

MINUTES OF MEETING
WINDWARD
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Windward Community Development District was held Wednesday, October 17, 2018 at 2:00 p.m. in the West Osceola Branch Library, 305 Campus Street, Kissimmee, Florida.

Present and constituting a quorum were:

Jimmy Clark	Vice Chairman
Walter Beeman	Assistant Secretary
Thomas Franklin	Assistant Secretary

Also Present were:

Jason Showe	District Manager
Andrew d'Adesky	District Counsel
David Kelly	District Engineer
William Viasalyers	Field Manager
Justin Rowan	MBS Capital Markets
Mike Williams	Bond Counsel by phone

FIRST ORDER OF BUSINESS

Roll Call

Mr. Showe called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 15, 2018 Meeting

On MOTION by Mr. Franklin seconded by Mr. Clark with all in favor the minutes of the August 15, 2018 meeting were approved as presented.
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FOURTH ORDER OF BUSINESS

Consideration of Resolution 2019-01 Budget Amendment

Mr. Showe stated next is consideration of Resolution 2019-01 amending the Fiscal Year 2018 budget. When we prepared the 2018 budget, we didn't include any field or operation costs and we need to true up the budget for auditing purposes.

On MOTION by Mr. Beeman seconded by Mr. Franklin with all in favor Resolution 2019-01 was approved.

FIFTH ORDER OF BUSINESS

Bond Related Items

A. First Supplemental Engineer's Report

Mr. Kelly stated we updated the Engineer's Report and the most important item is the summary of the findings on the last page.

B. Supplemental Assessment Methodology Report

Mr. Showe stated after the Engineer completes his report we create the Supplemental Methodology Report. Table 1 details Phases 1, 2, and 3A development, which we are issuing the bonds to cover. Table 2 shows the total infrastructure and the bonds we will be issuing, the \$10.6 million. Table 3 shows the bond sizing and the bonds will be split between Series 1 and Series 2 and the Series 2 will be paid off at lot closings and the long-term debt that will be placed on the lots will be the Series 1. Table 4 shows the allocation of the benefit, Table 5 shows the allocation of the debt to each product type and Table 6 shows the annual assessment for each product type. Table 7 is the assessment roll.

C. Supplemental Trust Indenture

Mr. d'Adesky stated attached is the Supplemental Trust Indenture provided by Bond Counsel in substantially the form to be adopted and approved. Once again, the Indenture itself as well as the Engineer's Report and Methodology are also included in the approval of the Delegation Resolution.

D. Consideration of Resolution 2019-02 Bond Delegation

Mr. Williams stated this Resolution authorizes two series of bonds A1 and A2 in the total principal amount not to exceed \$8 million. It approves the form of the First Supplemental Trust Indenture, which is essentially the contract between the District and the bondholders and we will be filling in the blanks once the bonds are priced. The Bond Purchase Agreement is a document

between the District and MBS, which will be signed when the bonds are priced by the Chairman or Vice Chairman. We have parameters in Section 5 of the Delegation Resolution that have to be met in order for the Chairman or Vice Chairman to sign that document. It approves the Preliminary Limited Offering Memorandum, which is the document that MBS will use to send to investors to solicit interest in the bonds. It approves a Continuing Disclosure Agreement, which is a document that is required by the SEC since 1996 and it requires providing ongoing financial information regarding the District and developer to the municipal marketplace. The other thing the resolution does is authorizes all parties on this call to take all steps necessary to close the bonds.

Mr. Rowan stated the parameters that we will market and price the bonds within are stipulated under Section 5: not to exceed principal amount of \$8 million, we are anticipating about a \$7 million bond issue; interest rate not to exceed the maximum allowed per Florida Law, which gives us some flexibility in pricing but we anticipate based on today's interest rate environment hopefully we will come under 6%. The rate is a little bit higher on this particular issuance for no other reason than the additional leverage that is being levied on the properties within the District, which are the A-2 Bonds that are anticipated to be paid down in conjunction with home closings but there is additional upfront leverage on the property. Underwriter's discount not to exceed 2%, which is stipulated in our Underwriter's agreement, optional redemption no later than May 1, 2032, this provides investors some comfort that the bonds will not be called or refinanced at the original interest rate no sooner than 2032 and we will probably shoot for a 10-year call period but again, this provides us some flexibility. The maturity on the bonds will be 30 years, which will start after the capitalization period through November 1, 2019 so the first principal payment will occur May 1, 2020 and that will follow through 2049.

Mr. Clark asked when do you anticipate going to market?

Mr. Rowan stated this is the last step that we need to get authorization and approval of various documents that will be used for marketing the bonds and pending signoff from all parties including the developer it could be as early as Friday to post an offering document and start marketing. That is our goal but there are additional signoffs we need.

Mr. d'Adesky stated that is why you are approving in substantially final form waiting for some final comments in the next day or two.

On MOTION by Mr. Beeman seconded by Mr. Franklin with all in favor Resolution 2019-02 was approved in substantially final form.

SIXTH ORDER OF BUSINESS

Consideration of Agreement with Grau & Associates, Inc. to Provide Auditing Services for Fiscal Year 2018

Mr. Showe stated the next item is consideration of the agreement with Grau & Associates for the 2018 Audit. At the last meeting we conducted the Audit Committee meeting at which time you selected Grau & Associates and this is in line with their proposal and well under what is in the budget.

On MOTION by Mr. Beeman seconded by Mr. Clark with all in favor the engagement letter with Grau & Associates to perform the Fiscal Year 2018 Audit in the amount of \$2,500 was approved.

SEVENTH ORDER OF BUSINESS

Discussion of Landscape Maintenance Contract

This item was deferred.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated we have been working on the bond issuance and we will have to double check the conveyances to make sure those are all squared away.

B. Engineer

Mr. Kelly stated Phase 1 has been done for a while, apparently there was an issue with the lift station panel and Toho has not yet accepted it but that is being resolved. Phase 2 Tract D clearing is done; material has been stockpiled. We had a pre-con with Toho and we are getting into review of the shop drawings and hope to start utilities during the month. Phase 3A, the CDD work is essentially complete but we won't get signoffs until we get the amenity center wrapped up. The future phases we are working on preliminary plans now.

D. Manager

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Ratification of FY18 funding Request #17

iii. Consideration of Funding Request #1

On MOTION by Mr. Franklin seconded by Mr. Beeman with all in favor the Fiscal Year 2018 funding request no. 17 was ratified and Fiscal Year 2019 funding request no. 1 was approved.

iii. Field Operations

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.


TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

On MOTION by Mr. Beeman seconded by Mr. Clark with all in favor the meeting adjourned at 2:15 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman