

Minutes of Meeting
Tolomato
Community Development District

The Board of Supervisors of the Tolomato Community Development District continued the January 25, 2022 meeting and reconvened, Wednesday, February 9, 2022 at 9:00 a.m. in the Nocatee Amenity Center, 245 Nocatee Center Way, Ponte Vedra, Florida.

Present and constituting a quorum were:

William Fitzgerald	Vice Chairman
Jon Morris	Supervisor
Cherya Cavanaugh	Supervisor

Also present were:

Jim Perry	District Manager
Katie Buchanan	District Counsel
Tina Burleigh	Tolomato
David Ray	GMS
Sete Zare	MBS Capital Markets
Brett Sealy	MBS Capital Markets
Lo Etienne	Bryant Miller Olive PA

The following is a summary of the actions taken at the February 9, 2022 continued meeting. An audio copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 9:00 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Supplemental Assessment Resolutions for Series 2022 Bonds

Ms. Buchanan stated since there are five resolutions relating to five series of bonds, I'm going to go through the form of the first resolution then turn it over to MBS to talk through the specifics of each of the five series.

A. Consideration of Supplemental Assessment Resolution for Series 2022-18 Bonds

Ms. Buchanan stated this is our supplemental resolution. You have already levied a mater assessment on the property and this resolution takes into account the final pricing of the bonds and brings down the special assessments to match the bond issue. Section 3 goes through in detail on notice and due process. It formally includes the engineer's report and supplemental assessment methodology, which has been revised to include the details of the bonds and includes findings that the project will benefit the Intracoastal Parcel property. Section 4 confirms the maximum lien of the special assessments and section 5 details how the assessments are going to be allocated and essentially that would be consistent with the methodology. Section 6 details the true-up process, which is similar to the true-up process that we had in the past. The debt would be levied on undeveloped land on a per acre basis and then as it goes through the various phases of development it becomes absorbed on the under development and final development land thereby drawing down the amount that is actually on developed acreage. The true-up is to make sure that we don't end up with a golden acre; essentially we don't want a piece of undeveloped property that has too much debt that will never be able to support it. The true-up process allows us to review it at various phases when they provide plats to us. The one thing I will note is that there is a waiver process so to the extent that the developer can show to your satisfaction that while the true-up may be technically due they have the entitlements on the remaining lands to fully absorb the debt and they will provide evidence for the same. If you feel comfortable you can waive that true-up benchmark. Section 7 authorizes the district manager to update the improvement lien book and section 8 requires the district to file an assessment notice. Sections 9 and 10 are administrative in nature.

We have various notices for various series of bonds. I'm contemplating and will speak to Jim and David after this meeting that perhaps we need to move towards a universal notice for the entire district boundaries because at this point it is starting to become a challenge to piecemeal off the different series to the various pieces of dirt that it connects to. A universal notice saying these are all the district's series of bonds that have been issued you have to contact GMS to figure out what your particular property would be subject to.

That is the basics of the resolution, the same form will be applied to all five bond series. They do incorporate the terms of the bonds, but it is probably best at this point to let Brett and Sete walk you through the terms of the bonds and Jim can go through the methodology changes.

Mr. Sealy stated we will start with the Intracoastal Parcel series, which is the 2022-1 and the St. Johns Parcel series, which is the 2022-2. All those bonds were funding neighborhood infrastructure specific to those particular parcels and those bonds were issued with 30-year maturities, similar to other series of bonds issued by the district we were able to structure multiple term bonds, which allowed us to take advantage of lower yields in order to bring the average interest cost of the bonds down. All these series of bonds were issued on a non-rated basis, they were sold entirely institutionally. In the case of the 2022-1 bonds final maturity is May 1, 2052, the blended yield is 3.57% and the amount of construction proceeds raised on the neighborhood infrastructure was approximately \$3.86 million. In the case of the St. Johns Parcel structured in a similar manner the blended yield of 3.56% final maturity date of 1/20/51, project funds of \$1.38 million.

We will shift to the 2022 As, Bs and Cs. If you will recall the 2022 As and Bs were refunding the 2015-1 bonds, we were able to obtain insurance and a surety bond commitment from AGM on the 2022 As, which allowed for the bonds to be marketed with a AA rating, which is the rating of the insurer. The final maturity on those bonds, which we are required under law to match the maturity of the bonds that are being refunded so as we previously discussed with the board we don't have the ability to extend the maturity on those bonds. In matching the maturity of 2040 we achieved a blended yield of 2.7% and that generated project funds of approximately \$6.7 million. The 2022 B bonds were issued on a non-rated basis, same final maturity, the blended yield was 3.17% and the amount of construction proceeds generated was \$3.8 million. The 2022 C bonds, which were refunding the 2012 A-4 bonds, the final maturity of 2040, those were also issued on a non-rated basis and the blended yield on those bonds was 3.32%, which generated approximately \$3.7 million. In aggregate the refunding effort will generate approximately \$15.4 million in construction proceeds to fund recreational and transportation related improvements. You will note down below that \$1.1 million of additional proceeds will be coming in, which is included in the \$15.4 million estimate; those funds will actually be from surplus on November 2nd, those are assessment revenues to be collected in the coming year and we have provided within the indenture to transfer those funds to the construction fund. Again, the aggregate amount of construction proceeds being generated by the refunding effort is \$15.4 million, which is in excess of what we had originally anticipated.

This was a team effort and it couldn't be done without the rest of the team.

Mr. Perry stated at the last meeting we went through the assessment methodologies for each of the bonds. We reflected the final numbers based upon the pricing so there has been some changes to reflect what Brett just talked about.

- B. Consideration of Supplemental Assessment Resolution for Series 2022-19 Bonds**
- C. Consideration of Supplemental Assessment Resolution 2022-20 for Series 2022A Bonds**
- D. Consideration of Supplemental Assessment Resolution 2022-21 for Series 2021B Bonds**
- E. Consideration of Supplemental Assessment Resolution 2022-22 for Series 2022C Bonds**

On MOTION by Mr. Fitzgerald seconded by Ms. Cavanaugh with all in favor Resolutions 2022-18, 2022-19, 2022-20, 2022-21 and 2022-22 were approved.

FOURTH ORDER OF BUSINESS

Consideration of Lease Agreement Renewal between Tolomato CDD and Sonoc Company LLC

On MOTION by Ms. Cavanaugh seconded by Mr. Morris with all in favor the lease agreement renewal between Tolomato CDD and Sonoc Company LLC was approved.

FIFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SIXTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS


Next Scheduled Regular Meeting – February 22, 2022 at 3:00 p.m. at the Nocatee Amenity Center

Mr. Perry stated the next regular meeting will be held February 22, 2022 at 3:00 p.m. in the same location.

On MOTION by Mr. Fitzgerald seconded by Mr. Morris with all in favor the meeting adjourned at 9:15 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman