

MINUTES OF MEETING
BRIDGEWALK
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bridgewalk Community Development District was held Monday, October 16, 2023 at 1:30 p.m. at the Oasis Club at ChampionsGate at 1520 Oasis Club Blvd., ChampionsGate, Florida.

Present and constituting a quorum were:

Rob Bonin	Chairman
Brent Kewley	Vice Chairman
Lane Register <i>by phone</i>	Assistant Secretary
Kathryn Farr	Assistant Secretary

Also present were:

George Flint	District Manager
Kristen Trucco	District Counsel
Broc Althafer	District Engineer
Alan Scheerer	Field Manager
Steve Sanford <i>by phone</i>	Bond Counsel

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll. We have three Board members here and we have a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: There are no members of the public here other than Board and staff here.

THIRD ORDER OF BUSINESS

Approval of Minutes of the September 11, 2023 Meeting

Mr. Flint: The next item is approval of the minutes from September 11, 2023 Board of Supervisors meeting. Are there any comments or corrections?

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, the Minutes of the September 11, 2023 Meeting, were approved, as presented.

FOURTH ORDER OF BUSINESS

Financing Matters

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A. Consideration of Revised Master Engineer's Report

Mr. Flint: The goal is to consider the adoption of the delegation resolution, but we also have a copy of the revised Master Engineer's Report. We also have the Supplemental Assessment Methodology for Assessment Area Two. Broc Althafer, who is your District Engineer, has revised the Master Engineer's Report to update the information related to the phases in assessment area two.

Mr. Althafer: The phases in Assessment Area Two are Phases 1B and 2C. There were some changes along the way. The unit count got updated and we lost a few units in an effort to keep the cost of development down. Also, since this original Engineer's Report was put together, the cost of materials has gone up pretty substantially, so this report updates the cost based on current contractor bids. We also updated the construction schedule that was included in the original Engineer's Report. The major update is the estimated cost of capital improvements went from \$8,300,000 for Assessment Area Two and now we are coming in at \$14,200,000 for this assessment area. Other than that, there were some small changes from Bond Counsel and District Counsel that got incorporated. I received a couple of late comments that I would like to incorporate into this also. One had to do with a date change to make it correctly reflect the date this was approved by the Board of County Commissioners of Osceola County.

Ms. Trucco: The other is the title of agreement to indicate that this is the Engineer's Report for Assessment Area Two and that may help as we continue to issue bonds. She stated today we are looking for a motion to approve the Engineer's Report in substantially final form subject to staff signoff.

Mr. Althafer: I would be happy to go over any questions that you may have.

Mr. Bonin: What cost did you use for the 2C? Did you also use theirs from 1B?

Mr. Althafer: 1B we used their costs from a while ago when that was originally contracted so this did not update. A few other things that updated, it updated the value of the Lake AJ Marina. We originally had \$500,000 in the budget for that. I spoke with Lane and he wanted me to up that to \$1,500,000 so that was a million there. Toho Water Authority has increased their connection fees, so I updated those and that went up another roughly \$350,000.

Mr. Bonin: Is this just an estimate of the value of the capital improvements or is it the expected bond amount?

Mr. Althafer: It is an estimate of the value of the improvements.

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Mr. Flint: The bond amount, we prepared a Supplemental Assessment Methodology, and it looks like we will be out to fund about \$4,450,000 in construction funds at the assumptions here. The interest rates are higher.

Mr. Bonin: Was that always the amount?

Mr. Flint: The amount was likely higher because the interest rate would have been lower when we previously put these numbers together. I think Mark McDonald has built the 6.5% interest into his numbers. But we were using less than six probably 5.75 or 5.5% when we were running these numbers before. As long as the numbers are in excess of \$5,000,000, the rest of it is all going to be developer funded anyway and right now they are just estimates.

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, the Revised Master Engineer's Report, was approved in substantial form.

B. Consideration of Supplemental Assessment Methodology Report for Assessment Area Two

Mr. Flint: This is pre-pricing Supplemental Assessment Methodology Report for Assessment Area Two. If you refer to page 62 of the PDF, it is page 9 of the report. Table 1 is the development program, and this reflects 275 units, 282 ERUs. I think there were some changes between the 50's and 60's. There were two that flipped from one product type to the other. This takes into account those changes that are in Broc's Engineer's Report. Table 2 are the costs that he has estimated for phases 1B and 2C at \$12,130,559. Table 3 is preliminary bond sizing based on current projected interest rates at the time where we are going to issue 50% debt service reserve and 50% max annual debt service reserve, 2% underwriter's fee, 30-year amortization and no capitalized interest. It would be a par amount of \$4,930,000 and about \$4,443,000 of that would be construction funds. Table 4 demonstrates the allocation of benefit based on the cost of the improvements by product type. Table 5 demonstrates the allocation of benefit based on the par debt by product type and Table 6 is the net and gross annual debt service assessment levels that would result from the assumptions contained in the prior tables. Table 7 is the preliminary assessment roll and in this list, there are some platted lots and then there are some unplatted areas included. We also attached a legal description of phase 2C because it is unplatted at this point. Are there any questions on the draft Supplemental Assessment Methodology? If not, we are looking

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for a motion to approve it. I think it incorporates most of the changes, but I would just say approve it in substantial form.

Mr. Bonin: Does this lot count reflect the two adds?

Mr. Althafer: Yes, the two additional lots in 1 and 2C correct.

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, the Supplemental Assessment Methodology Report for Assessment Area Two, was approved in substantial form.

C. Consideration of Resolution 2024-01 Bond Delegation Resolution – Assessment Area Two

Mr. Sanford: Resolution 2024-01 is a supplement to what the Board adopted in 2021 authorizing \$26,025,000 which was subsequently then validated, and we issued the Assessment Area One bonds. This is the second series of bonds that we are authorizing a principal amount of not exceeding \$6,500,000 for improvements relating to Assessment Area Two within the District. This resolution is what we call a delegation resolution and the reason why we do that is we set forth certain parameters in section three and when it comes time to sell the bonds, with the parameters set by the Board, then the Chair or Vice Chair is authorized to sign a bond purchase contract. Those parameters cannot exceed \$6,500,000. The maturity of the bonds can't exceed 30 years. The maximum interest rate is governed by Florida Statute. The compensation to the underwriter is 98%, meaning they buy the bonds at a discount and then turn around and sell the bonds and that difference is the compensation to be paid to the underwriter. If we are within those parameters set by the Board, there is no further Board action required and the Chair has the right to sign the Bond Purchase Contract. In addition to that, there are a number of documents that we ask the Board to approve in substantial final form.

i. Exhibit A: Form of Bond Purchase Contract

Mr. Sanford: This contract is between the District and FMS as your underwriter. Once the bonds are sold this document gets executed and it sets forth the final terms of the bonds and what is required to be delivered for a successful closing.

ii. Exhibit B: Draft Copy of Preliminary Limited Offering Memorandum

Mr. Sanford: This is the marketing tool used to find investors. Once lots are actually sold, that Preliminary Limited Offering Memorandum turns into a final document and gets delivered to

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the investors with the final terms of the bonds, the interest rates, source and uses and redemption provisions.

iii. Exhibit C: Form of Continuing Disclosure Agreement

Mr. Sanford: This is required by SEC rules and requires that there be certain annual information updated regarding the bonds and the development of the project and also requires disclosure of certain enumerated material events. The rationale behind that agreement is that if somebody wanted to buy these bonds in the secondary market, the Limited Offering Memorandum is stale information at some point in time and this is a way to keep updated information so everybody has a level playing field and know what they are buying and the status of everything.

iv. Exhibit D: Form of Second Supplemental Indenture

Mr. Sanford: Every time the District issues bonds for a particular series, there is a separate stand-alone Supplemental Indenture which governs that series of bonds. It will have the final terms of the bonds, the sources and use, and redemption provisions. That is between the District and the Trustee.

v. Composite Exhibit E: Forms of Completion Agreement, Acquisition Agreement, True-Up Agreement and Collateral Assignment

Mr. Flint: This is a composite exhibit that has all of the ancillary documents drafted by District Counsel. There is a completion agreement which would be signed by Lennar Acquisition Agreement, True-Up Agreement and Collateral Assignment, one by Standard Pacific and one by Lennar on the Collateral Assignment. The True-Up Agreement is if there is a change in the density that might require a payment to make sure there is enough revenue to pay debt service on the bonds. The Completion Agreement is basically the agreement that if we know the bond proceeds are not going to be sufficient to complete the full course of the project that was described in the Engineer's Report, that is an obligation on the developer to complete what wasn't funded with bond proceeds. The Acquisition Agreement is the agreement between the District and the developer where completed infrastructure is sold to the District. In addition to those documents, there is one other thing this resolution does and that is if there is any need to amend or supplement George's report or the Engineer's Report in connection with the pricing of the bonds, there is authorization in this resolution to do so again without the need for calling a special meeting. Unless

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any Board members have any questions, we are looking for a motion to approve Resolution 2024-01.

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, Resolution 2024-01 Bond Delegation Resolution – Assessment Area Two, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Cost-Sharing and Easement Agreement with Tohopekalia Water Authority for Non-Potable Irrigation Water System and Temporary Irrigation Pump for Residential Community

Ms. Trucco: This is a cost-sharing agreement and an easement agreement for non-potable irrigation water system and temporary irrigation pump for residual community, Bridgewalk Community. You will recall a while back that the CDD took ownership of Tract U which is in Phase 1A plat and that is a stormwater management tract so this agreement in your agenda is between Standard Pacific of Florida, Tohopekaliga Water Authority at the Bridgewalk CDD. The Bridgewalk CDD is now the owner of this stormwater pond tract that is referenced in this agreement. This goes through the agreement between Standard Pacific and Toho for Standard Pacific to construct an irrigation system that is on the CDD's tract, and that irrigation system is going to provide sufficient irrigation water to the CDD residents. There was a need that was recognized by the developer for irrigation water and Toho and the developer came to an agreement that the developer would construct an irrigation system to basically allow Toho to withdraw water from that pond that the CDD owns. This agreement details terms of that separate agreement between Standard Pacific and Toho for the construction of that irrigation system and then the Bridgewalk CDD is also tied into this agreement as a party because we can give Toho a perpetual easement for the drainage into that pond which the CDD has the ability to do and also withdraw from that pond again to provide irrigation and water to those residents. Standard Pacific has already gone through the process of obtaining a water use permit from South Florida Water Management District so that is referenced in there as well. I have reviewed this agreement and had a conversation with the Standard Pacific attorney who drafted and made some requisitions to add some indemnification language for the CDD so that Toho would avoid indemnifying the CDD if the CDD faces damage as a result of Toho's use of the CDD's property. You will see that attorney has added that in. Also noting because the CDD like Toho is a governmental entity, we have immunity

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protections and also subject to the public records law, so he has added a provision in this agreement just to clarify that the Bridgewalk CDD just like Toho has protection under those two laws as well. I can answer any questions that you may have, otherwise I am asking the Board for a motion to approve this in substantially final form subject to staff sign off on it.

Mr. Bonin: Are we over or past the concern with the additional property owners?

Ms. Trucco: Scott sent some research on that. I just want to talk to him and see if he has signed off on that concept. I spoke with Broc before this meeting, and he said he needs to look at the permit as well just from his perspective to see did those other property owners have an opportunity to object to the withdrawal of South Florida Water Management District.

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, the Cost-Sharing and Easement Agreement with Tohopekaliga Water Authority for Non-potable Irrigation Water System and Temporary Irrigation Pump for Residential Community, was approved in substantial form with Condition of Staff Approval and Delegate Mr. Bonin to sign.

SIXTH ORDER OF BUSINESS

Ratification of Series 2022 Requisition #3

Mr. Flint: This is for District Counsel services related to conveyances and requisitions and it has been transmitted to the Trustee. We are just asking the Board to ratify.

On MOTION by Mr. Kewley, seconded by Mr. Bonin, with all in favor, Series 2022 Requisition #3, was ratified.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Trucco: I have been working on the lift station conveyance that is located in Phase 1B, 2A and 2B. Toho has already reviewed your conveyance documents. They have identified two notices of commencement that they want to see terminated. I have reached out to the developers' team on that and we will also need a survey of the lift station tract.

Mr. Bonin: Have you not seen that?

Ms. Trucco: I have not seen the survey for Bridgewalk lift station tract.

Mr. Bonin: Are you tracking that?

Ms. Farr: Yes, I thought Rick had sent that, but I will make sure you get it.

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Ms. Trucco: Okay, great. Thank you. They have already reviewed the documents and sent comments, so we are nearing completion of that one.

B. Engineer

Mr. Althafer: I don't have any updates but will answer any questions.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have approval of the check register for the month of September for the general fund and Board payroll totaling \$86,516.59. Do you have any questions on the check register?

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

ii. Balance Sheet and Income Statement

Mr. Flint: You have the unaudited financial statements through September 30th. There is no action required. Any questions on those? Hearing none, we will move on to the next item.

iii. Ratification of FY23 Funding Requests #2 – #3

Mr. Flint: We are asking the Board to ratify Funding Requests #2 for \$88,137.75 and \$66,000 of that was Phase 1 streetlights that were billed to the District and funding request #3 for \$13,106.60.

On MOTION by Mr. Bonin, seconded by Mr. Kewley, with all in favor, Funding Requests #2 and #3, were ratified.

EIGHTH ORDER OF BUSINESS

Other Business

A. Discussion of Pending Plat Conveyances

B. Status of Permit Transfers

Mr. Flint: Any other business such as plats, conveyances, or permits that we need to talk about.

Mr. Bonin: 2C plat, what is going on with it?

Ms. Farr: I think Broc sent the updated drawing to Rick so Johnston's is updating that, and we will resubmit the 2C plat to Osceola.

Mr. Bonin: Is the two-lot drawing into engineering?

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Mr. Althafer: It is not in yet. It is ready to go this week.

Mr. Bonin: It will go to Toho and the county.

Mr. Althafer: Yes, it will.

NINTH ORDER OF BUSINESS

Supervisor’s Requests

There being no comments, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

Mr. Flint: Is there a motion to adjourn?

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

DocuSigned by:
George Flint

Secretary/Assistant Secretary

DocuSigned by:
Adam Morgan

Chairman/Vice Chairman