

Public Facilities Report

Rolling Oaks Community Development District

August 1, 2016

By: Governmental Management Services-Central Florida, LLC
District Manager
135 West Central Boulevard, Suite 320
Orlando, Florida 32801

Table on Contents

- I. Purpose and Scope
- II. General Information
- III. Public Facilities
- IV. Proposed Expansion Over The Next Ten Years
- V. Replacement of Facilities

Public Facilities Report
Rolling Oaks Community Development District
August 1, 2016

I. Purpose and Scope

This report is provided at the request of Rolling Oaks Community Development District (the "District") as an obligation under Section 189.08 Florida Statutes regarding the Special District Public Facilities Report. It is the intention of this report to provide general descriptions of public facilities owned by the District together with any currently proposed facility expansion programs within the next 10 years. The Public Facilities Report and Annual Notice of any changes be submitted to the local government and posted on the District's website. This information shall be required in the initial report and updated every 7 years at least 12 months before the submission date of the evaluation and appraisal notification letter of the appropriate local government.

II. Introduction

The District is a local unit of special purpose government of the State of Florida (the "State") created in accordance with the Uniform Community Development District Act of 1980, Florida Statutes, as amended (the "Act"), by Ordinance No. 2014-173, December 19, 2014. The District encompasses approximately 320.54 acres of land in Osceola County and will plan to build 900 vacation homes, 300 time-share units, and 150 condominiums. The Development is presently planned to also include a branded hotel, retail center, and a commercial water park.

III. Public Facilities

The District has constructed and/or acquired the facilities detailed in the Districts Engineer's Report which is attached as Exhibit A.

IV. Proposed Expansions over the Next Ten Years

The District has no plans to expand the facilities within the next 10 years.

V. Replacement of Public Facilities

There are currently no plans to replace the District's public facilities.

VI. Anticipated Completion Date

Unknown at this time.

Exhibit A

Engineer's Report

Exhibit B

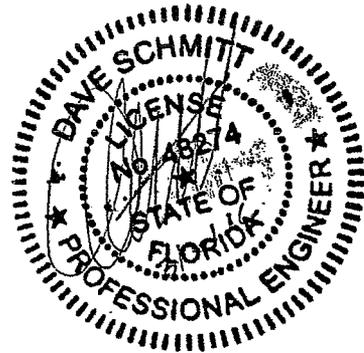
Rolling Oaks Community Development District

Amended and Restated
Engineer's Report

Prepared for the Rolling Oaks
Community Development District

Prepared By:
Dave Schmitt Engineering

Validation Engineer's Report dated July 21, 2015
This Report dated March 10, 2016



INTRODUCTION

The Development

Margarita Village is a mixed-use destination resort encompassing approximately 320.54 acres of land (the "Development") in unincorporated Osceola County, Florida. A map identifying the general location of the Development and a legal description of the boundaries of the Development are attached hereto as **Exhibits A and B**, respectively.

The Development is presently planned to include a branded hotel, retail center, a commercial water park, time share units, apartments, condominiums, and vacation rental homes. The proposed land use plan within the Development is summarized in **Exhibit C** attached hereto.

Government Approvals

The Development has a Tourist Commercial land use designation and a Commercial Tourist mixed-use zoning designation. A Preliminary Subdivision Plan (PS14-00016 as revised) has been approved by the County (hereinafter defined) for the Development. The status of various other governmental approvals necessary for development of the Margarita Village project is provided in "**PERMIT STATUS**" below.

The District

Pursuant to a petition filed by Rolling Oaks Splendid, LLC (the "Developer"), the Rolling Oaks Community Development District (the "District"), a local unit of special-purpose government, was established by Ordinance No. 2014-173 (the "Establishment Ordinance") adopted by the Board of County Commissioners in and for Osceola County, Florida (the "County"). The effective date of the Establishment Ordinance was December 19, 2014.

The District presently encompasses approximately 320.54 acres of land and was established for the purpose of, among other things, financing and managing the acquisition, construction, maintenance and operation of major infrastructure necessary for development to occur within the District. The external boundary of the District is coterminous with the boundary of the Development described in Exhibit B.

On February 25, 2016, the Board of Supervisors for the District (the "Board") adopted Resolution No. 2016-__ directing District staff to file a petition with the County requesting passage of an ordinance amending the boundary of the District to remove approximately __ acres of land. A metes and bounds legal description of the land to remain in the contracted District boundary is attached hereto as **Exhibit D** (the "Revised District Lands" and the contracted District boundary, the "Revised District Boundary").

Purpose of this Restated Engineer's Report

The purpose of this *Amended and Restate Engineer's Report* (the "Restated Engineer's Report") is to update the *Engineer's Report* dated January 19, 2016, (the "Original Engineer's Report"), to (i) incorporate the current development plan for the Revised District Lands, (ii) update the proposed infrastructure improvements and their costs, (iii) allocate the costs of the proposed infrastructure improvements among the Revised District Lands and those lands within the Development that are being removed from the District (the "Removed Lands"), (iv) update the status of development and project construction, and (v) identify those infrastructure improvements to be funded with proceeds from the District's issuance of its Special Assessment Bonds, Series 2016 (the "Series 2016 Bonds").

On July 27, 2015, the Circuit Court for the Ninth Judicial Circuit of the State of Florida, in and for Osceola County, Florida, issued its *Final Judgment* validating the District's authority to finance, fund, plan establish, acquire, construct or reconstruct, enlarge or extend, equip, operate and maintain the "Project," which project was defined in the Original Engineer's Report. All of the infrastructure improvements identified in this Restated Engineer's Report were also described in the Original Engineer's Report and, therefore, comprise a portion of the "Project" validated in the *Final Judgment*.

LAND USE OF REVISED DISTRICT LANDS

As stated above, the District currently encompasses 320.54 acres of land; however, if and when the District's boundary is contracted by the County, the Revised District Lands will encompass 223.99 acres. **Table 1** below summarizes the current land use plan for the Revised District Lands.

Table 1 Land Use Plan		
<i>Proposed Land Use</i>	<i>Approximate Acreage</i>	<i>Units</i>
Vacation Rental Homes	193.99	750
Time Shares	15	300
Condominiums	15	300
Total	223.99	1,350

CURRENT CONDITIONS

Topography

The topography within the Development consists of rolling terrain with a significant degree of topographical relief. The topography has been or will be altered where development is to occur.

Soils and wetlands

The soils drain very well, the groundwater table is typically well below the existing ground surface, and there are no regulated wetlands on-site.

Status of Construction

RESTATED CAPITAL IMPROVEMENT PLAN

This Restated Engineer's Report identifies the improvements necessary for effective and efficient development of the Revised District Lands, including roadways, water and reclaimed water distribution systems, wastewater collection systems, landscape, hardscape, recreation and park amenities, the undergrounding of utilities, the stormwater management system and associated professional fees. The following is a description of the improvements comprising the Restated Capital Improvement Plan.

Roadways

The District presently intends to finance, design, construct and/or acquire collector and neighborhood roadways within the Revised District Lands. The roadways will consist of subgrade, crushed concrete base, curbing, asphalt, striping, signage and sidewalks, as required by applicable Osceola County land development regulations.

Roadways internal to the Revised District Lands will connect into a collector road that extends from the northern Revised District Boundary to U.S. 192. The external roadway extension, relocation of a signal mast arm at the extension's connection with U.S. 192, and construction of a westbound turn lane on U.S. 192 into the Development have been or will be completed by the Developer at its expense. The estimated cost to complete the Developer funded roadway improvements is \$3,201,000.00 . A site plan showing the District and Developer funded roadways is attached hereto as **Exhibit E**.

Ownership of and maintenance responsibility for roadways within the Revised District Lands will be retained by the District; ownership and maintenance responsibility for the Developer funded extension and related improvements described in the preceding paragraph will be dedicated to the County for ownership and maintenance.

Water, Wastewater and Reuse Improvements

The District is within the Toho Water Authority (“Toho”) potable water, wastewater and reuse service area. Toho has existing potable water, wastewater, and effluent reuse mains in the right-of-way of U.S. 192 and Funie Steed Road that have sufficient capacity to serve the Development at build-out.

The District presently intends to finance, design, construct and/or acquire the potable water mains, wastewater gravity and force mains, lift stations, effluent reuse mains, and appurtenances thereto in support of development on the Revised District Lands. The water, wastewater and reuse improvements have been designed, permitted and will be constructed in accordance with the approved Master Water and Wastewater Plans, the County’s land development regulations, and the rules and regulations of Toho and the Florida Department of Environmental Protection.

In order to connect District financed and constructed water, sewer and reuse improvements within the Revised District Boundary to Toho mains in the right-of-way in U.S. 192, the Developer has or will construct extensions for each of the services within the roadway extension described above. The estimated cost to complete the Developer funded water, wastewater and reuse extensions is \$11,882,639.20 . A site plan showing the District and Developer funded water, wastewater and reuse improvements is attached hereto as Exhibit E.

After completion, all water, wastewater and effluent reuse infrastructure will be dedicated to Toho for ownership, operation and maintenance.

Stormwater Management Facilities

The master stormwater management system will be financed, designed and constructed by the Developer and/or the District in accordance with the Master Drainage Plan, which plan has been permitted by the South Florida Water Management District. The system will consist primarily of a master stormwater management pond that is interconnected and will discharge at defined natural outfalls throughout the Development site. The master stormwater management pond and discharge points are reflected in Exhibit E attached hereto.

The District has obtained easement rights to and around all pipes, ponds and swales needed for operation and maintenance of the stormwater management system and to meet all permitting requirements. The remaining swales/ponds will be incorporated into the Development as amenities.

Landscape and Hardscape

Landscape and hardscape along collector and neighborhood roadways within the Revised District Boundary will be financed, designed, constructed and/or acquired by the District. Xeriscape landscape design principles will be utilized to minimize the need for irrigation water, and existing specimen trees will be preserved and relocated throughout the District.

The cost estimate provided herein for landscape and hardscape was prepared by the landscape architect for the Development, \$2,500,000.00.

In order to maintain the landscape and hardscape following completion, the District has or will obtain easement rights to and around the landscaped and hardscaped areas.

Recreation and Parks

Recreation and passive/active parks will be financed, designed, constructed, acquired and/or installed within the Revised District Boundary, which improvements will serve future residents of the District. The amenities are anticipated to include an extensive bike and pedestrian trail system and community pools and facilities. These amenities shall be accessible to the public and maintained by both the District and Rolling Oaks Splendid LLC per an *Interlocal Agreement By and Between the District and Rolling Oaks Splendid LLC Regarding the Joint Maintenance and Reciprocal Usage of Facilities*.

The recreation and park improvements are reflected in Exhibit E attached hereto.

Undergrounding of Other Utilities and Street Lights

As required by Osceola County land development regulations, utility conduits within the Revised District Boundary will be installed at the District's expense within the right-of-way of all collector roads. The electric utility provider, Duke Energy, will be responsible for installing the electrical cable, switches, transformers, and street lighting, the latter of which will be the subject of a lease entered into by the District. Other local utility providers, including gas, phone and cable, will be responsible for installing their respective improvements.

Professional Fees

Professional fees include civil engineering costs for site design, permitting, inspection, survey costs for construction staking and as-built drawings, as well as geotechnical costs for pre-design soil borings, construction staking, and architectural costs for landscape, hardscape and recreation design. Also included are fees associated with environmental consultation, permitting and other professional fees, including for District Counsel.

Contingency

This category includes the cost for adjustments as a result of unexpected field conditions, requirements of governmental agencies and other unknown factors that may occur throughout the course of development of lands in the Revised District Boundary. In general, the contingency amount is based on a percentage of the total infrastructure cost estimate.

SERIES 2016 PROJECT

As of the date of this Restated Engineer's Report, the District intends to issue its Special Assessment Bonds, Series 2016 (the "Series 2016 Bonds"), in the estimated amount of \$35,300,000, the proceeds of which will be used for the design, permitting, and acquisition/construction of the improvements identified in **Exhibit F** attached hereto, (the "Series 2016 Project"). Costs to be incurred by the District to design, permit, and acquire/construct the Series 2016 Project, which costs are estimated in **Exhibit G** attached hereto, are reasonable and proper, and such project will benefit developable lands in the Revised District Boundary.

OWNERSHIP AND MAINTENANCE

Ownership and maintenance of the improvements within the Revised District boundary described herein is anticipated as set forth in the following **Table 2**.

Table 2 Ownership and Maintenance		
<i>Proposed Infrastructure Improvement</i>	<i>Ownership</i>	<i>Maintenance</i>
Roadways	District	District
Water Distribution	Toho	Toho
Wastewater Collection	Toho	Toho
Reuse Distribution	Toho	Toho
Stormwater Management	District	District
Landscape and Hardscape	District	District
Recreation and Parks	District/Developer	District/Developer
Street Lights	Duke Energy	District (Lease)

PERMIT STATUS

Permits for construction have been and continue to be required prior to construction of the Development, including that portion included in the Revised District Boundary. **Exhibit H** attached hereto identifies the permits necessary for the Development and their status as of the date of this Restated Engineer's Report.

The District Engineer hereby certifies that all permits and approvals necessary to complete the Development have either already been obtained or will be obtained following the customary and normal permitting process.

SUMMARY OF ESTIMATED COSTS

The Summary of Estimated Costs, attached hereto as Exhibit G, outlines the anticipated costs associated with the design, permitting, construction and/or acquisition of the

facilities and improvements to be funded by the District, which improvements benefit developable lands within the Revised District Boundary and are for a public purpose.

ENGINEER'S OPINION

It is my professional opinion that the Summary of Estimated Costs listed above is sufficient to complete the construction of the items described herein.

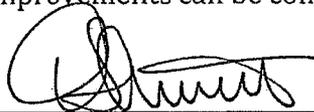
It is my professional opinion that the costs associated with the design, permitting, and construction/acquisition of the improvements described herein are reasonable to achieve completion and that such improvements will benefit lands within the Revised District Boundary. The planned improvements will be public and are set forth in Sections 190.012(1) and (2) of the Florida Statutes.

The Summary of Estimated Costs is only an estimate and not a guarantee maximum price. The estimated costs are based on unit prices currently being experienced for ongoing and similar items of work in Osceola County, Florida, and quantities as represented on construction plans.

The labor market, future costs of equipment and materials, increased regulatory actions and the actual construction process are all beyond the control of the District Engineer. Due to this inherent opportunity for a fluctuation in costs, the final cost of the improvements described herein may be more or less than the Summary of Estimated Costs.

Assuming project construction continues in a timely manner, it is our opinion that the proposed improvements, if constructed and built in substantial accordance with the approved plans and specifications, can be completed and meet their intended functions.

Where necessary, historical costs and information received from other professionals or consultants have been used in preparing this report. Professionals and consultants who have contributed in providing cost data incorporated in this report are reputable firms in or around Osceola County. It is therefore my opinion that construction of the proposed improvements can be completed at the cost stated.



Dave Schmitt, P.E.

Florida Registered Engineer No. 48274

Exhibit A: Vicinity Map of the Development
Exhibit B: Legal Description of the Boundaries of the Development
Exhibit C: Proposed Land Use Plan Within the Development
Exhibit D: LEGAL DESCRIPTION OF REVISED DISTRICT LANDS
Exhibit E: Site Plan for the Development
(A) DISTRICT AND DEVELOPER FUNDED ROADWAYS
(B) District and Developer Funded Water, Wastewater and Reuse
(C) Master Stormwater Pond and Discharge Points
(D) Recreation and Park Improvements
Exhibit F: Description of Series 2016 Project
Exhibit G: Summary of Estimated Costs
Exhibit H: Permit Status