

**MINUTES OF MEETING  
BROOKSTONE  
COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting of the Brookstone Community Development District's Board of Supervisors was held on Wednesday, January 24, 2018 at 1:30 p.m., at 8141 Lakewood Main Street, Suite 209, Bradenton, Florida 34202.

**Present at the meeting were:**

Priscilla Heim	Chair
Mark Evans	Vice Chair
Charles Conoley	Assistant Secretary

**Also present were:**

Craig Wrathell	District Manager
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Nathan Kragt	District Engineer
Edward Vogler, II ( <i>via telephone</i> )	District Counsel
Jim Schier	Neal Communities

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Wrathell called the meeting to order at 1:38 p.m. Supervisors Heim, Evans and Conoley were present, in person. Supervisors Weidemiller and Gaudette were not present.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being no public comments, the next item followed.

**THIRD ORDER OF BUSINESS**

**Consideration of Partial Assignment of  
the Oak City South, LLC Master Site  
Contractor**

Mr. Wrathell recalled discussion of this at prior meetings. He explained the various options for obtaining infrastructure within the CDD, such as going out to bid for construction projects, purchasing infrastructure directly from the Developer or choosing to do a partial assignment of a previously bid construction contract. The latter would signify that the Developer chose the

Contractor as one who was economically efficient and capable of completing the work. The Partial Assignment Agreement, upon approval, would enable the District to assume part of the Master Site Contractor Agreement with Oak City South, LLC (the “Contractor”) which is directly related to the CDD improvements that are about to begin. Mr. Wrathell discussed the following:

- Page 2, Item 2: Lists key documents necessary for the District to have when issuing bonds and before closing a bond deal, including the Acquisition, Completion and Collateral Agreements. In particular, the Completion Agreement, which states that, if the District does not have sufficient funds to complete the infrastructure, when the bond funds are depleted, the Developer would be obligated to complete the balance of the improvements.
- Page 2, Item 3: Affirms the District is only obligated to fund the contract to the point it has bond money available and, once the bond funds are depleted, the Developer would then be obligated to fulfill the balance of the obligations under the Contract assigned to the District, which protects the District.

Mr. Wrathell stated both the Developer and the Contractor, through a Third Party Consent and Certification form, agree to the assignment to the District. The improvements completed within the District, to date, total \$1,327,968.22, which the District plans to acquire through a Bill of Sale. The decision was made to not reimburse that amount but to pay the Contract on a going forward basis. Mr. Wrathell preferred receiving a Bill of Sale to put on record, instead of the usual dedication of a plat, as it assists when the IRS examines the CDD’s bond deals, as it pinpoints, in detail, that the District purchased those improvements and/or took ownership. Upon execution of the Bill of Sale, the District would also receive a Full Unconditional Waiver releasing the lien from the Contractor, in the amount of \$1,327,968.22, on those assets purchased by the District. Going forward, when the District receives requisitions for bond funds, once payment is made, the District will then receive a release of lien for the amount paid. Mr. Wrathell gave an overview of a list of scheduled improvements and what each column pertained to. The “Scheduled Value” column lists all the eligible improvements, consistent with the Engineer’s Report. The “Work Completed” column lists all the improvements completed, to date, which total \$1,327,968.22, which the District would be purchasing. The “Balance To Finish” column lists the portion of the Capital Plan the District decided to pay directly, going

forward. As soon as the bonds are issued the District will begin to receive AIA pay applications, which is a standard form used to seek payment.

**\*\*\* Mr. Vogler joined the meeting at 1:37 p.m., via telephone. \*\*\***

Mr. Wrathell stated that the portion under contract with the Master Site Contractor Agreement is for 450 of the first 550 lots; he was uncertain if a change order to the contract might be necessary. He anticipated that the first bond series would cover the entire 550 units.

Mr. Vogler stated that the District is not constructing the improvements, they are being constructed by the Developer, through forces and contractors that have been retained by the Developer, and all those rights have been or will be collaterally assigned once the bonds are closed. The District is not managing the project. This is a means of protecting the District so that when bond proceeds are advanced, the District has legal rights and claims to all the improvements for which it has paid and that there is a process where the District Engineer, District Manager and District Counsel can make sure the funds are spent in the correct location, for the correct purposes, and that, as best as possible, there are no liens or other encumbrances that result from that work, which is the purpose of these documents and approval of them, as it relates to requisitions that might be made after bond proceeds are available. What would not be changed is an Acquisition Agreement that will be entered into whereby the Developer has responsibilities and owes those to the District and must perform those by agreement. There is a collateral package and practical pay package and all those documents will be in place when the bonds close, which is all normal and customary, the only unusual matter with this circumstance is that there are two, side-by-side Districts and the one, Fieldstone, is actually performing the work currently occurring, in the form of Fort Hamer Road extension and sanitary sewer main extension, and the allocated amount that will be paid by Brookstone, under the Interlocal Agreement, is identified as a fixed sum. If the actual allocated costs at the end of the project are less than that, the Brookstone contribution would be less but it would not be more. If the allocated costs associated with the work attributable to Brookstone are more then, by virtue of private party agreements, it must be absorbed by the Master Developer of the overall Brookstone/Fieldstone project. This is the purpose of the Interlocal Agreement. The Reimbursement Agreement for the private party was also provided because the final numbers will not be known until all the numbers are in. The package of legal and supporting documents protect the Brookstone CDD in the form of identifying its obligations for off-site improvements

that are mandated by government, i.e., road and sewer and are going to be funded by the bond issuance.

Mr. Wrathell stated that the Interlocal Agreement and understanding the Reimbursement Agreement, as another backup component, the District knows, with certainty, its obligation would not exceed \$2.5 million, which makes it easier for the Underwriter to market and sell the bonds.

**On MOTION by Mr. Conoley and seconded by Mr. Evans, with all in favor, the Partial Assignment Agreement between the Developer and Oak City South, LLC as Master Site Contractor, was approved.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Amendment to Interlocal Agreement By and Between Fieldstone Community Development District and Brookstone Community Development District for Shared Costs and Expenses Associated with Roadway and Utility Improvements**

- **Reimbursement Agreement: Fieldstone CDD and North Manatee Investment, LLC**  
*(for informational purposes)*

Mr. Wrathell stated this was an Addendum to the Interlocal Agreement previously approved. This Amendment clarifies that the CDD contribution would not exceed \$2.5 million.

**On MOTION by Ms. Heim and seconded by Mr. Conoley, with all in favor, the Amendment to Interlocal Agreement By and Between Fieldstone Community Development District and Brookstone Community Development District for Shared Costs and Expenses Associated with Roadway and Utility Improvements, was approved.**

**FIFTH ORDER OF BUSINESS**

**Consideration of Financing Related Matters**

Mr. Wrathell stated this item remained on the agenda in case there were any financing-related matters the District needed to address.

**SIXTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

There being no report, the next item followed.

**B. District Engineer**

There being no report, the next item followed.

**C. District Manager**

**i. Discussion: Possibility of Meeting on First Wednesday of Each Month**

Due to conflicting schedules, Mr. Wrathell requested moving the CDD's meetings to the first Wednesday of the month at 1:30 p.m., at this location.

**On MOTION by Mr. Conoley and seconded by Ms. Heim, with all in favor, amending the District's Regular Meeting Schedule to hold meetings on the first Wednesday of the month at 1:30 p.m., at this location, as needed, was approved.**

**ii. NEXT MEETING DATE: February 14, 2018 at 1:30 P.M.**

The next meeting will be held on February 14, 2018 at 1:30 p.m., at this location.

**SEVENTH ORDER OF BUSINESS**

**Board Members' Comments/Requests**

There being no Board Members' comments or requests, the next item followed.

**EIGHTH ORDER OF BUSINESS**

**Public Comments**

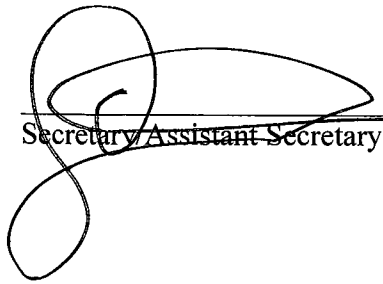
There being no public comments, the next item followed.

**NINTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

**On MOTION by Ms. Heim and seconded by Mr. Evans, with all in favor, the meeting adjourned at 1:55 p.m.**



Secretary/Assistant Secretary



Chair/Vice Chair