

**MINUTES OF MEETING
FALLSCHASE
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Fallschase Community Development District held a Continued Regular Meeting on October 18, 2021 at 10:30 a.m., at 2810 Remington Green Circle, Tallahassee, Florida 32308.

Present at the meeting were:

Richard Yates
William Lamb
Jeff Phipps

Chair
Assistant Secretary
Assistant Secretary

Also present were:

Cindy Cerbone
Jamie Sanchez (via telephone)
Michal Szymonowicz (via telephone)
Ken van Assenderp (via telephone)
Roger Wynn
Fred Harris (via telephone)
Bob Gang (via telephone)
Max Beverly
Jennifer Kilinski (via telephone)
Bill Regan (via telephone)

District Manager
Wrathell, Hunt and Associates, LLC (WHA)
Wrathell, Hunt and Associates, LLC (WHA)
District Counsel
District Engineer
Greenberg Traurig, P.A.
Greenberg Traurig, P.A.
Landowner Representative
Developer's Counsel
FMSbonds, Inc. (FMS)

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 10:35 a.m. Supervisors Yates, Lamb and Phipps were present in person. Supervisors Lewis Singletary and Rick Singletary were not present.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

THIRD ORDER OF BUSINESS

Update/Status: Boundary Amendment

In response to Ms. Cerbone’s request for an update, it was noted that the Boundary Amendment was not filed.

FOURTH ORDER OF BUSINESS

Presentation of Amended and Restated Engineer’s Report on District Improvements and Estimated Probable Construction Cost

Mr. Wynn presented the Amended and Restated Engineer’s Report on District Improvements and Estimated Probable Construction Cost, as follows:

- Staff amended the Engineer’s Report to include the infrastructure costs from the multi-family project, which increased the total cost of the improvements for the project from \$45.3 million to \$47.9 million; a difference of \$2.5 million.
- The Supplemental Report was prepared to clarify the assessment area of the project.
- Staff pulled out the 81.5 acres of conservation easement and specified that the CDD boundary contains 375.5 acres, such that, once the contraction petition is approved, the Report will reflect the accurate acreage within the CDD boundary.
- Of the 375.5 acres within the CDD, 81.5 acres has been placed in conservation easements so, approximately 294 acres will actually be assessed.

FIFTH ORDER OF BUSINESS

Presentation of Supplemental Report to the Amended and Restated Engineer’s Report on District Improvements and Estimated Probable Construction Cost

Mr. Wynn stated the other portion of the Supplemental Report was to clarify the specific improvements that would be covered by the proceeds of the bond issue, which is outlined in the table on Page 3, totaling approximately \$14.6 million worth of improvements associated with the residential phases of I, II and III, as well as the multi-family phase.

SIXTH ORDER OF BUSINESS

Presentation of Amended and Restated Master Special Assessment Methodology Report

Mr. Szymonowicz presented the Supplemental Report to the Amended and Restated Engineer's Report on District Improvements and Estimated Probable Construction Cost and highlighted the following:

- The updated Master Special Assessment Methodology Report takes into account the changes that the District Engineer made to the Master Engineer's Report.
- As a result of the inclusion of the multi-family parcel, the cost of the Capital Improvement Plan (CIP) increased to \$47.9 million.
- There was a clarification of the categories of cost of improvements that could be funded by the CDD if the CIP is fully funded.
- By skimming down the funding sections, he was able to keep the par amount of the bonds, if 100% of the CIP was funded to the same \$56.88 million.
- The following item provides an accounting of how the changes reverberate through the Master Methodology.

SEVENTH ORDER OF BUSINESS

Presentation of Supplemental Special Assessment Methodology Report

Mr. Szymonowicz presented the Supplemental Special Assessment Methodology Report, and reported the following:

- As the CDD will not be funding 100% of the cost of the CIP now, the Supplemental Methodology projects that the CDD will fund approximately \$14.98 million in CIP costs.
- To fund this amount in CIP costs, the CDD would need to issue bonds in the approximate amount of \$16,515,000.
- Following the Master Methodology, the Supplemental Methodology illustrates how the allocation of benefits from the CIP will flow to the various land uses/unit types within the CDD.
- In recognition that the Developer will be funding the majority of the CIP costs that are not funded with bond proceeds that are anticipated to be issued by the CDD, there is also an allocation in the Supplemental Methodology of how the infrastructure costs that are funded by the Developer would flow to the various unit types.

- Final assessments that would be anticipated to be paid for by the different property owners who would be buying properties of different types in the CDD was illustrated in Table 8 of the Methodology.
- As previously stated by the District Engineer, since there is a substantial amount of acreage in mitigation, the proposed assessment roll would initially be the entirety of the cost contraction acreage in the CDD, less the mitigation area at the acreage that was already indicated by the District Engineer.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2022-01, Authorizing the Issuance of its Fallschase Community Development District Special Assessment Bonds, Series 2021 (the “Series 2021 Bonds”); Determining Certain Details of the Series 2021 Bonds and Establishing Certain Parameters for the Sale Thereof; Approving the Form of and Authorizing the Execution and Delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; Appointing a Trustee Under the Master Trust Indenture; Authorizing the Negotiated Sale of the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract with Respect to the Series 2021 Bonds and Awarding the Bonds to the Underwriter Named Therein; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum Relating to the Series 2021 Bonds and its Use by the Underwriter in Connection with the Offering for Sale of the Series 2021 Bonds; Approving the Execution and Delivery of a Final Limited Offering Memorandum Relating to the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Continuing Disclosure Agreement; Providing for the Application of Series 2021 Bond Proceeds, Authorizing the Proper Officials to do all Things Deemed Necessary in Connection

with the Issuance, Sale and Delivery of the Series 2021 Bonds; Making Certain Declarations; Providing for Severability and an Effective Date and for Other Purposes

Mr. Gang highlighted the following related to Resolution 2022-01:

- The Resolution follows the initial bond resolution by 14 years and 5½ months.
- The intent is to re-approve the form of the Master Trust Indenture since the initial draft is over 14 years old. It was updated and modernized and it is the first exhibit to the Resolution.
- US Bank has been substituted for Regions Bank who was originally designated in 2007.
- The Underwriter has been coordinating with Staff on a First Supplemental Trust Indenture that will embody the bond issues in the Supplemental Engineer's and Supplemental Assessment Methodology Reports, in a not-to-exceed amount of approximately \$18 million.
- A form of Bond Purchase Agreement circulated by Underwriter's Counsel, a form of a Preliminary Limited Offering Memorandum (PLOM) and a Continuing Disclosure Agreement (CDA) are exhibits to the Resolution, as well as a SEC-required form, 15C-212 Certificate, where the CDD will deem the PLOM final before it is circulated.
- The maximum principal amount of the bonds is \$18 million, reflected in Section 1.
- The bonds must be sold through a Negotiated Sale instead of a public competitive bid, as reflected in Section 5.
- The assessment structure is complex and the market changes constantly so there must be flexibility as to when FMSbonds can price the bonds.
- The bonds are unrated and there are no adverse effects if not put up for competitive sale.
- There are certain parameters for the bond purchase contract; the optional redemption date will be determined at the time of pricing.
- The interest rate cannot exceed the statutory maximum rate on the bonds, which changes every month.
- The bonds must have a final maturity no later than the statutory maximum of 30 years of amortization installments.
- The price that bonds are sold by the Underwriter cannot be less than 98%, excluding any original issue discounts of the Underwriter spread of 2%

- The remainder of the Resolution approves the forms of the various exhibits.
Mr. Regan, the Underwriter, discussed the following features of the Resolution:
- The bond issue is variable until this point but it is at \$16 million to \$16.5 million.
- The bonds will be issued at a fixed rate, for 30 years.
- The first redemption call or call date is within 10 years and can occur if there is substantial buildout and interest rates are lower than the current interest rates of 3.50 and 3.75 yield.
- The payment dates are May 1 and November 1, each year.
- The costs are established within the Delegated Award Resolution but the \$200,000 costs of issuance and the Underwriter's discount of 1.5 would be used, as Mr. Gang discussed.
- From a timing standpoint, the plan is to post the PLOM by the week of November 8, 2021, market the bonds by November 15, 2021 and schedule a bond closing for November 22 or 23, 2021.

Ms. Cerbone presented Resolution 2022-01 and read the title.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, Resolution 2022-01, Authorizing the Issuance of its Fallschase Community Development District Special Assessment Bonds, Series 2021 (the "Series 2021 Bonds"); Determining Certain Details of the Series 2021 Bonds and Establishing Certain Parameters for the Sale Thereof; Approving the Form of and Authorizing the Execution and Delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; Appointing a Trustee Under the Master Trust Indenture; Authorizing the Negotiated Sale of the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Bond Purchase Contract with Respect to the Series 2021 Bonds and Awarding the Bonds to the Underwriter Named Therein; Approving the Form of and Authorizing the Distribution of a Preliminary Limited Offering Memorandum Relating to the Series 2021 Bonds and its Use by the Underwriter in Connection with the Offering for Sale of the Series 2021 Bonds; Approving the Execution and Delivery of a Final Limited Offering Memorandum Relating to the Series 2021 Bonds; Approving the Form of and Authorizing the Execution and Delivery of a Continuing Disclosure Agreement; Providing for the Application of Series 2021 Bond Proceeds, Authorizing the Proper Officials to do all Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2021 Bonds; Making Certain Declarations; Providing for Severability and an Effective Date and for Other Purposes, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Ancillary Financing Agreements

Ms. Kilinski presented the following Ancillary Agreements and stated that all are to be approved in substantial form:

A. Completion Agreement

The Completion Agreement obligates the Developers to complete the project with their own funds, if the Series 2021 bond proceeds are insufficient to complete the 2021 project.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Completion Agreement, in substantial form, was approved.

B. Collateral Assignment Agreement

The Collateral Assignment Agreement provides that, to the extent that there is a default in the payment of the assessment to secure the 2021 bonds, the Developer would collaterally assign the development rights so that the CDD or Designee can complete the project.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Collateral Assignment Agreement, in substantial form, was approved.

C. Declaration of Consent

The Declaration of Consent declares consent to the jurisdiction of the CDD and consent to the jurisdiction of the Assessment Resolution.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Declaration of Consent, in substantial form, was approved.

D. True-Up Agreement

The True-up Agreement provides security for the assessments and for the 2021 project, as it obligates the Developer to make a true-up payment, should the number of units decrease and adversely affect the overall principal amount of the debt assessed on the property.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the True-up Agreement, in substantial form, was approved.

TENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of August 31, 2021

Ms. Cerbone presented the Unaudited Financial Statements as of August 31, 2021

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the Unaudited Financial Statements as of August 31, 2021, were accepted.

ELEVENTH ORDER OF BUSINESS

Approval of August 30, 2021 Public Hearing and Regular Meeting Minutes

Ms. Cerbone presented the August 30, 2021 Public Hearing and Regular Meeting Minutes.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the August 30, 2021 Public Hearing and Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney: *van Assenderp Law*

Mr. van Assenderp stated that he emailed a few technical, minor changes to some documents but he had not reviewed the latest versions; therefore, some documents may need to be modified, if the changes that changes that he previously sent were not included in the documents presented today. The changes were related to assessment law and how the CDD is set up.

B. Engineer: *Moore Bass Consulting, Inc.*

There was nothing further to report.

C. Manager: *Wrathell, Hunt and Associates, LLC*

- **UPCOMING MEETING DATES:**

- I. November 1, 2021 Landowners' Meeting [Board Members are not required to attend]
- II. March 7, 2022 Regular Meeting at 10:30 A.M.
 - QUORUM CHECK

THIRTEENTH ORDER OF BUSINESS

Audience Comments/Supervisors Requests

There were no audience comments or Supervisors' requests.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Phipps and seconded by Mr. Lamb, with all in favor, the meeting adjourned at 11:05 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair