

MINUTES OF MEETING
AMELIA WALK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Amelia Walk Community Development District was held Tuesday, January 16, 2018 at 2:00 p.m. at the Amelia Walk Amenity Center, 85287 Majestic Walk Circle, Fernandina Beach, FL 32034.

Present and constituting a quorum were:

Mike Taylor	Chairman
Greg Matovina	Vice-Chairman
Gregg Kern	Supervisor
Rose Bock	Supervisor
Chris Hill	Supervisor

Also present were:

David deNagy	GMS
Daniel Laughlin	GMS
Dan McCranie	District Engineer
Jason Walters	District Counsel
Peter Dame	Ackerman Bond Counsel
Jennifer Erickson	Evergreen Lifestyles Management

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 2:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There were no audience members present.

THIRD ORDER OF BUSINESS

Financing Matters

A. Consideration of Engineer's Report

Mr. deNagy stated we are going to defer Items A and B because these are actually exhibits to Resolution 2018-04, which is Item D on this agenda.

B. Consideration of Assessment Methodology

See note under Item A.

C. Consideration of Resolution 2018-03, Bond Delegation

Mr. deNagy stated this is the award delegation resolution. I will turn the meeting over to Peter Dame.

- 1. Fourth Supplemental Indenture**
- 2. Fifth Supplemental Indenture**
- 3. Bond Purchase Contract**
- 4. PLOM**
- 5. Continuing Disclosure Agreement**

Mr. Dame stated this is a Resolution that authorizes the issue of a bond. It approves the form of the documents that we are going to use in connection of the issuance bond and it approves all in substantial form. The bonds are special assessment bonds; they are payable from special assessments levied on the property. They are not payable from taxes or any other source. The documents that are approved are a supplemental trust indenture. There is also an offering document, preliminary limited offering memorandum, a bond purchase agreement, and then some general authority to go forth and for the staff to issue the bonds in accordance with customary proceedings. Importantly, in part of that delegation to the staff, is for the board to set the parameters under which those bonds can be sold. The chairman can go and sign a bond purchase contract to sell those bonds. I direct your attention to Page 4 of the Resolution in Section 5, which is the contract approval. This is where those parameters of the bonds are set forth. I handed out today a change to that, which will have the relevant language on it. If you look at the form of this resolution, which is included in your agenda package, there is one blank in it, and that is the parameter for the impacts on interest rate on the bonds. The page I handed out to you fills in that blank, and we will briefly go through how we filled in that blank. The parameters for sales of the bonds are for the A Bonds, the principal would not exceed

\$8.15 million, for the B Bonds, the principal would not exceed \$2.5 million. The underwriter's discount is not to exceed 2.5% on either one. Option redemption of the bonds for the A's not later than May 2030 and for the B's, they would not be subject to option redemption. The final maturity for the A's is May 2047, and for the B's it is the fifth anniversary of the date of issuance of the bonds. These are maximums. You cannot exceed these when you go ahead to issue the bonds. It is expected, except for the principal amounts, the interest rate would be lower. For the interest rate, we have a blank in here. Frequently, if you compare this to the 2015 resolution 6.25% was the maximum rate then in that market at which those bonds could be issued. Today we are a little uncertain exactly where the market is. There is a Florida statute that sets the maximum interest rate permitted to be borne on these bonds. If we sold the bonds this month, that maximum interest rate would be 6.44%. It resets monthly, so if you actually sell them in February, it may be a little higher than that. That is close enough that we felt that the appropriate parameter here would be to limit the maximum rate to the maximum rate permitted by law. That maximum rate is based upon a general market index. Right now the index is 3.44%. You add 3% to it to get to the maximum. That's what it is. We felt that was close enough to where we were last time to 6.25, and we said 6.50 this time. To be safe, we said the maximum interest rate permitted by law. I am happy to answer any questions you have.

Mr. Taylor stated as we discussed prior to the meeting, we are making some edits to the PLOM, and that's sufficient to do so, correct?

Mr. Dame responded yes, we don't want to change it, so we described something completely different than we had, but to the extent we are filling in the blanks and to match

what the developer is actually developing out there, that absolutely makes sense. We will do that.

On MOTION by Mr. Taylor seconded by Mr. Kern with all in favor Resolution 2018-03, Award Resolution, for the issuance of the Series 2018 bonds for Assessment Area 3 was approved.

D. Consideration of Resolution 2018-04, Declaration of Special Assessments

Mr. deNagy stated as I noted earlier, the exhibits to Resolution 2018-04 would be the Engineer's Report and Assessment Methodology. Jason can explain a little more detail, but this is the start of the process where we get the assessments in place regarding these bonds.

Mr. Walters stated I think most of the board members are familiar with some of the documents you have seen today. We've delegated to certain folks that are out of the room the ability to sell bonds, and we have to figure out a way to pay for them, so that is the process we will start with these two resolutions. The first is 2018-04, and this is to authorize the assessments. This is a 2-step process so nothing we are deciding here at the end of the day is the final product. We will send out notices, both mailed and published, and we will hold an assessment hearing, and as you can see by the next Resolution, we are contemplating February 20. This Resolution will start the assessment process. We will come back with a final resolution at that February 20 meeting. There are a couple of blanks, one for the dates of the assessment methodology, which we just got. We will fill that in plus the cost from the Engineer's Report and the cost of the project. The assessment final number in Section 4 will be filled in from that report as well. Additionally it authorizes some further actions from the board and the staff, and then directs staff to publish that notice in accordance with the next Resolution. It is pretty straightforward. The Resolution will also approve those two exhibits.

Mr. deNagy stated that Dan brought to my attention in the Methodology on Page 4 that the Engineer's Report there is dated November 30, 2017. It should be January 12, 2018. Dan had mentioned whether we want to call his report the 2017 or 2018 Engineer's Report. I think the 2018 would be more appropriate.

Mr. Walters stated it would be consistent with the bonds and the assessments.

Mr. McCranie was asked if he made some recent revisions to the Engineer's Report.

Mr. McCranie responded yes, based upon different comments that we got from your attorney along with Jason as well, both reviewed it and made those comments and changes.

Mr. Dame stated just so everybody is clear, in my review of some of the preliminary documents, we are making some minor edits to the total unit count. It was 205 units. It has been reduced to 204.

On MOTION by Mr. Taylor seconded by Mr. Kern with all in favor Resolution 2018-04, to declare assessments related to the Series 2018 bonds was approved.

E. Consideration of Resolution 2018-05, Setting Assessment Hearing

Mr. Walters stated this is a Resolution to set the public hearing that I referenced before. Our regularly schedule meeting is scheduled for February 20. That date allows us to make both mailed and published notice dates. The question is we are going to need a quorum, and if we don't we are back to square 1 on the assessment process. I want to make sure this date will be okay with everyone.

On MOTION by Mr. Kern seconded by Ms. Bock with all in favor Resolution 2018-05 setting the Public Hearing to levy assessments for 2:00 p.m. on February 20, 2018 was approved.

F. Consideration of Resolution 2018-06, Authorizing Validation Hearing

Mr. Walters stated at the inception of the District, you planned out the entire project. You have estimated costs for that project because for CDDs in the State of Florida, if you are going to issue bonds, you have to validate those bonds. That is a lawsuit that is essentially filed in the Circuit Court that allows them to object to those bonds being issued or making sure that you have the authority to do so. At the inception of this District, there were \$32 million in bonds validated. B bonds are short-term bonds. They mature in five years. Any bonds that mature in five years or less, you don't have to validate under this statute. Fast forward a little bit, the real estate market takes a dip and things are put on hold. Those bonds are in default, both the A and B bonds, so as part of the repositioning strategy, the terms were extended out on the B bonds to a term of 9 years. So now we have to account for that \$10 million toward our validation cap. The thought is from staff and talking to the landowner and everyone else is we are obviously going Phase 3 and 4A of development. That leaves Phase 4B and 5 undeveloped. We have to defund that initial portion. To do that, we have to go back to the validation and get more validation cap. So that is what this Resolution does. It kind of walks us through that history and then authorizes staff to begin that validation process. We are just getting that process started now, so there will be more things to come, but we wanted to make sure we had the authority to report on that, and that is what this Resolution does.

Mr. Taylor asked how long does the process take?

Mr. Walters responded generally once we get the lawsuit filed, we are probably looking at a 60-day window from filing to hopefully getting the final judgment validating those bonds.

Mr. Matovina asked what is the total amount we are seeking on that?

Mr. Walters responded not to exceed \$15 million.

On MOTION by Mr. Matovina seconded by Ms. Bock with all in favor Resolution 2018-06 authorizing a Validation Hearing was approved.

G. Consideration of Funding Agreement for Validation Proceedings

Mr. Walters stated there's a fair amount of lift on validating in terms of my fee, bond counsel fees, engineering fees, assessment, and management fees to get this done. That is generally paid out of the cost of issuing the bond funds, the proceeds once they are issued. At this case we are looking at a pretty long horizon. There are going to be expenses incurred. Similar to what we have done with other arrangements here for bond financing, we did extension on the terms of the E bonds. This is similar in form and concept to that. It does provide for reimbursement of those funds once the bonds are issued, but we wanted to make sure that the costs are covered.

On MOTION by Mr. Taylor seconded by Ms. Bock with all in favor a Funding Agreement in substantial form to pay for the Validation proceedings was approved.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the December 12, 2017 Meeting

Mr. Matovina stated on Page 6, fourth full paragraph down, Hurricane "Homer" should be Hurricane "Irma."

On MOTION by Ms. Bock seconded by Mr. Hill with all in favor the Minutes of the December 12, 2017 meeting were approved as revised.

FIFTH ORDER OF BUSINESS

Selection of Audit Committee

Mr. deNagy stated this is the last year of the firm that does our audit, I believe it is McDermitt Davis. We will have to issue an RFP to get another three years for audit services.

Typically the board serves as the Audit Committee. If that is okay with the board, what we will do is have an Audit Committee meeting at the next meeting, we will approve an evaluation criteria for issuing an RFP, get the board's approval to issue that RFP, and have that back to you sometime in the next meeting or two meetings. We need a motion to have the board serve as the Audit Committee.

On MOTION by Ms. Bock seconded by Mr. Matovina with all in favor to have the board serve as the Audit Committee was approved.

The Audit Committee meeting will be February 20, 2018 prior to the regular board meeting so the board can approve the evaluation criteria and have staff issue an audit RFP.

FIFTH ORDER OF BUSINESS

Other Business

Mr. Kern stated last month the board asked to have conversations with AV Homes and evaluate a few other issues throughout the community. There is a resident who had a concern with the drainage. There is standing water on their particular lot. I went to evaluate it. It seems to me that everything is flowing towards the storm collection as it should be. It doesn't appear that there are any low-lying areas. I didn't identify any standing water at the time. I could hear water flowing into the grate that seemed to be clear enough to drain. I am not sure how we can assist that homeowner any further. One of the other items was debris. There was a general concern with debris from AV Homes Construction. I drove in the neighborhood today and actually felt that it looked fairly well all things considered. I did have discussion with two different members of the AV organization. Currently they have a program that has day laborers come out each Friday of every week to pick up any debris that might be loose. I felt that was a good effort on their part. I did ask that they extend to their subcontractors the continued concern and the effort to pick up after themselves. They said they were doing that, and they were also going to start implementing a program where their onsite superintendents were going to be sending pictures to their subcontractors and back-charging them for the day laborers. He also said he would make an effort to empty the dumpsters on a more routine basis. There was another resident concerned with a stopped up drain at Berryessa and

Calumet. I went to evaluate that, and there are what I call gutter buddies that are used during construction to try to alleviate soils from going down into the storm drains. They are still somewhat in place. I think it is standard practice that they remain in place through the home's construction, but once they are completed, they can be removed. I think they are done in that area, however, in the start of Phase 3, we may want to have protection in place still. It didn't appear to me that there was a lot of debris or blockage in those storm structures. I think again a lot of this goes back to a pretty significant rain year and an extreme weather event with the storm. I think one of the last concerns was some of the watershed coming from the eastern haul road traffic coming into portion of Phase 2 as well as Phase 1. I think Phase 1 was mostly in the area that the homeowner had the concern with the water making it to the drain. Again, it may have been just an extreme event in that case. In Phase 2, I tend to agree with the decision that it may just have been the soils weren't stabilized at the time, and there wasn't a lot of combat that additional watershed. There was discussion on the berm that is existing in Phase 1, but does not appear to extend into Phase 2. In looking at the construction plans for Phase 2, it doesn't appear to identify any sort of berming in the rear lot grading along the eastern boundary, so I don't find anything that would require the builders necessarily to do that. In discussion with AV, they were not familiar or aware of a requirement to do so. The rear of those lots back up to a haul road, which in the construction plans for Phase 2 has an undisturbed buffer, an undisturbed portion where their lot grading goes to a specified lot grade, and it varies in width. Short of any further direction from the CDD, I think it would be the builder's obligation to meet and deliver a finished lot that was graded per the plans. Other than the District sending them a letter, I don't know that there is any interaction we would want to have.

Mr. Taylor stated we did our review as requested and came back that it is the builder's obligation to comply with the grading plan.

Mr. Kern stated that is all he has.

Mr. Taylor said the only thing I would like to get clarification on is as we move forward with this bond issue and moving forward with bidding out Phase 3 and Phase 4A, did we get that notice out?

Mr. Walters responded I was going to discuss that in my report.

Mr. Matovina stated Dan, in your Engineer's Report under roadways, you refer quite often to a Grand Walk Blvd. I suspect that is supposed to be Majestic Walk, but I am not 100% sure.

Mr. McCranie responded yes, it must be. It is Majestic Walk.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Walters stated obviously this financing is for Phases 3 and 4A. We are currently in the process of starting to solicit proposals for pre-construction work of that combined project. There was some back-and-forth in terms of the process we were going to use and how we want to go forward with that. We decided we would procure that work through the District. In part of that effort, there will be a notice in tomorrow's paper of the RFP for that project. It wasn't in time to make the agenda, but we are starting that process. We want to make sure that the board is authorizing this work to be done. The other question is, just for informational purposes, we expect to have the totals back and ready to be evaluated at the February 20 meeting. The second question of that is how we want to evaluate those. Do we want to appoint a committee or do we want to appoint the board as a committee. Since it ties in with our regular meeting, we can have those evaluated and awarded at that February 20 meeting.

Mr. Taylor said typically an evaluation criteria, would that be considered at today's meeting?

Mr. Walters responded we can circulate it to the board. We can ratify it. It is the same evaluation criteria we have used for previous projects. It involves a price component, staffing, experience, and all those things for being a capable bidder. Given that we are on a pretty fast train here, and we will have that meeting on the 20th, it probably behooves us to have the board serve as the Evaluation Committee, and we will distribute those packages and walk the board members through that at the appropriate time. You will have the packages about a week prior to the meeting. The alternative is we can have a committee assigned or appointed. They can do the evaluation at a separately noticed meeting, which we can do, and they will bring that evaluation to the board, and the board can approve that evaluation.

On MOTION by Mr. Taylor seconded by Mr. Matovina with all in favor to authorize the RFP for Phase 3 and 4A construction work and appoint the board as the Evaluation Committee was approved.

Mr. deNagy stated the evaluation will be on the 20th.

B. District Engineer

Mr. McCranie stated I have put together the bid package and submitted it yesterday to Jason for his review. Most of it is boilerplate language as to what we have done in the past. I have made it clear and bold and added a depiction of the construction entrance that they shall use, and I say anything over a 1-ton vehicle shall use that. I said the cost to maintain that road is part of the contract. I made that clear. I am in ongoing talks to the County about the construction access and getting the permit for it. Once I figure out what the County is really going to want, we can throw in an addendum, or we can deal with the contract as we are getting into the contract. I see that as a minor item. I also have an addendum like we did in Phase 2 so that you have a separate line item for kind of lot grading of the lots, which will be separate from the contract that you can decide to do or not to do separately. With that we will have very little construction traffic. I depicted it on the map. I know the acreages I gave you are exact based off what has been discussed as to what is Phase 3 and what is Phase 4.

Mr. deNagy said we have the parcels listed here as part of the Methodology report, and the acreage we have looks like 169.

Mr. McCranie stated as long as that matches the exact number I gave in an email late last week, that is correct.

Mr. Taylor stated the reason I bring this to the board's attention, if we knew the boundary line splitting conservation areas, just look at that last email. It might be more prudent to send back what you have to Dan and let them verify.

Mr. deNagy responded okay.

Mr. Taylor said the surveyor of record is Lee Surveying.

C. District Manager

Mr. deNagy stated he had no report.

D. Community Manager - Report

Ms. Erickson stated the contract is being reviewed by the County attorney to patrol the roadways for people speeding, parking, and things like that. It is still slated for March. Biltrite

is coming out tomorrow. There is damage to a load-bearing wall in the front office. There are some big things, and I will have for you at the next meeting. The general contractor came out to do the repair himself, pulled everything down and there was some mold treatment. This is very recent that happened. We have had the roof previously inspected in 2017 because of the stormwater, and they didn't catch it. Biltrite is going to do a thorough inspection of the roof for the entire building. The cost will be \$575 to do the entire building. We have done a lot of landscaping that was slated in the budget. We have pine straw and fences completed.

EIGHTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

There were no supervisor requests.

Audience Comments

No audience members were present.

NINTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

B. Approval of Check Register

C. Special Assessment Receipts Schedule

Mr. deNagy stated a copy of your financial statements is included in your agenda package as of November 30, 2017. The total of the check register is \$48,409.35.

On MOTION by Mr. Matovina seconded by Mr. Taylor with all in favor the check register in the amount of \$48,409.35 was approved.

TENTH ORDER OF BUSINESS Next Scheduled Meeting for February 20, 2018 at 2:00 p.m. at the Amelia Walk Amenity Center, 85287 Majestic Walk Circle, Fernandina Beach

Mr. deNagy stated the next scheduled meeting is February 20, 2018 at 2:00 p.m. at this location.

On MOTION by Ms. Bock seconded by Mr. Hill with all in favor the Meeting was Adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman