

MINUTES OF MEETING
WESTSIDE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Westside Community Development District was held Monday, April 15, 2019 at 11:00 a.m. at the offices of Hanson Walter & Associates, 8 Broadway Avenue, Suite 104, Kissimmee, Florida.

Present and constituting a quorum were:

Keith Trace	Chairman
Tom Franklin	Vice Chairman
Scott Stewart	Assistant Secretary
Bennett Ruedas	Assistant Secretary

Also present were:

George Flint	District Manager
Jan Carpenter	District Counsel
Mark Vincutonis	District Engineer
William Viasalyers	Field Manager
Ashton Bligh	Greenberg Traurig
Mike Watkins	Greenberg Traurig
Leah Popelka	Lerner Real Estate Advisors by phone
Justin Rowan	MBS Capital Markets

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Acceptance of Resignation of Fontane Nyariri and Appointment of Individual to Fill the Vacancy with a Term Ending November 2020

Mr. Flint stated Fontane submitted her resignation. Is there a motion to accept it?

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Ms. Nyariri's resignation was accepted.

Mr. Flint asked is there a nomination to fill this seat?

On MOTION by Mr. Trace seconded by Mr. Franklin with all in favor Bennett Ruedas was appointed to fill the unexpired term of office of seat 1.

Ms. Carpenter stated you have been on other Boards and you know public records, Sunshine Law, ethics law and all things that apply to government officials. I believe you have already filed your financial disclosure form. If not it is better to refile if you don't know if you have for sure and make sure you do it by certified mail so you have proof that you filed it. We will send you our welcome package anyway.

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Mr. Ruedas.

Mr. Flint stated the Form 1 Statement of Financial Interest has to be filed within 30 days of today with the Supervisor of Elections in the County in which you reside. Annually they will mail you an update around June 1st.

- B. Appointment of Individuals to Fill Seats 3 and 5**
- C. Administration of Oaths of Office to Newly Appointed Board Members**
- D. Consideration of Resolution 2019-05 Electing Officers**

On MOTION by Mr. Stewart seconded by Mr. Trace with all in favor Resolution 2019-05 naming Bennett Ruedas an Assistant Secretary was approved.

FOURTH ORDER OF BUSINESS **Approval of the Minutes of the March 6, 2019 Meeting**

On MOTION by Mr. Trace seconded by Mr. Stewart with all in favor the minutes of the March 6, 2019 meeting were approved, as presented.

FIFTH ORDER OF BUSINESS **Discussion of Bifurcation of the Series 2005 and 2007 Bonds**

- A. Introduction and Presentation of Terms**

Mr. Flint stated we added a new section five and the information was emailed to you regarding the 2005 and 2007 bond bifurcations.

Ms. Carpenter stated the 2005 and 2007 bonds have been in default for quite some time. There were a number of foreclosures and because of the foreclosures and property sales we are now down to one parcel left to be sold and one parcel, the Boanerge parcel, that has slow payments, late payments failure to pay issues on. The bond Trustee is represented by Greenberg Traurig and we have Ashton and Mike here who will walk you through the documents. They worked with the bondholder to come up with a structuring of the bonds and the 2005 and 2007 bonds will be broken into a performing portion, which will be all the property in there except for those two parcels, the unsold one and the one that has the recurring payment problem. The assessments on those parcels will cover the amount of bonds and the bondholder will cancel the bonds, they will write off the amount of the bonds that was not covered by the foreclosures and the money that was acquired by foreclosures. We will now have the bonds in balance, we will have assessments on the property that matches the amount of the bonds outstanding so the default will be cleared up. This started a long time ago and there were lots of foreclosures and this is actually great news that the District survives, we have all new development going in and the bondholders stuck by and helped finance some of the improvements that were finished and worked through it. This is the paperwork that takes those two series breaks them into the two portions and you will see the one portion is not that large. This will be a resolution just like when we do a bond issue, a resolution that will delegate authority to the Chairman and others on the Board and staff to approve the documents in substantially final form and then after this we will pre-close on those documents, they will sign everything and have authority for them to approve the final form of documents and we hope to close this later this week.

Ms. Bligh stated we want to align both the performing and non-performing parcels and the way this bifurcation works is we are going to have a portion that will still be outstanding under the original master indenture and supplemental indenture with the idea that a portion of that property will be sold and assessments will come in and be able to pay off what is remaining outstanding under the original indentures. We are then going to have a portion of the original bonds that will be canceled and we are going to have pretty much two new bonds. There is going to be a 2005-1, a 2005-2, a 2007-1 and a 2007-2, the -1 bonds will be in line with the performing parcels where assessments are being paid current and the -2 bonds are going to be

aligned with the non-performing parcels that are not currently being paid. The resolution goes back through the history of the District and events of default were declared in 2009 and it has been going along very slowly and the idea with this is that we can finally kind of realign the District and hopefully, on a going forward basis have performing parcels and bonds that are being paid. As part of this bifurcation we have three exhibits; Exhibit A is the term sheet and it walks you through the structure of the bifurcation itself, Exhibit B-1 is the Amended and Restated Second Supplemental Indenture and that supplemental indenture is aligned with the 05 bonds and Exhibit B-2 is the Amended and Restated Third Supplemental Indenture, which correlates with the 07 bonds. Within each of those supplements, the trust estate, which will be the funds and accounts and assessments that will support repayment of the bonds is explained. Those funds and accounts are established and then at that point the Trustee will oversee the payment as assessments are brought into the trust estate, the Trustee will then be in charge of disbursing the funds to pay interest and principal on the bonds.

It goes through and requests that you consider the adoption of both the indentures and there will be an information memorandum that is not signed by the District, but it will explain the bifurcation as well as the development status of the District. We ask that the District adopt this resolution 2019-16 for the bifurcation.

Mr. Stewart stated acceptance of this bifurcation is this layout and it separates who is paying and who is not.

Ms. Bligh stated yes.

Ms. Carpenter stated the Trustee agreed to pay the costs out of that and that was one of the conditions the District had back in November when this first started. The information memo they talk about is just like an update to the original offering document, that way the District will have if the bonds are sold and somebody buys the new bonds they understand this was the original in default, this explains the status and this also will help in the future if there was ever a refinance or future bonds, we have that out there in the marketplace and that gets posted on EMMA, which is the securities website. People can see that we have finally cleared this up. This is also something we can forward to the state when we file our annual audit; we always had a default and we get a letter from the governor's office asking us to explain so this is the last year we have to do this and we can explain it all.

B. Presentation of Assessment Allocation Report

Mr. Flint stated we prepared an allocation report that ties to the numbers that the Trustee's consultant, Lerner, prepared and the exhibit to it is the original methodology report and we have attached an updated assessment roll, which amortizes and ties out to the new 2005-1s, 2005-2s and 2007-1s and 2007-2s showing that based on the assessment roll we will be able to amortize the new bond issues.

Ms. Carpenter stated it doesn't change assessments on the parcels but it helps write off the assessments with the canceled bonds so the parcels that are out there will no longer have those default numbers out there.

Mr. Flint stated the only two non-performing parcels are the Bahama Bay Phase 2 and the Commercial Parcel K piece that is on the corner of Goodman and Westside.

Mr. Franklin stated the next thing we need to do is pass Resolution 2019-16.

C. Resolution 2019-16 Approving the Series 2005 and Series 2007 Bifurcation

Mr. Franklin moved to approve Resolution 2019-16 and Mr. Stewart seconded the motion.

Mr. Trace asked are there any tax issues the District would have with the write off and cancelation of debt?

Ms. Carpenter stated that is why we have Trustee's Counsel who also acts as Bond Counsel. We did submit a copy of this to Mike Williams, who was the Bond Counsel on the current deal so that he would be aware of it and he has not voiced any issues. This is a fairly common way of handling the default and it is good when we have the Trustee and the bondholder coming to us asking for the cancelation.

Mr. Trace asked are there any issues with Tract K because there is new ownership and it has been platted? I know there was a push to get this done before the transfer.

Mr. Flint stated the Pulte piece, the commercial piece of Tract K was pulled out of the non-performing and it is in the performing sector now. The only part of Tract K that is not in performing is the commercial piece on the corner and is still held by Westside CDD Holdings.

Mr. Franklin asked they have actually pulled it up to performing level with the sales transaction?

Mr. Flint responded yes. One of our concerns in the original structure was that there was going to be unallocated debt sitting out there and the way it is now is you have \$500,000 in the 05 and \$500,000 in the 07. What is the trigger for that going away?

Ms. Bligh stated the expectation is later this year there will be funds coming in from the specific parcels that those assessments are levied on. As those funds come in the \$500,000 will be reduced with the idea being hopefully, by year end or next year for the original 05 and 07 to no longer be outstanding.

Ms. Carpenter asked which parcels are those due from?

Ms. Popelka stated the parcel in question is Parcel K there is a commercial component that has yet to be sold. Upon sale of that parcel we will be able to utilize whatever cash is received and a partial redemption of bonds, the balance would then be written off at that time.

Ms. Carpenter stated that makes sense because the SPE owns the property, they will get whatever money from the sale of that property then apply it towards bond payments. That is why they are holding out this million so whatever they get for it they can apply towards bonds and not cancel them.

Mr. Flint asked is there something in the indenture that describes that trigger? I just don't want the million hanging out there.

Ms. Bligh stated no, we have it and it is in the indenture, we described that the \$500,000 is being held with the expectation of funds coming in later in the year. The original trust estate will stay outstanding until those funds are applied to the outstanding bonds then the subsequent write off.

Ms. Carpenter asked is the property under contract now?

Ms. Popelka stated it is under contract.

Ms. Flint stated as far as the reserves for the 05 and 07 they are fully funded and the performing was 50% mads and the non-performing was 100%.

On voice vote with all in favor the motion passed.

D. Preclosing for Bifurcation Immediately Following Meeting

Mr. Flint stated we will sign documents after the meeting.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2019-13
Finalizing the Series 2019 Assessments**

Mr. Flint stated this is a resolution finalizing the terms of the series 2019 bonds, the Board recently issued for the Solara Phase 2 project.

Ms. Carpenter stated the bonds were sold and the closing took place and this is the final assessment resolution equalizing the assessments to match the bond amount after the sale. We generally do it the day of closing or the first meeting after the sale to not hold it up because when we do the initial assessment report, we are estimating what the bond amount will be and this brings it together.

Mr. Flint stated the first exhibit is the Engineer’s Report and the second exhibit is the Supplemental Assessment Methodology and this version of the Supplemental Assessment Methodology reflects the final terms that have actually been closed and you will see on page 11, which is Table 3 the average coupon rate was 4.72%, 30 year amortization, 7 months capitalized interest to carry us through November 1st, the Debt Service is 50% of the maximum annual debt and Underwriter’s discount was 2%. It generated construction proceeds of \$2.8 million, the par amount of the bonds was \$3,230,000.

Ms. Carpenter stated for clarity this was the 2019 project for Solara Developer 2 assessment area.

On MOTION by Mr. Trace seconded by Mr. Franklin with all in favor Resolution 2019-13 was approved.

SEVENTH ORDER OF BUSINESS

**Consideration of Underwriter Agreement
with MBS Capital Markets, LLC**

Mr. Flint stated next is an Investment Banker’s agreement with MBS Capital Markets. MBS just did the Solara bond issue; the principals of MBS were the original Underwriters for the Westside CDD. This particular agreement is dealing with a potential bond issue for Parcel K, the residential piece that is currently owned and being developed by Pulte. The Board had approved a resolution authorizing staff to proceed to work contingent upon the finance team funding agreement being signed by Pulte and we submitted that agreement to Pulte. I spoke with their representatives last week they indicated they were going to get me an executed version and I haven’t received that yet.

You could get the Underwriter engaged in the event we do get that funding agreement back we can start moving forward.

On MOTION by Mr. Trace seconded by Mr. Ruedas with all in favor the agreement with MBS Capital Markets, LLC was approved.

EIGHTH ORDER OF BUSINESS **Consideration of Resolution 2019-14**
Approving the Solara Phase 2 Plat

Mr. Flint stated Resolution 2019-14 approves the Solara Phase 2 plat.

Ms. Carpenter stated this is the submission of the plat by Mattamy, Solara Phase 2. We reviewed it and it is similar to their prior plats where the CDD has property in the area and the resolution is approving the dedications on the plat and authorizing execution by the District.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Resolution 2019-14 was approved.

Mr. Franklin stated I know that Osceola County has decided these resolutions have to come with every plat that has anything to do with CDDs. Is there anything we can do to give the Chair authorization to sign these and get it ratified because of time lags.

Mr. Flint stated it would depend on what Osceola County would accept. The Board could adopt a resolution authorizing the Chair or Vice Chair to sign.

Mr. Trace stated I would be fine with that if it wasn't like in this case it is actually replatting part of the District property, which I would want to make sure staff was okay with.

Ms. Carpenter stated I can present a resolution at the next meeting. In this case we don't have property that is starting from scratch most of it we have all seen what is planned.

Mr. Franklin stated I will ask the question of the folks who handle the platting and make sure they don't have any heartburn with it, because the staff doesn't, it goes to the legal department.

Ms. Carpenter stated they have a lot of new people.

Mr. Flint stated the question is would the County accept a blanket resolution.

Mr. Ruedas stated part of it is that the plats that you are asking to have this resolution for, may not be in final form. They are looking for that resolution and then they give final approval to move it forward.

Ms. Carpenter stated perhaps we would make it in the form of a delegation type resolution that the Board authorizes the Chair and Vice Chair to sign in substantially final form and as soon as you know you have a plat we can get the resolution signed.

NINTH ORDER OF BUSINESS

Consideration of Proposals from Down to Earth Landscape & Irrigation for Westside Boulevard Sod Replacement

Mr. Flint stated there are some proposals from Down to Earth. As you may recall Down to Earth maintains the landscaping south of Goodman down to Monaco and Yellowstone maintains the balance of the project and the reason is because when Pulte originally developed the Windsor at Westside project they did the landscaping install in that area and then there was a point in time where Windsor at Westside and Westside CDD swapped maintenance responsibilities basically and the contract with Down to Earth is actually with the Westside CDD because it is Westside CDD right of way. Basically, what they have provided, there are two medians south of Goodman on Westside Boulevard, the first section runs from Goodman to the curb cut going into Parcel K and the second section is basically from Windsor at Westside starts down to Monaco Boulevard. When Pulte did the landscaping install, they put Bahia in the median. It is irrigated but for one reason or another that turf has failed and it is no longer under warranty. Pulte actually brought this forward with a request that the CDD consider replacing the turf and they have indicated they would pay half the cost to do that. There are two sections of median, one says Westside Boulevard first median Bahia proposal that is the southern median that starts at Monaco Boulevard and goes up to the end of the Windsor at Westside project, they provided a proposal for replacing the existing Bahia with Bahia which is \$13,000 and a proposal to replace the Bahia with St. Augustine and that is \$25,570.78. Included with that is the fact that if they put St. Augustine in they are going to have to enhance the irrigation system because right now those medians have a crown in the middle and they only have heads on each side at the curb and it is not reaching the center of the top because of that crown. If they were to do St. Augustine they would have to put heads down the top of the middle. You have that for median 1 and then what they call, median 2 is the northern median that goes to Goodman. Bahia is \$7,150 and St. Augustine is \$13,910.74 and they also provided a proposal for what they call the parkway strip, which is from back of curb to back of sidewalk on the east side of Westside from Monaco to the end of the Windsor at Westside project. My recommendation would be just to consider

what they call the first median and they would like to see St. Augustine installed, it would make that median consistent with the median south of that, that Mattamy through the District has installed you have St. Augustine south of that and north of it. The cost of that is \$25,570 of which the District would be obligated to pay half of that. We do have funds in our capital reserve budget that could fund this if the Board chose to do it.

Mr. Steward asked did we pay half of what failed already?

Mr. Flint stated no they paid the initial installation; the District didn't pay for any of it.

Mr. Trace stated because of the soils St. Augustine might work better, I think it probably failed because it is too dry.

Mr. Franklin asked you are recommending to do just a couple pieces of this or the whole package?

Mr. Flint stated there are two options for each median, one is Bahia and one is St. Augustine and I think the Board should just consider what they call median 1, which is the southern median and St. Augustine so that would be the \$25,570. The parkway strip because we are talking about putting street lights in, in that section and open cutting the install of that I don't think we would want to do the parkway right now because they may be coming back and trenching.

Mr. Ruedas asked and the second median?

Mr. Flint stated I think the second median is in a little bit better shape so if the Board is inclined to approve the second median I don't know that it is as high a priority as the first median.

Mr. Trace asked do we want to fertilize while they are out there and try to get it to come back better?

Mr. Flint stated it is Bahia also, which you can't really fertilize. They do have irrigation there but for some reason it is just not doing well. The second median with St. Augustine would be \$13,910 of which we would pay half I'm assuming if Pulte wanted to do that section.

Mr. Ruedas asked has Pulte indicated on the second median that they are interested in doing that as a higher priority now?

Mr. Flint stated they are the ones that provided these proposals through their HOA management company. I'm assuming that they are interested in doing it, I don't know that it is as high a priority as median 1. I'm thinking if we were to not do something that would be what

would drop off the table but I'm sure they would be interested in doing both. That second median runs in front of the commercial piece but it is the entrance to their Parcel K project.

Mr. Ruedas asked do we have a commitment from Pulte to pay half?

Mr. Flint stated I have a verbal commitment.

Mr. Trace stated we can make that part of the motion.

Mr. Ruedas asked why don't we wait on the second median and wait to see if the sod takes on the first median?

Mr. Flint stated that sounds reasonable if the Board wants to do that then a motion to approve the first median turf replacement with St. Augustine with the understanding that Pulte or the Windsor at Westside CDD would pay 50% of the cost.

On MOTION by Mr. Stewart seconded by Mr. Ruedas with all in favor the proposal from Down to Earth for sod replacement with St. Augustine sod for the first median in the amount of \$25,570 was approved contingent upon Pulte or Windsor at Westside CDD paying half.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Carpenter stated Boanerge, which was the lender on the Bahama Bay 2 parcel and was sold to Green Gate has again not paid and this is an annual thing, they don't pay we send a demand letter and then we send another demand letter. I contacted Trustee's Counsel and they authorized us to draft a complaint, which we have a draft and we would like to send that to them with the letter saying if you don't pay we are going to file and also say in the future we are sending one demand letter and filing we are not going to keep waiting. I think the Board approved the last couple of years authorizing us to file a complaint of foreclosure but I would like the Board to approve it at this point since they are again delinquent.

Mr. Trace asked what is the cost to file?

Ms. Carpenter stated it is about \$1,500. We would ask Trustee's Counsel to fund the foreclosure itself. So far we have not had to actually file once we send the complaint or second demand letter they paid the money. This time they didn't respond to the first letter. Hopefully, they will pay once they realize we are serious. There are two payments due this year neither of which have been made and another payment will be due May 1st.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor staff was authorized to send the demand letter along with the complaint to Boanerge.

B. Engineer

Mr. Vincutonis stated I circulated a draft of requisition no. 1 summary letter to Andrew. As we get closer to that we will finalize that and bring it before the Board.

C. Manager

i. Approval of Check Register

Mr. Flint presented the check register from February 27, 2019 through April 5, 2019 in the amount of \$122,663.48.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package. No Board action was required.

iii. Discussion of Direct Bill Status

A copy of the direct bill status was included in the agenda package.

ELEVENTH ORDER OF BUSINESS Supervisor's Requests

There being none, the next item followed.

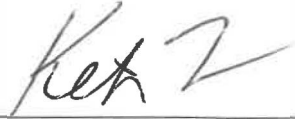
TWELFTH ORDER OF BUSINESS Other Business

There being none,

On MOTION by Mr. Trace seconded by Mr. Franklin with all in favor the meeting adjourned at 11:44 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman