December there will be holiday conflicts. Ms. Carpenter suggested they move the meeting up a week prior to November 18 and December 16.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Designating the Regular Monthly Meeting Date, Time and Location as stated above, was approved.

B. Designation of Landowner's Meeting Date, Time and Location

Mr. Flint stated the District is required to hold an initial Landowner election within 90 days of formation. Mr. Flint recommended that the Landowner meeting be held at the next regular meeting which would be on October 28, 2021.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Designating the Landowner's Meeting Date as October 28, 2021 at 9:00 a.m. at their current location, was approved.

C. Designation of Dates of Public Hearing to Adopt Rules of Procedure in accordance with Section 120.54, Florida Statutes

1. Consideration of Resolution 2021-05 Setting a Public Hearing to Consider the Proposed Rules of the District

Mr. Flint stated this would set the date for the Public Hearing to consider the rules that cover basic operation of the District. There is a 30-day notice requirement and he recommended the rule hearing be held at the October 28, 2021 meeting.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-05 Setting the Public Hearing to Consider the Proposed Rules of the District for October 28, 2021 at 9:00 a.m., was approved.

D. Designation of Date of Public Hearing on the Budget for Fiscal Years 2021 & 2022

1. Consideration of Resolution 2021-06 Setting the Public Hearing and Approving the Proposed Fiscal Years 2021 & 2022 Budget

Mr. Flint noted this would set the date of the Public Hearing to consider the proposed budgets. He recommended setting the Public Hearing for October 28, 2021, at 9:00 a.m.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-06 Setting the Public Hearing for October 28, 2021 at 9:00 a.m. and Approving the Proposed Budget for Fiscal Years 2021 and 2022, was approved.

2. Approval of the Fiscal Years 2021 & 2022 Developer Funding Agreement

Mr. Flint noted that in order for the District to fund the operations, in lieu of the District imposing assessments there is a Developer Funding Agreement. He stated it is consistent with the form of the agreement seen elsewhere.

On MOTION by Mr. Eshleman, seconded by Mr. Foradi, with all in favor, the Fiscal Years 2021 & 2022 Developer Funding Agreement, was approved.

E. Designation of Date of Public Hearing Expressing the District’s Intent to Utilize the Uniform Method of Levying, Collecting and Enforcing Non-Ad Valorem Assessments in accordance with Section 197.3632, Florida Statutes

Mr. Flint noted this was needed to allow the District to utilize the tax bill and suggested that the meeting be held on October 28, 2021 at 9:00 a.m. The Board had no objections.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Designating the Date of Public Hearing for October 28, 2021 at 9:00 a.m., Expressing the District’s Intent to Utilize the Uniform method of Levying, Collecting and Enforcing non-Ad-Valorem Assessments in accordance with Section 197.3632, Florida Statutes, was approved.

FIFTH ORDER OF BUSINESS

Other Organizational Matters

A. Selection of District Depository

Mr. Flint stated that generally SunTrust is used at all of the Districts. The Board had no objection.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Selecting SunTrust as the District Depository, was approved.

B. Authorization of Bank Account Signatories

Mr. Flint stated that normally the Secretary and Treasurer are appointed as the signatories.

On MOTION by Mr. Eshleman, seconded by Mr. Foradi, with all in favor, Authorizing George Flint and Jill Burns as Bank Account Signatories, was approved.

C. Consideration of Resolution 2021-07 Relating to Defense of Board Members

Ms. Carpenter noted that this resolution will allow the District to provide legal support to Board members and staff as outlined in the resolution when acting in their capacity as Board members.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-07 Relating to Defense of Board Members, was approved.

D. Consideration of Resolution 2021-08 Authorizing District Counsel to Record the “Notice of Establishment” in the Property Records of Osceola County in accordance with Chapter 190.0485, Florida Statutes

Ms. Carpenter noted that this is a requirement of the statute. The Board had no questions on the resolution.

On MOTION by Mr. Eshleman, seconded by Mr. Foradi, with all in favor, Resolution 2021-08 Authorizing District Counsel to Record in the Property Records of Osceola County the Notice of Establishment in Accordance with Chapter 190.0485, Florida Statutes, was approved.

E. Consideration of Resolution 2021-09 Adopting Investment Guidelines

Mr. Flint stated that this would be adopting alternative investment guidelines. The District is required to adopt an investment policy and the four investment options were listed in the resolution.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-09 Adopting Alternative Investment Guidelines, was approved.

F. Consideration of Resolution 2021-10 Authorizing Execution of Public Depositor Report

Mr. Flint reported that this authorizes the District Manager or Treasurer to file the report with the Treasurer of the State of Florida. The Board had no questions.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-10 Authorizing Execution of Public Depositor Report, was approved.

G. Consideration of Resolution 2021-11 Designating a Policy for Public Comment

Mr. Flint stated that this resolution sets forth guidelines and rules to govern public comment at public meetings. This has been adjusted to allow comments prior to voting.

On MOTION by Mr. Eshleman, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-11 Designating a Policy for Public Comment, was approved.

H. Consideration of Resolution 2021-12 Adopting a Travel and Reimbursement Policy

Mr. Flint stated that this policy is standard for travel reimbursement rates, procedures, and limitations outlined in Florida law. The Board had no questions.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, Resolution 2021-12 Adopting a Travel and Reimbursement Policy, was approved.

I. Consideration of Resolution 2021-13 Adopting a Records Retention Policy

Mr. Flint stated that Resolution 2021-13 provides the time frame to dispose of records. This allows the District to be in compliance with State and Federal laws and allows them keep everything. He suggested initially that the District adopt a policy retaining all records and then at some point later the District can amend that policy and dispose of records as necessary.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor Resolution 2021-13 Adopting a Records Retention Policy as outlined above, was approved.

J. Consideration of Compensation to Board Members

Mr. Flint reviewed the subject of Board compensation of \$200 per meeting and all Board members elected to waive compensation.

K. Selection of District Records Office Within Osceola County

Mr. Flint stated the Primary Administrative Office would be GMS's office on Hamlin Ave., St. Cloud, Florida.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Selecting District Records Office Within Osceola County as GMS's St. Cloud Office, was approved.

L. Consideration of Website Services Agreement

Mr. Flint stated that the District website needs to be ADA compliant. This agreement is a proposal from Realign to provide a web design that is ADA compliant. The fee to create the website is \$1,750.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, the Website Agreement with Realign Web Design, was approved.

M. Authorization to Prepare Public Facilities Report in Accordance with Chapter 189.08 Florida Statutes to Coincide with Special District Filing Date for Osceola County

Mr. Flint stated this will authorize staff to prepare a Public Facilities Report to be filed with Osceola County.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Authorization for staff to prepare a Public Facilities Report in Accordance with Chapter 189.08 Florida Statutes, was approved.

SIXTH ORDER OF BUSINESS

Capital Improvements

A. Appointment of the Financing Team

1. Bond Counsel

Mr. Flint reported that the first agreement in the package is for bond counsel from Akerman, LLP and the fees are included in the agreement.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, the Agreement with Akerman, LLP to Serve as Bond Counsel, was approved.

2. Underwriter

Mr. Flint presented the agreement with MBS Capital Markets for underwriting services. Mr. Flint stated their disclosure is also included in the agenda package for review. The underwriter gets paid out of an underwriter's discount which is the indicated percentage of 2% associated with their fee.

Mr. Brett Sealy introduced himself and asked the Board for any questions. He summarized the company's history and expressed that he would be honored to serve in the capacity of the underwriter to the District.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, the Agreement with MBS Capital Markets to Serve as the Underwriter, was approved.

3. Assessment Administrator

Mr. Flint stated the fees for this were outlined in the GMS contract that was approved so there is just a need to appoint GMS as the Assessment Administrator. No action was needed.

4. Trustee

Mr. Flint stated they have an agreement from US Bank to serve as the Trustee. This was in line with what is seen in other Districts. The Board had no questions.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, the Proposal from US Bank to Serve as the Trustee, was approved.

B. Approval of Financing Team Funding Agreement

Mr. Flint stated this agreement is, to the extent any of the professionals have to be compensated during the process of issuing the bonds, the Developer agrees that they would pay those expenses.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, the Financing Team Funding Agreement, was approved.

SEVENTH ORDER OF BUSINESS Financing Matters

A. Consideration of Resolution 2021-14 Authorizing the Issuance of Bonds and Authorizing the Commencement of Validation Proceedings

Mr. Flint noted that this resolution authorizes the issuance of the bonds and the commencement of the validation proceedings. Ms. Carpenter stated that the number in the resolution was \$28,000,000 and the assessment report came up with \$29,000,000. She recommended the resolution be increased to \$29,000,000 so it matches the assessment methodology. Mr. Dame stated that he would prepare a revised version with the updated total.

Mr. Dame noted that closer to the financing a supplemental resolution will be presented to the Board that has the actual parameters under which the various bonds can be issued. He noted that this resolution authorizes \$29,000,000 worth of bonds, approves a form of the Trust Indenture, and authorizes District counsel and bond counsel to proceed with bond validation. The Board had no questions on the resolution.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-14 Authorizing the Issuance of Bonds and Authorizing the Commencement of Validation Proceedings amending the total to \$29,000,000, was approved.

B. Imposition of Assessments

1. Consideration of Master Engineers Report

Mr. Flint noted that Item B deals with starting the assessment process. He stated that the Master Engineer’s Report was prepared by Hanson and Walters. The report was dated August 26, 2021. Mr. Hindle presented the engineers report to the Board. He noted the total cost for this with contingency is \$22,920,075.

2. Consideration of Master Assessment Methodology

Mr. Flint noted that the engineer's report and the methodology will be approved as part of Resolution 2021-15. Mr. Flint reviewed the methodology. Table 1 indicates the Development Plan with 218 multifamily units and 385 single family units. There are 603 units and 549 ERU's. Table 2 are the cost estimates from the engineer's report, the \$22,920,075 in estimated costs of infrastructure that would be eligible to be financed by the CDD. Table 3 is a bond sizing using very conservative parameters, and the estimated cost of issuance is \$29,000,000. Table 4 shows the allocation of benefit based on the improvement cost. Table 5 shows the par debt per unit for the two product types. Table 6 shows the net and gross annual debt assessments if the Board is to finance 100% of the eligible improvements. Table 7 shows the preliminary assessment roll which reflects the 146.69 acres within the boundaries of the District and the legal description of the boundaries is attached as exhibit 'A'. The Board had no questions on the methodology report.

3. Consideration of Resolution 2021-15 Declaring Special Assessments

Ms. Carpenter noted that declaring assessments is the first step in the assessment process. She noted that the resolution adopts the engineer's report that lays out the cost of the project and adopts the assessment report which shows the special assessments will cost approximately \$29,000,000. The assessment report lays out the manner in which the payments will be made and the lands on which they are levied. There is an assessment roll attached, which is part of the resolution. She noted that the assessments cannot be paid in any more than 30 annual installments.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-15 Declaring Special Assessments, was approved.

4. Consideration of 2021-16 Setting a Public Hearing for Special Assessments

Mr. Flint noted that this resolution sets the public hearing where the Board will levy assessments. Mr. Flint suggested that this hearing be held in September. The Board came to a consensus to hold the public hearing for special assessments on Thursday, September 30, 2021 at 9:00 a.m.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-16 Setting a Public Hearing for Special Assessments on September 30, 2021 at 9:00 a.m., was approved.

EIGHTH ORDER OF BUSINESS

Business Items

A. Consideration of Acquisition Agreement

Ms. Carpenter noted this is an initial agreement that they will amend and restate when they issue bonds. It shows the intent for the developer to start work now with the intent that a portion of it will be reimbursed by bond proceeds.

On MOTION by Mr. Foradi, seconded by Mr. Jawaad Khanani, with all in favor, the Acquisition Agreement, was approved in substantial form.

B. Consideration of Construction Funding Agreement

Mr. Flint stated that in the event contracts are assigned or partially assigned to the District, this would allow the District to fund those contracts until the bonds are issued. Once the bond funds are depleted, it would provide the source of funds to complete the project.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, the Construction Funding Agreement, was approved.

C. Consideration of Resolution 2021-17 Direct Purchase Resolution and Policy

Mr. Flint stated that this resolution lays out the protocol for the direct purchase of materials by the District. Ms. Carpenter noted that it authorizes the District engineer or manager through the agent to procure and acquire materials for the District. She notes it lays out the procedures and process in exhibit 'B'. Ms. Carpenter stated that they would fill in the blank on exhibit 'A' with a partial assignment of the Jon M. Hall contract.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Resolution 2021-17 Direct Purchase Resolution and Policy, was approved.

D. Consideration of Assignment of Contractor Agreement

Ms. Carpenter noted this would be a partial assignment of the contractor agreement. She suggested delegating authority to the Chairman to sign the assignment.

On MOTION by Mr. Eshleman, seconded by Mr. Jawaad Khanani, with all in favor, Delegating Authority to the Chairman to Sign the Partial Assignment for Material Purchase, was approved.

NINTH ORDER OF BUSINESS

Other Business

A. Staff Reports

i. Attorney

Ms. Carpenter had nothing further to report.

ii. Manager

There being none, the next item following.

B. Supervisors Requests

There being none, the next item followed.

C. Approval of Funding Request No. 1

Mr. Flint added that he needs approval of Funding Request No.1 for \$20,000. These are funds to open the operating account, pay for the insurance, pay for all the legal advertising costs for the assessment hearings, and for creation of the District's website.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, Funding Request No. 1 for \$20,000, was approved.

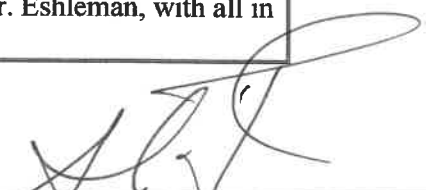
NINTH ORDER OF BUSINESS

Adjournment

Mr. Flint adjourned the meeting.

On MOTION by Mr. Foradi, seconded by Mr. Eshleman, with all in favor, the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman