

INDIGO  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, July 28, 2021 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, Ballroom, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

John McCarthy	Chairman
Mark McCommon	Vice Chairman
Robert E. Welsh	Assistant Secretary
Kevin Kilian	Assistant Secretary
Ken Workowski	Assistant Secretary

Also Present were:

James Perry	District Manager
Katie Buchanan	District Counsel
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Sete Zare	MBS Capital Markets, LLC
Lo Etienne	Bond Counsel by telephone

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Perry called the meeting to order at 1:00 p.m. and called the roll.

**SECOND ORDER OF BUSINESS**

**Public Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**

**Consideration of Financing Matters for Series  
2021 Bonds**

**A. Supplemental Assessment Methodology Report**

Mr. Perry stated included in the agenda package is the supplemental assessment methodology report. We had issued a master report related to the units that were being developed with this bond issue. This report is a supplemental to that and it reflects what we expect to be close to final numbers for market conditions with this bond issue. There were a couple changes to Table 3 and Table 4, the amounts changed slightly, and I will read those into the record. Under

Table 3 the amounts for the 113 units in the 40–49-foot lots instead of being \$742 annual debt service it would be \$728 and the gross per unit annual debt service would be \$774 versus \$789 that is included in the package now. For the 50–59-foot lots instead of \$928 net annual it would be \$909 and the gross amount instead of \$987 would be \$968. Those numbers also flow through to Table 4 in the same amount. There is just a little bit of movement in regard to those numbers.

This will be a new bond issue and it only applies to these 195 lots that are being developed, not your individual lots so the debt is only placed on those units.

Ms. Buchanan stated we are going to ask that you approve this today in substantial form because that will enable us to attach it in the bond marketing packet as the PLOM and then we will get final pricing and interest rates and Jim will do some minor adjustments to true up the numbers to make sure they match what the deal actually is. We will bring that back and adopt it in a supplemental assessment resolution concurrent with the pre-closing, we will get everything approved, sign the documents and fund the bonds.

On MOTION by Mr. Welsh seconded by Mr. Workowski with all in favor the supplemental assessment methodology report was approved in substantial form.
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**B. Delegation Resolution 2021-04**

- 1. Fifth Supplemental Indenture**
- 2. Bond Purchase Contract**
- 3. Preliminary Limited Offering Memorandum**
- 4. Continuing Disclosure Agreement**

Mr. Perry stated next is the delegation resolution 2021-04, which includes a number of items that will be attached.

Ms. Buchanan stated your bond counsel is on the phone and they are the ones who will issue the opinion to the district that the bonds are going to be tax-exempt, which is what we need to ensure that the investors will feel comfortable purchasing the bonds. The delegation resolution approves the broad parameters of the bonds that are going to be issued. The bonds are authorized in an amount not to exceed \$3,750,000 and they can be spent on the costs of the 2021 project. Section 2 authorizes the chair or secretary of the board of supervisors or if any of those are not available, the vice chair or other assistant secretaries to sign the indenture and any other documents

that are helpful or necessary in connection with the issuance of the bonds. Section 3 indicates that the bonds are going to be dated, have interest payment dates and such maturities as provided in the indenture, which is attached. Section 4 adopts the form of indenture in substantial form.

Behind tab 1 is the supplemental indenture, which is essentially the agreement between the CDD and the bank in connection with the issuance and use of the bonds. If you were to look at the table of contents you would see the term of the bonds are authorized, the redemption of the bonds, how the accounts are going to be set up, the liability and responsibilities of the trustee and the additional covenants of the district and it is going to be the district's obligation to enforce the collection of these bonds should payments not be made and that would typically be done via foreclosure on unplatted land or via the tax bill on platted land. We are going to require enforcement of a completion agreement, which means the developer is going to sign to finish the project that we are funding and a true-up agreement, which is if they don't plat the number of units they intend to plat, the developer will be responsible for paying the difference. The sizing of these bonds is based on anticipated number of units and if somehow they come in 10 units short it is not going to be the district's obligation to fill that void, it would be the developer's obligation.

Section 5 of the resolution authorizes MBS, the underwriter, to negotiate the sale for the district. Section 6 identifies the purchase contract, which is the contract we will enter into with MBS that will articulate the details of the bond. Section 7 authorizes the preliminary offering memorandum that is also attached as an exhibit and this is what potential purchasers will review and is an information guide to someone who is interested in purchasing these bonds. Section 8 authorizes the district and makes it responsible for continuing disclosure obligations. As part of the reporting process the district has annual responsibilities to provide information to bondholders. Section 10 requires the district to apply the proceeds to the costs of the 2021 project.

Mr. McCommon asked when are they anticipating drawing on these bonds?

Ms. Buchanan stated I don't know. I think the construction contract is underway.

Ms. Zare stated they are going to plat very quickly. We finalize a couple of details in the bond and look to post and as soon as we close on the bonds they should be able to draw on some of those funds.

Mr. McCommon stated then that would be sometime this year.

Ms. Zare responded yes.

On MOTION by Mr. Kilian seconded by Mr. McCarthy with all in favor Resolution 2021-04 was approved.

**FOURTH ORDER OF BUSINESS**

**Approval of the Minutes of the May 12, 2021 Meeting**

On MOTION by Mr. McCommon seconded by Mr. Welsh with all in favor the minutes of the May 12, 2021 meeting were approved as presented.

**FIFTH ORDER OF BUSINESS**

**Discussion of INA Group Bondholder Settlement and O&M**

Mr. Perry stated item five is discussion of INA Group bondholder settlement in regard to the 1999C Bonds and the 2005 Bonds and also the operations and maintenance. There is a copy of this in front of you. We have talked over the documents with most of the board on individual calls so you would have a background in regard to this. There are seven parcels involved and Bryant Miller & Olive have been working with the bondholders and the landowner. The landowner is undertaking a wetlands review of those parcels and has made a determination based on that, that there were approximately 411 assessment units out of 751 that could be developed on those parcels so there is a reduction of about 340 units. Some of you weren't on this board, but in 2014 the board had undertaken an engineering firm to review of all the delinquent parcels that had been undeveloped and at that time England Thims & Miller did that review and based on their review they came up with the 751 units. Right now, the landowner is undertaking a more extensive review of the wetlands and our understanding is that the proposed settlement with the bondholders has been agreed to in form and they are looking for the board in regard to the delinquent O&M from 2010 and 2011, which totals \$175,000, if you add interest and penalties to that it would be another \$230,000 a total of about \$406,000 owed on these parcels. The proposal is that the landowner will pay the past due O&M based on the reduced units of 411 and interest and penalties be waived. That is basically consistent with what they are working out with the bondholders and in regard to you and the O&M you would receive about \$96,000. In regard to the bondholders there is approximately a \$4 million write off they are looking at for interest, penalties and principal related to the reduction in units. The bondholder, however, under their conceptual agreement if they build more than the 411 units then the additional units will pay the same debt and annual assessment as currently in place. There might be an uptick for them but for you there is no true-up such as that.

If you approve the O&M it is finalized at this point. If there would be more than 411 units going forward after they plat, we will charge them but there is no catchup if you will.

Mr. McCommon asked has the agreement been finalized?

Ms. Buchanan stated it has not, it will come back at your next board meeting. We spoke with Ken Artin, who has been working with the developer and he didn't have enough time to get it in your hands.

Mr. McCommon stated I meant the bondholders.

Ms. Buchanan stated I think the bondholders have agreed. It is what I would call a handshake deal, they won't sign anything until we sign.

Mr. Perry asked what do you need them to approve?

Ms. Buchanan stated at this point I think Ken brings it back.

**SIXTH ORDER OF BUSINESS**

**Discussion of the Fiscal Year 2022 Budget**

Mr. Perry stated item six is a placeholder for the fiscal year 2022 budget. As we have discussed before when we do the public hearing on the budget we will have more updated actual numbers than we have today. The settlement will play into that and I think we mentioned that we would be looking at a reduction in assessments again this year as we have done in prior years.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

There being none, the next item followed.

**B. District Engineer**

There being none, the next item followed.

**C. District Manager**

There being none, the next item followed.

**D. Field Operational Manager**

Mr. von der Osten stated in wrapping up of the road work on Champions we are in the process of breaking out the invoices right now, mainly electrical repairs with Courteaux and P&S

Paving and the city on reimbursements. We spent just over \$7,000 in repairs at this point on lights and junction boxes. They do have some money budgeted for reimbursement. A few of these repairs would eventually be required anyway for us and they did make that point. I just mentioned to them that we were not planning on doing them this year in this budget so that argument doesn't really fly. I will keep the board posted on that. They will address the paver entrance as a separate project down the road. They were eliminated for budget reasons. They wanted to pull them out but the bids came back extremely high to pull them out and rebuild the sub base and repave it with stamped concrete. They haven't ruled that out, it just didn't make it into this project.

Mr. Welsh stated there are some people here who want to ask about the lakes in Centennial. If you want to bring up those concerns, maybe Kurt can answer them.

Ms. Roy stated I am representing Centennial. It is not just regarding the lakes, since we switched over to Juniper from Rountree we have areas that are touched by Rountree, Juniper and the golf course. Right now, we have all three pointing at each other saying it is yours and not ours. We are trying to find out who has responsibility so we can get areas cut that aren't getting cut. We have two ponds when you come into Centennial on the left-hand side and the grass is not getting cut it is on the wooded side not where the homes are. Before Rountree used to cut over there and now they are not. We are not sure how people would even get back in there to cut but it used to get cut and now it is not. The area when you turn into Centennial on the right hand side you have golf course, common area, what might be considered Centennial so there can be weeks that nobody touches it because no one is really sure whose property that is. If we could get some guidance that would be great.

Mr. von der Osten stated I can go to the Volusia County Property Appraiser's website and those parcels will all be identified by owner and boundaries. I can print that off, color code it.

Ms. Roy stated we were told to come here today because that would be available so we can get an idea.

Mr. von der Osten stated I would not be able to walk there and tell you who owns what. I would need to go by the property appraiser's information then I can come out and do a field walk. I can scan the information and email it to you.

**EIGHTH ORDER OF BUSINESS**

**Supervisors Requests and Audience Comments**

There being none, the next item followed.

**NINTH ORDER OF BUSINESS**

**Approval of Check Register**

On MOTION by Mr. Welsh seconded by Mr. McCommon with all in favor the check register was approved.

**TENTH ORDER OF BUSINESS**

**Financial Statements as of June 30, 2021**

A copy of the financials was included in the agenda package.

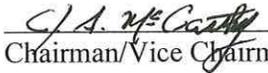
**ELEVENTH ORDER OF BUSINESS**

**Next Scheduled Meeting – August 25, 2021 at 1:00 p.m. @ Holiday Inn**

Mr. Perry stated the next scheduled meeting is August 25, 2021 at 1:00 p.m. in the same location.

On MOTION by Mr. Kilian seconded by Mr. Welsh with all in favor the meeting adjourned at 1:30 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman