

**MINUTES OF MEETING
HICKS DITCH
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Hicks Ditch Community Development District was held Wednesday, **October 23, 2024** at 9:00 a.m. at the Cooper Memorial Library, 2525 Oakley Seaver Drive, Clermont, Florida.

Present and constituting a quorum:

Tony Iorio	Chairman
Doug Beasley	Vice Chairman
Jason Lonas <i>by phone</i>	Assistant Secretary
Rocky Owen	Assistant Secretary
Shane Blanton	Assistant Secretary

Also present were:

George Flint	District Manager, GMS
Sarah Sandy <i>by phone</i>	District Counsel, Kutak Rock
Major Stacy <i>by phone</i>	District Engineer
Sara Zare	MBS
Cynthia Wilhelm	Nabors, Giblin

FIRST ORDER OF BUSINESS

Roll Call

Mr. Iorio called the meeting to order, and Mr. Flint called the roll. Four Board members were present, constituting a quorum. Mr. Lonas joined by phone.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint stated only Board members and staff were present at the meeting.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the August 28,
2024 Board of Supervisors Meeting**

Mr. Flint presented the minutes of the August 28, 2024 Board of Supervisors meeting. He asked if the Board had any comments or corrections to those minutes.

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On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, the Minutes of the August 28, 2024, Board of Supervisors Meeting were approved.

FOURTH ORDER OF BUSINESS

Financing Matters for Series 2024 Bonds

A. Consideration of the Supplemental Engineer's Report

Mr. Stacy noted this is a supplement to the existing master engineers report specifying the capital improvements for Phases 1A & 1B with Phase 1A completed and Phase 1B under construction. It summarizes the cost breakdown and the acreage for Phases 1A and 1B. Ms. Sandy noted that Phase 1A and 1B make up the Series 2024 Project anticipated to be financed with the Series 2024 Bonds with the total amount for Phase 1A & 1B capital improvements being \$21,705,258. Phase 1B is unplatted. This report lays out what there is potentially to finance in connection with the bond issuance. Mr. Iorio noted the Certificate of Completion for Phase 1A has been received. Ms. Sandy asked Mr. Stacy, in your professional opinion are the costs provided in the report reasonable and proper. Mr. Stacy stated yes. She asked Mr. Stacy if he knew of any reason the District could not complete the Series 2024 project. Mr. Stacy stated there is no reason they cannot complete it.

B. Consideration of the First Supplemental Assessment Methodology Report

Mr. Flint stated Table 1 shows there are 347 units a mix of townhomes, 40's and 50's, applying ERU factor to each product type there are 304 ERUs. Table 2 is the construction cost estimates from the Supplemental Report \$21.7M. Table 3 is a preliminary bond sizing for the Preliminary Offering Memorandum. The prepricing version of the report will be included in that and once the bonds are actually priced, this will be updated to reflect the actual terms. The preliminary bond sizing shows an interest rate of 5.25%, 30-year amortization, 12 months capitalized interest which brings them to November 2025 when they would go on the tax bill, 50% max annual debt service reserve, and 2% underwriter's discount. Table 4 & 5 demonstrate the benefit based on improvement costs and par per unit. In table 5, \$1,040,000 is recognized in developers' contributions to matchup with the par debt per unit amounts that ultimately want to be placed on the properties. Table 6 shows the net and gross assessments. Townhomes would be \$750 gross, single family 40 would be \$1,200 and single family 50 would be \$1,200. Table 7 shows Phase 1A has been platted that shows the individual lots, par debt, and assessment amounts. Phase 1B shows the bulk parcel 55.69 acres. Ms. Sandy asked Mr. Flint based on his professional opinion,

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will the 2024 assessment area land receive a special benefit that is equal to or in excess of the special assessments levied under this methodology. Mr. Flint noted yes. She asked if it is reasonable, proper and just to assess the cost of the 2024 project against the lands in the 2024 assessment area in accordance with the methodology. Mr. Flint stated yes.

C. Consideration of Resolution 2025-01 Bond Delegation Resolution

- i. Exhibit A: Form of Bond Purchase Agreement**
- ii. Exhibit B: Form of Master Indenture and Supplemental Indenture**
- iii. Exhibit C: Form of Preliminary Limited Offering Memorandum**
- iv. Exhibit D: Form of Continuing Disclosure Agreement**
- v. Exhibit E: Form of Engineer's Report**
- vi. Exhibit F: Form of Ancillary Documents for Series 2024 Bonds**

Ms. Wilhelm stated Resolution 2025-01 Bond Delegation Resolution serves two main purposes. The first is to delegate to the Chair of the Board the authority to enter into a Bond Purchase Agreement so long as the terms of the purchase agreement are within certain parameters that the Board will approve today. The second purpose is to approve in substantial form certain documents that are needed to market, price and sale the bonds including the Purchase Agreement, Master and First Supplemental Trust Indentures, Preliminary Limited Offering Memorandum, Continuing Disclosure Agreement, and Supplemental Engineer's Report & Supplemental Assessment Methodology report. The Chair is authorized to enter into the purchase agreement as long as it is within certain parameters. Those parameters are listed in schedule I.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, Resolution 2025-01 Bond Delegation Resolution, was approved.

D. Consideration of Forms of Ancillary Documents for Series 2024 Bonds

- i. Completion Agreement**
- ii. True-Up Agreement**
- iii. Collateral Assignment and Assumption of Development and Contract Rights**
- iv. Declaration of Consent to Jurisdiction of the District and Imposition of Series 2024 Assessments**

Ms. Sandy stated certain documents are prepared in connection with the issuance of the bonds and are standard documents have been used with Hanover in connection with other issuances in their other communities. She reviewed the four ancillary documents. This item was deferred to a future meeting agenda.

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FIFTH ORDER OF BUSINESS**Consideration of Acquisition Agreement**

Mr. Flint noted this is for the master project between Hicks Ditch CDD and TLC Pine Meadows, LLC. Ms. Sandy stated this is often done in conjunction with bond financing but can be done earlier and until the items in relation to the project are completed. It lays out the method by which the District will acquire completed infrastructure from the developer. It provides any portion of the master CIP, the whole project, when the items are completed by the developer that the District will acquire them and provides the parameters under which the District would be required to acquire the completed infrastructure. It also provides if the District issues bonds to fund this master project improvement that at the time they issue bonds, they would use those bond proceeds to pay the developer for the items acquired at that point or subsequently acquired.

On MOTION by Mr. Iorio, seconded by Mr. Blanton, with all in favor, the Acquisition Agreement, was approved.

SIXTH ORDER OF BUSINESS**Consideration of Acquisition of Series 2024 Project Improvements**

Mr. Flint stated there is the start of a description of those and estimated costs. Ms. Sandy noted Michelle is working with Hanover on the Phase 1A improvements that are completed or anticipated to be completed soon and will be acquired by the District. We are still working on the remaining items to be filled in, but would ask for the Board to approve the Phase 1A improvements described in the agenda in substantial form at a not to exceed amount of \$15,000,000.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, the Authorization to Acquire the Improvements Described in Agenda in substantial form at a NTE of \$15M Subject to Receipt and Review by District Counsel of the Documents Required under the Acquisition Agreement, was approved.

SEVENTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Ms. Sandy walked the Board through the financing. She offered to answer any questions.

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B. Engineer

Mr. Stacy updated Phase 1A is completed and Phase 1B construction is underway.

C. District Manager's Report

i. Balance Sheet and Income Statement

Mr. Flint presented the unaudited financial statements through the end of September. He offered to answer any questions.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, Balance Sheet and Income Statement, was approved.

ii. Ratification of Funding Requests No. 29

Mr. Flint presented Funding Request No. 29 under the Developer Funding Agreement for District Counsel, manager, and legal advertising for \$4,215.04.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, Funding Request No. 29, was ratified.

EIGHTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Flint requested a Special Meeting on November 19, 2024 at 11:00 a.m.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, Special Meeting November 19th at 11:00 a.m., was approved.

TENTH ORDER OF BUSINESS

Adjournment

Mr. Flint asked for a motion of adjournment.

On MOTION by Mr. Iorio, seconded by Mr. Owen, with all in favor, the meeting was adjourned.

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George Flint
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Secretary/Assistant Secretary

DocuSigned by:
Tony Iorio
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Chairman/Vice Chairman