

FRERC

**COMMUNITY DEVELOPMENT
DISTRICT**

REGULAR MEETING AGENDA

July 24, 2019

FRERC

COMMUNITY DEVELOPMENT DISTRICT

3A

FRERC COMMUNITY DEVELOPMENT DISTRICT

Supplemental Special Assessment Methodology Report

June 19, 2019



Provided by:

Wrathell, Hunt and Associates, LLC

2300 Glades Road, Suite 410W

Boca Raton, FL 33431

Phone: 561-571-0010

Fax: 561-571-0013

Website: www.whhassociates.com

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Capital Improvement Program to obtain or to maintain their development entitlements. This fact alone clearly distinguishes the special benefits which District properties receive compared to those lying outside of the District's boundaries.

The Capital Improvement Program will provide the public infrastructure improvements necessary in order to make the lands within the District developable and saleable. The installation of such improvements will cause the value of the developable and saleable lands within the District to increase by more than the sum of the financed cost of the individual components of the Capital Improvement Program. Even though the exact value of the benefits provided by the Capital Improvement Program is hard to estimate at this point, it is nevertheless greater than the financed costs, associated with providing the same.

1.4 Organization of the Report

Section Two describes the development program as proposed by the Developer, as defined below.

Section Three provides a summary of the Capital Improvement Program as determined by the District Engineer.

Section Four discusses the financing program for Phase 1A.

Section Five introduces the special assessment methodology for Phase 1A.

2.0 Development Program

2.1 Overview

The District will serve the City Center West Orange development (the "Development" or "City Center West Orange"), which is a mixed-use, master planned development located in City of Ocoee, Orange County, Florida. The District currently consists of approximately 97.404 +/- acres and is generally located north of West Colonial Drive, east of Bluford Avenue, south of East Geneva Street and west of Montgomery Avenue.

2.2 The Development Program

The development of FRERC is anticipated to be conducted by City Center of West Orange, LLC (the "Developer"). Based upon the

information provided by the Developer, the current development plan envisions 2,600 multi-family residential units, 244 hotel rooms, 232,000 square feet of office uses, 514,000 square feet of retail uses, and 77,000 square feet of a convention center use, although land use types and unit numbers may change throughout the development period. The development of land within the District is projected to be conducted in two principal phases over a multi-year period, with each phase consisting of multiple sub-phases. The development of land in the District is expected to commence in 2019, with Development Phases I and III portions of the Phase 1 referred to in this Supplemental Report as the Phase 1A, and cumulatively consisting of a total of 800 multi-family residential dwelling units, 122 hotel rooms, and 232,000 square feet of non-residential uses. Table 1 in the *Appendix* illustrates the development plan for the Development.

3.0 The Capital Improvement Program

3.1 Overview

The public infrastructure costs to be funded by the District are described by the District Engineer in the Engineer's Report. Only public infrastructure that may qualify for bond financing by the District under the Act and under the Internal Revenue Code of 1986, as amended, was included in these estimates.

3.2 Capital Improvement Program

The Capital Improvement Program needed to serve the Development is projected to consist of storm water management, power distribution improvements, telecommunication improvements, roadways, retaining walls and bridges, landscaping, signalization, and public parking structures.

The infrastructure included in the Capital Improvement Program will comprise an interrelated system of improvements, which means all of the improvements will serve the entire District and improvements will be interrelated such that they will reinforce one another. At the time of this writing, the total cost of the Capital Improvement Program is estimated at \$118,894,332. Table 2 in the *Appendix* illustrates the specific components of the Capital Improvement Program and their costs. The District intends to finance a portion of such costs with bonds.

4.0 Financing Program

4.1 Overview

As noted above, the District is embarking on a program of capital improvements which will facilitate the development of lands in Phase 1A within the District. Generally, construction of public improvements is either funded by the Developer and then acquired by the District and/or funded directly by the District. It is currently anticipated that the District will acquire some of the capital improvements from the Developer and construct other capital improvements.

The District intends to issue approximately \$28,845,000 in par amount of Special Assessment Revenue Bonds, Series 2019 (the "Series 2019 Bonds") to fund approximately \$21,117,638 in the Capital Improvement Program. Additional improvements will be contributed to the District at no cost to the District under a Completion Agreement that will be entered into by the Developer and the District and/or funded with proceeds of future bonds.

4.2 Types of Bonds Proposed

The proposed financing plan for Phase 1A within the District provides for the issuance of the Series 2019 Bonds in the approximate principal amount of \$28,845,000 to finance costs estimated at \$21,117,638. The Series 2019 Bonds are projected to be structured to be amortized in up to 30 annual installments following an approximately 35-month capitalized interest period. Interest payments on the Series 2019 Bonds would be made every May 1 and November 1, and principal payments on the Series 2019 Bonds would be made every November 1.

In order to finance a portion of the improvement costs for Phase 1A, the District would need to borrow more funds and incur indebtedness in the total amount of \$28,845,000. The difference is comprised of debt service reserve, capitalized interest, and costs of issuance, including the underwriter's discount. Preliminary sources and uses of funding for the Series 2019 Bonds are presented in Table 3 in the *Appendix*.

5.0 Assessment Methodology

5.1 Overview

The issuance of the Bonds provides the District with a portion of the funds necessary to construct/acquire the Capital Improvement Program outlined in *Section 3.2* and described in more detail by the District Engineer in the Engineer's Report. These improvements yield special and general benefits, with special benefits accruing to the assessable properties within the boundaries of the District and general benefits accruing to areas outside of the District but being only incidental in nature. The debt incurred in financing a portion of the public infrastructure included in the Capital Improvement Program will be paid off by assessing properties that derive special and peculiar benefits from the Capital Improvement Program. All properties that receive special benefits from the Capital Improvement Program will be assessed for their fair share of the debt issued in order to finance the Capital Improvement Program.

5.2 Benefit Allocation

The current development plan envisions 2,600 multi-family residential units, 244 hotel rooms, 232,000 square feet of office uses, 514,000 square feet of retail uses, and 77,000 square feet of a convention center uses, although land use types and unit numbers may change throughout the development period. The development of land within the District is projected to be conducted in two principal phases over a multi-year period, with each phase consisting of multiple sub-phases. Phase 1A, the first to be developed, is projected to be developed with a total of 800 residential units, 122 hotel rooms, 32,000 square feet of office uses, and 200,000 square feet of retail uses.

The public infrastructure included in the Capital Improvement Program will comprise an interrelated system of improvements, which means that all of the improvements will serve the District, and such public improvements will be interrelated such that they will reinforce each other and their combined benefit will be greater than the sum of their individual benefits. All of the land uses within the District will benefit from each infrastructure improvement category, as the Capital Improvement Program provides basic infrastructure to all land within the District and benefits all land within the District as an integrated system of improvements.

As stated previously, the Capital Improvement Program has a logical connection to the special and peculiar benefits received by

the land within the District, as without such improvements, the development of the properties within the District would not be possible. Based upon the connection between the improvements and the special and peculiar benefits to the land within the District, the District can assign or allocate a portion of the District's debt through the imposition of non-ad valorem assessments, to the land receiving such special and peculiar benefits. Even though these special and peculiar benefits are real and ascertainable, the precise amount of the benefit cannot yet be calculated with mathematical certainty. However, such benefit is more valuable than the cost of, or the actual non-ad valorem assessment amount levied on that parcel.

The District will have 2,600 residential units, 232,000 square feet of office uses, 514,000 square feet of retail uses, 244 hotel rooms, and 77,000 square feet of a convention center uses, and the benefit associated with the Capital Improvement Program is proposed to be allocated within the District in proportion to the density of development and intensity of use of infrastructure as measured by a standard unit called an Equivalent Residential Unit ("ERU"). Table 4 in the *Appendix* illustrates the ERU weight that is proposed to be assigned to the land uses contemplated to be developed within the District based on the densities of development and the intensities of use of infrastructure, the total ERU counts for each land use category, and the share of the benefit received by each land use.

The rationale behind different ERU weights is supported by the fact that generally and on average products with lower intensity of use of the improvements which are part of the Capital Improvement Program will use and benefit from the District's infrastructure improvements less than products with higher intensity of use of the improvements, as for instance, generally and on average products with lower intensity of use of the improvements will produce less storm water runoff, may produce fewer vehicular trips, and may need less water/sewer capacity than products with a higher intensity of use of the improvements. Additionally, the value of the products with higher intensity of use of the improvements is likely to appreciate by more in terms of dollars than that of the products with lower intensity of use of the improvements as a result of the implementation of the infrastructure improvements. As the exact amount of the benefit and appreciation is not possible to be calculated at this time, the use of ERU measures serves as a reasonable approximation of the relative amount of benefit received from the District's Capital Improvement Program.

In order to facilitate the marketing of the residential units, hotel rooms and various non-residential uses within the Phase 1A of the District, the Developer requested that the District limit the amount of annual assessments for debt service on the Series 2019 Bonds to certain predetermined levels. Table 5 presents the allocation of the Capital Improvement Program costs in each group of units within Phase 1A based on the ERU benefit allocation factors present in Table 4 in the *Appendix*. Further, Table 5 illustrates the approximate costs of the Capital Improvement Program for group of units within Phase 1A, and the approximate costs of the Capital Improvement Program to be contributed by the Developer. In order to accomplish that goal, the Developer will contribute infrastructure improvements valued at a total amount of approximately \$15,216,222.85 as indicated in Table 5.

Table 6 in the *Appendix* presents the apportionment of the assessment associated with the Series 2019 Bonds (the “Series 2019 Bond Assessment”) in accordance with the ERU benefit allocation method presented in Table 4 in the *Appendix* as modified by the effects of Developer’s contributions of infrastructure improvements. Table 6 in the *Appendix* also presents the annual levels of the projected annual debt service assessments per unit.

5.3 Assigning Series 2019 Bond Assessment

The assessment associated with repayment of the Series 2019 Bonds (the “Series 2019 Bond Assessment”) will be levied initially on approximately 97.404 +/- gross acres within the District on an equal pro-rata gross acre basis and thus the Series 2019 Bond Assessment in the amount of approximately \$28,845,000 will be preliminarily levied on approximately 97.404 +/- gross acres at a rate of \$296,137.74 per acre.

The allocation of Series 2019 Bond Assessment to all land within the District on a per gross acre basis will persist until all infrastructure that comprises that portion of the Capital Improvement Program that was financed with proceeds of the Series 2019 Bonds is substantially complete as certified by the District Engineer. When that occurs, the Series 2019 Bond Assessment will be allocated to platted parcels or parcels that have received a development or site approval based on the planned use for that parcel as reflected in Table 6 in the *Appendix* on a first platted-first assigned basis.

Further, to the extent that any parcel of land is sold to another owner prior to the time such that all infrastructure that comprises

that portion of the Capital Improvement Program that was financed with proceeds of the Series 2019 Bonds is substantially complete as certified by the District Engineer, the Series 2019 Bond Assessment will be assigned to such parcel at the time of the sale based upon the development rights associated with such parcel that are transferred from seller to buyer. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Series 2019 Bond Assessment transferred at sale.

5.4 Lienability Test: Special and Peculiar Benefit to the Property

As first discussed in *Section 1.3*, Special Benefits and General Benefits, the Capital Improvement Program creates special and peculiar benefits to properties within the District. The Capital Improvement Program benefits assessable properties within the District and accrues to all such assessable properties on an ERU basis as set forth in Table 5 in the *Appendix*.

The Capital Improvement Program undertaken by the District can be shown to be creating special and peculiar benefits to the property within the District. The special and peculiar benefits resulting from each improvement are:

- a. added use of the property;
- b. added enjoyment of the property;
- c. decreased insurance premiums; and
- d. increased marketability and value of the property.

The Capital Improvement Program makes the land in the District developable and saleable and provides special and peculiar benefits which are greater than the benefits of any single category of improvements. These special and peculiar benefits are real and ascertainable, but not yet capable of being calculated and assessed in terms of numerical value; however, such benefits are more valuable than either the cost of, or the actual assessment levied for, the improvement or debt allocated to the parcel of land.

5.5 Lienability Test: Reasonable and Fair Apportionment of the Duty to Pay

A reasonable estimate of the proportion of special and peculiar benefits received from the Capital Improvement Program is delineated in Table 4 (expressed as ERU factors) in the *Appendix*.

The apportionment of the assessments is fair and reasonable because it was conducted on the basis of consistent application of the methodology described in *Section 5.2* across all assessable

property within the District according to reasonable estimates of the special and peculiar benefits derived from the Capital Improvement Program by different land uses.

Accordingly, no acre or parcel of property within the District will be liened for the payment of any non-ad valorem special assessment more than the determined special benefit peculiar to that property.

5.6 True-Up Mechanism

The Assessment Methodology described herein is based on conceptual information obtained from the Developer prior to construction. As development occurs it is possible that the number of units and types of units may change within each assessment area. The mechanism for maintaining the methodology over the changes is referred to as true-up.

This mechanism is to be utilized to ensure that the Series 2019 Bond Assessment on a per unit/square foot basis never exceeds the assessment as contemplated in the adopted assessment methodology. The Series 2019 Bond Assessment per unit/square foot for the different unit types are listed in Table 6 in the *Appendix* and may change based on the final bond sizing. If such changes occur, the Methodology is applied to the land based on the number of and type of units/square feet of particular land uses within each and every parcel as signified by the number of units/square feet and unit/land use types.

The Series 2019 Bond Assessment is assigned to parcels that were platted/received a development or site approval based on the figures in Table 6 in the *Appendix*. If as a result of platting/development or site approval and apportionment of the Series 2019 Bond Assessment to the land that was platted/obtained the development or site approval, the per unit/square foot for land that was not platted/does not have development or site approval remains equal to or less than the levels in Table 6 in the *Appendix*, then no true-up adjustment will be necessary.

If as a result of platting/development or site approval and apportionment of the Series 2019 Bond Assessment to the lands that were platted/have obtained the development or site approval, the per unit/square foot for land that was not platted/does not have development or site approval is less than figures in Table 6 in the *Appendix*, then the per unit/square foot Series 2019 Bond Assessment for all parcels within the District will be lowered if that

state persists at the conclusion of platting/obtaining development or site approvals.

If, in contrast, as a result of platting/development or site approval and apportionment of the Series 2019 Bond Assessment to the land that was platted/obtained the development or site approval, the per unit/square foot for land that was not platted/does not have development or site approval is more than figures in Table 6 in the *Appendix*, then the difference in Series 2019 Bond Assessment per unit/square foot and figures in Table 6 in the *Appendix* plus accrued interest will be collected from the owner of the property which platting/development caused the change to occur, in accordance with the assessment resolution and/or a true-up agreement to be entered into between the District and the Developer, which will be binding on assignees.

The owner(s) of the property will be required to immediately remit to the Trustee for redemption a true-up payment equal to the difference between the actual Series 2019 Bond Assessment and initial Series 2019 Bond Assessment shown in Table 6 in the *Appendix* plus accrued interest to the next succeeding interest payment date on the Series 2019 Bonds, unless such interest payment date occurs within 45 days of such true-up payment, in which case the accrued interest shall be paid to the following interest payment date (or such other time as set forth in the supplemental indenture for the Series 2019 Bonds secured by the Series 2019 Bond Assessment).

In addition to development of property within the District, any planned sale of a parcel to another builder or developer will cause the District to initiate a true-up test as described above to test whether the amount of the Series 2019 Bond Assessment equals amounts shown in Table 6 in the *Appendix*. The District shall provide an estoppel or similar document to the buyer evidencing the amount of Series 2019 Bond Assessment transferred at sale.

Note that, in the event that the Capital Improvement Plan is not completed, certain contributions are not made, multiple bond issuances are contemplated and not all are issued, or under certain other circumstances, the District may be required to reallocate the Series 2019 Bond Assessment.

5.7 Assessment Roll

The assessment roll is presented below.

Parcel ID	Owner	Mailing Address1	Mailing Address2	Assessment
17-22-28-6144-05-080	Lake Bennett Village-Ocoee LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$8,048,636.46
17-22-28-6144-05-151	Lake Bennett Village-Ocoee LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$565,349.84
17-22-28-6144-05-150	Lake Bennett Village-Ocoee LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$306,991.04
17-22-28-6144-05-152	Lake Bennett Village-Ocoee LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$455,927.29
17-22-28-6144-05-141	Lake Bennett Village-Ocoee LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$395,136.99
17-22-28-6144-05-140	Skytop Grove LTD	12515 Lake Buynak Ct	Windermere, FL 34786-7705	\$306,991.04
17-22-28-6144-06-250	Maine Blvd LLC	PO Box 289	Windermere, FL 34786-0289	\$2,483,283.98
17-22-28-6144-06-260	Maine Blvd LLC	PO Box 289	Windermere, FL 34786-0289	\$5,851,066.91
20-22-28-0000-00-022	Cbpw Corporation	12724 Water Point Blvd	Windermere, FL 34786-5811	\$252,279.77
20-22-28-0000-00-042	Cbpw Corporation	12724 Water Point Blvd	Windermere, FL 34786-5811	\$303,951.53
20-22-28-0000-00-021	Cbpw Corp	12724 Water Point Blvd	Windermere, FL 34786-5811	\$4,814,592.20
20-22-28-0000-00-015	Cbpw Corp	12724 Water Point Blvd	Windermere, FL 34786-5811	\$3,623,102.21
20-22-28-0000-00-016	Main Street North 2 LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$644,377.24
20-22-28-0000-00-074	Main Street North 2 LLC	7380 W Sand Lake Rd Ste 395	Orlando, FL 32819-5290	\$793,313.49
Total				\$28,845,000.00

6.0 Additional Stipulations

6.1 Overview

Wrathell, Hunt and Associates, LLC was retained by the District to prepare a methodology to fairly allocate the special assessments related to the District's Capital Improvement Program. Certain financing, development and engineering data was provided by members of District Staff and/or the Developer. The allocation Methodology described herein was based on information provided by those professionals. Wrathell, Hunt and Associates, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For additional information on the Bond structure and related items, please refer to the Offering Statement associated with this transaction.

Wrathell, Hunt and Associates, LLC does not represent the District as a Municipal Advisor or Securities Broker nor is Wrathell, Hunt and Associates, LLC registered to provide such services as described in Section 15B of the Securities and Exchange Act of 1934, as amended. Similarly, Wrathell, Hunt and Associates, LLC does not provide the District with financial advisory services or offer investment advice in any form.

7.0 Appendix

Table 1

FRERC

Community Development District

Development Plan

Product Type	Phase 1A	Phase 1B	Phase 1 Total	Phase 2 Total	Grand Total
Residential Units					
Units less than 1,000 sq. ft.	240	500	740	222	962
Units 1,000 sq. ft. to 1,200 sq. ft.	400	560	960	288	1,248
Units greater than 1,200 sq. ft.	160	140	300	90	390
Total Residential	800	1,200	2,000	600	2,600
Hotel Rooms	122	0	122	122	244
Non-Residential Sq. Ft.					
Office	32,000	168,000	200,000	32,000	232,000
Retail	200,000	300,000	500,000	14,000	514,000
Convention	0	77,000	77,000	0	77,000
Total Non-Residential	232,000	545,000	777,000	46,000	823,000

Table 2

FRERC

Community Development District

Capital Improvement Program

Improvement	Phase 1	Phase 2	Total Cost
Water, Reclaimed Water and Sewer Systems	\$3,352,281	\$481,252	\$3,833,533
Power Distribution Improvements	\$3,489,415	\$50,000	\$3,539,415
Telecommunication Improvements	\$500,000		\$500,000
Roadway Improvements	\$5,344,235	\$718,116	\$6,062,351
Stormwater Management	\$23,205,717	\$10,801,948	\$34,007,665
Retaining Walls/Bridges	\$10,326,646	\$3,052,620	\$13,379,266
Landscaping & Hardscaping	\$2,428,658	\$2,428,658	\$4,857,316
Signalization	\$616,273	\$385,170	\$1,001,443
Water Features	\$643,042	\$102,181	\$745,223
Public Parking Structures	\$39,705,000		\$39,705,000
Builder Fees/Soft Costs/Escalation	\$4,480,563	\$900,997	\$5,381,560
Unforeseen Utility Relocations	\$500,000		\$500,000
Contingency for Other Conditions	\$4,480,563	\$900,997	\$5,381,560
Total	\$99,072,393	\$19,821,939	\$118,894,332

Table 3

FRERC

Community Development District

Preliminary Sources and Uses of Funds

		Series 2019 Bonds
Sources		
Bond Proceeds:		
Par Amount		\$28,845,000.00
Total Sources		\$28,845,000.00
Uses		
Project Fund Deposits:		
Project Fund		\$21,117,638.00
Other Fund Deposits:		
Debt Service Reserve Fund		\$2,154,000.00
Capitalized Interest Fund		\$4,690,080.33
		\$6,844,080.33
Delivery Date Expenses:		
Costs of Issuance		\$450,000.00
Underwriter's Discount		\$432,675.00
		\$882,675.00
Rounding		\$606.67
Total Uses		\$28,845,000.00

Table 4

FRERC

Community Development District

Benefit Allocation

Product Type	Grand Total	ERU Weight per Unit/1,000 Sq. Ft.	Total ERU	Percent Share of Total
Residential Units				
Units less than 1,000 sq. ft.	962	0.70	673.40	17.11%
Units 1,000 sq. ft. to 1,200 sq. ft.	1,249	1.00	1,249.00	31.74%
Units greater than 1,200 sq. ft.	389	1.30	505.70	12.85%
Total Residential	2,600		2,428.1	61.70%
Hotel Rooms	244	1.10	268.4	6.82%
Non-Residential Sq. Ft.				
Office	232,000	1.00	232.0	5.90%
Retail	514,000	1.30	668.2	16.98%
Convention	77,000	4.40	338.8	8.61%
Total Non-Residential	823,000		1,239.0	31.48%
			Total ERUs	3,935.5
				100.00%

Table 5

FRERC

Community Development District

Capital Improvement Program Cost Allocation

Product Type	Phase 1A	Infrastructure Allocation Based on ERU Method	Infrastructure Contributed by the Developer	Infrastructure Financed with Series 2019 Bonds
Residential Units				
Units less than 1,000 sq. ft.	240	\$5,075,402.81	\$1,624,495.11	\$3,450,907.71
Units 1,000 sq. ft. to 1,200 sq. ft.	400	\$12,084,292.42	\$5,182,477.00	\$6,901,815.42
Units greater than 1,200 sq. ft.	160	\$6,283,832.06	\$2,832,924.35	\$3,450,907.71
Total Residential	800	\$23,443,527.29	\$9,639,896.45	\$13,803,630.83
Hotel Rooms	122	\$4,054,280.11	\$2,300,068.69	\$1,754,211.42
Non-Residential Sq. Ft.				
Office	32,000	\$966,743.39	\$199,875.01	\$766,868.38
Retail	200,000	\$7,854,790.07	\$3,061,862.70	\$4,792,927.37
Convention	0	\$0.00	\$0.00	\$0.00
Total Non-Residential	232,000	\$8,821,533.46	\$3,261,737.71	\$5,559,795.75
Total		\$36,319,340.85	\$15,201,702.85	\$21,117,638.00

Table 6

FRERC

Community Development District

Series 2019 Bond Assessment Apportionment

Product Type	Phase 1A	Infrastructure Financed with Series 2019 Bonds	Total Series 2019 Bond Assessments Apportionment	Series 2019 Bond Assessments Apportionment per Unit/Sq. Ft.	Annual Series 2019 Bond Assessments Debt Service per Unit/Sq. Ft.*
Residential Units					
Units less than 1,000 sq. ft.	240	\$3,450,907.71	\$4,713,663.19	\$19,640.26	\$1,560.25
Units 1,000 sq. ft. to 1,200 sq. ft.	400	\$6,901,815.42	\$9,427,326.37	\$23,568.32	\$1,872.30
Units greater than 1,200 sq. ft.	160	\$3,450,907.71	\$4,713,663.19	\$29,460.39	\$2,340.38
Total Residential	800	\$13,803,630.83	\$18,854,652.75		
Hotel Rooms	122	\$1,754,211.42	\$2,396,112.12	\$19,640.26	\$1,560.25
Non-Residential Sq. Ft.					
Office	32,000	\$766,868.38	\$1,047,480.71	\$32.73	\$2.60
Retail	200,000	\$4,792,927.37	\$6,546,754.43	\$32.73	\$2.60
Convention	-	\$0.00	\$0.00	\$0.00	\$0.00
Total Non-Residential	232,000	\$5,559,795.75	\$7,594,235.13		
Total		\$21,117,638.00	\$28,845,000.00		

* Includes costs of collection by Orange County currently estimated at 2% of amount collected and assumes payment of assessments in March, requiring grossing up the assessment amount by an additional 4%; based on max annual debt service payment of \$2,154,000

FRERC

COMMUNITY DEVELOPMENT DISTRICT

3B

**DEVELOPER BILL OF SALE & ASSIGNMENT
FRERC COMMUNITY DEVELOPMENT DISTRICT (PHASE 1)
IMPROVEMENTS AND WORK PRODUCT**

This **Developer Bill of Sale & Assignment** evidencing the conveyance of certain improvements and work product described herein is made to be effective the ____ day of _____, 2019, by **City Center West Orange, LLC** (“**Grantor**”), a Florida limited liability company, whose address is 7380 Sand Lake Road, Suite 395, Orlando, Florida 32819, and to the **FRERC Community Development District** (“**Grantee**”), a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, whose address is 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

(Wherever used herein the terms “Grantor” and “Grantee” include all of the parties to this instrument and the successors and assigns of corporations or governmental entities.)

WITNESSETH, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor has granted, bargained, sold, transferred and delivered, and by these presents does grant, bargain, sell, transfer, and deliver unto the Grantee, its successors and assigns, the following described property, assets and rights, to-wit:

1. All of the improvements and work product more specifically described in Exhibit A attached hereto (collectively, “**Improvements**”), which work product is being assigned on a non-exclusive basis to be held jointly with Grantor (provided however that the Grantor and Grantee may independently exercise such rights); and
2. All of the right, title, interest, and benefit of Grantor, if any, in, to and under any and all contracts, guaranties, affidavits, warranties, bonds, claims, lien waivers, and other forms of indemnification, given heretofore and with respect to the Improvements (“**Warranty and Indemnity Rights**”), which Warranty and Indemnity Rights are being assigned on a non-exclusive basis to be held jointly with Grantor (provided however that the Grantor and Grantee may independently exercise such rights);

to have and to hold all of the foregoing unto the Grantee, its successors and assigns, for its own use forever, free and clear and discharged of and from any and all obligations, claims or liens.

This instrument is subject to the following provisions:

a. In furtherance of the foregoing, Grantor hereby acknowledges that from this date Grantee has succeeded, on a non-exclusive basis jointly with Grantor (provided however that the Grantor and Grantee may independently exercise such rights), to all of its right, title, and standing to: (i) receive all rights and benefits pertaining to all rights, title, interests, and benefits transferred and assigned hereby; (ii) institute and prosecute all proceedings and take all action that Grantee, in its sole discretion, may deem necessary or proper to collect, assert, or enforce any claim, right, or title of any kind in and to any and all rights, title, interests, and benefits transferred and assigned hereby; and (iii) defend and compromise any and all such actions, suits, or proceedings relating to such transferred and assigned rights, title, interests, and benefits and

do all other such acts and things in relation thereto as Grantee, in its sole discretion, shall deem advisable.

b. Grantor hereby covenants that: (i) Grantor is the lawful owner of the Improvements; (ii) the Improvements are free from any liens or encumbrances and the Grantor covenants to timely address any such liens or encumbrances if and when filed; (iii) Grantor has good right to sell the Improvements; and (iv) the Grantor will warrant and defend the sale of the Improvements hereby made unto the Grantee against the lawful claims and demands of all persons whatsoever.

c. The Grantor represents that, without independent investigation, it has no knowledge of any defects in the Improvements, and hereby assigns, transfers and conveys to the Grantee any and all rights against any and all firms or entities which may have caused any defects, including, but not limited to, any and all warranties and other forms of indemnification. That being the case, this conveyance is made on an "as is" basis, with no warranties whatsoever except as expressly stated herein, provided however, the Grantor shall provide any warranties required by Orange County, Florida ("**County**") in connection with the turnover of the Improvements to the County, but only to the extent that the Grantor is unable to transfer and/or assign sufficient warranties from applicable contractors.

d. By execution of this document, the Grantor affirmatively represents that it has the contractual right, consent and lawful authority of any and all forms to take this action in this document and in this form.

e. Nothing herein shall be construed as a waiver of Grantee's limitations on liability as provided in Section 768.28, *Florida Statutes*, and other statutes and law.

f. This instrument shall be governed by, and construed under, the laws of the State of Florida.

g. This instrument shall inure to the benefit of, and be binding upon, the respective legal representatives, successors, and assigns of the parties hereto.

h. As consideration for the sale of the Improvements, the Grantee shall make payment for the cost of the Improvements in the amount of \$7,141,309.09.

IN WITNESS WHEREOF, the Grantor has caused this instrument to be executed in its name this ____ day of _____, 2019.

Signed, sealed and delivered
in the presence of:

City Center West Orange, LLC
a Florida limited liability company
By: CCWO Development Management, LLC,
a Florida limited liability company, its
manager

By: _____
David J. Townsend, as Manager

STATE OF FLORIDA
COUNTY OF ORANGE

The foregoing instrument was acknowledged before me this ____ day of _____, 2019, by David J. Townsend, as Manager of CCWO Development Management, LLC, a Florida limited liability company, as Manager of of City Center West Orange, LLC, a Florida limited liability company, on behalf of said company, (*check one*) /____/ who is personally known to me or /____/ who has produced a _____ as identification.

Notary Public, State of Florida
My Commission Expires:

Exhibit A

FRERC Community Development District
Series 2019 Construction Bond
Draw Requisition# 1
TME - VPAC-02-008

EXHIBIT "A"

Storm water management and drainage improvements, earthwork and clearing for stormwater management purposes, roadway network, utilities (water, sewer and reclaimed water) and partial construction as part of Phase I including the labor, equipment and materials, all as more particularly described in the requisition summary and support documents for Series 2019, Requisition No. 1 prepared by Terra-Max Engineering, Inc. and reflected on the following chart:

Draw Requisition #1
Date: 6/24/19

FRERC Community Development SERIES 2019 Construction Bond SUMMARY DESCRIPTION OF IMPROVEMENTS

Draw Requisition #1
Date: 06/18/19

FUNCTION	Soft Costs & Consultants	Potable Water	Sanitary Sewer	Reclaimed Water	Clearing Earthwork	Paving	Storm Water	Cos	Total Paid
Traffic and Mobility Consultants, Inc.									
Invoice# 10434	\$ 3,450.00								\$3,450.00
Invoice# 10491R	\$ 7,500.00								\$7,500.00
Invoice# 10516	\$ 17,519.80								\$17,519.80
Invoice# 10631R	\$ 2,300.00								\$2,300.00
Invoice# 10748	\$ 5,792.00								\$5,792.00
Invoice# 10807	\$ 576.66								\$576.66
Invoice# 10853	\$ 17,400.00								\$17,400.00
Invoice# 10874	\$ 490.80								\$490.80
Invoice# 10955	\$ 29,000.00								\$29,000.00
Invoice# 11558	\$ 5,894.70								\$5,894.70
Invoice# 12237	\$ 6,054.55								\$6,054.55
	\$95,978.51								\$95,978.51
Terra-Max Engineering, Inc.									
1st Payment	\$ 20,000.00								\$20,000.00
PE-0107-14 - Retainer	\$ 3,800.00								\$3,800.00
2nd Payment	\$ 25,000.00								\$25,000.00
3rd Payment	\$ 25,000.00								\$25,000.00
4th Payment	\$ 25,000.00								\$25,000.00
5th Payment	\$ 25,000.00								\$25,000.00
6th Payment	\$ 25,000.00								\$25,000.00
7th Payment	\$ 25,000.00								\$25,000.00
8th Payment	\$ 25,000.00								\$25,000.00
9th Payment	\$ 25,000.00								\$25,000.00
Invoice# 2199	\$ 3,200.00								\$1,750.00
									\$1,750.00
Invoice# 2202	\$ 2,950.00								\$2,950.00
10th Payment	\$ 25,000.00								\$25,000.00
Invoice# 2223	\$ 18,900.00								\$18,900.00
Invoice# 2226	\$ 3,800.00								\$3,800.00
11th Payment	\$ 6,200.00								\$6,200.00
12th Payment	\$ 15,000.00								\$15,000.00
13th Payment	\$ 25,000.00								\$25,000.00
14th Payment	\$ 25,000.00								\$25,000.00
Invoice# 2231	\$ 2,600.00								\$2,600.00
15th Payment	\$ 25,000.00								\$25,000.00
Invoice# 2028	\$ 158.12								\$158.12
Inv. # 2033	\$ 140.88								\$140.88

FRERC Community Development District
 Series 2019 Construction Bond
 Draw Requisition# 1
 TME - VPAC-02-008

FUNCTION	Soft Costs & Consultants	Potable Water	Sanitary Sewer	Reclaimed Water	Clearing Earthwork	Paving	Storm Water	Cos	Total Paid
16th Payment	\$ 25,000.00								\$25,000.00
Inv. # 2045	\$ 1,035.00								\$1,035.00
17th Payment	\$ 25,000.00								\$25,000.00
Inv.# 2057	\$ 1,450.00								\$1,450.00
Inv. # 2056	\$ 4,550.00								\$4,550.00
18th Payment	\$ 25,000.00								\$25,000.00
Inv. # 2062	\$ 6,285.50								\$6,285.50
Inv. # 2073	\$ 6,285.50								\$6,285.50
Inv. # 2082	\$ 6,285.50								\$6,285.50
Inv. # 2084	\$ 9,688.75								\$9,688.75
19th Payment	\$ 25,000.00								\$25,000.00
Inv. # 2085	\$ 6,285.50								\$6,285.50
Inv. # 2091	\$ 12,220.00								\$12,220.00
Inv. # 2098	\$ 6,285.50								\$6,285.50
Inv. # 2105	\$ 6,285.50								\$6,285.50
Inv. # 2106	\$ 3,500.00								\$3,500.00
Inv. # 2109	\$ 6,285.00								\$6,285.00
Inv. # 2280	\$ 6,285.00								\$6,285.00
Inv. # 2099	\$ 4,100.00								\$4,100.00
Inv. # 2101	\$ 4,100.00								\$4,100.00
Inv. # 2102	\$ 4,100.00								\$4,100.00
Inv. # 2185	\$ 480.00								\$480.00
Inv. # 2285	\$ 6,285.50								\$6,285.50
20th Payment	\$ 2,644.08								\$2,644.08
Inv. # 2289	\$ 8,278.20								\$8,278.20
Inv. # 2290	\$ 916.30								\$916.30
Inv. # 2291	\$ 110.42								\$110.42
Inv. # 2298	\$ 6,285.50								\$6,285.50
Inv.# 2313	\$ 7,000.00								\$7,000.00
Inv # 2288-21	\$ 3,000.00								\$3,000.00
22nd Payment	\$ 3,970.28								\$3,970.28
Inv.# 2361	\$ 2,500.00								\$2,500.00
Inv.# 2362	\$ 2,500.00								\$2,500.00
Inv.#2343	\$ 3,275.00								\$3,275.00
Inv.#2363	\$14,494.76								\$10,555.00
Inv.#2369	\$11,170.00								\$11,170.00
23rd Payment	\$ 15,000.00								\$15,000.00
	\$ 659,985.79								\$656,046.03
Bio-Tech Consulting, Inc.									
Inv. # 134118	\$ 2,800.00								\$2,800.00
Inv. # 134585	\$ 2,000.00								\$2,000.00
Inv. # 134840	\$ 800.00								\$800.00
Inv. # 135420	\$ 800.00								\$800.00
Inv. # 136284	\$ 1,200.00								\$1,200.00
Inv. # 136432	\$ 2,000.00								\$2,000.00
Inv. # 136914	\$ 440.00								\$440.00
Inv. # 137290	\$ 1,800.00								\$1,800.00
Inv. # 137338	\$ 800.00								\$800.00
Inv. # 139342	\$ 21,265.00								\$21,265.00
Inv. # 141072	\$ 2,000.00								\$2,000.00
Inv. # 141710	\$ 511.00								\$511.00
Inv. # 142075	\$ 1,540.00								\$1,540.00
Inv. # 142415	\$ 495.00								\$495.00
Inv. # 145125	\$ 220.00								\$220.00
Inv. # 145486	\$ 1,210.00								\$1,210.00

FRERC Community Development District
 Series 2019 Construction Bond
 Draw Requisition# 1
 TME - VPAC-02-008

FUNCTION	Soft Costs & Consultants	Potable Water	Sanitary Sewer	Reclaimed Water	Clearing Earthwork	Paving	Storm Water	Cos	Total Paid
Inv. # 146067	\$ 275.00								\$275.00
Inv. # 145770	\$ 385.00								\$385.00
Inv. # 148832	\$ 1,300.00								\$1,300.00
Inv. # 149423	\$ 640.00								\$640.00
	\$ 42,481.00								\$42,481.00
<u>Road Tannous Engineering</u>									
Inv.# I214-0022	\$ 9,944.00								\$9,944.00
Inv.# I214-0047	\$ 4,500.00								\$4,500.00
Inv.# I215-0003	\$ 4,800.00								\$4,800.00
Inv.# I215-0020	\$ 13,000.00								\$6,500.00
									\$6,500.00
Inv.# I215-0038	\$ 3,000.00								\$3,000.00
Inv.# I215-0041	\$ 3,000.00								\$3,000.00
Proposal P216-0114	\$ 3,500.00								\$2,750.00
Inv.# I216-0042									\$2,750.00
Project # 214-1022	\$ 39,000.00								\$9,250.00
Inv.# I217-0006									\$9,750.00
Inv.# I217-0007	\$ 6,020.00								\$6,020.00
Inv.# I217-0015	\$ 10,540.00								\$10,540.00
Inv.# I217-0019	\$ 9,760.00								\$9,760.00
Inv.# I217-0027	\$ 11,140.00								\$11,140.00
Inv.# I217-0047	\$ 4,635.00								\$4,635.00
Inv.# I217-0048	\$ 5,015.00								\$5,015.00
Inv.# I217-0055	\$ 9,485.00								\$9,485.00
Inv.# I217-0059	\$ 10,900.00								\$10,900.00
Inv.# I217-0067	\$ 7,110.00								\$7,110.00
Inv.# I217-0073	\$ 10,820.00								\$10,820.00
Inv.# I218-0001	\$ 17,230.00								\$5,000.00
									\$12,230.00
	\$ 185,399.00								\$165,399.00
<u>Accuright Surveys</u>									
Inv.# 39455	\$ 13,250.00								\$7,000.00
									\$6,250.00
Inv.# 42114	\$ 16,000.00								\$8,000.00
									\$8,000.00
Inv.# 42950	\$ 250.00								\$250.00
Inv.# 43222	\$ 5,000.00								\$2,500.00
Inv.# 43222									\$2,500.00
Inv.# 45230	\$ 1,500.00								\$1,500.00
Inv.# 45202	\$ 3,600.00								\$3,600.00
Inv.# 45665	\$ 600.00								\$600.00
Inv.# 46425	\$ 500.00								\$500.00
Inv.# 47136	\$ 600.00								\$600.00
Inv.# 49059	\$ 1,200.00								\$1,200.00
Inv.# 47077	\$1,500.00								\$1,500.00
Inv.# 49638	\$ 1,300.00								\$1,300.00
	\$ 45,300.00								\$45,300.00
<u>Altemax Surveying</u>									
Inv.# 0902155	\$ 1,800.00								\$1,800.00
Inv.# 0902462	\$ 650.00								\$650.00
Inv.# 0902320	\$ 250.00								\$250.00
	\$ 2,700.00								\$2,700.00
<u>Wektva River Mitigation Bank</u>									
Permit SJ-147883-1	\$ 7,920.00								\$7,920.00
	\$7,920.00								\$7,920.00

FRERC Community Development District
 Series 2019 Construction Bond
 Draw Requisition# 1
 TME - VPAC-02-008

FUNCTION	Soft Costs & Consultants	Potable Water	Sanitary Sewer	Reclaimed Water	Clearing Earthwork	Paving	Storm Water	Cos	Total Paid
CoreSlab Design									
Inv.# 6906	\$ 30,000.00								\$30,000.00
	\$30,000.00								\$30,000.00
Alpha EMC									
Inv.# 181-039851	\$ 1,812.50								\$1,800.00
Inv.# 181-041109	\$ 400.00								\$75.00
Inv. 181-043637	\$ 375.00								\$375.00
Inv. 181-046275	\$ 375.00								\$375.00
Inv. 181-050162	\$ 375.00								\$375.00
Inv. 181-053339	\$ 375.00								\$375.00
Inv. 191-056322	\$ 375.00								\$375.00
Inv. 191-065494	\$ 375.00								\$375.00
Inv. 191-069679	\$ 375.00								\$375.00
Inv. 191-072057	\$ 375.00								\$375.00
	\$5,212.50								\$4,875.00
CONSULTANTS TOTAL									\$1,050,699.54
Danson Construction									
Inv. CCWO-1					\$ 57,775.00				\$24,387.50
									\$33,387.50
					\$57,775.00				\$57,775.00
Scott-Cormin Architect									
Inv.# 18-745	\$200,000.00								\$200,000.00
Inv.# 19-244-2	\$ 100,000.00								\$100,000.00
Inv.# 18-843	\$ 200,000.00								\$200,000.00
	\$500,000.00								\$500,000.00
Central Site - Clearing Contract									
Inv.#11428					\$ 17,557.89				\$17,557.89
Inv.# 11514					\$ 17,557.89				\$17,557.89
Clearing 3rd Payment					\$ 17,557.89				\$17,557.89
Inv.# 11587					\$ 17,989.08				\$17,989.08
Inv.# 11797					\$ 575.00				\$575.00
Inv.# 12428					\$ 27,000.00				\$27,000.00
Inv.# 12450					\$ 27,000.00				\$27,000.00
Inv.# 12510					\$ 23,703.40				\$23,703.40
Inv.# 12254					\$ 29,000.00				\$29,000.00
Inv.# 12269					\$ 29,000.00				\$29,000.00
Inv.# 12352					\$ 29,000.00				\$29,000.00
					\$235,941.15				\$235,941.15
Junk It Plus									
Inv. Dated 3/28/16					\$ 5,500.00				\$5,500.00
					\$5,500.00				\$5,500.00
POND CLEARING TOTAL									\$241,441.15
White Construction									
Inv. # 13491					\$52,925.00				\$52,925.00
					\$52,925.00				\$52,925.00
Central Site - Infrastructure Contract									
Pay Application # 1	\$110,216.75				\$97,918.46		\$89,684.35		\$297,819.56
Permit Fees	\$40,423.19								\$39,486.95
Pay Application # 2	\$60,707.12	\$0.00	\$0.00	\$0.00	\$493,055.39	\$0.00	\$6,108.33		\$559,871.04
Pay Application # 3	\$94,449.49	\$0.00	\$32,805.46	\$0.00	\$703,132.81	\$0.00	\$93,642.42		\$924,029.18
Pay Application # 4	\$206,744.44	\$82,097.98	\$35,539.25	\$23,170.11	\$180,486.90	\$0.00	\$253,255.55		\$200,000.00

FRERC Community Development District
 Series 2019 Construction Bond
 Draw Requisition # 1
 TME - VPAC-02-008

FUNCTION	Soft Costs & Consultants	Potable Water	Sanitary Sewer	Reclaimed Water	Clearing Earthwork	Paving	Storm Water	Cos	Total Paid
									\$75,000.00
									\$166,515.07
									\$339,779.16
Pay Application # 5	\$31,265.08	\$32,839.19	\$56,274.30	\$9,268.05	\$47,637.14	\$0.00	\$148,620.02		\$325,903.78
Pay Application # 6	\$52,108.20	\$0.00	\$64,780.01	\$0.00	\$8,528.83	\$0.00	\$5,912.80	\$12,317.80	\$143,847.92
Pay Application # 7	\$0.00	\$0.00	\$130,429.98	\$0.00	\$4,765.00	\$0.00	\$30,126.13	-\$2,024.22	\$163,296.89
Pay Application # 8	\$52,108.47	\$49,644.32	\$11,322.83	\$30,388.76	\$5,297.27	\$22,680.35	\$74,340.90		\$265,982.89
Pay Application # 9	\$72,951.86	\$164,146.67	\$39,024.24	\$18,351.27	\$8,523.83	\$123,141.06	\$134,904.67	#####	\$ 485,961.88
									\$140,220.84
									\$46,677.31
Pay Payment # 10	\$145,903.72	\$34,143.87	\$7,189.43	\$6,886.70	\$5,471.08	\$227,403.21	\$463,969.33	\$105,234.30	\$360,000.00
									\$78,000.00
									\$150,000.00
									\$75,000.00
									\$100,000.00
									\$203,322.69
Pay Application # 11	\$56,277.14	\$7,355.59	\$813.37	\$0.00	\$ 26,346.92	#####	\$26,303.90	-\$68,322.06	\$42,299.44
Pay Application # 12	\$31,265.08	\$0.00	\$0.00	\$0.00	\$0.00	#####	\$2,365.15	\$540.00	\$0.00
Pay Application # 13	\$31,265.08	\$0.00	\$0.00	\$2,185.32	\$5,935.96	\$15,398.05	\$20,643.32	\$5,171.72	\$0.00
					\$1,581,163.62				\$5,183,014.60
Invoice # 12773					\$ 11,397.40				\$11,397.40
Sales Trailer - Proposal 01					\$ 92,820.50				\$92,820.50
Sales Trailer - CO 2					\$ 1,112.66				\$1,112.66
Sales Trailer - CO 1					\$ 3,767.40				\$3,767.40
Work Order CO 21180405					\$ 9,781.62				\$9,781.62
Const. Trailer Rent					\$ 2,935.00				\$2,935.00
Alfa Erosion					\$ 1,000.00				\$1,000.00
CO 22					\$ 15,246.00				\$15,246.00
CO23 June and July					\$ 5,031.26				\$5,031.26
Inv.# 13817					\$ 5,031.26				\$5,031.26
Inv.# 13854					\$ 5,031.26				\$5,031.26
					\$153,154.36				\$153,154.36
Total Site Contract									\$5,336,168.96
Total Draw Requisition #1									\$7,239,009.65

FRERC

COMMUNITY DEVELOPMENT DISTRICT

3C

**AGREEMENT BETWEEN THE FRERC COMMUNITY DEVELOPMENT
DISTRICT AND CITY CENTER WEST ORANGE, LLC REGARDING
THE COMPLETION OF CERTAIN IMPROVEMENTS
(PHASE 1A PROJECT)**

This Agreement (the “Agreement”) is made and entered into as of this ____ day of _____, 2019, by and between:

FRERC COMMUNITY DEVELOPMENT DISTRICT, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in the City of Ocoee, Florida, whose address is 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 (the “District”); and

CITY CENTER WEST ORANGE, LLC, a Florida limited liability company and developer of lands within the boundaries of the District, whose address is 7380 Sand Lake Road, Suite 395, Orlando, Florida 32819, its successors and assigns (the “Developer” together with the District, the “Parties”).

RECITALS

WHEREAS, the District was established for the purpose of planning, financing, constructing, installing, operating, and/or maintaining certain infrastructure, including certain water, reclaimed water and sewer systems, electrical and telecommunications undergrounding, roadway improvements, stormwater management, retaining walls/bridges, landscaping and hardscaping, signalization, water features and public parking structure improvements, and other improvements; and,

WHEREAS, Developer, with the consent of landowners, is improving certain lands located within the boundaries of the District known as the Phase 1A Project which is located within the boundaries of the District (the “Development”); and,

WHEREAS, the District has adopted an engineer’s report for the planning, design, acquisition, construction, and installation of various infrastructure improvements and facilities serving the Development as described in that certain *Engineer’s Report*, dated October 9, 2018, attached hereto as **Exhibit A** (the “Series 2019 Improvements”); and,

WHEREAS, the District has imposed special assessments on the property within the District to secure financing for the planning, design, permitting, construction and/or acquisition of the Series 2019 Improvements described in **Exhibit A**; and,

WHEREAS, the District intends to finance a portion of the Series 2019 Improvements through the use of proceeds from the sale of \$_____ in aggregate principal amount of

FRERC Community Development District Special Assessment Bonds, Series 2019 (the “2019 Bonds”) and,

WHEREAS, in order to ensure that the Series 2019 Improvements are completed and funding is available in a timely manner to provide for their completion, the Developer will make provision for any additional funds that may be needed in the future for the completion of the Series 2019 Improvements including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs to the extent such costs are not funded from the 2019 Bonds or debt subsequently issued by the District for the Series 2019 Improvements.

NOW THEREFORE, based upon good and valuable consideration and the mutual covenants of the Parties, the receipt of which and sufficiency of which is hereby acknowledged, the District and the Developer agree as follows:

1. INCORPORATION OF RECITALS. The recitals stated above are true and correct and by this reference are incorporated by reference as a material part of this Agreement.

2. COMPLETION OF SERIES 2019 IMPROVEMENTS. The Developer and District agree and acknowledge that the District’s proposed 2019 Bonds may provide only a portion of the funds necessary to complete the Series 2019 Improvements. In the event that the cost of the Series 2019 Improvements is such that the construction funds available from the 2019 Bonds and any debt subsequently issued by the District to fund the Series 2019 Improvements are insufficient to complete the Series 2019 Improvements, which determination shall be in the sole and exclusive discretion of the District, the Developer hereby agrees to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those portions of the Series 2019 Improvements which remain unfunded including, but not limited to, all administrative, legal, warranty, engineering, permitting or other related soft costs (the “Remaining Series 2019 Improvements”) whether pursuant to existing contracts, including change orders thereto, contracts assigned by the Developer to the District, or future contracts. Nothing herein shall cause or be construed to require the District to issue additional notes, bonds or indebtedness to provide funds for any portion of the Remaining Series 2019 Improvements nor shall this Agreement preclude the District from issuing such additional debt. The District and Developer hereby acknowledge and agree that the District’s execution of this Agreement constitutes the manner and means by which the District has elected to provide any and all portions of the Remaining Series 2019 Improvements not funded by District notes, bonds or other indebtedness.

(a) When all or any portion of the Remaining Series 2019 Improvements is the subject of an existing District contract, the Developer shall provide funds directly to the District in an amount sufficient to complete the Remaining Series 2019 Improvements pursuant to such contract, including change orders thereto.

(b) When any portion of the Remaining Series 2019 Improvements is not the subject of an existing District contract, the Developer may choose to complete, cause to be completed, or provide funds to the District in an amount sufficient to allow the District to complete or cause to be completed, those Remaining Series 2019 Improvements, subject to a formal determination by the District that the option selected by the Developer will not adversely impact the District, and is in the District's best interests.

3. OTHER CONDITIONS AND ACKNOWLEDGMENTS

(a) The District and the Developer agree and acknowledge that the exact location, size, configuration and composition of the Series 2019 Improvements may change from that described in **Exhibit A**, depending upon final design of the development, permitting or other regulatory requirements over time, or other factors. Material changes to the Series 2019 Improvements shall be made by a written amendment to **Exhibit A**, which shall include an estimate of the cost of the changes.

(b) The District and Developer agree and acknowledge that for any and all portions of the Remaining Series 2019 Improvements which are constructed, or caused to be constructed, by the Developer for the benefit of the District shall be conveyed to the District or such other appropriate unit of local government as is designated in **Exhibit A** or required by governmental regulation or development approval. All conveyances to another governmental entity shall be in accordance with and in the same manner as provided in any agreement between the District and the appropriate unit of local government. All conveyances to the District shall be in accordance with an agreement or agreements governing conveyances between the Developer and the District.

4. DEFAULT AND PROTECTION AGAINST THIRD PARTY INTERFERENCE. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which may include, but not be limited to, the right of damages and/or specific performance. The District shall be solely responsible for enforcing its rights under this Agreement against any interfering third party. Nothing contained in this Agreement shall limit or impair the District's right to protect its rights from interference by a third party to this Agreement.

5. AMENDMENTS. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both the District and the Developer.

6. AUTHORIZATION. The execution of this Agreement has been duly authorized by the appropriate body or official of the District and the Developer, both the District and the Developer have complied with all the requirements of law, and both the District and the Developer have full power and authority to comply with the terms and provisions of this instrument.

7. NOTICES. All notices, requests, consents and other communications under this Agreement (“Notices”) shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the Parties, as follows:

(a) **If to Developer:** City Center West Orange, LLC
7380 Sand Lake Road, Suite 395
Orlando, Florida 32819
Attn: _____

(b) **If to District:** FRERC Community Development District
2300 Glades Road, Suite 410W
Boca Raton, Florida 33431
Attn: District Manager

With a copy to: Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300
Post Office Box 6526
Tallahassee, Florida 32314
Attn: Jonathan T. Johnson

Except as otherwise provided in this Agreement, any Notice shall be deemed received only upon actual delivery at the address set forth above. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day, shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays, and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the District and counsel for the Developer may deliver Notice on behalf of the District and the Developer. Any party or other person to whom Notices are to be sent or copied may notify the other Parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the Parties and addressees set forth herein.

8. ARM’S LENGTH TRANSACTION. This Agreement has been negotiated fully between the District and the Developer as an arm’s length transaction. Both Parties participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, both Parties are deemed to have drafted, chosen, and selected the language, and the doubtful language will not be interpreted or construed against either the District or the Developer.

9. THIRD PARTY BENEFICIARIES. This Agreement is solely for the benefit of the District and the Developer and no right or cause of action shall accrue upon or by reason, to or for the benefit of any third party not a formal party to this Agreement. Nothing in this Agreement

expressed or implied is intended or shall be construed to confer upon any person or corporation other than the District and the Developer any right, remedy, or claim under or by reason of this Agreement or any of the provisions or conditions of this Agreement; and all of the provisions, representations, covenants, and conditions contained in this Agreement shall inure to the sole benefit of and shall be binding upon the District and the Developer and their respective representatives, successors, and assigns.

10. ASSIGNMENT. No party may assign its rights, duties or obligations under this Agreement or any monies to become due hereunder without the prior written consent of each other party, which consent shall not be unreasonably withheld; provided, however, the Developer may assign this Agreement to any developer or sub-developer of all or a significant portion of the lands within the Project without obtaining the prior written consent of the District.

11. CONTROLLING LAW; VENUE. This Agreement and the provisions contained in this Agreement shall be construed, interpreted, and controlled according to the laws of the State of Florida. Venue shall be in Orange County, Florida.

12. PUBLIC RECORDS. The Developer understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records and may be treated as such in accordance with Florida law.

13. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the validity or enforceability of the remaining portions of this Agreement, or any part of this Agreement not held to be invalid or unenforceable.

14. SOVEREIGN IMMUNITY. Developer agrees that nothing in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability contained in Section 768.28, Florida Statutes, as amended, or other statutes or law.

15. HEADINGS FOR CONVENIENCE ONLY. The descriptive headings in this Agreement are for convenience only and shall not control nor affect the meaning or construction of any of the provisions of this Agreement.

16. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original; however, all such counterparts together shall constitute, but one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties execute this Agreement the day and year first written above.

Attest:

FRERC COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

_____, Chairman

Attest:

CITY CENTER WEST ORANGE, LLC,
a Florida limited liability company

By: CCWO Development Management,
LLC, a Florida limited liability
company, its manager

Witness: _____

David J. Townsend, Manager

Exhibit A: *Engineer's Report*, dated October 9, 2018

Exhibit A

Engineer's Report

FRERC

COMMUNITY DEVELOPMENT DISTRICT

3D

Prepared by and return to:
Jonathan T. Johnson, Esq.
Hopping Green & Sams, P.A.
119 S. Monroe Street, Suite 300
Tallahassee, Florida 32301

COLLATERAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AND CONTRACT RIGHTS RELATING TO THE PHASE 1A PROJECT

This Assignment (the “Assignment”) is made this ____ day of _____, 2019, by CITY CENTER WEST ORANGE, LLC, a Florida limited liability company, together with its successors and assigns (the “Developer” or “Assignor”), in favor of the FRERC COMMUNITY DEVELOPMENT DISTRICT, an independent special district established pursuant to Chapter 190, Florida Statutes, and located in the City of Ocoee, Florida (together with its successors and assigns, the “District” or “Assignee”).

RECITALS

WHEREAS, the District proposes to issue its Special Assessment Bonds, Series 2019 (the “Bonds”) to finance certain public infrastructure which will provide special benefit to the developable lands (the “Lands”) in the mixed use project commonly referred to as Phase 1A (the “Project”), which is located within the geographical boundaries of the District; and

WHEREAS, the Developer with the consent of landowners, is improving certain lands located within the boundaries of the District identified in **Exhibit A** attached hereto and incorporated herein by this reference; and

WHEREAS, the security for the repayment of the Bonds is the special assessments levied against the Lands (the “Special Assessments”); and

WHEREAS, the District and the Developer anticipate that the Lands will be developed in accordance with the *Engineer's Report*, dated October 9, 2018 (the “Engineer’s Report”) and the *Supplemental Special Assessment Methodology Report*, dated May 30, 2019 (the “Assessment Report”) until such time as the Lands subject to the Special Assessments have been developed and sold to homebuilders and/or end-users (the “Development Completion”); and

WHEREAS, the failure to achieve Development Completion may increase the likelihood that the purchasers of the Bonds will not receive the full benefit of their investment in the Bonds; and

WHEREAS, during the period in which the Lands are being developed and the Project has yet to reach Development Completion, there is an increased likelihood that adverse changes to local or national economic conditions may result in a default in the payment of the Special Assessments securing the Bonds; and

WHEREAS, in the event of default in the payment of the Special Assessments securing the Bonds, the District has certain remedies with respect to the lien of the Special Assessments as more particularly set forth herein; and

WHEREAS, if the Special Assessments are directly billed, the sole remedy available to the District would be an action in foreclosure; if the Special Assessments are collected pursuant to Florida's uniform method of collection, the sole remedy for non-payment of the Special Assessments is the sale of tax certificates (collectively, the "Remedial Rights"); and

WHEREAS, in the event the District exercises its Remedial Rights, the District will require the assignment of certain Development & Contract Rights (defined below), to complete development of the Lands to the extent that prior to such exercise, such Development & Contract Rights have not been previously assigned, transferred, or otherwise conveyed to an end-user or homebuilder resulting from the sale of certain Lands in the ordinary course of business, Manatee County, the District, any applicable homeowner's association or other governing entity or association as may be required by applicable permits, approvals, plats, entitlements or regulations affecting the Project (a "Prior Transfer"); and

WHEREAS, this Assignment is not intended to impair or interfere with the development of the Project and shall only be inchoate until becoming effective and absolute assignment and assumption of the Development & Contract Rights, as defined below, upon failure of the Assignor to pay the Special Assessments levied against the Lands owned by the Assignor; provided, however, that such assignment shall only be effective and absolute to the extent that this Assignment has not been terminated earlier pursuant to the terms of this Assignment or to the extent that a Prior Transfer has not already occurred with respect to the Development & Contract Rights; and

WHEREAS, in the event of a transfer, conveyance or sale of any portion of the Lands (excluding the conveyance of any portion of the Lands to a homebuilder), any and all affiliated entities or successors-in-interest to the Lands shall be subject to this Assignment, which shall be recorded in the Official Records of Manatee County, Florida; and

WHEREAS, the rights assigned to the District hereunder shall be exercised in a manner which will not materially affect the intended development of the Project; and

WHEREAS, absent this Assignment becoming effective and absolute, it shall automatically terminate upon the earliest to occur of the following: (i) payment of the Bonds in full; (ii) Development Completion; or (iii) upon occurrence of a Prior Transfer, but only to the extent that such Development and Contract Rights are subject to the Prior Transfer (the period from execution of this Assignment to any such termination or absolute effectiveness being referred to herein as the "Term").

NOW, THEREFORE, in consideration of the above recitals which the parties hereby agree are true and correct and are hereby incorporated by reference and other good and valuable consideration, the sufficiency of which is acknowledged, Assignor and Assignee agree as follows:

1. **Collateral Assignment.** Assignor hereby collaterally assigns to Assignee, to the extent assignable and to the extent that they are solely owned or controlled by Assignor at execution of this Agreement or acquired in the future, all of Assignor's development rights and contract rights relating to the Project (herein the "Development & Contract Rights") as security for Assignor's payment and performance and discharge of its obligation to pay the Special Assessments levied against the Lands. This assignment shall become effective and absolute upon failure of the Assignor to pay the Special Assessments levied against the Lands owned by the Assignor. The Development & Contract Rights shall include the following as they pertain to the Project, but shall specifically exclude any such portion of the Development & Contract Rights which are subject to a Prior Transfer:

(a) Engineering and construction plans and specifications for grading, roadways, site drainage, stormwater drainage, signage, water distribution, waste water collection, and other improvements.

(b) Preliminary and final site plans.

(c) Architectural plans and specifications for buildings and other improvements to the Lands within the Project.

(d) Permits, approvals, resolutions, variances, licenses, impact fees and franchises granted by governmental authorities, or any of their respective agencies, for or affecting the Project and construction of improvements thereon including, but not limited to, the following:

(i) Any and all approvals, extensions, amendments, rezoning and development orders rendered by governmental authorities, including Manatee and/or Sarasota Counties relating to the Project.

(ii) Any and all service agreements relating to utilities, water and/or wastewater.

(iii) Permits, more particularly described in the Engineer's Report attached hereto.

(e) Contracts with engineers, architects, land planners, landscape architects, consultants, contractors, and suppliers for or relating to the construction of the Project or the construction of improvements thereon.

(f) Notwithstanding anything contained herein to the contrary, contracts and agreements with private utility providers to provide utility services to the Project, including the lots.

(g) All future creations, changes, extensions, revisions, modifications, substitutions, and replacements of any of the foregoing.

2. **Warranties by Assignor.** Assignor represents and warrants to Assignee that:

(a) Any transfer, conveyance or sale of the Lands (excluding conveyance of a portion of the Lands to a homebuilder), shall subject any and all affiliated entities or successors-in-interest of the Developers to this Assignment.

(b) Assignor is not prohibited under agreement with any other person or under any judgment or decree from the execution and delivery of this Assignment.

(c) No action has been brought or threatened which would in any way interfere with the right of Assignor to execute this Assignment and perform all of Assignor's obligations herein contained.

3. **Covenants.** Assignor covenants with Assignee that during the Term (as defined above):

(a) Assignor will use reasonable, good faith efforts to: (i) fulfill, perform, and observe each and every material condition and covenant of Assignor relating to the Development & Contract Rights and (ii) give notice to Assignee of any claim of default relating to the Development & Contract Rights given to or by Assignor, together with a complete copy of any such claim.

(b) The Development & Contract Rights include all of Assignor's right to modify the Development & Contract Rights, to terminate the Development & Contract Rights, and to waive or release the performance or observance of any obligation or condition of the Development & Contract Rights; provided that no such modification, termination, waiver or release affects any of the Development & Contract Rights which pertain to lands outside of the District not relating to development of the Lands.

(c) Assignor agrees to perform any and all actions necessary and use good faith efforts relating to any and all future creations, changes, extensions, revisions, modifications, substitutions, and replacements of the Development & Contract Rights.

4. **Event(s) of Default.** Any breach of the Assignor's warranties contained in Section 2 hereof or breach of covenants contained in Section 3 hereof will, after the giving of notice and an opportunity to cure (which cure period shall be at least sixty (60) days) shall constitute an Event of Default under this Assignment.

5. **Remedies Upon Event of Default.** Upon an Event of Default, Assignee may, as Assignee's sole and exclusive remedies, take any or all of the following actions, at Assignee's option:

(a) Perform any and all obligations of Assignor relating to the Development & Contract Rights and exercise any and all rights of Assignor therein as fully as Assignor could.

(b) Initiate, appear in, or defend any action arising out of or affecting the Development & Contract Rights.

6. **Authorization.** Upon the occurrence and during the continuation of an Event of Default, Assignor does hereby authorize and shall direct any party to any agreement relating to

the Development & Contract Rights to tender performance thereunder to Assignee upon written notice and request from Assignee. Any such performance in favor of Assignee shall constitute a full release and discharge to the extent of such performance as fully as though made directly to Assignor.

7. **Miscellaneous.** Unless the context requires otherwise, whenever used herein, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. The terms “person” and “party” shall include individuals, firms, associations, joint ventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups and combinations. Titles of paragraphs contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Assignment or the intent of any provisions hereunder. This Assignment shall be construed under Florida law.

8. **Third Party Beneficiaries.** The Trustee for the Bonds, on behalf of the bondholders, shall be a direct third party beneficiary of the terms and conditions of this Assignment and shall be entitled to cause the District to enforce the Developer’s obligations hereunder. In the event that the District does not promptly take Trustee’s written direction under this Agreement, or the District is otherwise in default under the Indenture, the Trustee shall have the right to enforce the District’s rights hereunder directly. This Assignment is solely for the benefit of the parties set forth in this Section, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any other third party. The Trustee shall not be deemed to have assumed any obligations hereunder.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed and delivered on the day and year first written above.

WITNESSES:

ASSIGNOR:

CITY CENTER WEST ORANGE, LLC,
a Florida limited liability company

By: CCWO Development Management,
LLC, a Florida limited liability
company, its manager

Name: _____

By: _____
Name: David J. Townsend
Title: Manager

Name: _____

STATE OF FLORIDA)
COUNTY OF ORANGE)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by DAVID J. TOWNSEND, as Manager of CCWO Development Management, LLC, a Florida limited liability company, as Manager of City Center West Orange, LLC, a Florida limited liability company, for and on behalf of said company as manager of said company. S/He [] is personally known to me or [] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

WITNESSES:

ASSIGNEE:

**FRERC COMMUNITY
DEVELOPMENT DISTRICT**

Name: _____

_____, Chairman

Name: _____

STATE OF FLORIDA)
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by _____, as Chairman of the Board of Supervisors of FRERC Community Development District, for and on behalf of the District. He [] is personally known to me or [] produced _____ as identification.

NOTARY STAMP:

Signature of Notary Public

Printed Name of Notary Public

EXHIBIT A

Description of the Lands

FRERC

COMMUNITY DEVELOPMENT DISTRICT

3E

This instrument was prepared by:

Jonathan T. Johnson
HOPPING GREEN & SAMS, P.A.
119 South Monroe Street, Suite 300
Tallahassee, Florida 32301

**DECLARATION OF CONSENT TO JURISDICTION OF FRERC COMMUNITY
DEVELOPMENT DISTRICT AND TO IMPOSITION OF SPECIAL ASSESSMENTS,
SERIES 2019 BONDS**

CITY CENTER WEST ORANGE, LLC, a Florida limited liability company, together with its successors and assigns (together, “**Developer**”), represents that with the consent of landowners, Developer is improving certain lands described in **Exhibit A** attached hereto and made a part hereof (“**Property**”) located within the boundaries of FRERC Community Development District (“**District**”) and further declares, acknowledges and agrees as follows:

1. The District is, and has been at all times, on and after August 7, 2018, a legally created, duly organized, and validly existing community development district under the provisions of Chapter 190, *Florida Statutes*, as amended (“**Act**”). Without limiting the generality of the foregoing, the Developer acknowledges that: (a) the petition filed with the City Commission of the City of Ocoee, Florida (“**City**”), relating to the creation of the District contained all matters required by the Act to be contained therein and was filed in the manner and by the persons required by the Act; (b) City Ordinance 2018-028, adopted and effective on August 7, 2018, was duly and properly adopted by the City in compliance with all applicable requirements of law; and (c) the members of the Board of Supervisors of the District were duly and properly designated pursuant to the Act to serve in their capacities, and had the authority and right to authorize, approve and undertake all actions of the District approved and undertaken from August 7, 2018, to and including the date of this Declaration.

2. The Developer understands and acknowledges that the District has adopted Resolution Nos. 2019-01, 2019-02, 2019-10 and 2019-___ (collectively, “**Assessment Resolutions**”) that levied and imposed debt service special assessment liens on the Property (together, “**Assessments**”). Such Assessments are legal, valid and binding first liens upon the Property, coequal with the lien of all state, county, district and municipal taxes, and superior in dignity to all other liens, titles and claims, until paid.

3. The Developer hereby expressly acknowledges, represents and agrees that: (i) the Assessments, the Assessment Resolutions, and the terms of the financing documents related to the District’s issuance of its \$_____ Special Assessment Bonds, Series 2019, or securing payment thereof (“**Financing Documents**”), are, to the extent of the Developer’s obligations thereunder and with respect thereto, valid and binding obligations enforceable in accordance with their terms; (ii) the Developer has no claims or offsets whatsoever against, or

defenses or counterclaims whatsoever to, payments of the Assessments and/or amounts due under the Financing Documents, and the Developer expressly waives any such claims, offsets, defenses or counterclaims; (iii) the Developer hereby waives any and all rights, remedies, and other actions now or hereafter contemplated to contest, challenge, or otherwise dispute or object to the Assessment Resolutions, the Assessments, the Financing Documents, and all proceedings undertaken by the District in connection therewith; (iv) the Developer expressly waives and relinquishes any argument, claim or defense that foreclosure proceedings cannot be commenced until one (1) year after the date of the Developer's default and agrees that, immediate use of remedies in Chapter 170, *Florida Statutes*, is an appropriate and available remedy, notwithstanding the provisions of Section 190.026, *Florida Statutes*; and (v) to the extent Developer fails to timely pay any special assessments collected by mailed notice of the District, such unpaid special assessments and future special assessments may be placed on the tax roll by the District for collection by the Tax Collector pursuant to section 197.3632, *Florida Statutes*, in any subsequent year.

4. The Developer hereby waives the right granted in Section 170.09, *Florida Statutes*, to prepay the Assessments within thirty (30) days after the improvements are completed, without interest, in consideration of, among other things, rights granted by the District to prepay Assessments in full at any time, but with interest, under the circumstances set forth in the resolutions of the District levying such Assessments.

5. This Declaration shall represent a lien of record for purposes of Florida law, including but not limited to Chapter 197, *Florida Statutes*, and Sections 197.552 and 197.573, *Florida Statutes*, among others. Other information regarding the Assessments is available from the District's Manager, c/o Wrathell, Hunt and Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431, (561) 571-0010.

6. This Declaration may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one agreement and the signatures of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

THE DECLARATIONS, ACKNOWLEDGEMENTS AND AGREEMENTS CONTAINED HEREIN SHALL RUN WITH THE LAND DESCRIBED IN EXHIBIT A HERETO AND SHALL BE BINDING ON THE DEVELOPERS AND ON ALL PERSONS (INCLUDING BUT NOT LIMITED TO INDIVIDUALS AS WELL AS CORPORATIONS, ASSOCIATIONS, TRUSTS, AND OTHER LEGAL ENTITIES) TAKING TITLE TO ALL OR ANY PART OF THE LAND, AND THEIR SUCCESSORS IN INTEREST, WHETHER OR NOT THE LAND IS PLATTED AT SUCH TIME. BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE DEEMED TO HAVE CONSENTED AND AGREED TO THE PROVISIONS OF THIS DECLARATION TO THE SAME EXTENT AS IF THEY HAD EXECUTED IT AND BY TAKING SUCH TITLE, SUCH PERSONS SHALL BE ESTOPPED FROM CONTESTING, IN COURT OR OTHERWISE, THE VALIDITY, LEGALITY AND ENFORCEABILITY OF THIS DECLARATION.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

To be effective as of the _____ day of _____, 2019.

WITNESS

CITY CENTER WEST ORANGE, LLC, a
Florida limited liability company

By: CCWO Development Management,
LLC, a Florida limited liability
company, its manger

Name: _____

By: _____
Name: David J. Townsend
Title: Manager

Name: _____

**STATE OF FLORIDA
COUNTY OF ORANGE**

The foregoing instrument was acknowledged before me this _____ day of _____, 2019, by DAVID J. TOWNSEND, as Manager of CCWO Development Management, LLC, a Florida limited liability company, as Manager of City Center West Orange, LLC, a Florida limited liability company, on behalf of the company as manager of the company, who appeared before me this day in person, and who is either personally known to me, or produced _____ as identification.

(NOTARY SEAL)

NOTARY PUBLIC, STATE OF FLORIDA

Name: _____
(Name of Notary Public, Printed, Stamped
or Typed as Commissioned)

EXHIBIT A: Legal Description of Property

EXHIBIT A

Legal Description of Property

FRERC

COMMUNITY DEVELOPMENT DISTRICT

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FREERC

COMMUNITY DEVELOPMENT DISTRICT

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**FRERC
COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO
SEPTEMBER 30, 2018**

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road ▪ Suite 280
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
FRERC Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of FRERC Community Development District, Orange County, Florida (the "District") as of and for the period from inception August 7, 2018 to September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District for the period from inception August 7, 2018 to September 30, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 5, 2019, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



June 5, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of FRERC Community Development District, Orange County, Florida ("District") provides a narrative overview of the District's financial activities for the period from inception August 7, 2018 to September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999. Comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A"). However, because this is the first year of operations of the District, comparative information is excluded in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

- The Liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position balance of (\$4,665).
- The change in the District's total net position for the period from inception August 7, 2018 to September 30, 2018 was (\$4,665), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2018, the District's governmental funds reported combined ending fund balances of (\$19,456), a decrease of (\$19,456).

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by Developer contributions. The District does not have any business-type activities. The governmental activities of the District include the general government (management) function.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

NET POSITION	
SEPTEMBER 30,	
	2018
Current and other assets	\$ 24,455
Total assets	24,455
Current liabilities	29,120
Total liabilities	29,120
Net position	
Unrestricted	(4,665)
Total net position	\$ (4,665)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION	
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO	
SEPTEMBER 30,	
	<u>2018</u>
Revenues:	
Program revenues	
Operating grants and contributions	<u>\$ 14,791</u>
Total revenues	<u>14,791</u>
Expenses:	
General government	<u>19,456</u>
Total expenses	<u>19,456</u>
Change in net position	<u>(4,665)</u>
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ (4,665)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the period from inception August 7, 2018 to September 30, 2018 was \$19,456. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised of Developer contributions.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the period from inception August 7, 2018 to September 30, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The Board has initiated discussions with Bond counsel in anticipation of issuing Bonds in order to provide funding for the capital assets intended to be constructed. The total costs of the construction project are estimated to be \$118,894,335.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the FRERC Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, FL 33431.

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	Governmental Activities
ASSETS	
Due from Developer	\$ 24,455
Total assets	24,455
 LIABILITIES	
Accounts payable	19,456
Due to Developer	9,664
Total liabilities	29,120
 NET POSITION	
Unrestricted	(4,665)
Total net position	\$ (4,665)

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO SEPTEMBER 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary government:		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
General government	\$ 19,456	\$ 14,791	\$ (4,665)
Total governmental activities	19,456	14,791	(4,665)
			Change in net position (4,665)
			Net position - beginning -
			Net position - ending \$ (4,665)

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Due from Developer	\$ 19,791	\$ 4,664	\$ 24,455
Total assets	<u>\$ 19,791</u>	<u>\$ 4,664</u>	<u>\$ 24,455</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 14,792	\$ 4,664	\$ 19,456
Due to Developer	5,000	4,664	9,664
Total liabilities	<u>19,792</u>	<u>9,328</u>	<u>29,120</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - Developer	14,791	-	14,791
Total deferred inflows of resources	<u>14,791</u>	<u>-</u>	<u>14,791</u>
FUND BALANCES			
Unassigned	<u>(14,792)</u>	<u>(4,664)</u>	<u>(19,456)</u>
Total fund balances	<u>(14,792)</u>	<u>(4,664)</u>	<u>(19,456)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,791</u>	<u>\$ 4,664</u>	<u>\$ 24,455</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR SEPTEMBER 30, 2018**

Fund balance - governmental funds	\$ (19,456)
Amounts reported for governmental activities in the statement of net position are different because:	
Assets that are not available to pay for current-period expenditures are unavailable in the fund statements.	<u>14,791</u>
Net position of governmental activities	<u>\$ (4,665)</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO SEPTEMBER 30, 2018**

	Major Funds		Total Governmental Funds
	General	Debt Service	
EXPENDITURES			
Current:			
General government	\$ 14,792	\$ 4,664	\$ 19,456
Total expenditures	14,792	4,664	19,456
 Excess (deficiency) of revenues over (under) expenditures	 (14,792)	 (4,664)	 (19,456)
 Fund balances - beginning	 -	 -	 -
 Fund balances - ending	 \$ (14,792)	 \$ (4,664)	 \$ (19,456)

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO SEPTEMBER 30, 2018**

Net change in fund balances - total governmental funds	\$ (19,456)
Amounts reported for governmental activities in the statement of activities are different because:	
Revenues that do not provide current available resources are unavailable in the fund statements but are recognized as revenues in the statement of activities.	<u>14,791</u>
Change in net position of governmental activities	<u>\$ (4,665)</u>

See notes to the financial statements

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

FRERC Community Development District ("District") was created by Ordinance 2018-028 of the City Commission of the City of Ocoee, Florida enacted on August 7, 2018 and established pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. All of the Board members all affiliated with FRERC, LLC the ("Developer").

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments are non-ad valorem assessments on certain land and all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Deposits and Investments (Continued)

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, unspent Bond proceeds are required to be held in investments as specified in the Bond Indentures.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are reported as an expense in the year incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEVELOPER TRANSACTIONS

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions were \$14,791 which were unavailable as of September 30, 2018. The District is owed \$24,455 from the Developer as of September 30, 2018. The District owes the Developer \$9,664 as of September 30, 2018.

NOTE 5 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE 6 – MANAGEMENT COMPANY

The District has contracted with Wrathell, Hunt and Associates, LLC to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

NOTE 8 – SUBSEQUENT EVENTS

The Board has initiated discussions with Bond counsel in anticipation of issuing Bonds in order to provide funding for the capital assets intended to be constructed. The total costs of the construction project are estimated to be \$118,894,335.

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE PERIOD FROM INCEPTION AUGUST 7, 2018 TO SEPTEMBER 30, 2018**

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Landowner Contribution	\$ 33,003	\$ -	\$ (33,003)
Total revenues	33,003	-	(33,003)
EXPENDITURES			
Current:			
General government	33,003	14,792	18,211
Total expenditures	33,003	14,792	18,211
Excess (deficiency) of revenues over (under) expenditures	\$ -	(14,792)	\$ (14,792)
Fund balance - beginning		-	
Fund balance - ending		\$ (14,792)	

See notes to required supplementary information

**FRERC COMMUNITY DEVELOPMENT DISTRICT
ORANGE COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the period from inception August 7, 2018 to September 30, 2018 the current fiscal period.



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
FRERC Community Development District
Orange County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of FRERC Community Development District, Orange County, Florida (the "District") as of and for the period from inception August 7, 2018 to September 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brau & Associates

June 5, 2019



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road ▪ Suite 280
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
FRERC Community Development District
Orange County, Florida

We have examined FRERC Community Development District, Orange County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the period from inception August 7, 2018 to September 30, 2018. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the period from inception August 7, 2018 to September 30, 2018.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of FRERC Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties

Grau & Associates

June 5, 2019



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
FRERC Community Development District
Orange County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of FRERC Community Development District ("District") as of and for the period from inception August 7, 2018 to September 30, 2018, and have issued our report thereon dated June 5, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 5, 2019, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of FRERC Community Development District, Orange County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank FRERC Community Development District, Orange County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

June 5, 2019

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

N/A – First year audit

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

N/A. This is a first year audit

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the period from inception August 7, 2018 to September 30, 2018.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the period from inception August 7, 2018 to September 30, 2018.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2018. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

FRERC

COMMUNITY DEVELOPMENT DISTRICT

5

RESOLUTION 2019-14

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE FRERC
COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE
AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

WHEREAS, the District's Auditor, Grau & Associates, has heretofore prepared and submitted to the Board, for accepting, the District's Audited Financial Report for Fiscal Year 2018;

**NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE FRERC COMMUNITY DEVELOPMENT
DISTRICT;**

1. The Audited Financial Report for Fiscal Year 2018, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2018, for the period ending September 30, 2018; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2018 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED this ____ day of _____, 2019.

FRERC COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

FRERC

COMMUNITY DEVELOPMENT DISTRICT

6

RESOLUTION 2019-15

A RESOLUTION OF THE FRERC COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIMES AND LOCATIONS FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT FOR FISCAL YEAR 2019/2020 AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the FRERC Community Development District (“District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Ocoee County, Florida; and

WHEREAS, the Board of Supervisors of the District (“Board”) is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, *Florida Statutes*; and

WHEREAS, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE FRERC COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. ADOPTING REGULAR MEETING SCHEDULE. Regular meetings of the District’s Board shall be held during Fiscal Year 2019/2020 as provided on the schedule attached hereto as **Exhibit A**.

SECTION 2. FILING REQUIREMENT. In accordance with Section 189.015(1), *Florida Statutes*, the District’s Secretary is hereby directed to file a schedule of the District’s regular meetings annually with Ocoee County and the Florida Department of Economic Opportunity.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this _____ day of _____, 2019.

Attest:

FRERC COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chair/Vice Chair, Board of Supervisors

Exhibit A

FRERC COMMUNITY DEVELOPMENT DISTRICT		
BOARD OF SUPERVISORS FISCAL YEAR 2019/2020 MEETING SCHEDULE		
LOCATION		
<i>City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819</i>		
DATE	POTENTIAL DISCUSSION/FOCUS	TIME
October 23, 2019	Regular Meeting	10:00 AM
November 20, 2019*	Regular Meeting	10:00 AM
December 18, 2019*	Regular Meeting	10:00 AM
January 22, 2020	Regular Meeting	10:00 AM
February 26, 2020	Regular Meeting	10:00 AM
March 25, 2020	Regular Meeting	10:00 AM
April 22, 2020	Regular Meeting	10:00 AM
May 27, 2020	Regular Meeting	10:00 AM
June 24, 2020	Regular Meeting	10:00 AM
July 22, 2020	Regular Meeting	10:00 AM
August 26, 2020	Public Hearing & Regular Meeting	10:00 AM
September 23, 2020	Regular Meeting	10:00 AM

***Exceptions**

*November meeting date is one week earlier to accommodate Thanksgiving Holiday
 December meeting date is one week earlier to accommodate Christmas Holiday*

FRERC

COMMUNITY DEVELOPMENT DISTRICT

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FREERC

COMMUNITY DEVELOPMENT DISTRICT

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DRAFT

**MINUTES OF MEETING
FRERC
COMMUNITY DEVELOPMENT DISTRICT**

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The Board of Supervisors of the FRERC Community Development District held a Regular Meeting on June 5, 2019 at 10:00 a.m., at City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819.

Present at the meeting were:

Barry Radolan	Chair
James Lavigne	Vice Chair
Deanna Snitko	Assistant Secretary
Giovanna Gutierrez	Assistant Secretary
Craig Shadrix	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Cindy Carbone	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Lisa Dao	Wrathell, Hunt and Associates, LLC
Jonathan Johnson (via telephone)	District Counsel
Momtaz Barq	District Engineer
J. W. Howard	Morgan Stanley
John Alm	City Center West Orange
Brian Robinson	City Center West Orange
Misty Taylor	Bond Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 10:03 a.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Public Comments

There were no public comments.

THIRD ORDER OF BUSINESS

**Discussion/Consideration: Bond Financing
Related Matters**

42 **A. Resolution 2019-13, Repealing and Replacing Resolution No. 2019-11 in its Entirety;**
43 **Authorizing the Issuance of Not to Exceed \$30,000,000 Aggregate Principal Amount of**
44 **its FRERC Community Development District Special Assessment Bonds on One or More**
45 **Series (the “Series 2019 Bonds”); Determining Certain Details of the Series 2019**
46 **Bonds; Approving the Form of and Authorizing the Execution and Delivery of a First**
47 **Supplemental Trust Indenture; Authorizing the Negotiated Sale of the Series 2019**
48 **Bonds; Appointing the Underwriter; Approving the Form of and Authorizing the**
49 **Execution and Delivery of a Contract of Purchase With Respect to the Series 2019**
50 **Bonds and Awarding the Series 2019 Bonds to the Underwriter Named Therein**
51 **Pursuant to the Parameters Set Forth in this Resolution, Approving the Form of and**
52 **Authorizing the Distribution of the Preliminary Limited Offering Memorandum and its**
53 **Use By the Underwriter in Connection With the Offering for Sale of the Series 2019**
54 **Bonds and Approving the Execution and Delivery of a Final Limited Offering**
55 **Memorandum; Authorizing the Execution and Delivery of a Continuing Disclosure**
56 **Agreement and the Appointment of a Dissemination Agent Providing for the**
57 **Application of Series 2019 Bond Proceeds, Authorizing the Proper Officials to Do All**
58 **Things Deemed Necessary in Connection With the Issuance, Sale and Delivery of the**
59 **Series 2019 Bonds; Making Certain Declarations; Appointing a Trustee; Providing for**
60 **the Registration of the Bonds Pursuant to the DTC Book-Entry System; Providing an**
61 **Effective Date and for Other Purposes**

62 Mr. Wrathell stated that Resolution 2019-13 is a repealed and updated version of the
63 Delegation Resolution approved in December and is being brought back because of recent
64 modifications to the parameters.

65 Referencing PowerPoint slides, Mr. J. W. Howard, of Morgan Stanley, reported the
66 following:

67 ➤ Several iterations of the finance plan were considered and the documents were close to
68 being finalized. The final numbers would be reviewed and adjusted tomorrow to ensure
69 consistency throughout the documents. A preliminary official statement would then be
70 forwarded to investors and the bonds would be marketed and executed.

- 71 ➤ The plan includes selling approximately \$26.5 million to \$27.5 million worth of bonds to
72 fund the infrastructure.
- 73 ➤ A critical new Phase of the 8-Phase Development was defined as Phase 1a.
- 74 ➤ 300 additional residential units would be added to the original 500 planned in Phase 1a.
- 75 ➤ The bond issue was being structured to reimburse the Developer to satisfy debt issues
76 with respect to the land, which would be free and clear. The District would acquire certain
77 lands as it relates to the public infrastructure and the underlying foundation for the garage.
- 78 ➤ Morgan Stanley would also fund construction for the foundation of the garage and the
79 public infrastructure related to Phase 1a, to complete it and provide the Developer the
80 opportunity to go vertical. The goal was to clear off any impediments, with respect to private
81 financing, through a reimbursement of equity that is put in the project and to help the
82 Developer pay off the mortgages.
- 83 ➤ The Assessment Methodology was based on previous numbers, which were the same in
84 terms of the maximum amount of per annual assessment, whether it is on a per square footage
85 or per unit basis, it is the originally-intended amounts.
- 86 ➤ To get the collateral for the investor to come in, all landowners would be subject to the
87 assessments and, as the units are platted and approved under the site development, as per the
88 Assessment Methodology, the debt related to the overall District would be allocated to each of
89 the specific units in Phase 1a.
- 90 ➤ Once Phase 1a is completed, the security that was secured through the assessment
91 would be obtained by the bonds and then, as the debt is allocated, additional infrastructure
92 financing for Phase 2 could be examined.
- 93 ➤ The Developer is committed to building the foundation and would assign contracts to it
94 and, then, the Developer would have to attain additional funds through commercial financing
95 to build the remaining portion of the garage.
- 96 Discussion ensued regarding the marketing time frame, the bond interest rate and the
97 tax-exempt market. Mr. Howard stated that the bonds would pay off the mortgages on the
98 properties and free up the District's ability to obtain construction funding for the future, which
99 is a huge step for any development. That was what took some time to arrange from December

100 to now; coming up with the right mix of development, as well as eliminating some of the debt
101 as it relates to Phase 1a.

102 **B. Supplemental Special Assessment Methodology Report**

103 Mr. Wrathell stated that the May 30, 2019 Supplemental Special Assessment
104 Methodology Report was more specific to the current structuring described by Mr. Howard. He
105 noted the relevant information found in each section, including the par amount of bonds, the
106 development plan, assessment rolls, benefit allocation, Equivalent Residential Unit (ERU)
107 weightings, the True-up Agreement and the per unit residential debt assessments.

108

109 **On MOTION by Mr. Radolan and seconded by Ms. Gutierrez, with all in favor,**
110 **the Supplemental Special Assessment Methodology Report, was approved.**

111

112

113 Ms. Taylor stated, due to the changes in the structure of the previously approved Bond
114 Delegation Resolution, Staff repealed and replaced it with Resolution 2019-13, which
115 accomplishes the following:

116 ➤ Allows District professionals to market and price the bonds in order to close and issue
117 the bonds.

118 ➤ Authorizes a not-to-exceed principal amount of bonds of \$30 million.

119 ➤ Makes all the findings necessary, under Florida Statutes, to sell the bonds and negotiate
120 its sale.

121 ➤ Appoints Morgan Stanley as the Bond Underwriter.

122 Ms. Taylor stated that several documents must be used in connection with the bond
123 issue and are approved by Morgan Stanley, including the following:

124 ➤ Trust Indenture: The agreement between the District and the bond trustee.

125 ➤ Bond Purchase Agreement: The contract with Morgan Stanley.

126 ➤ Preliminary Limited Offering Memorandum (PLOM): Used to market the bonds and
127 disclose the CDD's credit information to investors.

128 ➤ Continuing Disclosure Agreement: Attached to the offering document.

129 Ms. Taylor stated that Morgan Stanley appoints US Bank as the Trustee and authorizes
130 and delegates Board Members to sign documents and do whatever is necessary to close, so

131 long it is consistent with the Resolution. Morgan Stanley also approves changes to previously-
132 adopted Engineer and Assessment Reports, which gives the financing team flexibility to adjust
133 those documents, as necessary, to ensure that everything aligns and that it is the best and most
134 accurate product.

135

136 **On MOTION by Mr. Radolan and seconded by Mr. Lavigne, with all in favor,**
137 **Resolution 2019-13, Repealing and Replacing Resolution No. 2019-11 in its**
138 **Entirety; Authorizing the Issuance of Not to Exceed \$30,000,000 Aggregate**
139 **Principal Amount of its FRERC Community Development District Special**
140 **Assessment Bonds on One or More Series (the “Series 2019 Bonds”);**
141 **Determining Certain Details of the Series 2019 Bonds; Approving the Form of**
142 **and Authorizing the Execution and Delivery of a First Supplemental Trust**
143 **Indenture; Authorizing the Negotiated Sale of the Series 2019 Bonds;**
144 **Appointing the Underwriter; Approving the Form of and Authorizing the**
145 **Execution and Delivery of a Contract of Purchase With Respect to the Series**
146 **2019 Bonds and Awarding the Series 2019 Bonds to the Underwriter Named**
147 **Therein Pursuant to the Parameters Set Forth in this Resolution, Approving the**
148 **Form of and Authorizing the Distribution of the Preliminary Limited Offering**
149 **Memorandum and its Use By the Underwriter in Connection With the Offering**
150 **for Sale of the Series 2019 Bonds and Approving the Execution and Delivery of**
151 **a Final Limited Offering Memorandum; Authorizing the Execution and Delivery**
152 **of a Continuing Disclosure Agreement and the Appointment of a Dissemination**
153 **Agent Providing for the Application of Series 2019 Bond Proceeds, Authorizing**
154 **the Proper Officials to Do All Things Deemed Necessary in Connection With the**
155 **Issuance, Sale and Delivery of the Series 2019 Bonds; Making Certain**
156 **Declarations; Appointing a Trustee; Providing for the Registration of the Bonds**
157 **Pursuant to the DTC Book-Entry System; Providing an Effective Date and for**
158 **Other Purposes, was adopted.**

159

160

161 **C. Miscellaneous**

162

163 **FOURTH ORDER OF BUSINESS**

Acceptance of Unaudited Financial
Statements as of April 30, 2019

164

165

166 Mr. Wrathell presented Unaudited Financial Statements as of April 30, 2019.

167

168 **On MOTION by Mr. Radolan and seconded by Ms. Snitko, with all in favor, the**
169 **Unaudited Financial Statements as of April 30, 2019, were accepted.**

170

171 **FIFTH ORDER OF BUSINESS****Consideration of April 24, 2019 Regular Meeting Minutes**

172

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Mr. Wrathell presented the April 24, 2019 Regular Meeting Minutes.

175

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On MOTION by Ms. Snitko and seconded by Ms. Gutierrez, with all in favor, the April 24, 2019 Regular Meeting Minutes, as presented, were approved.

178

179

180 **SIXTH ORDER OF BUSINESS****Staff Reports**

181

182 **A. District Counsel: Hopping Green & Sams, P.A.**

183

There being no report, the next item followed.

184

184 **B. District Engineer: Terra-Max Engineering, Inc.**

185

Mr. Barq stated that he was working on the reimbursement requisition and anticipated distribution by next week.

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187 **C. District Manager: *Wrathell, Hunt and Associates, LLC***

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Mr. Wrathell stated that Staff was working on the bond requisition and would have a relatively large reimbursement requisition for some improvements that were already funded by the Developer, which the District would ultimately purchase from the Developer. This would probably coincide with the next Board meeting, when the pre-close is scheduled, as District Counsel had provided five contracts that are intended to be brought before the Board for consideration to be assigned to the District for District-related work only. There would be an initial reimbursement requisition and, for future reimbursement requisitions, if the contracts are approved by the Board, Staff would be able to pay the contractors directly for work on a going forward basis, until the bond proceeds are expended. Ms. Taylor stated that a Requisition Form is included in the Indenture and contains such language but, if Management feels that there will be a procedure that is different than the stated verbiage, the language could be implemented. Mr. Wrathell voiced his preference to not have that requirement, particularly since it was already outlined. Ms. Taylor would modify the language in the Requisition Form. Discussion ensued regarding the reimbursement requisition, signing authority on assignment of contracts or Change Orders, tax exempt bonds, retainage and bond proceeds.

203 A Board Member asked if the Chair has the ability to approve a change notice. Mr.
204 Wrathell stated that the Chair, not the District Manager, could typically execute Change Orders
205 in the amount of \$500,000 and the Board would subsequently ratify the Chair's action. Mr.
206 Barq recommended having someone available, on a daily basis, to execute and make
207 construction-related decisions to facilitate Engineering processes. Mr. Johnson stated that the
208 District Engineer could be granted signing authority or the Board could consider a construction
209 management agreement to retain the Developer's personnel to work on behalf of the District.
210 Mr. Barq suggested authorizing the Developer's personnel to manage the construction, on a
211 daily basis, and approve change orders. Mr. Johnson was asked to prepare a Construction
212 Manager Agreement with the Developer.

213 • **NEXT MEETING DATE: June 26, 2019 at 10:00 AM**

214 The next meeting will be held on June 26, 2019 at 10:00 a.m. Mr. Wrathell stated the
215 next agenda would include consideration of the Final Supplemental Methodology, the
216 Construction Manager agreement with the Developer and the Assignment of construction-
217 related agreements.

218

219 **SEVENTH ORDER OF BUSINESS**

Board Members' Comments/Requests

220

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

222

223 **EIGHTH ORDER OF BUSINESS**

Public Comments

224

225 There being no public comments, the next item followed.

226

227 **NINTH ORDER OF BUSINESS**

Adjournment

228

229 There being nothing further to discuss, the meeting adjourned.

230

231 **On MOTION by Ms. Snitko and seconded by Ms. Gutierrez, with all in favor, the**
232 **meeting adjourned at 10:53 a.m.**

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

Chair/Vice Chair

FRERC

COMMUNITY DEVELOPMENT DISTRICT

9C

**FRERC COMMUNITY DEVELOPMENT DISTRICT
NOTICE OF FISCAL YEAR 2019 MEETINGS**

The Board of Supervisors (“Board”) of the FRERC Community Development District (“District”) will hold Regular Meetings for Fiscal Year 2019 on the fourth Wednesday of each month at 10:00 a.m., (unless otherwise indicated), at City Center West Orange, 7380 West Sand Lake Road, Suite 305/395, Orlando, Florida 32819, as follows:

October 24, 2018 [Landowners’ Meeting, Public Hearings and Regular Meeting]
November 29, 2018
December 20, 2018 at 3:00 P.M.
January 23, 2019 (*canceled*)
February 27, 2019 (*canceled*)
March 27, 2019 (*canceled*)
April 24, 2019
May 22, 2019 (*canceled*)
May 24, 2019 (*canceled*)
June 5, 2019
June 26, 2019 (*canceled*)
July 24, 2019
August 28, 2019
September 25, 2019

The purpose of these meetings is for the Board to consider any business which may properly come before it. The meetings are open to the public and will be conducted in accordance with the provision of Florida law. The meetings may be continued to a date, time, and place to be specified on the record at the meeting. A copy of the agenda for these meetings may be obtained from Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431 or by calling (561) 571-0010.

There may be occasions when one or more Supervisors or staff will participate by telephone. Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (561) 571-0010 at least 48 hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**District Manager
FRERC CDD**