

**MINUTES OF MEETING
HICKORY TREE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Hickory Tree Community Development District was held Wednesday, **July 3, 2024** at 9:15 a.m. at the West Osceola Branch Library, 305 Campus Street, Celebration, Florida.

Present and constituting a quorum:

Brian Walsh	Vice Chairman
Jeff Shenefield	Assistant Secretary
Garret Parkinson	Assistant Secretary
Kareynn Ellison <i>by Zoom</i>	Assistant Secretary

Also present were:

Jill Burns	District Manager, GMS
Roy Van Wyk <i>by Zoom</i>	District Counsel, Kilinski Van Wyk
Patrick Collins	District Counsel, Kilinski Van Wyk
Chace Arrington <i>by Zoom</i>	District Engineer, Dewberry
Rey Malave <i>by Zoom</i>	District Engineer, Dewberry
Bob Gang <i>by Zoom</i>	Bond Counsel, Greenberg Traurig
Ashton Bligh <i>by Zoom</i>	Bond Counsel, Greenberg Traurig

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and called the roll. Three Board members were present constituting a quorum and one Board member was present via Zoom.

SECOND ORDER OF BUSINESS

Public Comment Period

There were no members of the public present for the meeting.

THIRD ORDER OF BUSINESS

**Approval of Minutes of the June 5, 2024
Board of Supervisors Meeting**

Ms. Burns presented the minutes of the June 5, 2024 Board of Supervisors. She asked if the Board had any questions or changes to those meeting minutes. The Board had no changes to the minutes.

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On MOTION by Mr. Walsh, seconded by Mr. Parkinson, with all in favor, the Minutes of the June 5, 2024 Board of Supervisors, were approved.

FOURTH ORDER OF BUSINESS

Presentation and Approval of Supplemental Engineer’s Report dated June 5, 2024

Mr. Malave stated in the agenda package there is the Supplemental Engineer’s Report to the Master Engineer’s Report. He explained that this engineering’s report provides for the first assessment area, which is consistent of Phase 1 and 2A as described in the report itself. He further explained that the report outlines the infrastructure to be built for this phase providing also the total costs of construction for that phase and the entire project as shown on Exhibit 7B with a total for Phase 1 and 2A of \$36,222,906 with the total for the development of \$49,186,549. He stated as noted in their certification, they believe that this amount of cost is a fair amount based on today’s market to be able to build the proposed infrastructure and request approval. Mr. Van Wyk asked if anybody had any issues with the unit estimates with 428 lots for Phase 1 and 2A. The 428 number was confirmed to be correct. Mr. Van Wyk asked Mr. Malave if there was any reason they couldn’t construct the improvements as outlined in his report. Mr. Malave responded no. Mr. Van Wyk asked if the cost estimates that Mr. Malave provides are consistent with his experience in the area where this construction is to happen. Mr. Malave responded yes.

On MOTION by Mr. Walsh, seconded by Mr. Shenefield, with all in favor, the Supplemental Engineer’s Report dated June 5, 2024, was approved.

FIFTH ORDER OF BUSINESS

Presentation and Approval of Preliminary Supplemental Assessment Methodology for Assessment Area One dated June 5, 2024

Ms. Burns stated this report allocates debt to be incurred by the District to benefiting properties within Assessment Area One. She briefly reviewed the tables. Table 1 showed the development program and there is 428 units within this assessment area. She noted they have several product types including Townhome 45’ Single Family 50’ Single Family 60’ Single Family and 75’ Single Family. The ERUs are outlined for each of those product types. Table 2 shows the infrastructure cost estimates from the Engineer’s Report with a total of \$36,222,906. Table 3 shows an estimated bond sizing of \$19,760,000. Table 4 outlines the improvement costs for each of those units. Table 5 breaks down the par debt per unit. The Townhome is \$32,500, the 45’ Single Family is \$45,000, the 50’ Single Family

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is \$50,000, the 60' Single Family is \$60,000, and the 75' Single Family is \$75,000. Table 6 breaks down the net and gross annual debt assessment per unit. She explained that the gross annual debt assessment per unit when collected on the Osceola County tax bill for the Townhome is \$2,444, the 45' Single Family is \$3,385.35, the 50' Single Family is \$3,761.50, the 60' Single Family is \$4,513.80 and the 75' Single Family is \$5,642.25. Table 7 breaks down the per acre debt and it's 91.94 acres in this assessment area all owned by Clayton Properties Group, Inc. She noted there was a legal description included as well. Mr. Van Wyk asked Ms. Burns if it was her professional opinion that the assessments as imposed are a benefit to the property equal to or above what the burden is placed on the property by the assessments. Ms. Burns responded yes. Mr. Van Wyk asked if it was Ms. Burns opinion that the assessments as outlined in her report are fairly and reasonably apportioned across the product types as outlined in her report. Ms. Burns responded yes they are. Mr. Van Wyk asked if this was consistent with the Master Assessment Methodology Report prepared by GMS. Ms. Burns responded yes; it is.

On MOTION by Mr. Walsh, seconded by Mr. Parkinson, with all in favor, the Preliminary Supplemental Assessment Methodology for Assessment Area One dated June 5, 2024, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2024-04 Revised Delegation Resolution (Series 2024 Bonds – Assessment Area One Project) Repealing and Replacing Delegation Resolution 2023-07

Ms. Burns presented resolution 2024-04 to the Board. Ms. Bligh stated this is Supplemental Resolution that was contemplated when the Board adopted the original resolution, the original bond resolution, back in July of 2022. She explained that this Resolution 2024-04 is doing a couple of things. It's authorizing the issuance of a series of bonds. Then, pursuant to Section 12, it's repelling the prior Delegation Resolution 2023-07 that was adopted by the Board on September 6, 2023. She explained that this resolution contains documents as exhibits to sell one series of bonds for the primary purpose of providing funds to pay all or a portion of the cost for the public infrastructure for Phases 1 and 2A for 428 homesites referred to as Assessment Area One project. She noted that also described in schedule one, which is attached to this resolution is the same project cost table from the Supplemental Engineer's Report, which was previously presented by Mr. Malave. She pointed out that the forms of documents are attached to the resolution and are listed on page three. They include a First Supplemental

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Trust Indenture, a Bond Purchase Contract, a Preliminary Limited Offering Memorandum, a Rule 15c2-12 Certificate, and a Continuing Disclosure Agreement. She pointed out Sections 4 and 5 stating Florida law requires certain findings, so they don't have to do a public offering and those findings are listed under Section 4. She noted Section 5 includes the parameters for what they are calling the Assessment Area One Bonds. She stated any optional redemption of the Assessment Area One Bonds will be determined at pricing of the bonds. She also stated that the interest rate on the Assessment Area One bonds shall not exceed the maximum statutory rate. The aggregate principal amount of the Assessment Area One Bonds shall not exceed \$21,000,000. The Assessment Area One Bonds shall have a final maturity not later than the maximum term allowed by Florida law, which a principal amortization period of no longer than (30) years, and the price at which the Assessment Area One Bonds shall be sold to the Underwriter shall not be less than 98.0% of the aggregate face amount of the Assessment Area One Bonds, exclusive of original issue discount.

On MOTION by Mr. Walsh, seconded by Mr. Parkinson, with all in favor, Resolution 2024-04 Revised Delegation Resolution (Series 2024 Bonds – Assessment Area One Project) Repealing and Replacing Delegation Resolution 2023-07, was approved.

SEVENTH ORDER OF BUSINESS

Updated Ancillary Documents for Series 2024 Assessment Area One Project Bonds:

- A. True-Up Agreement
- B. Collateral Assignment Agreement
- C. Completion Agreement
- D. Acquisition Agreement
- E. Declaration of Consent
- F. Notice of Special Assessments
- G. Consideration of Resolution 2024-05 Supplemental Delegation Assessment Resolution (Series 2024 Bonds – Assessment Area One Project) Repealing and Replacing Resolution 2023-08

Mr. Collins provided an overview of these documents. He stated the True-Up Agreement provides for a true-up payment should there be less than the anticipated amount of plats on the property. The developer would then owe a true-up payment to bring the assessment levels back to the target numbers in the Methodology Report. He stated the Collateral Assignment Agreement comes into play in the event of a default on payments on the bonds or a failure to complete the project in which case the developer would agree to give its development rights to the District to complete the project. He noted similarly, the Completion Agreement sets forth the developers agreement and contractual

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obligation to actually complete the project. The Acquisition Agreement sets out the terms by which the District can acquire infrastructure work product and real property. The Declaration of Consent is the developers declared consent to the jurisdiction of the District and that the assessments on the property and proceedings that levied them were all in compliance. The Notice of Special Assessments is the notices that’s recorded after the closing of the bonds and the assessment liens finalized. He added that it sets forth all the resolutions that the District has adopted to levy those assessments and describes the assessment report. Lastly, the Supplemental Delegation Assessment Resolution finalizes the assessments that will secure the terms of the bonds. The Master Resolution is already in place, so this resolution just finalized the terms for this particular bond series. The resolution also finds that the Series 2024 Project serves a proper, essential and valid purpose.

On MOTION by Mr. Walsh, seconded by Mr. Shenefield, with all in favor, the Updated Ancillary Documents for Series 2024 Assessment Area One Project Bonds: A. True-Up Agreement, B. Collateral Assignment Agreement, C. Completion Agreement, D. Acquisition Agreement, E. Declaration of Consent, F. Notice of Special Assessments, and G. Consideration of Resolution 2024-05 Supplemental Delegation Assessment Resolution (Series 2024 Bonds – Assessment Area One Project) Repealing and Replacing Resolution 2023-08, was approved in substantial form.

EIGHTH ORDER OF BUSINESS

Presentation of Fiscal Year 2023 Audit Report

Ms. Burns stated page 29 shows the report to management, which summarizes the report. This report was submitted to the state by the June 30th deadline. It was a clean audit.

On MOTION by Mr. Walsh, seconded by Mr. Shenefield, with all in favor, the Fiscal Year 2023 Audit Report, was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Collins had nothing for the Board and offered to answer any questions. Hearing no questions, the next item followed.

B. Engineer

Mr. Malave and Mr. Arrington had nothing to report to the Board.

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C. District Manager’s Report

i. Approval of Check Register

Ms. Burns presented the check register and offered to answer any questions for the Board. Hearing none, she asked for a motion of approval.

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

ii. Balance Sheet & Income Statement

Ms. Burns noted that financial statements are included in the agenda package for review and stated that there is no action necessary from the Board.

TENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

There being no comments, the next item followed.


TWELFTH ORDER OF BUSINESS

Adjournment

Ms. Burns asked for a motion to adjourn the meeting.

On MOTION by Mr. Walsh, seconded by Mr. Shenefield, with all in favor, the meeting was adjourned.

Jill Burns
Secretary/Assistant Secretary

Signed by:

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Chairman/Vice Chairman