

Middle Village Community Development District

475 West Town Place
Suite 114
St. Augustine, Florida 32092

February 26, 2018

Board of Supervisors
Middle Village Community Development District
Staff Call In # 1-800-264-8432 Code 145824

Dear Board Members:

The Middle Village Community Development District Continued Board of Supervisors Meeting is scheduled for **Monday, March 5, 2018 at 9:00 a.m. at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation Parkway, Orange Park, Florida 32065.** Following is the advance agenda for the meeting:

- I. Roll Call
- II. Audience Comments
- III. Financing Matters
 - A. Consideration of Supplemental Assessment Methodology Report
 - B. Consideration of Resolution 2018-01, Declaring Special Assessments
 - C. Consideration of Resolution 2018-02, Setting a Public Hearing
 - D. Consideration of Engagement Letter with Greenberg Traurig for Bond Counsel Services
- IV. Other Business
- V. Audience Comments / Supervisor's Requests
- VI. Next Scheduled Meeting – March 12, 2018 @ 6:00 p.m. at the Plantation Oaks Amenity Center
- VII. Adjournment

I look forward to seeing you at the meeting. If you have any questions, please feel free to call.

Sincerely,

James A. Perry

James A. Perry
District Manager

THIRD ORDER OF BUSINESS

A.

DRAFT
Middle Village
Community Development District

**Supplemental Special Assessment Methodology Report
for the Special Assessment Refunding Bonds, Series
2018-1 and 2018-2**

March 5, 2018

Prepared by

Governmental Management Services, LLC

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1.0 Executive Summary

This Supplemental Special Assessment Methodology Report provides a methodology for allocating the Special Assessment Refunding Revenue Bonds, Series 2018-1 and 2018-2 (the "Series 2018 Bonds") consistent with the methodology adopted by the Middle Village Community Development District ("Middle Village CDD" or "District") in the issuance of the Series 2004A and Series 2008A Bonds. This 2018 Supplemental Special Assessment Methodology Report is consistent with the allocation of the Series 2004A and 2008A Bond debt to properties based upon the special benefits each receives from the infrastructure program. This report is designed to conform to the requirements of Chapters 170,190 and 197 Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject. This report also supplements and is consistent with the District's Master Assessment Methodology Report dated December 29, 2003 and the District's Supplemental Assessment Report for the Series 2004A Bonds dated January 29, 2004 and the Series 2008A Bonds dated September 29, 2008.

The Middle Village Community Development District consists of approximately 995 acres in Clay County, Florida. The total planned development for the District is 1,059 single-family residential homes, 2,098 multi-family homes, and approximately 330,000 square feet of office/retail. Certain landowners have paid off the Bond Debt associated with all or a portion of the residential and office/retail components of the development. The Series 2018 Bonds are applicable to the development units which have 2004A and 2008A assigned debt.

On February 10,2004, the District issued Special Assessment Bonds, Series 2002A (the "Series 2004A Bonds") totaling \$35,810,000 with varying interest rates of 5.8% to 6% or a 30 year term.

On February 9,2008, the District issued Special Assessment Bonds, Series 2008A (the "Series 2008A Bonds") totaling \$2,840,000 with varying interest rates of 6.75% to 6.875% for a 30 year term.

The Board of Supervisors adopted on March 5, 2018 Resolution 2018- approving the sale and terms of the District issuing its Special Assessment Refunding Revenue Bonds, Series 2018 and supplemental assessment roll. Proceeds from the sale of the Series 2018 Bonds will be used to (i) currently refund and redeem all of the outstanding principal amount of the Series 2004A and 2008A Bonds; (ii) pay certain costs associated with the issuance of the Series 2018 Bonds; and (iii) make deposits into the reserve account. The refunding will result in a lower interest rate thereby reducing annual assessments certified for collection by the District from owners of property subject to the Series 2004A and 2008A Assessments.

In anticipation of the District's issuance of the Series 2018 Bonds, this Supplemental Special Assessment Methodology Report for the Series 2018 Bonds has been prepared for the purpose of (i) confirming the benefit inuring to real property in the Series 2004A and 2008A Assessment Area; and (ii) revising the Series 2004A and 2008A Assessments to reflect the financing terms of the Series 2018 Bonds, the repayment of which the Series 2004A and 2008A Assessments shall be pledged to upon closing (as revised, the "Series 2018 Assessments").

2.0 The Series 2018 Bonds

The type of refunding being contemplated by the District will be accomplished through a private placement with Hancock Bank for the Series 2018-1 while the Series 2018-2 will take place in a separate public offering. The Series 2018 Bonds are structured in a senior / subordinate structure. The Series 2018 Bonds will be secured by assessments levied on the same area as the Series 2004A and 2008A Bonds.

As described above, the Series 2018 Bonds will be used to refund the Series 2004A and 2008A Bonds presently outstanding in the par amount of \$25,580,000. Proceeds from the sale of the Series 2018 Bonds and funds available by liquidating various accounts are as follows: Series 2004A and 2008A Revenue Account \$2,117,118, the Series 2004A and 2008A Reserve Fund \$875,313, the Series 2004A and 2008A

Construction fund \$511,696, the Series 2004A and 2008A interest Fund \$29,021 and the 2004A Prepayment Account of \$988,397.

These monies will be used to (i) make a cash deposit into the refunding escrow account; (ii) fund the debt service reserve account; (iii) fund interest due on November 1, 2018; (iv) fund the cost of issuance; (v) fund the bank commitment fee and (vi) account for the underwriter's discount. A description of the sources and uses of fund is attached hereto as **Table 2** and incorporated by reference herein.

The Series 2018-1 Bonds are structured as senior term bonds with a principal balance of \$22,900,000 and a projected average coupon interest rate of 4.09%. Debt Service on the term bonds will begin on November 1, 2018 with principal amortization beginning on May 1, 2019 continuing through May 1, 2035.

The Series 2018-2 Bonds are structured as subordinated term bonds with a principal balance of \$2,805,000 and a projected average coupon interest rate of 5.00%. Debt Service on the term bonds will begin on November 1, 2018 with principal amortization beginning on May 1, 2019 continuing through May 1, 2035.

The maximum annual debt service assessment revenues necessary for debt service on the Series 2018-1 and 2018-2 Bonds is \$2,116,426 inclusive of principal, interest but net of collection costs, and early payment discounts. This is based on a total par issue of \$25,705,000 with an April 25, 2018 issue date and final maturity as of May 1, 2035.

3.0 Allocation Methodology

In the Engineers Report dated October 28, 2003 and the Supplemental Report for the Series 2004 Bonds dated January 29, 2004 by England, Thims and Miller, Inc. estimated that it would cost approximately \$27,050,000 to construct and or acquire the 2004 and 2008 Project for Master infrastructure.

Construction and/ or acquisition of improvements comprising the 2004 Project and the 2008 Project continue to provide

special benefit to real property within the Series 2004A and 2008A Assessment Area that meets or exceeds the cost to finance, construct and/or acquire the 2004 and 2008 projects, and the fair and reasonable allocation of the Series 2004A and 2008A Assessments based upon the methodology set forth in the Series 2004A and 2008A Assessment Report and **Table 4** attached hereto is hereby confirmed. The allocation of the Series 2018 Assessments as set forth herein will result in the District annually certifying for collection special assessments in the amounts set forth on **Table 5** the Assessment roll.

As part of the refinancing a non-performing multi-family parcel is being structured into a planned development of 55 single family units. No debt will be allocated to the 55 unit development but annual assessments of \$997.38 /unit will be assessed. Upon the final pricing of the Series 2018 Bonds a calculation will be conducted to determine the benefit amount per lot related to the 55 unit development to be utilized for prepayment or payoff calculations on these lots.

4.0 Assessment Rolls

Assessment rolls reflecting the allocation of special assessments securing repayment of the Series 2018 Bonds are attached hereto as **Table 5**.

4.1 Additional Stipulations

Certain financing, development, and engineering data was provided by members of District staff and/or the Landowner. The allocation methodology described herein was based on information provided by those professionals. Governmental Management Services, LLC makes no representations regarding said information transactions beyond restatement of the factual information necessary for compilation of this report. For further information about the Series 2018 Bonds, please refer to the Indentures.

Table 1 Middle Village Community Development District Land Use

<u>Land Use</u>	<u>Land Size</u> <u>Gross Acres</u>	<u>% of Total</u>
Residential	759	63.10%
Commercial, Office Space	20	1.66%
Recreational parks, Open Space, Wetlands, Rights of Way	391	32.50%
School , Library Sites	33	2.74%
 Total	 <u>1,203</u>	 <u>100.00%</u>

Prepared By: Governmental Management Services, LLC

Table 2 Middle Village Community Development District Series 2018 -1 & 2 Special Assessment Refunding Bonds- Sources and Uses of Funds

Sources:	2018-1	2018-2
Bond Proceeds - Par Amount	\$22,900,000	\$2,805,000
Original Issue Discount	\$0	-\$66,549
Liquidation of Prepayment Account	\$988,397	\$0
Liquidation of 04/08 Interest Account	\$29,021	\$0
Liquidation of 04/08 Revenue Account	\$1,905,407	\$211,712
Liquidation of 04/08 Construction Fund	\$460,526	\$51,169
Liquidation of 04/08 Reserve Fund	\$787,781	\$87,531
Total Sources of Funds	\$27,071,132	\$3,088,863
Uses:		
Refunding escrow deposit	\$25,551,512	\$2,822,952
Debt Service Reserve Fund 20% of MADS	\$373,958	\$0
Interest to 11/1/2018	\$458,923	\$72,462
Debt Service Reserve Fund 50% of MADS	\$0	\$123,688
Cost of Issuance	\$343,239	\$27,686
Underwriter's Discount	\$343,500	\$42,075
Total Uses of Funds	\$27,071,132	\$3,088,863
Average Coupon Interest Rate	4.09%	5.00%
Term	17 years remain	17 years rema
Prepaid Interest	11/1/18	11/1/18

Table 3
Middle village Community Development District
Allocation of Series 2018-1 & 2 Par Debt per Unit

Land Use	Current Debt Units	Series 2018 Debt Units	Original 2004A / 2008A Debt Per Unit	Current 2004A / 2008A Debt Per Unit	Current Balance	Series 2018-1 & 2 Debt Per Unit	Series 2018-1 & 2 Debt	Debt Increase Per Unit With Refinancing
Single family	1,053	1,053	\$13,786.68	\$10,391.15	\$10,941,875.94	\$11,266.89	\$11,864,033.82	\$875.74
Multi Family	1,572	1,370	\$9,771.37	\$7,609.89	\$11,962,753.32	\$7,985.50	\$10,940,135.57	\$375.61
Commercial / Office	330,000 ft	330,000 ft	\$10,756.26	\$8.11	\$2,675,357.23	\$9.67	\$2,900,830.61	\$1.56
Total					<u>\$25,579,986.49</u>		<u>\$25,705,000.00</u>	<u>\$1,252.91</u>

(1) Include 4% provision for early payment discount and 2% collection costs for St Johns County.

(2) It is anticipated that phase 2 in Assessment Area 2 with 401 units will fully absorb the Series 2017A and 2017B Bonds.

Prepared By: Governmental Management Services, LLC

Table 4
Middle Village Community Development District
Allocation of Series 2018-1 & 2 Annual Assessment per Unit

Land Use	Series 2018 Debt Units	Original 2004A/2008A Assessments	Series 2018-1 & 2 Assessments	Reducion in Assessments with Refunding
Single family	1,053	\$997.41	\$927.66	-\$69.75
Multi Family	1,370	\$706.92	\$657.49	-\$49.43
Commercial / Office	330,000 ft	\$0.78	\$0.72	-\$0.05
Total	<u>332,423</u>			

1. Annual Assessments based upon MADS net of 2% collection costs and 4% early payment discount.

Prepared By: Governmental Management Services, LLC

B.

RESOLUTION 2018-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAID BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, the Middle Village Community Development District (the “District”) is a local unit of special-purpose government organized and existing in accordance with the Uniform Community Development District Act of 1980, Chapter 190, *Florida Statutes*, as amended (the “Act”), established by Ordinance Number 2003-88, enacted by the Board of County Commissioners of Clay County, Florida and effective on October 16, 2003; and

WHEREAS, the District previously issued its Series 2004A Special Assessment Bonds in the par amount of \$35,810,000 (the Series 2004 Bonds”) and levied special assessments to the secure the Series 2004 Bonds (the “2004 Assessments”); and

WHEREAS, the District previously issued its Series 2008A Special Assessment Bonds in the par amount of \$2,840,000 (the “Series 2008 Bonds”) and levied special assessments to the secure the Series 2008 Bonds (the “2008 Assessments”); and

WHEREAS, the District has determined that it is in the best interest of the District and its residents to refund and reissue the Series 2004 Bonds and the Series 2008 Bonds in order to reflect the current economic environment and take advantage of interest rate savings; and

WHEREAS, the District previously adopted its Engineer’s Report, as amended (the “Engineer’s Report), which details the improvements that have been or will be constructed, installed and/or acquired by the District (the “Improvement Plan”), incorporated herein by reference; and

WHEREAS, it is in the best interests of the District to continue to pay the cost of the improvements as described in the Improvement Plan through the levy of special assessments pursuant to Chapters 170 and 190, *Florida Statutes* (the “2018 Assessments”); and

WHEREAS, notwithstanding the District’s adoption of this resolution to begin the process of

levying the 2018 Assessments, the 2004 Assessments and the 2008 Assessments proposed to be restructured shall remain valid and binding until such time as the District levies the 2018 Assessments and issues new bonds, which may be issued in multiple series, to be secured by the 2018 Assessments; and

WHEREAS, the District is empowered by Chapter 190, *Florida Statutes*, the Uniform Community Development District Act, and Chapter 170, *Florida Statutes*, Supplemental Alternative Method of Making Local and Municipal Improvements, and Chapter 197, *Florida Statutes*, to continue implementation of Improvement Plan and to levy the 2018 Assessments; and

WHEREAS, the District hereby determines that benefits will accrue to the property improved, the amount of those benefits, and that special assessments will be made in proportion to the benefits received as set forth in the District's *Adopted Master Assessment Methodology*, dated December 29, 2003, as supplemented by its *Supplemental Assessment Report, Series 2008A Bonds*, dated September 8, 2008, as further supplemented by its *Supplemental Assessment Report, Series 2018A-1 and Series 2018A-2 Bonds*, dated _____, 2018 attached hereto as **Composite Exhibit A** incorporated herein by reference (the "Assessment Report"), and on file at c/o Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 ("District Records Office); and

WHEREAS, this Resolution shall serve as the "resolution required to declare special assessments" contemplated by section 170.03, *Florida Statutes*, for the assessment lien(s) levied against certain property as described in **Composite Exhibit A** that collectively comprise the 2018 Assessments; and

WHEREAS, the District hereby determines that the 2018 Assessments to be levied will not exceed the benefits to the property improved.

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

Section 1. The 2018 Assessments shall be levied to defray the cost of the improvements described in the Improvement Plan (the "Improvements").

Section 2. The nature and general location of, and plans and specifications for, the Improvements are on file at the District Records Office. **Composite Exhibit A** is also on file and available for public inspection at the same location.

Section 3. The total cost of the Improvements is \$ _____ (hereinafter, referred to as the "Estimated Cost").

Section 4. The 2018 Assessments will collectively defray approximately \$ _____ which includes a portion of the Estimated Cost plus financing related costs, capitalized interest, debt service reserve and contingency, as applicable.

Section 5. The manner in which the 2018 Assessments shall be apportioned and paid is set forth in **Composite Exhibit A**.

Section 6. The 2018 Assessments shall be levied, within the District, on certain lots and lands adjoining and contiguous or bounding and abutting upon such improvements or specially benefitted thereby and further designated by the assessment plat hereinafter provided for.

Section 7. There is on file, at the District Records Office an assessment plat showing the areas to be assessed, with certain plans and specifications describing the Improvements and the Estimated Cost of the Improvements, all of which shall be open to inspection by the public.

Section 8. Commencing with the year in which the 2018 Assessments are certified for collection, the 2018 Assessments shall be paid in not more than eighteen (18) annual installments or the maximum period of time permitted by law then in effect. The 2018 Assessments may be payable at the same time and in the same manner as are ad-valorem taxes and collected pursuant to Chapter 197, *Florida Statutes* (the "Uniform Method"); provided, however, that in the event the Uniform Method is not available to the District in any year, or if determined by the District to be in its best interest, the 2018 Assessments, or any portion thereof, may be collected as is otherwise permitted by law.

Section 9. The District Manager has caused to be made a preliminary assessment roll, in accordance with the Assessment Report, attached as **Exhibit B** hereto, which shows the lands assessed, the amount of benefit to and the assessment against each parcel of land and the number of annual installments into which the assessment may be divided, which is hereby adopted and approved as the District's Preliminary Supplemental Assessment Roll.

Section 10. The Board shall adopt a subsequent resolution to fix a time and place at which the owners of property to be assessed or any other persons interested therein may appear before the Board and be heard as to the propriety and advisability of the assessments or the making of the Improvements, the cost thereof, the manner of payment therefor, or the amount thereof to be assessed against each property as improved.

Section 11. The District Manager is hereby directed to cause this resolution to be published twice (once a week for two (2) weeks) in a newspaper of general circulation within Clay County, Florida, and to provide such other notice as may be required by law or desired in the best interests of the District.

Section 12. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 5th day of March, 2018.

Attest:

**MIDDLE VILLAGE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairperson, Board of Supervisors

Comp. Exhibit A: *Adopted Master Assessment Methodology*, dated December 29, 2003, as supplemented by its *Supplemental Assessment Report, Series 2008A Bonds*, dated September 8, 2008 as supplemented by its *Supplemental Assessment Report, Series 2018A-1 and Series 2018A-2 Bonds*, dated _____, 2018

Exhibit B: Preliminary Assessment Roll

C.

RESOLUTION 2018-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON APRIL 9, 2018 AT 2:00 P.M. AT THE PLANTATION OAKS AMENITY CENTER, 845 OAKLEAF PLANTATION PARKWAY, ORANGE PARK, FLORIDA 32065, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING SPECIAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170, 190 AND 197, FLORIDA STATUTES.

WHEREAS, the Board of Supervisors of the Middle Village Community Development District, (the “Board”) has previously adopted Resolution 2018-01, entitled

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE MIDDLE VILLAGE COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAYED BY THE SPECIAL ASSESSMENTS; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE PAID; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

WHEREAS, in accordance with Resolution 2018-01, a Preliminary Supplemental Assessment Roll has been prepared and all other conditions precedent set forth in Chapters 170, 190 and 197, *Florida Statutes*, to the holding of the aforementioned public hearing have been satisfied, and the roll and related documents are available for public inspection at Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 (“District Records Office”).

**NOW THEREFORE BE IT RESOLVED BY THE BOARD
OF SUPERVISORS OF THE MIDDLE VILLAGE
COMMUNITY DEVELOPMENT DISTRICT:**

1. There is hereby declared a public hearing to be held at 2:00 P.M., April 9, 2018, at the Plantation Oaks Amenity Center, 845 Oakleaf Plantation, Orange Park, Florida 32065, for the purpose of hearing comment and objections to the proposed special assessment program for District improvements as identified in the Preliminary Supplemental Assessment Roll, a copy of which is on file. Affected parties may appear at that hearing or submit their comments in writing prior to the hearing to the office of the Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

2. Notice of said hearing shall be advertised in accordance with Chapters 170, 190 and 197, *Florida Statutes*, and the District Manager is hereby authorized and directed to place said notice in a newspaper of general circulation within Clay County (by two publications one week apart with the first publication at least twenty (20) days prior to the date of the hearing established herein). The District Manager shall file a publisher's affidavit with the District Secretary verifying such publication of notice. The District Manager is further authorized and directed to give thirty (30) days written notice by mail of the time and place of this hearing to the owners of all property to be assessed and include in such notice the amount of the assessment for each such property owner, a description of the areas to be improved and notice that information concerning all assessments may be ascertained at the District Records Office. The District Manager shall file proof of such mailing by affidavit with the District Secretary.

3. This Resolution shall become effective upon its passage.

PASSED AND ADOPTED this 5th day of March, 2018.

ATTEST:

**MIDDLE VILLAGE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Asst. Secretary

Chairperson

D.

March 2, 2018

Middle Village Community Development District
c/o Government Management Services, Inc.
475 West Town Place, Suite 114
World Golf Village
St. Augustine, FL 32092

Attention: James Perry, District Manager

Re: Revised Bond Counsel Engagement– Middle Village Community Development District

Dear Jim:

Greenberg Traurig P.A. (“GT”) would be pleased to continue serving as Bond Counsel to Middle Village Community Development District (the “District”) in connection with its proposed issuance of special assessment refunding bonds which will refund on a current basis the District’s outstanding, Special Assessment Bonds, Series 2004A and Series 2008A. There are many reasons why the District would be well served to continue to work with GT as its bond counsel. We have been working since June 2017 with the District’s bankers, counsel and manager to facilitate a potential refunding, and have already devoted significant time to resolving various legal issues. Please also consider the following:

1. **Familiarity and Experience with the District’s Original Financings.** GT, and the undersigned in particular, served as the original bond counsel to the District, and the undersigned was the author of the Master Trust Indenture (as well as the First, Second, Third and Fourth Supplemental Trust Indentures) under which the Series 2004A, 2004B, 2004C and 2008A Bonds were issued, and under which the proposed refunding bonds will be issued pursuant to a Fifth Supplemental Indenture.
2. **Familiarity with and Participation in the District’s History, Landowner Default and Assessment Relief.** GT worked with the District’s Bond Trustee, U. S. Bank as successor to Wachovia Bank, in connection with the assessment payment defaults by certain owners of the District lands and resulting assessment non-payments. GT subsequently represented the Trustee in the drafting, negotiation and implementation of a Limited Special Assessment Relief Agreement, as supplemented.

3. **Experience and Expertise of Personnel.** The team will be led by Bob Gang, a principal shareholder with 45 years of bond counsel experience, 32 of which have been in Florida. Throughout that time from 1986 to the present, Bob has worked as bond counsel for Florida community development districts, including working with your District Manager and with MBS Capital Markets, LLC and its predecessor firm Prager, Sealy & Co., LLC. In fact, GT was bond counsel and Prager Sealy was the underwriter for the original issuance of all of the District's bonds, including the Series 2004A and 2008A Bonds. Bob will be joined by fellow shareholder Camille Evans who has several years of bond counsel experience with Florida CDD's and with the assessment relief process referred to above. Tax expertise will be provided by Vanessa Lowry or Rebecca Harrigal, both shareholders in the firm with several decades of experience dealing with tax-exempt bonds. Until joining GT last year, Rebecca was the Director of the Office of Tax-Exempt Bonds within the IRS.
4. **Experience of the Firm in CDD Financing.** GT handles the largest volume of CDD bond counsel work of any firm in Florida. Although our experience dates back to the mid-1980's, the total amount of our special district bond counsel transactions from 2012 to the present include approximately 270 separate financings for a total dollar amount of approximately \$3.30 billion.
5. **Experience of the Firm in Senior/Subordinate Structure Refundings.** Middle Village CDD is a candidate for a "senior/subordinate" type of refunding. As Rhonda Mossing has explained in her most recent bank credit package, approximately 93% of the developable lands have residential or commercial development on them, and approximately 7% are undeveloped. By separating the refunding bonds into senior (in a principal amount serviced by assessment payments on developed lands) and subordinate (in a principal amount serviced by assessment payments on undeveloped lands), the District can obtain a better interest rate and benefit current landowners with lower overall assessments.
6. **Experience of the Firm in Refunding Transactions with Hancock Bank.** GT, and the undersigned in particular, has worked on numerous refunding transactions with Hancock Bank over the past several years. The most recent refunding transaction closed in February, 2018.

A senior/subordinate structure adds complexity to the transaction, but of course greatly benefits the District's residents with lower overall assessments. Because only the senior series of bonds (Series 2018-1) will be privately placed with a bank, the subordinate series (Series 2018-2) must be sold through a limited public offering involving the distribution of a limited offering memorandum. Bond counsel, along with other legal counsel, will be called upon to deliver certain limited federal securities law opinions to the underwriter of the bonds. Under such a

Middle Village Community Development District
c/o Government Management Services, Inc.
Attention: James Perry
March 2, 2018

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structure our bond counsel fee will be \$72,000 net of expenses. Please keep in mind that our fee is includible in the financing and can be amortized over the 17 year term of the refunding transaction. Our services include the preparation of Resolutions, Fifth Supplemental Indenture and Escrow Deposit Agreements for each of the Series 2004A and Series 2008A Bonds, performance of tax due diligence, issuance of our tax opinion on the Refunding Bonds and a defeasance opinion on the Series 2004A Bonds and the Series 2008A Bonds, issuance of a supplemental opinion on the offering document for the sale of the subordinate Series 2018-2 Bonds, review of the history of the development and prior history of defaults, and the preparation of all other documentation customarily prepared by bond counsel on a community development district financing. A flat amount of \$3,000 for expenses (including electronic transcripts but exclusive of bound transcripts which would be billed directly by the bindery if applicable) will be added to the invoice. Our quote is based on the assumption that the refunding transaction will proceed with due diligence to closing as a current refunding of all the outstanding Series 2004A Bonds and Series 2008A Bonds not later than May 1, 2018. If the closing is delayed beyond that date, we reserve the right to discuss with the District an adjustment of the fee.

We are undertaking this representation in connection with the proposed refunding at our own risk. If for market reasons which are outside the District's control the District is unable to complete the refunding, the District will not owe us any money. However, in the unlikely event that after acceptance of Hancock Bank's commitment to purchase senior refunding bonds, the District should decide for any reason to terminate the refunding transaction after the consultants have been engaged by the Board and have commenced work, our fees would be due and payable calculated at our normal hourly rates less 10%, plus expenses, subject to a cap equal to 75% of the applicable fee.

We are pleased to be able to present our qualifications to the Board at its March 5th meeting. If the foregoing proposal is acceptable to the District, please so indicate by having a copy of this letter executed by the Chairman or other authorized signatory and returned to me. We hope to continue our bond counsel relationship with the District.

Yours sincerely


Robert C. Gang

The foregoing proposal is accepted
and agreed to this ___ day of March, 2018

**MIDDLE VILLAGE COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Authorized Signatory