

*Preston Cove
Community Development District*

*Agenda
September 30, 2021*

AGENDA

Preston Cove

Community Development District

219 East Livingston Street, Orlando, Florida 32801

Phone: 407-841-5524 – Fax: 407-839-1526

September 23, 2021

**Board of Supervisors
Preston Cove
Community Development District**

Dear Board Members:

The regular meeting of the Board of Supervisors of **Preston Cove Community Development District** will be held **Thursday, September 30, 2021 at 9:00 AM at the Offices of Hanson, Walter & Assoc., 8 Broadway, Suite 104, Kissimmee, Florida 34741.** is the advance agenda for the meeting:

1. Roll Call
2. Public Comment Period
3. Approval of Minutes of August 26, 2021 Meeting
4. Financing Matters
 - A. Consideration of Engineer's Report
 - B. Consideration of Assessment Methodology
 - C. Consideration of Resolution 2021-18 Levying Assessments
5. Discussion of Status of Assignment of Construction Contract and Direct Purchase of Materials
6. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report
7. Other Business
8. Supervisors Requests
9. Adjournment

The second order of business of the Board of Supervisors is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items.

The third order of business is approval of the minutes of the August 26, 2021 Board of Supervisors meeting. The minutes are enclosed for your review.

The fourth order of business is financing matters. Section A consideration of Engineer's Report. A copy of the Engineer's Report will be provided under separate cover. Section B is consideration of Assessment Methodology. A copy of the methodology will be provided under separate cover. Section C is consideration of Resolution 2021-18 levying assessments. A copy of the resolution is enclosed for your review.

The fifth order of business is discussion of Status of Assignment of Construction Contract and Direct Purchase of Materials.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

George S. Flint
District Manager

CC: Jonathan Johnson, District Counsel; Darrin Mossing, GMS
Enclosures

MINUTES

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

SECTION IV

SECTION A

**ENGINEER'S REPORT
FOR THE
PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT**

PREPARED FOR:

**BOARD OF SUPERVISORS
PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT**

ENGINEER:

**HANSON, WALTER & ASSOCIATES, INC.
8 Broadway, Suite 104
Kissimmee, Florida 34741**

August 26, 2021

PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT

ENGINEER'S REPORT

1. INTRODUCTION

The purpose of this report is to provide a description of the master capital improvement plan ("CIP") and estimated costs of the CIP, for the Preston Cove Community Development District.

2. GENERAL SITE DESCRIPTION

Preston Cove is a low-density residential development as established in the Osceola County Comprehensive Plan. The development is in unincorporated Osceola County, Florida, lying in Sections 21 and 22, Township 25 South and Range 31 east. More particularly as shown in **Exhibit 2.1** of the attached Appendix. The general location of the development is east of the Jim Brack Property, west of a proposed development known as The Crossings, north of Jones Road and south of Wiregrass Phases 1 through 4.

As noted in **Exhibit 2.2**, the District's boundaries include approximately 146.69 acres of land located in Osceola County, Florida.

The District is within the City of St. Cloud Utility Service Area. The City will provide potable water, wastewater disposal and reclaimed water services to the development. Capacity for these utilities is available from St. Cloud Public Utilities and a utility agreement has been secured to service the site.

A water plant owned and operated by the City of St. Cloud is Located off Kissimmee Park Road and will service the site. Potable Water connections will be made from an existing water main in Jones Road and will be looped through Wiregrass to the North to mains in Jack Brack Road. A 12" water main currently exists within the Jones Road right of way.

Wastewater from the development will be collected in gravity sewer mains that will be serviced by a proposed onsite lift station that will pump the wastewater into a force main in Jones Road right of way that connects to a main in Narcoossee Road that is serviced by the City of St. Cloud Southside Wastewater Treatment Plant.

Reclaimed water will be secured from the City of St. Cloud via a connection to the existing main in Jones Road and looping through the site to a proposed connection in Wiregrass to the mains in Jack Brack Road.

Existing Utilities are shown in **Exhibit 2.3** of the Appendix.

The District is located within South Florida Water Management District Alligator Chain of Lakes Basin and the Lake Center Sub-Basin. Conveyances to Lake Center will be via a county ditch That conveys runoff to the east and south into the north side of Lake Center. The existing drainage conditions are depicted in **Exhibit 2.4** of the Appendix.

3. PROPOSED PRESTON COVE PROJECT PURPOSE AND SCOPE OF THE REPORT

The purpose of this report is to provide a description of the public infrastructure improvements ("Capital Improvement Plan" or "CIP") to be constructed and or acquired by the District, and to provide an apportionment of the categories of costs for the CIP. A corresponding master assessment methodology

will be developed by the District's methodology consultant. The CIP is intended to provide public infrastructure improvements for all lands within the District, which are planned for 611 residential units.

The proposed site plan for the District is attached as **Exhibit 3.1** to this report, and the plan enumerates the proposed lot count, by type, for the District. The following charts show the planned product types and land uses for the District:

TABLE 3.1
LAND USE SUMMARY

Type of Use	ED-1	Total Project Area +/-
Residential*	146.69	146.69
Total Area	146.69	146.69
% of Total Area	100%	100%

* Residential areas include a minimum of 20% open space which may include wetlands, stormwater ponds or green spaces.

TABLE 3.2
PRODUCT TYPE SUMMARY

Type of Use	ED-1	Total
Single Family 1*	385	385
Multi Family**	218	218
Total	603	603

* Single Family 1 represents detached product with lot width 50 ft. wide or greater

** Multi Family represents all attached product

The public infrastructure improvements purpose is to serve and benefit the lands contained within the current boundaries of the District, as their provision as described herein is required for the development of lands contained within the current boundaries of the District.

The CIP infrastructure includes the following Master Infrastructure, which is intended to serve all lands in the District:

Roadway Improvements:

The CIP includes framework roads within the District. Framework roads shall include Multi-Modal roadways, Boulevards and Avenues as defined in the Osceola County approved concept plan and within the Comprehensive Plan Map Series TRN Maps. **Exhibit 3.2** in the Appendix identifies the Multimodal street as well as the Boulevards and Avenues to service the area. The responsibility for improving the framework roads is limited to the ownership limits of the CDD and does not extend beyond the limits of the Preston Cove CDD boundary. Roadways will consist of 2-lane undivided typical sections. Such roads include the roadway asphalt, base, and subgrade, roadway curb and gutter, inlets, culverts, striping and signage and sidewalks within rights-of-way. All roads will be designed in accordance with FDOT and Osceola County standards.

Internal roadways will be financed by the District, and will be dedicated to Osceola County for ownership, operation, and maintenance. All alleys will be financed by the CDD and responsibility of maintenance of the alleys is that of the Preston Cove CDD. All other roadways will be maintained by Osceola County.

Impact fee credits may be available in the form of mobility fee credits based upon a negotiated mobility fee agreement with Osceola County, Florida. If the property is annexed into the City of St. Cloud, the impact fee credits would have to be negotiated with the City of St. Cloud in an Annexation Agreement. Osceola County currently provides for credits for all improvements and land dedication that exceeds the specific needs of the project. To the extent the District funds improvements which generate impact fee credits or mobility fee credits, the District shall receive the credits and can then sell or transfer such credits as allowed per law.

Stormwater Management System:

The stormwater collection and outfall system are a combination of roadway curbs, curb inlets, pipes, control structures and open lakes designed to treat and attenuate stormwater runoff from District lands. The stormwater system within the project discharges to Lake Center via an existing conveyance ditch. The stormwater system will be designed consistent with the criteria established by the South Florida Water Management District (SFWMD) and Osceola County for stormwater/floodplain management systems. The District will finance, own, operate and maintain the stormwater system, with the exception that the County will own, operate and maintain the inlets and storm sewer systems within County right-of-way.

Water, Wastewater and Reclaim Utilities:

As part of the CIP, the District intends to construct and/or acquire water, wastewater and reclaim infrastructure. In particular, the on-site water supply improvements include water mains that will be located within rights-of-way and used for potable water service and fire protection. Water main connections will be made at Jones Road and Wiregrass Phase 3 (connection to Jack Brack Road).

Wastewater improvements for the project will include an onsite 8" diameter gravity collection system, offsite and onsite force main and onsite lift station. The offsite force main connection will be made at Jones Road

Similarly, the reclaim water distribution system will be constructed to provide service for irrigation throughout the community to include both residential lots, common open space and CDD property and will consist of varying main sizes dependent on demand. An offsite reclaim

connection will be made at Jones Road, with a northern connection in Wiregrass Phase 3 to loop the system to mains in Jack Brack Road.

The water and reclaim distribution and wastewater collection systems for both phases will be completed by the District and then dedicated to City of St. Cloud for operation and maintenance. All mains will be designed and constructed in compliance with the City of St. Cloud and the Florida Department of Environmental Protection standards.

The project will require creating a looped connection of mains on site that will both serve the proposed development and provide for expansion of the City infrastructure to service future developments. Mains or improvements that are increased in size to service development above the specific needs of the District improvements will be eligible for impact fee credits via an upsize agreement with the City of St. Cloud. To the extent the District funds improvements which generate impact fee credits, the District shall receive the credits and can sell or transfer such credits as allowed by law. Distribution of the impact fee credits received may be handled pursuant to separate agreements between the District and a developer.

Hardscape, Landscape, and Irrigation:

The District will construct and/or install landscaping, irrigation and hardscaping within District common areas and rights-of-way. Landscaping will consist of sod, shrubs, ground cover, trees and plants. The irrigation system will consist of spray and rotating heads providing irrigation coverage to the landscaped areas. Moreover, hardscaping will consist of entry features, benches, trashcans, accent pavement, directional signage, etc. Existing vegetation will be utilized wherever possible.

The County has distinct design criteria requirements for planting and irrigation design. Therefore, this project will at a minimum meet those requirements but, in most cases, exceed the requirements with enhancements for the benefit of the community.

All such landscaping, irrigation and hardscaping will be owned, maintained, and funded by the District. Such infrastructure, to the extent that it is in rights-of-way owned by the County will be maintained pursuant to a right-of-way agreement to be entered into with the County.

Street Lights / Undergrounding of Electrical Utility Lines

The District intends to lease street lights through an agreement with Orlando Utility Commission (OUC) in which case the District would fund the street lights through an annual operations and maintenance assessment. As such, street lights are not included as part of the CIP.

The CIP does however include the installation of conduits to place the electrical utilities underground within the right-of-way and utility easements located within the CDD Boundary. OUC shall own and maintain the constructed utility lines and associated transformers, however the district's obligation will be limited to the electrical conduits, switch gear (as necessary), junction boxes and transformers that service CDD property and/or improvements. Electrical lines and transformers for service to individual lots will not be paid by the CDD and would be owned and maintained by OUC and are not part of the District CIP.

Recreational Amenities:

In conjunction with the construction of the CIP, the District may elect to construct amenity parks within the development. The District may or may not also finance additional amenities, parks and other common areas for the benefit of the District. These improvements will be funded, owned, and maintained by the District, or alternatively may be funded by the developer and turned over to a homeowners' association of District for ownership, operation, and maintenance.

There are several recreational tracts within the District Boundaries, where dog parks, recreational sport courts, sports fields, walking trails, a clubhouse and pool, benches, playgrounds/tot lots, etc. will be constructed and funded by the CDD. The CDD will be responsible for both the construction of said improvements as well as maintenance of the same.

Environmental Conservation/Mitigation

There are approximately 11.234 acres of potential forested and herbaceous wetland impacts and surface water impacts associated with the proper construction of the District's infrastructure which will require wetland mitigation. The District will be responsible for the funding, design, permitting, construction, maintenance, and government reporting of the environmental mitigation. These costs are included within the CIP.

Professional Services

The CIP also includes various professional services. These include: (i) engineering, surveying architectural and legal fees, (ii) permitting and plan review costs, and (iii) development/construction management services fees that are required for the design, permitting, construction, and maintenance acceptance of the public improvements and community facilities.

Off-Site Improvements

The District is not responsible for any offsite utility extensions as the necessary infrastructure is constructed within Jones Road right of way. There will be utility main connections to the existing infrastructure.

The only offsite road improvements that are currently contemplated are access improvements consisting of left turn lanes at each of the two proposed connections to Jones Road. There is also a required right of way dedication to the County for Jones Road future widening.

The district will fund a framework Road in accordance with the Osceola County Comprehensive plan that runs north south through a portion of the district land, however, this improvement is eligible for mobility fee credits in accordance with the Osceola County mobility fee ordinance and credit policy.

For District funded improvements which generate mobility fee credits, the District shall receive the credits and then can sell or transfer such credits as allowed by law. In addition, all framework roads that are constructed above and beyond the needs of the Development would be eligible for mobility fee credits. This process is a negotiation with staff and will require the preparation of a mobility fee agreement to be approved by the Osceola County Board of County Commissioners.

As noted, the District's CIP functions as a system of improvements benefitting all lands within the District.

All the foregoing improvements are required by applicable development approvals. Note that, except as stated herein, there are no impact fee or similar credits available from the construction of any such improvements.

The following table, Table 3.3, shows who will own and operate the various improvements of the CIP:

TABLE 3.3

<u>Facility Description</u>	<u>Ownership</u>	<u>O&M Entity</u>
Roadways	County	County
Stormwater Management	CDD	CDD
Utilities (Water, Sewer, Reclaim)	COSC	COSC
Hardscape/Landscape/Irrigation	CDD	CDD
Street Lighting*	OUC	OUC
Undergrounding of Conduit	OUC	OUC
Recreational Amenities	CDD	CDD
Environmental Conservation/Mitigation	CDD	CDD
Off-Site Improvements	County/COSC	County/COSC

* The district will enter into a O&M Agreement with OUC for the continual maintenance of the streetlights.

4. PERMITTING/CONSTRUCTION COMMENCEMENT

All necessary permits for the construction of the CIP have been obtained by the developer or their professional prior to commencing construction, and include the following:

- SFWMD ERP (General, Individual and Master Conceptual)
- SFWMD ERP Modifications as necessary
- SFWMD Consumptive Use
- USACOE SAJ 90
- USACOE
- USFWS
- Osceola County Site Development Plan (SDP)
- FDEP NPDES
- COSC Utility Construction Permits.
- FDEP Potable Water
- FDEP Wastewater

5. OPINION OF PROBABLE CONSTRUCTION COSTS

Table 5.1 shown below presents, among other things, the Opinion of Probable Cost for the CIP. It is our professional opinion that the costs set forth in Table 5.1 are reasonable and consistent with market pricing for the CIP.

TABLE 5.1

<u>Facility Description</u>	<u>CIP Costs</u>
Roadways and Alleys	\$8,633,582
Stormwater Management	\$3,790,000
Utilities (Water, Sewer, Reclaim)	\$3,313,650
Hardscape/Landscape/Irrigation/Trails	\$947,020
Undergrounding of Conduit	\$1,150,000
Amenity Feature (Pool and Clubhouse Tract)	\$1,465,000
<u>Environmental Conservation/Mitigation</u>	<u>\$110,000</u>
Sutotal	\$19,409,252
Professional Services and Contingency	\$3,510,823
TOTAL	\$22,920,075


* The probable costs estimated herein do not include anticipated carrying cost, interest reserves or other anticipated CDD expenditures that may be incurred.

The CIP will be designed in accordance with current governmental regulations and requirements. The CIP will serve its intended function so long as the construction is in substantial compliance with the design.

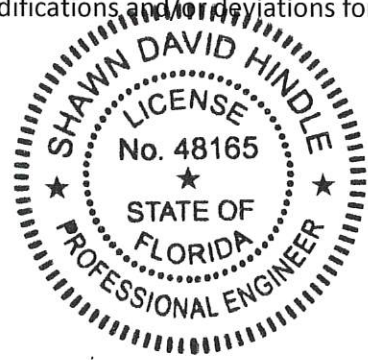
The cost estimates provided are reasonable to complete the required improvements and it is our professional opinion that the infrastructure improvements comprising the CIP will serve as a system of improvements that benefit and add value to all lands within the District. The cost estimates are based on prices currently being experienced in Osceola County Florida and FDOT Basis of Estimates Cost Area 7. Actual costs may vary depending on final engineering and approvals from regulatory agencies. It is further our opinion that the improvement plan is feasible, that there are no technical reasons existing at this time that would prevent the implementation of the CIP, and that it is reasonable to assume that all necessary regulatory approvals will be obtained in due course.

In sum, it is our opinion that: (1) the estimated cost to the public infrastructure set forth herein to be paid by the District is not greater than the lesser of the actual cost or fair market value of such infrastructure; (2) that the CIP is feasible; and (3) that the assessable property within the District will receive a special benefit from the CIP that is at least equal to such costs.

Please note that the CIP as presented herein is based on current plans and market conditions which are subject to change. Accordingly, the CIP, as used herein, refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned 603 residential units in the District, which (subject to true-up determinations) number and type of units may be changed with the development of the site. Stated differently, during development and implementation of the public infrastructure improvements as described for the District, it may be necessary to make modifications and/or deviations for the plans, and the District expressly reserves the right to do so.



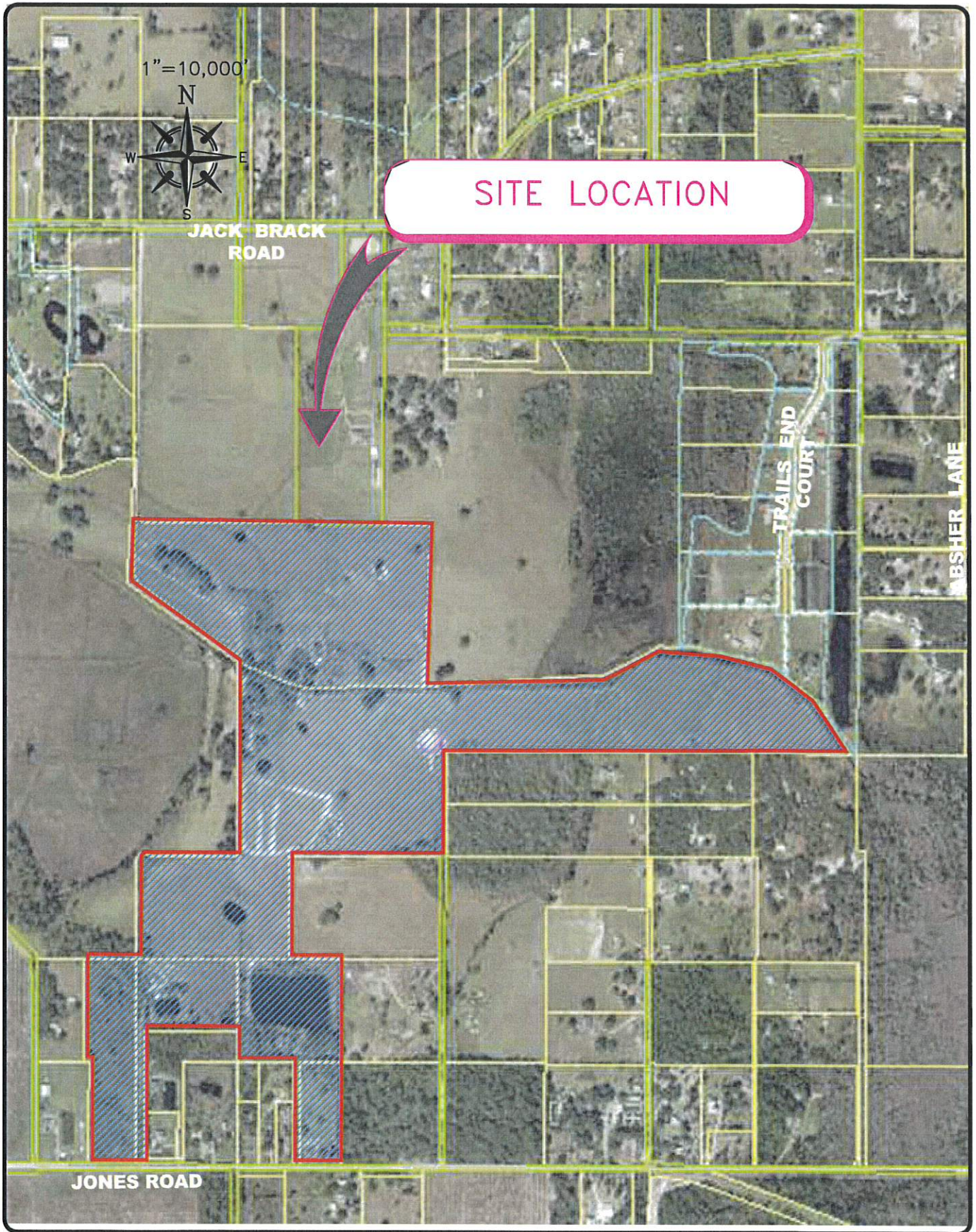
 Shawn Hindle, P.E. Date: August 26, 2021
 FL License No. 48165



APPENDIX

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Exhibit 2.2	District Boundaries
Exhibit 2.3	Existing Utilities
Exhibit 2.4	Existing Drainage Map
Exhibit 3.1	Proposed Site Plan
Exhibit 3.2	Proposed Framework Streets



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 ENGINEERING, SURVEYING AND PLANNING



HANSON, WALTER & ASSOCIATES, INC.

**CDD EXHIBIT
 PRESTON COVE
 LAND USE PLAN**

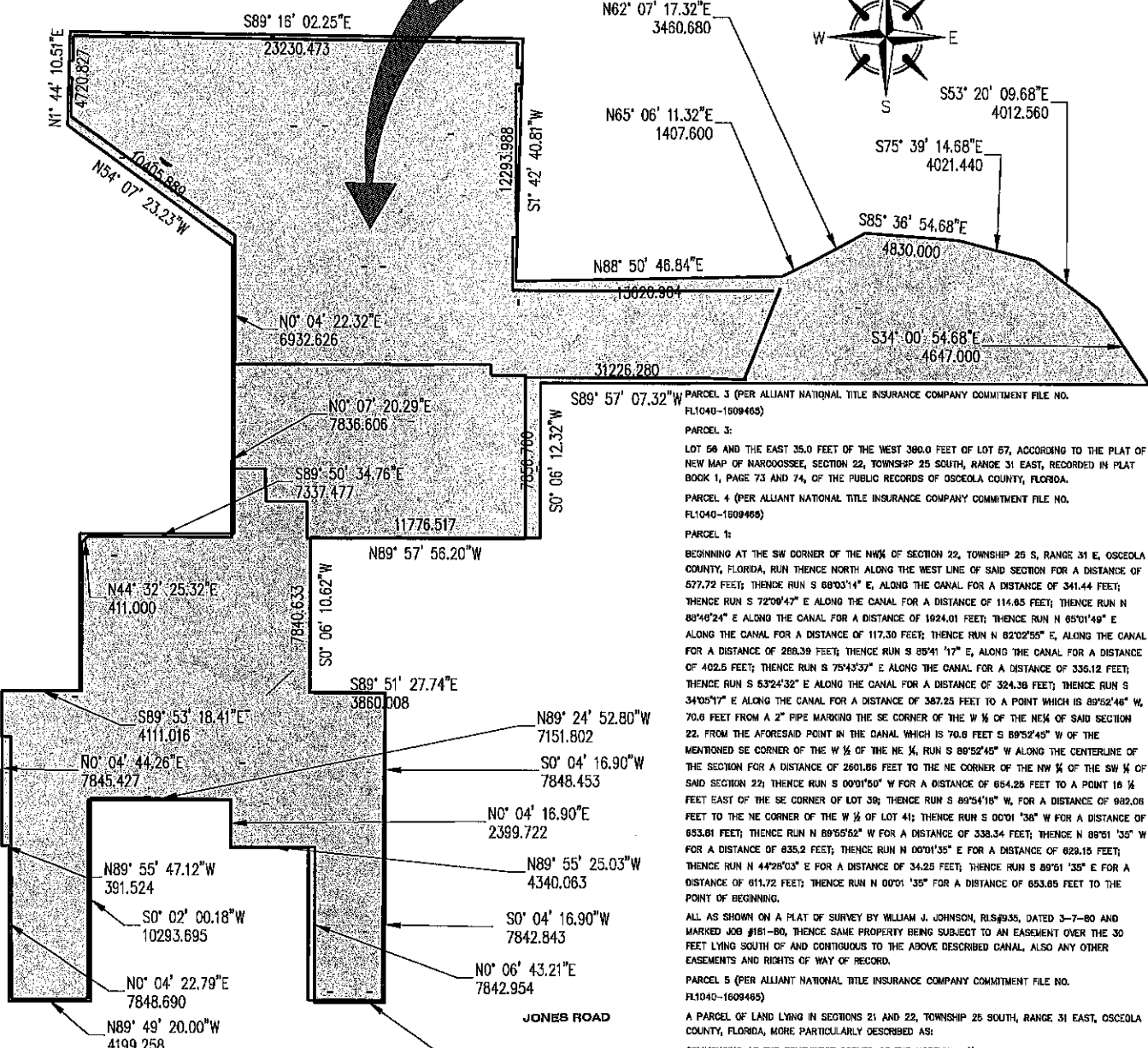
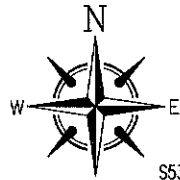
PROJECT:

DATE 12/2/20

SHEET 1 OF 4

PROJECT SITE

1"=8000'



LEGAL DESCRIPTIONS:

PARCEL 1 (PER CHICAGO TITLE INSURANCE COMPANY COMMITMENT FILE NO. 2612NC):
 BEGINNING AT THE SOUTHWEST CORNER OF LOT 85, NARCOOSSEE FARM AND TOWNSITE SURVEY AND PLAT OF SECTION 21, TOWNSHIP 25 SOUTH, RANGE 31 EAST, OSCEOLA COUNTY, FLORIDA, RUN EAST ALONG THE SOUTH LINE OF SAID LOT 85, A DISTANCE OF 40.9 FEET; THENCE RUN NORTH PARALLEL TO THE WEST LINE OF LOT 85, A DISTANCE OF 853.8 FEET; THENCE RUN EAST PARALLEL TO THE SOUTH LINE OF LOT 85, A DISTANCE OF 578.7 FEET, TO THE EAST LINE OF LOT 86 OF SAID PLAT; THENCE RUN NORTH A DISTANCE OF 453.8 FEET, TO THE NORTHEAST CORNER OF LOT 88; THENCE RUN WEST A DISTANCE OF 818.7 FEET, TO THE NORTHWEST CORNER OF LOT 86; THENCE RUN SOUTH 1307.8 FEET TO THE POINT OF BEGINNING. (A/K/A TRACT C, MARILLO LANDS)

PARCEL 2 (PER CHICAGO TITLE INSURANCE COMPANY COMMITMENT FILE NO. 2605NC)
 THE EAST ONE HALF OF LOT 83 AND ALL OF LOT 84, NEW MAP OF NARCOOSSEE, SECTION 21, TOWNSHIP 25 SOUTH, RANGE 31 EAST, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 1, PAGE(S) 73 AND 74, INCLUSIVE, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA. TOGETHER WITH THE WEST ONE HALF OF VACATED ROAD RIGHT OF WAY ABUTTING PROPERTY AS SET FORTH IN RESOLUTION RECORDED IN OFFICIAL RECORDS BOOK 125, PAGE 291 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.
 (E(S) 73-74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

PARCEL 3 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-1609465)
 PARCEL 3:
 LOT 68 AND THE EAST 35.0 FEET OF THE WEST 380.0 FEET OF LOT 67, ACCORDING TO THE PLAT OF NEW MAP OF NARCOOSSEE, SECTION 22, TOWNSHIP 25 SOUTH, RANGE 31 EAST, RECORDED IN PLAT BOOK 1, PAGE 73 AND 74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

PARCEL 4 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-1609465)
 PARCEL 4:
 BEGINNING AT THE SW CORNER OF THE NW¼ OF SECTION 22, TOWNSHIP 25 S, RANGE 31 E, OSCEOLA COUNTY, FLORIDA, RUN THENCE NORTH ALONG THE WEST LINE OF SAID SECTION FOR A DISTANCE OF 577.72 FEET; THENCE RUN S 88°03'14\"/>

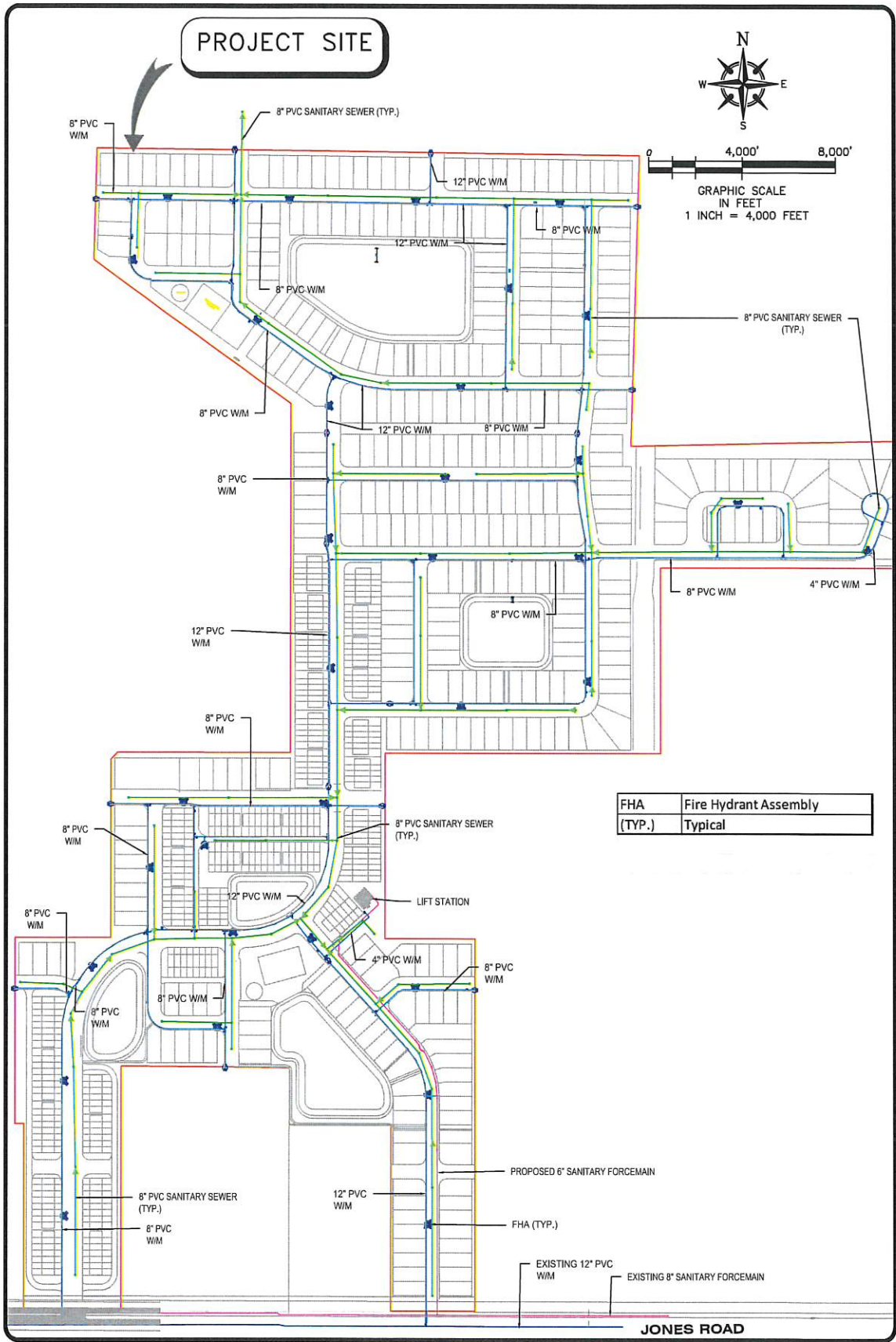
PARCEL 5 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-1609465)
 A PARCEL OF LAND LYING IN SECTIONS 21 AND 22, TOWNSHIP 25 SOUTH, RANGE 31 EAST, OSCEOLA COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS:
 COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST¼ OF SAID SECTION 22; RUN THENCE NORTH 577.72 FEET ALONG THE WEST SECTION LINE OF SAID SECTION 22 TO THE POINT OF BEGINNING; RUN THENCE N 54°10'00\"/>

PARCEL 6 (PER O.R. 5376, PGS. 2495-2499)
 LOT 87, LESS THE WEST 380 FEET THEREOF, NEW MAP OF NARCOOSSEE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE(S) 73-74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

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CDD EXHIBIT
PRESTON COVE
METES AND BOUND

PROJECT: _____
 DATE 12/2/20 SHEET 2 OF 4



FHA	Fire Hydrant Assembly
(TYP.)	Typical

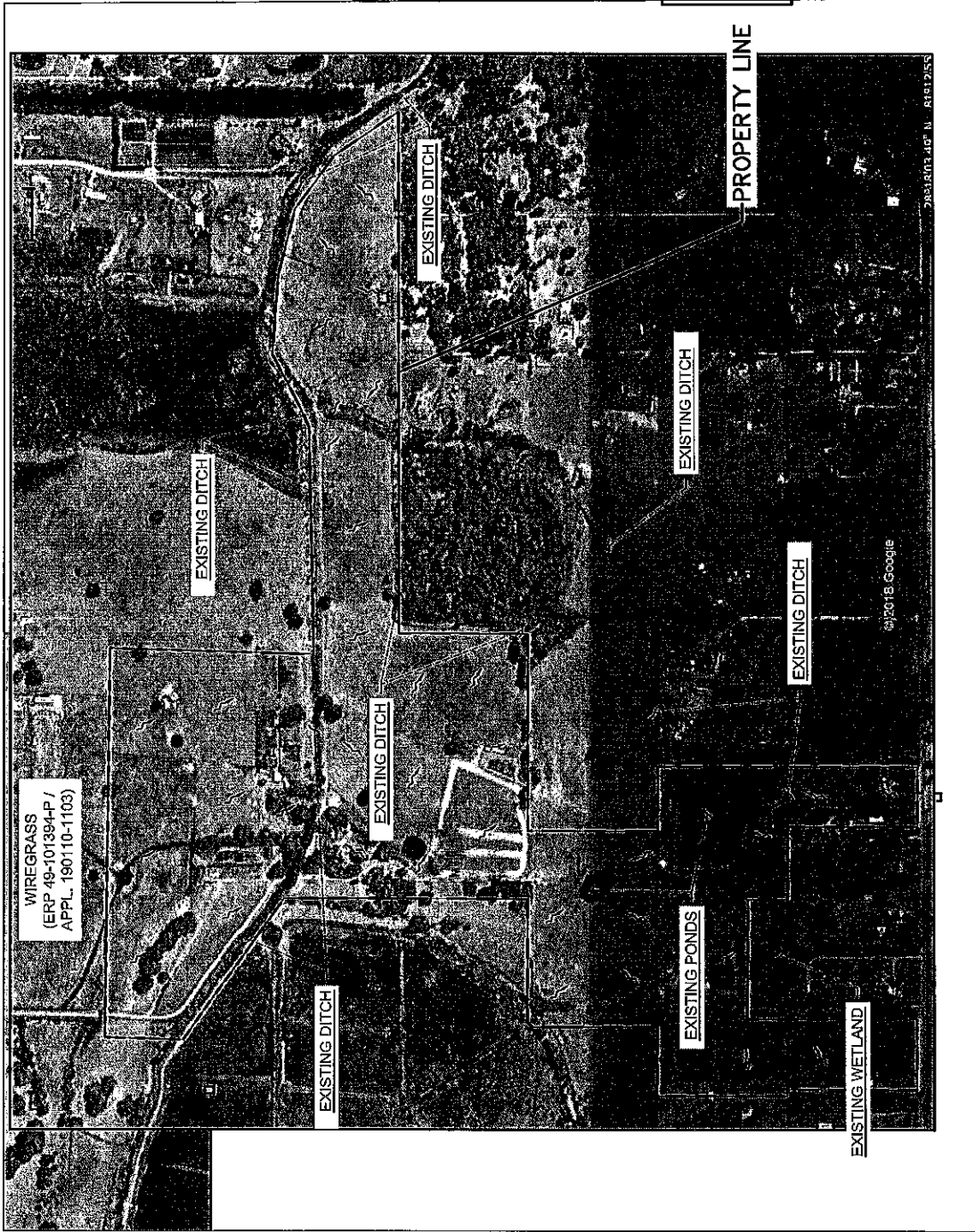

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CDD EXHIBIT
PRESTON COVE
SANITARY AND WATER

PROJECT: _____
 DATE 12/2/20 _____ SHEET **3** **4**

1:25,000 PLAN OF PRESTON COVE SUBDIVISION, PREPARED BY HANSON, WALTER & ASSOCIATES, INC.



WIREGRASS
(ERP 49-101394-P /
APPL. 190110-1103)

EXISTING DITCH

EXISTING DITCH

EXISTING DITCH

EXISTING DITCH

EXISTING PONDS

EXISTING DITCH

EXISTING DITCH

PROPERTY LINE

EXISTING WETLAND

©2018 Google

2023.803.40" N. 8181255

NO.	DATE	BY	REVISIONS

Hanson, Waller & Associates, Inc.
A REGIONAL FIRM LICENSED IN SOUTH
DAKOTA (605) 837-3433 FAX (605) 837-4889
and ENGINEERING, SURVEYING AND PLANNING SERVS

SUNBRIDGE CREEK

PRE-DEVELOPMENT
BASIN MAP

SHEET NO
— of —
5271-01

SITE LOCATION

TRAILS END COURT

TRACT 19
0.95 Ac.
DOG PARK,
TENNIS COURT AND
PLAYGROUND

AC

TRACT 10
0.58 Ac.
PLAYGROUND

TRACT 29
1.33 Ac.
CLUBHOUSE



LDR

AC

AC

PERMITS	APPROVAL DATE
PS19-00008	June 20, 2019
SDP19-0157	June 2, 2020
WAS19-00002	April 23, 2020
SFWMD	
49-102591-P	April 30, 2020
49-02772-W	April 7, 2020

UNIT TYPE	# OF LOTS
21'/22' TOWNHOMES	218
50'-70' SINGLE FAMILY LOTS	385
TOTAL LOT COUNT	603

JONES ROAD

ORDINANCE # 2019-21 APPROVED ZMA19-0005
±149Ac. FROM AGRICULTURAL DEVELOPMENT and CONSERVATION (AC)
2Ac. RURAL DEVELOPMENT (R-2), and 2Ac. MANUFACTURED HOMES(R-2M) CHANGED TO LOW DENSITY RESIDENTIAL (LDR)

ABBREVIATIONS	
PS	PRELIMINARY SITE PLAN
SDP	SITE DEVELOPMENT PLAN
WAS	WATER AND SEWER

AGRICULTURAL DEVELOPMENT and CONSERVATION (AC)
 LOW DENSITY RESIDENTIAL (LDR)



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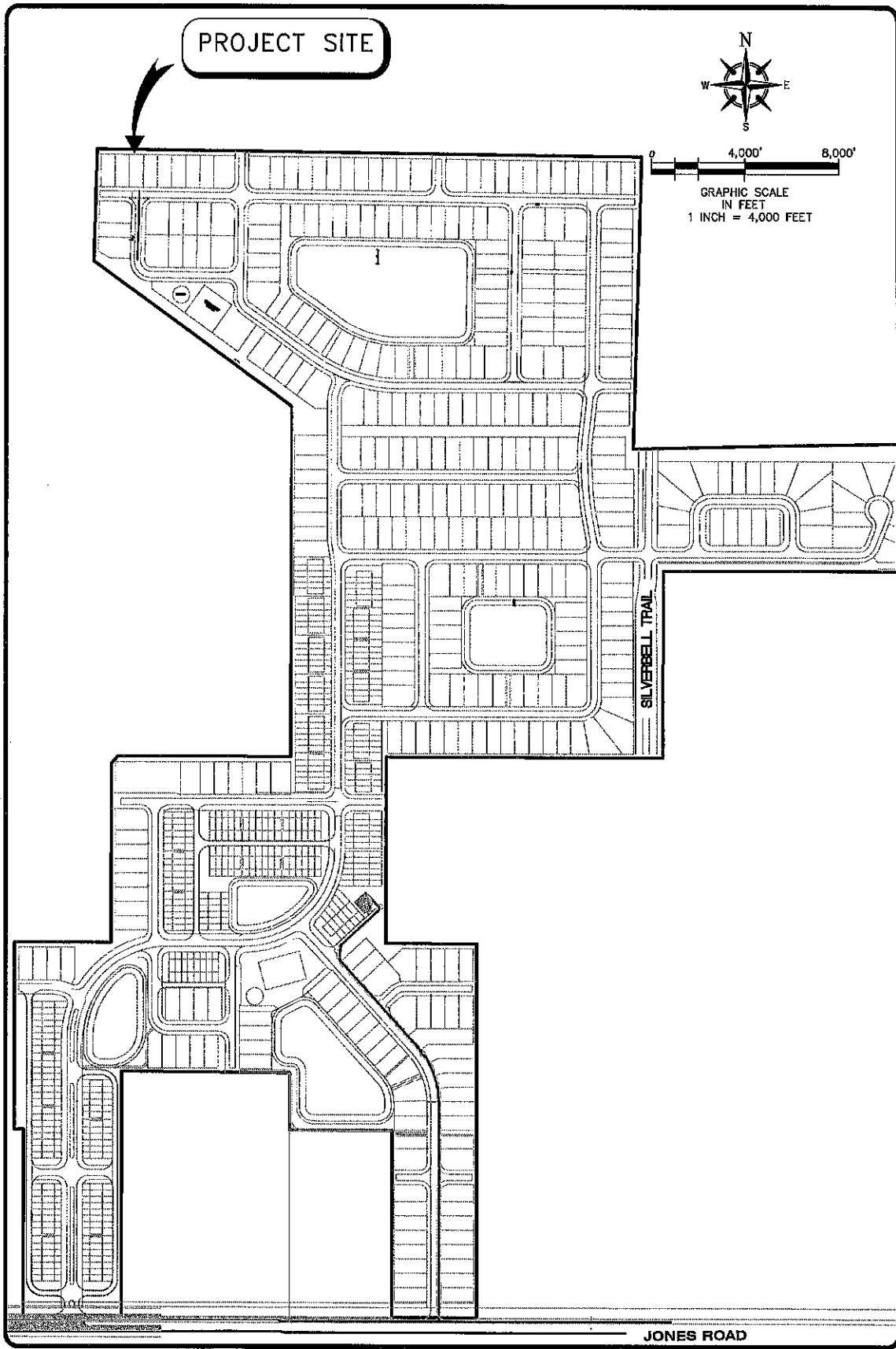


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CDD EXHIBIT
PRESTON COVE
LAND USE

PROJECT:
 DATE 12/2/20

SHEET 4 OF 4



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**CDD EXHIBIT
 PRESTON COVE
 FRAMEWORK ROADS**

PROJECT:
 DATE 12/2/20

SHEET 1 OF 1

I:\5271-GT\ENGINEERING\CADD\PLANS\EXHIBITS\SUNBRIDGE\EXHIBITS\CDD\5 PRESTON COVE CDD EXHIBITS.dwg * Jun 23, 2021 11:02am * plotted by sbewling

SECTION B

**MASTER
ASSESSMENT METHODOLOGY

FOR
PRESTON COVE
COMMUNITY DEVELOPMENT DISTRICT**

Date: August 26, 2021

Prepared by

**Governmental Management Services - Central Florida, LLC
219 E. Livingston Street
Orlando, FL 32801**



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GMS-CF, LLC does not represent the Preston Cove Community Development District as a Municipal Advisor or Securities Broker nor is GMS-CF, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, GMS-CF, LLC does not provide the Preston Cove Community Development District with financial advisory services or offer investment advice in any form.

1.0 Introduction

The Preston Cove Community Development District is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes (the “District”), as amended. The District plans to issue up to \$29,000,000 of tax exempt bonds in one or more series (the “Bonds”) for the purpose of financing certain infrastructure improvements within the District, more specifically described in the Master Engineer’s Report dated August 26, 2021 prepared by Hanson, Walter & Associates, Inc. as may be amended and supplemented from time to time (the “Engineer’s Report”). The District anticipates the construction and/or acquisition of public infrastructure improvements consisting of improvements that benefit property owners within the District.

1.1 Purpose

This Master Assessment Methodology Report (the “Assessment Report”) provides for an assessment methodology for allocating the debt to be incurred by the District to benefiting properties within the District. This Assessment Report allocates the debt to properties based on the special benefits each receives from the District’s capital improvement plan (“CIP”). This Assessment Report will be supplemented with one or more supplemental methodology reports to reflect the actual terms and conditions at the time of the issuance of each series of Bonds. This Assessment Report is designed to conform to the requirements of Chapters 190 and 170, Florida Statutes with respect to special assessments and is consistent with our understanding of case law on this subject.

The District intends to impose non ad valorem special assessments on the benefited lands within the District based on this Assessment Report. It is anticipated that all of the proposed special assessments will be collected through the Uniform Method of Collection described in Chapter 197.3632, Florida Statutes or any other legal means of collection available to the District. It is not the intent of this Assessment Report to address any other assessments, if applicable, that may be levied by the District, a homeowner’s association, or any other unit of government.

1.2 Background

The District currently includes approximately 146.69 acres within Osceola County, Florida. The development program currently envisions approximately 385 single family units and 218 multi family units (herein the “Development”). The proposed Development program is depicted in Table 1. It is recognized that such land use plan may change, and this Assessment Report will be modified accordingly.

The public improvements contemplated by the District in the CIP will provide facilities that benefit the assessable property within the District. The CIP is delineated

in the Engineer's Report. Specifically, the District will construct and/or acquire certain roadways and alleys, stormwater management, utilities (water, wastewater, and reclaim), hardscape/landscape/irrigation/trails, undergrounding of conduit, amenity feature (pool and clubhouse tract), environmental conservation/mitigation, professional services and contingency. The acquisition and construction costs are summarized in Table 2.

The assessment methodology is a four-step process.

1. The District Engineer must first determine the public infrastructure improvements that may be provided by the District and the costs to implement the CIP.
2. The District Engineer determines the assessable acres that benefit from the District's CIP.
3. A calculation is made to determine the funding amounts necessary to acquire and/or construct CIP.
4. This amount is initially divided equally among the benefited properties on a prorated gross acreage basis. Ultimately, as land is platted, this amount will be assigned to each of the benefited properties based on the number of platted units.

1.3 Special Benefits and General Benefits

Improvements undertaken by the District create special and peculiar benefits to the assessable property, different in kind and degree than general benefits, for properties within its borders as well as general benefits to the public at large.

However, as discussed within this Assessment Report, these general benefits are incidental in nature and are readily distinguishable from the special and peculiar benefits, which accrue to the assessable property within the District. The implementation of the CIP enables properties within its boundaries to be developed. Without the District's CIP, there would be no infrastructure to support development of land within the District. Without these improvements, development of the property within the District would be prohibited by law.

There is no doubt that the general public and property owners outside the District will benefit from the provision of the District's CIP. However, these benefits will be incidental to the District's CIP, which is designed solely to meet the needs of property within the District. Properties outside the District boundaries do not depend upon the District's CIP. The property owners within the District are therefore receiving special benefits not received by those outside the District's boundaries.

1.4 Requirements of a Valid Assessment Methodology

There are two requirements under Florida law for a valid special assessment:

- 1) The properties must receive a special benefit from the improvements being paid for.
- 2) The assessments must be fairly and reasonably allocated to the properties being assessed.

Florida law provides for a wide application of special assessments that meet these two characteristics of special assessments.

1.5 Special Benefits Exceed the Costs Allocated

The special benefits provided to the property owners within the District are equal or greater than the costs associated with providing these benefits. The District Engineer estimates that the District's CIP that is necessary to support full development of the District will cost approximately \$22,920,075. The District's Underwriter projects that financing costs required to fund the infrastructure improvements, including project costs, the cost of issuance of the Bonds, the funding of debt service reserves and capitalized interest, will be approximately \$29,000,000. Additionally, funding required to complete the CIP which is not financed with Bonds will be funded by Developer. Without the CIP, the property would not be able to be developed and occupied by future residents of the community.

2.0 Assessment Methodology

2.1 Overview

The District is planning to issue up to \$29,000,000 in Bonds to fund the District's CIP, provide for capitalized interest, a debt service reserve account and cost of issuance. It is the purpose of this Assessment Report to allocate the \$29,000,000 in debt to the properties benefiting from the CIP.

Table 1 identifies the proposed land uses as identified by the Developer and current landowners of the land within the District. The District has relied on the Engineer's Report to develop the costs of the CIP needed to support the Development, these construction costs are outlined in Table 2. The improvements needed to support the Development are described in detail in the Engineer's Report and are estimated to cost

\$22,920,075. Based on the estimated costs, the size of the bond issue under current market conditions needed to generate funds to pay for the CIP and related costs was determined by the District's Underwriter to total approximately \$29,000,000. Table 3 shows the breakdown of the bond sizing.

2.2 Allocation of Debt

Allocation of debt is a continuous process until the development plan is completed. The CIP funded by District Bonds benefits all developable acres within the District.

The initial assessments will be levied on an equal basis to all acres within the District. A fair and reasonable methodology allocates the debt incurred by the District proportionately to the properties receiving the special benefits. At this point all of the lands within the District are benefiting from the improvements.

Once platting or the recording of declaration of condominium, ("Assigned Properties") has begun, the assessments will be levied to the Assigned Properties based on the benefits they receive. The Unassigned Properties, defined as property that has not been platted, assigned development rights or subjected to a declaration of condominium, will continue to be assessed on a per acre basis ("Unassigned Properties"). If undeveloped lands are sold then debt will be assigned based on entitlements transferred thereto. Eventually the development plan will be completed and the debt relating to the Bonds will be allocated to the planned 385 single family units and 218 multi family units, within the District, which are the beneficiaries of the CIP, as depicted in Table 5 and Table 6. If there are changes to the development plan, a true up of the assessment will be calculated to determine if a debt reduction or true-up payment from the Developer is required. The process is outlined in Section 3.0

The assignment of debt in this Assessment Report sets forth the process by which debt is apportioned. As mentioned herein, this Assessment Report will be supplemented from time to time.

2.3 Allocation of Benefit

The CIP consists of certain roadways and alleys, stormwater management, utilities (water, wastewater, and reclaim), hardscape/landscape/irrigation/trails, undergrounding of conduit, amenity feature (pool and clubhouse tract), environmental conservation/mitigation, professional services and contingency. There are *two* residential product types within the planned development. The single family home has been set as the base unit and has been assigned one equivalent residential unit ("ERU"). Table 4 shows the allocation of benefit to the particular land uses. It is important to note that the benefit derived from the improvements on the

particular units equals or exceeds the cost that the units will be paying for such benefits.

2.4 Lienability Test: Special and Peculiar Benefit to the Property

Construction and/or acquisition by the District of its proposed CIP will provide several types of systems, facilities and services for its residents. These include certain roadways and alleys, stormwater management, utilities (water, wastewater, and reclaim), hardscape/landscape/irrigation/trails, undergrounding of conduit, amenity feature (pool and clubhouse tract), environmental conservation/mitigation, professional services and contingency. These improvements accrue in differing amounts and are somewhat dependent on the type of land use receiving the special benefits peculiar to those properties, which flow from the logical relationship of the improvements to the properties.

Once these determinations are made, they are reviewed in the light of the special benefits peculiar to the property, which flow to the properties as a result of their logical connection from the improvements in fact actually provided.

For the provision of CIP, the special and peculiar benefits are:

- 1) the added use of the property,
- 2) added enjoyment of the property, and
- 3) the probability of increased marketability and value of the property.

These special and peculiar benefits are real and ascertainable, but are not yet capable of being calculated as to value with mathematical certainty. However, each is more valuable than either the cost of, or the actual non-ad valorem special assessment levied for the improvement or the debt as allocated.

2.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay Non-Ad Valorem Assessments

A reasonable estimate of the proportion of special and peculiar benefits received from the public improvements described in the Engineer's Report is delineated in Table 5 (expressed as Allocation of Par Debt per Product Type).

The determination has been made that the duty to pay the non-ad valorem special assessments is fairly and reasonably apportioned because the special and peculiar benefits to the property derived from the acquisition and/or construction of the District's CIP have been apportioned to the property according to reasonable estimates of the special and peculiar benefits provided consistent with the land use categories.

Accordingly, no acre or parcel of property within the boundaries of the District will have a lien for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property and therefore, the debt allocation will not be increased more than the debt allocation set forth in this Assessment Report.

In accordance with the benefit allocation suggested for the product types in Table 4, a total debt per unit and an annual assessment per unit have been calculated for each product type (Table 6). These amounts represent the preliminary anticipated per unit debt allocation assuming all anticipated units are built and sold as planned, and the entire proposed CIP is developed or acquired and financed by the District.

3.0 True Up Mechanism

Although the District does not process plats, declaration of condominiums, site plans or revisions thereto for the Developer, it does have an important role to play during the course of platting and site planning. Whenever a plat, declaration of condominium or site plan is processed, the District must allocate a portion of its debt to the property according to this Assessment Report outlined herein. In addition, the District must also prevent any buildup of debt on Unassigned Property. Otherwise, the land could be fully conveyed and/or platted without all of the debt being allocated. To preclude this, at the time Unassigned Properties become Assigned Properties, the District will determine the amount of anticipated assessment revenue that remains on the Unassigned Properties, taking into account the proposed plat, or site plan approval. If the total anticipated assessment revenue to be generated from the Assigned and Unassigned Properties is greater than or equal to the maximum annual debt service then no adjustment is required. In the case that the revenue generated is less than the required amount then a debt reduction or true-up payment by the landowner in the amount necessary to reduce the par amount of the outstanding Bonds plus accrued interest to a level that will be supported by the new net annual debt service assessments will be required.

4.0 Assessment Roll

The District will initially distribute the liens across the property within the District boundaries on a gross acreage basis. As Assigned Property becomes known with certainty, the District will refine its allocation of debt from a per acre basis to a per unit basis as shown in Table 6. If the land use plan changes, then the District will update Table 6 to reflect the changes. As a result, the assessment liens are neither fixed nor are they determinable with certainty on any acre of land in the District prior to the time final Assigned Properties become known. At this time the debt associated with the District's CIP will be distributed evenly across the acres within the District. As the development process occurs, the debt will be distributed against the Assigned

Property in the manner described in this Assessment Report. The current assessment roll is depicted in Table 7.

TABLE 1
 PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
 DEVELOPMENT PROGRAM
 MASTER ASSESSMENT METHODOLOGY

Product Types	No. of Units *	ERUs per Unit (1)	Total ERUs
Multi Family	218	0.75	164
Single Family	385	1	385
Total Units	603		549

(1) Benefit is allocated on an ERU basis; based on density of planned development, with a Single Family unit equal to 1 ERU

* Unit mix is subject to change based on marketing and other factors

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 2
 PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
 INFRASTRUCTURE COST ESTIMATES
 MASTER ASSESSMENT METHODOLOGY

Capital Improvement Plan ("CIP") (1)	Total Cost Estimate
Roadways and Alleys	\$8,633,582
Stormwater Management	\$3,790,000
Utilities (Water, Sewer, Reclaim)	\$3,313,650
Hardscape/Landscape/Irrigation/Trails	\$947,020
Undergrounding of Conduit	\$1,150,000
Amenity Feature (Pool and Clubhouse Tract)	\$1,465,000
Environmental Conservation/Mitigation	\$110,000
Professional Services and Contingency	\$3,510,823
Total Improvements	\$22,920,075

(1) A detailed description of these improvements is provided in the Master Engineer's Report dated August 9, 2021

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 3
PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
BOND SIZING
MASTER ASSESSMENT METHODOLOGY

Description	Total
Construction Funds	\$ 22,920,075
Debt Service Reserve	\$ 2,292,008
Capitalized Interest	\$ 2,610,000
Underwriters Discount	\$ 580,000
Cost of Issuance	\$ 595,000
Contingency	\$ 2,917
Par Amount*	\$ 29,000,000

Bond Assumptions:

Average Coupon	6.00%
Amortization	30 years
Capitalized Interest	18 months
Debt Service Reserve	Max Annual D/S
Underwriters Discount	2%

* Par amount is subject to change based on the actual terms at the sale of the Bonds

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 4
 PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
 ALLOCATION OF BENEFIT
 MASTER ASSESSMENT METHODOLOGY

Product Types	No. of Units *	ERU Factor	Total ERUs	% of Total ERUs	Total Improvements Costs Per Product Type	Improvement Costs Per Unit
Multi Family	218	0.75	164	29.81%	\$6,832,146	\$31,340
Single Family	385	1.0	385	70.19%	\$16,087,929	\$41,787
Totals	603		549	100.00%	\$22,920,075	

* Unit mix is subject to change based on marketing and other facts

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 5
PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
ALLOCATION OF TOTAL BENEFIT/PAR DEBT TO EACH PRODUCT TYPE
MASTER ASSESSMENT METHODOLOGY

Product Types	No. of Units *	Total Improvements	Allocation of Par	Par Debt Per Unit
		Costs Per Product Type	Debt Per Product Type	
Multi Family	218	\$ 6,832,146	\$ 8,644,485	\$ 39,654
Single Family	385	\$ 16,087,929	\$ 20,355,515	\$ 52,871
Totals	603	\$ 22,920,075	\$ 29,000,000	

* Unit mix is subject to change based on marketing and other factors

Prepared by: Governmental Management Services - Central Florida, LLC

TABLE 6
 PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT
 PAR DEBT AND ANNUAL ASSESSMENTS FOR EACH PRODUCT TYPE
 MASTER ASSESSMENT METHODOLOGY

Product Types	No. of Units *	Allocation of Par Debt Per Product Type	Total Par Debt Per Unit	Maximum Annual Debt Service	Net Annual Debt Assessment Per Unit	Gross Annual Debt Assessment Per Unit (1)
Multi Family	218	\$8,644,485	\$39,654	\$683,215	\$3,134	\$3,334
Single Family	385	\$20,355,515	\$52,871	\$1,608,793	\$4,179	\$4,445
Totals	603	\$ 29,000,000		\$2,292,008		

(1) This amount includes collection fees and early payment discounts when collected on the County Tax Bill

* Unit mix is subject to change based on marketing and other factors

Prepared by: Governmental Management Services - Central Florida, LLC

<p>TABLE 7 PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT PRELIMINARY ASSESSMENT ROLL MASTER ASSESSMENT METHODOLOGY</p>

Owner	Property*	Net Acres	Total Par Debt Allocation Per Acre	Total Par Debt Allocated	Net Annual Debt Assessment Allocation	Gross Annual Debt Assessment Allocation (1)
Elevation Preston Cove, LLC	Preston Cove CDD	146.69	\$ 197,696	\$ 29,000,000	\$ 2,292,008	\$ 2,438,306
Totals		146.69		\$ 29,000,000	\$ 2,292,008	\$ 2,438,306

(1) This amount includes 6% to cover collection fees and early payment discounts when collected utilizing the uniform method.

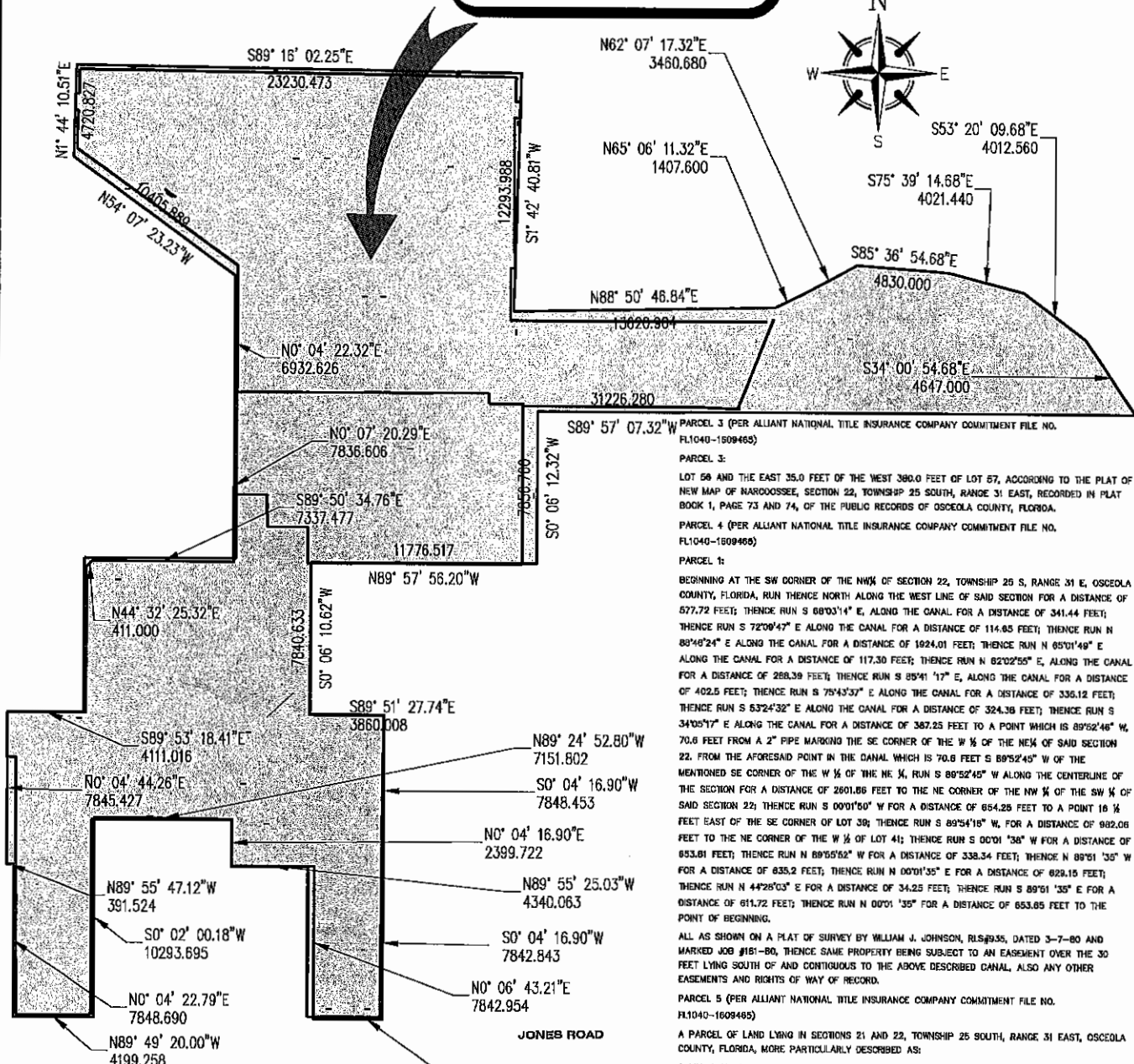
Annual Assessment Periods	30
Average Coupon Rate (%)	6.00%
Maximum Annual Debt Service	\$2,292,008

* - See Metes and Bounds, attached as Exhibit A

Prepared by: Governmental Management Services - Central Florida, LLC

PROJECT SITE

1"=8000'



LEGAL DESCRIPTIONS:

PARCEL 1 (PER CHICAGO TITLE INSURANCE COMPANY COMMITMENT FILE NO. 261210C):
 BEGINNING AT THE SOUTHWEST CORNER OF LOT 65, NARCOSSE FARM AND TOWNSITE SURVEY AND PLAT OF SECTION 21, TOWNSHIP 25 SOUTH, RANGE 31 EAST, OSCEOLA COUNTY, FLORIDA, RUN EAST ALONG THE SOUTH LINE OF SAID LOT 65, A DISTANCE OF 40.9 FEET; THENCE RUN NORTH PARALLEL TO THE WEST LINE OF LOT 65, A DISTANCE OF 853.8 FEET; THENCE RUN EAST PARALLEL TO THE SOUTH LINE OF LOT 65, A DISTANCE OF 578.7 FEET, TO THE EAST LINE OF LOT 66 OF SAID PLAT; THENCE RUN NORTH A DISTANCE OF 453.8 FEET, TO THE NORTH-EAST CORNER OF LOT 66; THENCE RUN WEST A DISTANCE OF 818.7 FEET, TO THE NORTHWEST CORNER OF LOT 66; THENCE RUN SOUTH 1307.8 FEET TO THE POINT OF BEGINNING. (A/X/A TRACT C, MARLLO LANDS)

PARCEL 2 (PER CHICAGO TITLE INSURANCE COMPANY COMMITMENT FILE NO. 260590C)
 THE EAST ONE HALF OF LOT 63 AND ALL OF LOT 64, NEW MAP OF NARCOSSE, SECTION 21, TOWNSHIP 25 SOUTH, RANGE 31 EAST, ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 1, PAGE(S) 73 AND 74, INCLUSIVE, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA, TOGETHER WITH THE WEST ONE HALF OF VACATED ROAD RIGHT OF WAY ABUTTING PROPERTY AS SET FORTH IN RESOLUTION RECORDED IN OFFICIAL RECORDS BOOK 126, PAGE 291 OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

E(S) 73-74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

PARCEL 3 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-160946S)
 PARCEL 3:
 LOT 58 AND THE EAST 35.0 FEET OF THE WEST 380.0 FEET OF LOT 57, ACCORDING TO THE PLAT OF NEW MAP OF NARCOSSE, SECTION 22, TOWNSHIP 25 SOUTH, RANGE 31 EAST, RECORDED IN PLAT BOOK 1, PAGE 73 AND 74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

PARCEL 4 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-160946S)
 PARCEL 4:
 BEGINNING AT THE SW CORNER OF THE NW¼ OF SECTION 22, TOWNSHIP 25 S, RANGE 31 E, OSCEOLA COUNTY, FLORIDA, RUN THENCE NORTH ALONG THE WEST LINE OF SAID SECTION FOR A DISTANCE OF 677.72 FEET; THENCE RUN S 68°03'14" E, ALONG THE CANAL FOR A DISTANCE OF 341.44 FEET; THENCE RUN S 72°09'47" E ALONG THE CANAL FOR A DISTANCE OF 114.85 FEET; THENCE RUN N 88°46'24" E ALONG THE CANAL FOR A DISTANCE OF 1924.01 FEET; THENCE RUN N 65°01'49" E ALONG THE CANAL FOR A DISTANCE OF 117.30 FEET; THENCE RUN N 82°02'55" E, ALONG THE CANAL FOR A DISTANCE OF 268.39 FEET; THENCE RUN S 85°41'17" E, ALONG THE CANAL FOR A DISTANCE OF 402.5 FEET; THENCE RUN S 75°43'37" E ALONG THE CANAL FOR A DISTANCE OF 336.12 FEET; THENCE RUN S 53°24'32" E ALONG THE CANAL FOR A DISTANCE OF 324.38 FEET; THENCE RUN S 34°05'17" E ALONG THE CANAL FOR A DISTANCE OF 387.25 FEET TO A POINT WHICH IS 89°52'46" W, 70.6 FEET FROM A 2" PIPE MARKING THE SE CORNER OF THE W ¼ OF THE NW¼ OF SAID SECTION 22. FROM THE AFORESAID POINT IN THE CANAL WHICH IS 70.6 FEET S 89°52'45" W OF THE MENTIONED SE CORNER OF THE W ¼ OF THE NW¼, RUN S 89°52'45" W ALONG THE CENTERLINE OF THE SECTION FOR A DISTANCE OF 2601.86 FEET TO THE NE CORNER OF THE NW¼ OF THE SW ¼ OF SAID SECTION 22; THENCE RUN S 00°01'50" W FOR A DISTANCE OF 654.25 FEET TO A POINT 16 ½ FEET EAST OF THE SE CORNER OF LOT 38; THENCE RUN S 89°54'18" W, FOR A DISTANCE OF 982.08 FEET TO THE NE CORNER OF THE W ¼ OF LOT 41; THENCE RUN S 00°01'36" W FOR A DISTANCE OF 653.81 FEET; THENCE RUN N 89°55'52" W FOR A DISTANCE OF 338.34 FEET; THENCE N 89°51'35" W FOR A DISTANCE OF 635.2 FEET; THENCE RUN N 00°01'35" E FOR A DISTANCE OF 628.15 FEET; THENCE RUN N 44°28'03" E FOR A DISTANCE OF 34.25 FEET; THENCE RUN S 89°51'35" E FOR A DISTANCE OF 611.72 FEET; THENCE RUN N 00°01'35" FOR A DISTANCE OF 653.85 FEET TO THE POINT OF BEGINNING.

ALL AS SHOWN ON A PLAT OF SURVEY BY WILLIAM J. JOHNSON, RLS#935, DATED 3-7-80 AND MARKED JOB #181-80, THENCE SAME PROPERTY BEING SUBJECT TO AN EASEMENT OVER THE 30 FEET LYING SOUTH OF AND CONTIGUOUS TO THE ABOVE DESCRIBED CANAL, ALSO ANY OTHER EASEMENTS AND RIGHTS OF WAY OF RECORD.

PARCEL 5 (PER ALLIANT NATIONAL TITLE INSURANCE COMPANY COMMITMENT FILE NO. FL1040-160946S)
 A PARCEL OF LAND LYING IN SECTIONS 21 AND 22, TOWNSHIP 25 SOUTH, RANGE 31 EAST, OSCEOLA COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS:
 COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST¼ OF SAID SECTION 22; RUN THENCE NORTH 577.72 FEET ALONG THE WEST SECTION LINE OF SAID SECTION 22 TO THE POINT OF BEGINNING; RUN THENCE N 84°10'00" W, 867.27 FEET; RUN THENCE N 01°39'40" E, 393.25 FEET; RUN THENCE S 89°20'31" E, 1938.14 FEET; RUN THENCE S 01°39'40" W, 1024.84 FEET; RUN THENCE S 85°46'24" W, 788.93 FEET; RUN THENCE N 72°09'47" W, 114.85 FEET; RUN THENCE N 68°03'14" W, 341.44 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH EGRESS AND INGRESS EASEMENT 35.00 FEET IN WIDTH, MORE PARTICULARLY DESCRIBED AS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST¼ OF SAID SECTION 22; RUN THENCE NORTH 677.72 FEET ALONG THE WEST SECTION LINE OF SAID SECTION 22; RUN THENCE N 84°10'00" W, 867.27 FEET; RUN THENCE N 01°39'40" E, 393.25 FEET TO THE POINT OF BEGINNING OF SAID EASEMENT; RUN THENCE N 01°04'08" E, 1681.65 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF BAY BRANCH ROAD; RUN THENCE N 89°53'38" 35.00 FEET ALONG SAID SOUTH RIGHT OF WAY LINE; RUN THENCE S 01°04'08" W, 1851.67 FEET; RUN THENCE N 89°20'31" W, 35.00 FEET TO THE POINT OF BEGINNING.

PARCEL 6 (PER O.R. 5378, PGS. 2408-2409)
 LOT 57, LESS THE WEST 380 FEET THEREOF, NEW MAP OF NARCOSSE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 1, PAGE(S) 73-74, OF THE PUBLIC RECORDS OF OSCEOLA COUNTY, FLORIDA.

8 BROADWAY AVENUE, SUITE 104, FLORIDA 34741-5481
 PHONE: (407) 847-9433 FAX: (407) 847-2499
 ENG. CERT. OF AUTHOR. No. 3265/SUR. CERT. OF AUTHOR. No. 3270

 ENGINEERING, SURVEYING AND PLANNING
HANSON, WALTER & ASSOCIATES, INC.

**CDD EXHIBIT
 PRESTON COVE**
METES AND BOUND

PROJECT: _____
 DATE 12/2/20 SHEET 2 OF 4

SECTION C

RESOLUTION 2021-18

A RESOLUTION AUTHORIZING AND CONFIRMING THE PROJECT; EQUALIZING, APPROVING, AND LEVYING SPECIAL ASSESSMENTS ON PROPERTY SPECIALLY BENEFITED BY THE CAPITAL IMPROVEMENT PLAN (THE “ASSESSMENT AREA”) TO PAY THE COSTS THEREOF; PROVIDING FOR THE PAYMENT AND THE COLLECTION OF SUCH SPECIAL ASSESSMENTS BY THE METHOD PROVIDED FOR BY CHAPTERS 170, 190 AND 197, FLORIDA STATUTES; CONFIRMING THE DISTRICT’S INTENTION TO ISSUE SPECIAL ASSESSMENT REVENUE BONDS; MAKING PROVISIONS FOR TRANSFERS OF REAL PROPERTY TO GOVERNMENTAL BODIES; PROVIDING FOR RECORDING OF AN ASSESSMENT NOTICE; AND PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PRESTON COVE COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to Chapters 170, 190 and 197, *Florida Statutes*.

SECTION 2. DISTRICT AUTHORITY AND PREVIOUS ACTIONS.

A. The Preston Cove Community Development District (“**District**”) is a local unit of special-purpose government organized and existing under Chapter 190, Florida Statutes.

B. The District is authorized under Chapter 190, *Florida Statutes*, to construct roads, water management and control facilities, water and wastewater systems and other public infrastructure projects to serve lands within the District.

C. The District adopted the Preston Cove Community Development District Engineer's Report and Capital Improvement Program (Supplement No. 2) for Preston Cove Island Village, dated August 26, 2021 (the “**Engineer’s Report**”) describing the capital improvement program for to be constructed and/or acquired by the District (“**Project**”).

D. The District is authorized by Chapter 170, Florida Statutes, to levy special assessments to pay all, or any part of, the cost of the Project and to issue special assessment revenue bonds payable from such special assessments as provided in Chapters 190 and 170, *Florida Statutes*.

SECTION 3. FINDINGS. The District’s Board of Supervisors (“**Board**”) hereby finds and determines as follows:

A. It is necessary to the public safety and welfare, and to comply with applicable governmental requirements, that (i) the District provide the Project, the nature and location of

which is described in the Engineer's Report and the plans and specifications on file at, or available from, the District Manager's office at 219 East Livingston Street, Orlando, Florida 32801; (ii) the cost of such Project be assessed against the lands specially benefited by such projects; and (iii) the District issue bonds to provide funds for such purposes, pending the receipt of such special assessments.

B. The provisions of said infrastructure projects, the levying of such special assessments and the sale and issuance of such bonds serves a proper, essential and valid public purpose.

C. In order to provide funds with which to pay the costs of the Project which are to be assessed against the benefited properties, pending the collection of such special assessments, it is necessary for the District to sell and issue its not-to-exceed \$29,000,000.00 Preston Cove Community Development District Special Assessment Bonds, which may be issued in one or more series.

D. In Resolution 2021-15, the Board determined to provide the Project and to defray the cost thereof by making special assessments on benefited property and expressed an intention to issue the Bonds to provide the funds needed for the Project prior to the collection of such special assessments. Resolution 2021-15 was adopted in compliance with the requirements of Section 170.03, *Florida Statutes*, and prior to the time the same was adopted, the requirements of Section 170.04, *Florida Statutes* had been complied with.

E. As directed by Resolutions 2021-15 and 2021-16, said resolution was published as required by Section 170.05, *Florida Statutes*, and a copy of the publisher's affidavit of publication is on file with the District Manager.

F. As directed by Resolution 2021-15, a preliminary assessment roll was prepared and filed with the Board as required by Section 170.06, *Florida Statutes*.

G. The Board, by Resolution 2021-15, and as ratified today, adopted the Assessment Report for Preston Cove Community Development District, dated August 26, 2021 ("**Assessment Methodology**"), attached hereto and incorporated herein as **EXHIBIT "A"**.

H. The Board, by Resolution 2021-15, and as ratified today, approved the Engineer's Report attached hereto and incorporated herein as **EXHIBIT "B"**.

I. As required by Section 170.07, *Florida Statutes*, upon completion of the preliminary assessment roll, the Board adopted Resolution 2021-16 fixing the time and place of a public hearing at which owners of the property to be assessed and other persons interested therein may appear before the Board and be heard as to (i) the propriety and advisability of making the improvements, (ii) the cost thereof, (iii) the manner of payment therefor, and (iv) the amount thereof to be assessed against each parcel of specially benefited property and providing for the mailing and publication of notice of such public hearing.

J. Notice of such public hearing has been given by publication and by delivery as required by Section 170.07, *Florida Statutes*, and affidavits as to such publication and delivery are on file in the office of the Secretary of the Board.

K. At the time and place specified in the resolution and notice referred to in paragraph (I) above, the Board met as an Equalization Board, conducted such public hearing and heard and considered all complaints as to the matters described in paragraph (I) above and, based thereon, has made such modifications (if any) in the preliminary assessment roll as it deems desirable at this time.

L. Having considered any revised costs of the Project, any revised estimates of financing costs and all complaints and evidence presented at such public hearing, the Board of Supervisors of the District finds and determines:

(i) that the estimated costs of the Project are as specified in the Engineer's Report, and the amount of such costs is reasonable and proper; and

(ii) that it is reasonable, proper, just and right to assess the cost of such Project against the properties specially benefited thereby using the methods determined by the Board as set forth in the Assessment Methodology, which result in special assessments set forth on an assessment roll contained in the Assessment Methodology and herein adopted by the Board, and which roll will be supplemented and amended by the Board when properties are platted and when final project costs, structure and interest rate on the Bonds to be issued by the District are established; and

(iii) that the Project will constitute a special benefit to all parcels of real property listed on said assessment roll and that the benefit, in the case of each such parcel, will be in excess of the special assessment thereon; and

(iv) it is reasonable, proper, just and right for the District to utilize the true-up mechanisms and calculations contained in the Assessment Methodology in order to ensure that all parcels of real property benefiting from the Project are assessed accordingly and that sufficient assessment receipts are being generated in order to pay the corresponding bond debt-service when due; and

(v) it is desirable that the special assessments be paid and collected as herein provided.

SECTION 4. AUTHORIZATION OF THE PROJECT. The Project, as more specifically described by the Engineer's Report and the plans and specifications on file with the District Manager, are hereby confirmed, authorized and approved and the proper officers, employees and agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made following the issuance of the Bonds.

SECTION 5. ESTIMATED COST OF IMPROVEMENTS. The total estimated costs of the Project, and the costs to be paid by special assessments on all specially benefited property, are set forth in **EXHIBIT “A”**.

SECTION 6. APPROVAL AND CONFIRMATION OF ASSESSMENT METHODOLOGY. The Assessment Methodology is hereby adopted, approved and confirmed by the Board acting in its capacity as an Equalization Board. The special assessment or assessments against each respective parcel to be shown on the assessment roll and interest and penalties thereon, as hereafter provided, shall be and shall remain a legal, valid and binding first lien on such parcel until paid; such lien shall be co-equal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims.

SECTION 7. FINALIZATION OF SPECIAL ASSESSMENTS. When all of the Project has been constructed or otherwise provided to the satisfaction of the Board, the Board shall adopt a resolution accepting the same and determining the actual costs (including financing costs) thereof, as required by Sections 170.08 and 170.09, *Florida Statutes*. The District shall credit to each special assessment for the Project the difference between the special assessment as hereby made, approved and confirmed and the proportionate part of the actual costs of the projects, as finally determined upon completion thereof, but in no event shall the final amount of any such special assessment exceed the amount of benefits originally assessed hereunder. In making such credits, no discount shall be granted or credit given for any part of the payee’s proportionate share of any actual bond financing costs, such as capitalized interest, funded reserves or bond discount included in the estimated cost of any such improvements. Such credits, if any, shall be entered in the District’s Improvement Lien Book. Once the final amount of special assessments for all of the Project improvements have been determined, the term “special assessment” shall, with respect to each benefited parcel, mean the sum of the costs of the Project.

SECTION 8. PAYMENT AND PREPAYMENT OF NON-AD VALOREM SPECIAL ASSESSMENTS AND METHOD OF COLLECTION.

A. All non-ad valorem special assessments shall be payable in no more than thirty (30) annual installments which shall include interest (excluding any capitalized interest period), calculated in accordance with the Assessment Methodology. All special assessments collected utilizing the uniform method of collection shall be levied in the amount determined in the first sentence of this paragraph divided by one (1) minus the sum of the percentage cost of collection, necessary administrative costs and the maximum allowable discount for the early payment of taxes (currently a total of four percent (4%), as may be amended from time to time by Osceola County and by changes to Florida Statutes and implementing regulations, if any).

B. The District hereby may elect, under its charter and Section 197.3631, *Florida Statutes*, to use the method of collecting special assessments authorized by Sections 197.3632 and 197.3635, *Florida Statutes*. The District has heretofore timely taken, or will timely take, all necessary actions to comply with the provisions of said Sections 197.3632 and 197.3635, *Florida Statutes*, and applicable rules adopted pursuant thereto to elect to use this method; and, if required, the District shall enter into a written agreement with the Property Appraiser and/or Tax Collector

of Osceola County in compliance therewith. Such non-ad valorem special assessments shall be subject to all of the collection provisions of Chapter 197, *Florida Statutes*.

C. Notwithstanding the foregoing, the District reserves the right under Section 197.3631, *Florida Statutes*, to collect its non-ad valorem special assessments pursuant to Chapter 170, *Florida Statutes*, and to foreclose its non-ad valorem special assessment liens as provided for by law.

D. All special assessments may be prepaid in whole or in part at any time by payment of an amount equal to the principal amount of such prepayment plus interest accrued at the interest rate on the Bonds and in the amount sufficient to pay interest on the Bonds on the next interest payment date which occurs at least 45 days after such prepayment and to the next succeeding interest payment date if such prepayment is less than 45 days from the next interest payment date. All special assessments are also subject to prepayment in the amounts and at the times set forth in Chapter 170, *Florida Statutes*; provided, however, that the owner of land subject to special assessments may elect to waive such statutory right of prepayment.

SECTION 9. GOVERNMENT PROPERTY; TRANSFERS OF PROPERTY TO UNITS OF LOCAL, STATE, AND FEDERAL GOVERNMENT. Property owned by units of local, state, and federal government shall not be subject to the special assessments without specific consent thereto. In addition, property owned by a property owners' association or homeowner's association that is exempt from special assessments under Florida law shall not be subject to the special assessments. If at any time, any real property on which special assessments are imposed by this Resolution is sold or otherwise transferred to a unit of local, state, or federal government (without consent of such governmental unit to the imposition of special assessments thereon), all future unpaid special assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District.

SECTION 10. ASSESSMENT NOTICE. The District Manager is hereby directed to record a general Notice of Assessments in the Official Records of Osceola County, Florida, which shall be updated from time to time in a manner consistent with changes in the boundaries of the District.

SECTION 11. SEVERABILITY. If any section or part of a section of this resolution be declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

SECTION 12. CONFLICTS. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

SECTION 13. EFFECTIVE DATE. This Resolution shall become effective upon its adoption.

APPROVED AND ADOPTED this 30th day of September, 2021.

ATTEST:

**BOARD OF SUPERVISORS OF THE
PRESTON COVE COMMUNITY
DEVELOPMENT DISTRICT**, a Florida
community development district

By: _____

By: _____

Name: _____
Secretary/Assistant Secretary

Name: _____
Chairman/Vice Chairman

EXHIBIT “A”

ASSESSMENT REPORT

**Assessment Report
for Preston Cove Community Development District
Dated August 26, 2021**

[ATTACHED ON FOLLOWING PAGES]

EXHIBIT “B”

ENGINEER’S REPORT

**Preston Cove Community Development District
Engineer's Report and Capital Improvement Program (Supplement No. 2)
for Preston Cove Island Village
Dated August 26, 2021**

[ATTACHED ON FOLLOWING PAGES]