

**MINUTES OF MEETING
ORANGE BLOSSOM RANCH
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Orange Blossom Ranch Community Development District held a Regular Meeting on Wednesday, March 27, 2019, 2:00 p.m., at the offices of The Ronto Group, located at 3066 Tamiami Trail North, Suite 201, Naples, Florida 34103.

Present at the meeting were:

Mark Taylor	Chair
Ken Bloom	Vice Chair
Brian O'Donnell	Assistant Secretary
Kathy Miller	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell Hunt and Associates, LLC
Lisa Dao	Wrathell Hunt and Associates, LLC
Jere Earlywine	District Counsel
Carl Barraco, Sr.	District Engineer
Cynthia Wilhelm	Bond Counsel
Brett Sealy (via telephone)	MBS Capital Markets, LLC
Sete Zare (via telephone)	MBS Capital Markets, LLC
Scott Schulte	U.S. Bank

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Cerbone called the meeting to order at 2:05 p.m. Supervisors Taylor, Bloom, O'Donnell and Miller were present, in person. Supervisor Welks was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

**Consideration of Matters Regarding Series
2019 Bonds**

Mr. Wrathell welcomed Mr. Sealy and Ms. Zare to the meeting and stated that Mr. Sealy would discuss the actual final pricing of the bonds and the structure.

A. Presentation of Final Pricing Information

Mr. Sealy, of MBS Capital Markets, LLC (MBS), presented the following report and welcomed questions from the Board:

- The District previously approved a Delegation Resolution authorizing MBS to mail an offering document and the price bond pursuant to certain parameters.
- MBS was pleased that the bonds were priced aggressively and consistent with market conditions.
- Today, the District was proposing to issue \$10,240,000 in principal amount of bonds that would generate approximately \$9.237 million of construction proceeds.
- The bonds were being structured with level debt service, with four term bonds in the years 2024, 2029, 2039 and 2040.
- Interest would be capitalized through the November 1, 2019 interest payment date, thereby providing for the first sinking fund payment on May 1, 2020.
- The four term bonds result in an average interest rate of 4.90%, based upon the 2024 term bond with a 3.70% interest rate, the 2029 bond at a 4.10%, the 2039 term bond at 4.85% and the 2040 term bond at 5%.
- The Debt Service Reserve Fund was structured at 50% of maximum annual debt service, aggressively consistent with current market conditions.

i. Presentation of First Supplemental Engineer’s Report

Mr. Barraco stated that the original Engineer’s Report previously approved by the Board was dated January 16, 2017; this was an updated Engineer’s Report, based upon the completed construction to date. It included a description of the infrastructure that was completed to date, the remaining infrastructure to be constructed, the status of the permits, an updated cost estimate for the remaining improvements and an update on the units already platted and those planned for the future. He highlighted the updated information, including the change in the Phasing plan, Waterline and Accessories, Irrigation and Distribution of Costs. There were no modifications to Environmental Resource Permit issued by the State of Florida for the project.

The following questions were posed and answered:

Mr. Earlywine: Are the costs consistent with market conditions and is the balance of the improvement plan feasible to construct?

Mr. Barraco: That’s correct and I would go a step further and say we now a history to base that on, which is the infrastructure that the District has already conveyed?

ii. Presentation of Final Supplemental Special Assessment Methodology Report

Mr. Wrathell presented the Final Supplemental Special Assessment Methodology Report dated March 13, 2019. He reviewed the relevant information found on each page, including the updated Development Plan, the Earthwork that will occur in Phase 1 only, the revised cost estimates, the True-up mechanism and the Appendix Tables.

The following questions were posed and answered:

Mr. Earlywine: Are the assessments supported by sufficient benefit from the project as presented in the report and, also, are they fairly and reasonably allocated based on the Methodology?

Mr. Wrathell: Yes, sir.

- B. Consideration of Resolution 2019-02, Setting For the Specific Terms of the District’s Capital Improvement Revenue Bonds, Series 2019; Making Certain Additional Findings and Confirming and/or Adopting an Engineer’s Report and a Supplemental Assessment Report; Confirming the Maximum Assessment Lien Securing the 2019 Bonds; Addressing the Allocation and Collection of the Assessments Securing the 2019 Bonds; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date**

Mr. Earlywine presented Resolution 2019-02.

On MOTION by Mr. Taylor and seconded by Ms. Miller, with all in favor, Resolution 2019-02, Setting For the Specific Terms of the District’s Capital Improvement Revenue Bonds, Series 2019; Making Certain Additional Findings and Confirming and/or Adopting an Engineer’s Report and a Supplemental Assessment Report; Confirming the Maximum Assessment Lien Securing the 2019 Bonds; Addressing the Allocation and Collection of the Assessments Securing the 2019 Bonds; Addressing True-Up Payments; Providing for the Supplementation of the Improvement Lien Book; and Providing for Conflicts, Severability and an Effective Date, was adopted.

- C. Consideration of Issuer’s Counsel Documents**

Mr. Earlywine briefly described each document.

- i. Completion Agreement**

The Developer is obligated to complete the project to the extent that there are sufficient bond funds and, if any excess project needs to be constructed, the Developer is obligated to complete that as well.

ii. True-Up Agreement

The CDD is committed to build a certain number of lots and, if the Developer does not build them, then the assessments that would be allocated to those missing lots must be paid by the Developer, as part of the true-up.

iii. Collateral Assignment Agreement

In the event that there is a default and foreclosure from non-payment of debt assessments, the Developer rights in the project are conveyed to the District and the Trustees.

iv. Notice of Special Assessments

This notice is distributed to home buyers and makes landowners aware that special assessments have been levied in connection with the bond issuance.

v. Declaration of Consent

This is the Developer’s acknowledgement that the CDD went through all the lawful processes to levy, adopt and impose assessments and agrees that everything is enforceable.

vi. Disclosure of Public Finance

This document makes homebuyers aware of the District’s public finances and the bond issuance.

On MOTION by Mr. Taylor and seconded by Mr. Bloom, with all in favor, adopting the Issuer’s Counsel Documents, as presented in substantial form, was approved.

Ms. Cerbone stated that the Trustee Engagement Letter was not previously presented and distributed copies. She introduced Mr. Scott Schulte, from US Bank. Mr. Wrathell stated that the bond resolution already named US Bank as the Trustee and, since the letter was not initially located, Management recommended approval of the engagement letter. He provided a brief description of the fee structure.

On MOTION by Mr. Bloom and seconded by Mr. Taylor, with all in favor, the US Bank Engagement Letter for Trustee Services, was approved.

Mr. Earlywine presented Requisition #2. Over time, the District completed four utility acquisitions and conveyed them to the County, at a cost of approximately \$2.6 million. This requisition would recognize the prior acquisitions and authorize the payment from the bonds, in the amount of \$2,582,571.07, that was previously acquired.

On MOTION by Mr. Taylor and seconded by Ms. Miller, with all in favor, Requisition #2, authorizing Payment for Prior Acquisitions, in the amount of \$2,582,571.07, was approved.

FIFTH ORDER OF BUSINESS

Acquisition of Additional Work Product and Improvements; Consideration of Requisition #3

Mr. Earlywine presented Requisition #3, for a new acquisition for stormwater infrastructure including landscape and hardscape completed in the community. The Requisition was accompanied by a variety of real property documents which were previously reviewed by Staff and forwarded to Developer's Counsel.

On MOTION by Mr. Taylor and seconded by Mr. O'Donnell, with all in favor, Requisition #3, authorizing Payment for Acquisition of Additional Work Product and Improvements, in the amount of \$5,271,314.23, and execution of the applicable real property documents, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Maintenance Agreement with Ranch at Orange Blossom Master Association, Inc.

Ms. Cerbone presented the Maintenance Agreement between the Orange Blossom Ranch CDD and the Ranch at Orange Blossom Master Association, Inc. The Agreement was meant to, without exception, contract with the HOA to maintain District improvements and assets. Mr. Barraco stated although the HOA must provide the actual maintenance on the majority of improvements, and, as the CDD is the responsible entity for the maintenance, it must have easements for the maintenance. District Staff was working on ensuring that this District has the easements for the maintenance that it is responsible for. Mr. Wrathell stated that, if the HOA does not do a good job of maintaining the property, the Board could decide to

take back that responsibility. Mr. Earlywine recommended approval, in substantial form, as the scope would be clarified further.

On MOTION by Mr. Taylor and seconded by Mr. Bloom, with all in favor, the, Maintenance Agreement between Orange Blossom Ranch CDD and the Ranch at Orange Blossom Master Association, Inc., in substantial form, was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of February 28, 2019

Ms. Cerbone presented the Unaudited Financial Statements as of February 28, 2019. Discussion ensued regarding the proposed budget, projected on-roll assessments, platted lots, the Master Developer, the tax bill and collection costs.

On MOTION by Mr. Bloom and seconded by Mr. Taylor, with all in favor, the Unaudited Financial Statements as of February 28, 2019, were approved.

EIGHTH ORDER OF BUSINESS

Consideration of October 29, 2018 Regular Meeting Minutes

Ms. Cerbone presented the October 29, 2018 Regular Meeting Minutes.

On MOTION by Mr. Bloom and seconded by Ms. Miller, with all in favor, the October 29, 2018 Regular Meeting Minutes, as presented, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping, Green & Sams, P.A.*

Mr. Earlywine stated that the pre-closing would be held immediately following the Board meeting, on Friday, where both Requisitions #2 and #3 would be funded. District Counsel would forward the requisitions and the acquisition documents to the Chair for execution in advance of the meeting. At Mr. Sealy's request, Mr. Earlywine would email the aggregate amounts of the requisitions to him so he could make the necessary adjustments.

B. District Engineer: *Barraco and Associates, Inc.*

There being nothing to report, the next item followed.

C. District Manager: *Wrathell, Hunt & Associates, LLC*

In response to Mr. Wrathell's question, Mr. Sealy confirmed that the anticipated closing and funding date was Friday, April 24. Since MBS already received wire instructions for where to send the proceeds from the acquisition and construction fund, matching the approved requisitions, the closing memo would be updated and the funds wired immediately after the closing.

- **NEXT MEETING DATE: April 24, 2019, immediately following the 2:00 P.M. Orange Blossom Groves CDD Meeting**

The next meeting would be held on April 24, 2019.

TENTH ORDER OF BUSINESS

Board Members' Comments/Requests

There being no Board Members comments or requests, the next item followed.

ELEVENTH ORDER OF BUSINESS

Audience Comments

There being no audience comments, the next item followed.


TWELFTH ORDER OF BUSINESS


Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Taylor and seconded by Ms. Miller, with all in favor, the meeting adjourned at approximately 2:50 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair