

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, December 1, 2015 at 6:30 p.m. at the Eagle Landing Residents Club, 3975 Eagle Landing Parkway, Orange Park, Florida

Present and constituting a quorum were:

Gary Cross	Chairman
Grant Krueger	Vice Chairman
Richard Townsend	Supervisor
Chris Payton	Supervisor
Bobby J. Poole	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel (by telephone)
Keith Hadden	District Engineer
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Roger Arrowsmith	East West Partners

The following is a summary of the actions taken at the December 1, 2015 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:30 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the November 17,
2015 Meeting**

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the minutes of the November 17, 2015 meeting were approved.
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FOURTH ORDER OF BUSINESS**Consideration of Sales & Purchase Agreement for Eagle Landing Golf Course**

Mr. Oliver stated the purchase and sale agreement for Eagle Landing Golf Course was discussed at the last meeting and that was prepared at the direction of the board from a subsequent meeting to enter into an agreement with the seller to purchase the golf course. The initial price was \$2.8 million with a couple of components, one was a sales price that included \$2.5 million plus an amount equal to the payoff of the debt on the golf course and \$300,000 was to be used for certain recreational improvements to include tennis courts and playgrounds. There would be funds in addition to that to be used for capital improvements throughout the district. Later in the meeting the engineer will talk about some of those improvements, which are in broad categories. At a later point after bonds are issued, if the board continues to go in that direction, the board can prioritize and decide which projects to fund with the proceeds.

Ms. Buchanan stated you can still talk about the terms of it. We had some comments back from the developer and the one change he requested is that the assessment to run to the end of the fiscal year, which is what we end up with anyway so if a developer were to plat a piece of land today they wouldn't pay the assessments on the platted land until the start of the next fiscal year. That is the only significant change that we made since you reviewed it at the last meeting.

Do you have other changes you would like to discuss at this point or is there any additional information you would like from the developer in connection with this agreement?

Mr. Poole stated we had asked staff to bring forward some documentation on the request in the agreement regarding utilization of the \$300,000 based on utilization or plans for the tennis courts going forward.

Mr. Oliver stated I will share the information I got from Mr. Mark Arrowsmith (Tennis Pro) and this is more subjective information rather than objective information but these are some of the points he made to me when I asked why this district needs four additional tennis courts. He did say that there are definitely more times that we do not use all the courts, but there are times when we need more. However, this could be said of every tennis facility in Jacksonville. He mentioned when we have league matches we are handcuffed by the amount of courts we have, larger facilities like Eagle Harbor, Deerwood, Ponte Vedra are able to accommodate league matches, lessons as well as recreational play all at the same time. We are also unable to run any larger adult or junior tournaments because of limited courts. Almost all the premiere tournaments require 10 courts. Every tennis director I spoke with, these are Mark's words, says

they have less than 4 courts in use at least 75% of the time but 25% of the time they are full and wish they had more courts. Also the tennis facilities are judged by potential new residents based on the quantity of courts and the newest issues is the USTA League play is going to be on weeknights as well as weekends this means that Tuesday nights we will have a ladies team using 5 courts, Scot the other tennis pro and are using 2 courts and 1 court will be open for drop in play and the same thing will happen on Wednesday nights if our teams decide to play in these leagues it will be very hard for people to use the court. The main reason for building the courts now is to finish the master plan when funds are available this also includes the parks. We already have times when you can't get a court and that is with less than 800 homes occupied.

Those are the points he brought up. I was on the phone for a couple hours today with Matt Biagetti and our accountant as well as the person who runs the accounting system software the district uses and they were able to drill down for data in terms of the tennis lessons and clinics. We just have one month's worth as a snapshot. The information I provided are not hard objective facts, but what I did get from this narrative seems to match up with what I have seen in other districts that have tennis facilities and I'm thinking of Julington Creek Plantation that has 12 courts, Eagle Harbor and Palencia.

Mr. Roger Arrowsmith stated what we found and what our thinking was why we looked at putting 12 courts in when we designed it is what we felt was a number that would support it for this community. We felt at some point that wouldn't be enough if our past history holds it seems that developing heavily amenitized community promotes activity. I would venture to say that across the street with 7,000 homes that they don't use the courts that they have because it is not a big deal over there. What is important from an overall community standpoint is that for someone looking at what's going on and I look at communities all the time is looking at one with new amenities under construction is a huge plus as a sign of a growing and an active community. I'm not talking about the tennis I'm talking about the overall community that these kinds of facilities are being put in and I think from a tennis standpoint that would add value. I also think there would be sufficient money in the \$300,000 that we have allotted to this multiple parks that could be put in with that money as well. You have a list and in my mind it is completing the tennis facility, parks and continuation of the walkway around the entry and completion of sidewalks where individuals and builders haven't put them in. Those are things that remain on my list and this was a way for us to instead of just taking the \$2.8 million for the golf course I'm

saying we will take the \$2.8 million but let's use \$300,000 to complete some of these facilities that we have in the master plan. As you remember when we talked about it there were two ways to do it and it was for you just to pay us \$2.8 million for it and then we will spend the \$300,000 the way we want to do it or you pay us \$2.5 million and then you have control of the \$300,000 to spend on what we want to have. This is the way you chose to do it and I think it is going to be a great benefit for the overall community for all of this to happen.

Mr. Townsend stated the tennis courts were in the master plan. Are there any penalties for not following the master plan?

Mr. Arrowsmith stated we have a master plan that was submitted along with everything that we did from a CDD standpoint. With what all that has happened in the world I'm not going to say we are in jeopardy of going to jail or anything else but we felt the opportunity was there to make this happen and we are happy to be able to do it and give that back to the community.

Mr. Poole stated we talked about the tennis courts and I'm not against the tennis courts but we also talked about the pools having to be redone and the parks that we are going to have to provide in the future. One of the issues I had when it came up all of a sudden it was in the contract that we would do four, I don't remember the number four coming up before, I remember two. I just think that is what led us to question what priorities we had as a community and what went first because I don't know how often we are going to be able to get a bite at the apple with a refinancing to do these things.

Mr. Oliver stated it might be helpful if Keith would read what the improvements are in the engineer's report.

Mr. Hadden stated this is a list that I put together in talking with some of the staff members as to what they have seen over the last couple of years, things that are needed out here. I'm showing \$579,000 originally you told me let's work off the \$3.5 million figure, \$2.8 million for the golf course and that would leave \$579,000. Renovation/upgrade of the aquatic facilities that can be more pool deck, more seating area and it can be additional pools. You have area that can be expanded into. We don't want to get real specific because when you do a bond you want it to be general because if you need to change your mind in six months or six years or whatever you can do it. Tennis facility expansion that could be more courts, more seating for tournament observation, more facilities for bathroom and pro shop and that type of thing. Playground expansion can be putting in playground equipment at existing facilities that don't have it. You

can put in new, larger, better playground equipment in some of the parks that already do have it. Athletic center renovation can be pretty much anything as far as equipment, expanding the building, putting in new equipment, whatever. Clubhouse renovations, you have all seen what Eagle Harbor has done to the tune of over \$1 million but you could do renovation to the clubhouse that you will be purchasing in conjunction with the golf course and then practice facility upgrades, driving range.

One thing I want to make you mindful of is these have to be capital improvements, things that you are buying that are new or improved it can't be maintenance. Going back to the \$579,000 you can get more than that, you can ask for more than \$3.5 million. Bond rates as you may have heard in some of the previous meetings are lower than they have been in history and where they are going now I have no idea. If you said we can get our entire wish list if we had \$1 million, you can ask for \$4 million instead of \$3.5 million. You would have to talk to your advisors and bond counsel because they have run numbers based on the \$3.5 million because that was an early number that you gave them. This is not my list this is your list and if there is something you want to add to it send me an email or call me. I got this from working with your staff. You know your community and you know the residents here you know what they want. For those six items we could probably spend more than \$579,000.

Mr. Townsend stated that was going to be my question, can we do all these for \$579,000.

Mr. Hadden responded no.

Mr. Andersen stated we are talking about \$300,000 that is part of the bond deal and part of the negotiation, paying \$2.8 million for the golf course and East West can build the courts and the playgrounds or pay \$2.5 million and we have control over how we build them and the playgrounds. We tried to encompass everything in the list. This has to do with the bond issue not the \$300,000. This is presented so that you can decide whether you just want to take \$2.6 million and pay off the golf course or take or take the \$3.5 million whether the community as a whole wants to take low interest money and do a lot of fixes that are on this list or they don't want to. When we did this in another district that list was strictly for the use by banks so they get a general idea of what you want to use the money for but the actual specifics whether you are going to build volleyball courts, playgrounds or whatever you do that comes after the bond is issued then you decide when we bring bids and have the costs. This is a general list and not all inclusive.

Mr. Arrowsmith asked I think for purposes of discussion don't we have \$4 million in the language of the PSA?

Ms. Buchanan stated it is an amount not to exceed \$4 million so that we don't trigger any caps.

Mr. Oliver stated the bond issue we are talking about, the two options on the table the higher one would generate \$3.5 million worth of proceeds. The purchase of the golf course would be \$2.621 million, another \$300,000 for the tennis courts and playground equipment and that leaves roughly \$600,000 in proceeds for other projects.

A resident stated one of the things that I asked about last time was what the community thought. There were over 70 responses to the survey. Of the 70 responses I tracked the first and second choices when there were two choices and if there was just once choice I left that. In terms of things on the survey they want additional tennis courts, additional playgrounds, improvements to the pool complex, improvements for athletic fitness center. Addition of tennis courts 4 votes, addition of one or more playgrounds 34 votes, improvements to pool complex 31 votes, improvements to athletic fitness center 15 votes. There were five specific negatives on the tennis courts beyond those votes but there were also eight votes requesting a volleyball court or some sort of multi-purpose court, which I thought was worth mentioning. There were a lot of responses that had nothing to do with the board's jurisdiction.

Mr. Krueger stated listening to the comments, the survey and people who would like to have volleyball courts and things like that and other things the only place we have right now to do that is where the tennis courts would go. There are other options but that is something we will probably have to incur down the road and specifically I'm talking about the property out front.

Mr. Arrowsmith stated we have done this in other communities and I hate to take this step but as you know we are limited from a space standpoint, I'm going to tie myself to a tree if somebody wants to take one down but I don't have any difficulty of allowing the district to use some of the land for volleyball because you are adjacent to the pool. If you take it away from the pool you might as well not even have it. If we can find a space back there we can loan the land to you until we get ready to do something back there and we can cross that bridge when we get to it if it is not being used it is no big deal if just goes away if it is being used it is obviously meaningful and we can figure out how to go ahead and deal with it. I don't have any difficulty

trying to figure it out how to do it back there. The main issue is trees. We can limb some of them.

Mr. Krueger stated that being said my philosophy is this is the only time we are going to be able to issue bonds probably for the next five to ten years so we need to make sure we get enough money to do everything to build out the community. As an example if we raise this to \$4 million, so \$500,000 it would cost every homeowners about \$2 a month.

Mr. Oliver stated we haven't run that scenario. I would want the underwriter to run the numbers to ensure accuracy. The rate of increase is not necessarily linear. Other factors may impact the debt service costs.

Mr. Cross stated I agree I have always felt that you borrow as much as you can as cheap as you can when you can afford it. I agree with you. The question is since he is the engineer and knows what we need, not what we would like, give me some kind of figure of what he thinks.

Mr. Krueger stated one of the things that is not in this projection is for lack of better terminology is a reserve fund. If something goes wrong with the golf course we need to redo the bunkers for some reason that is not in there.

Mr. Oliver stated this can be used for improvements it can't be used for repairs and maintenance.

Mr. Payton asked did we get an update on Phase 5?

Mr. Arrowsmith stated the deal that we were working on and counting on has fallen through and we released that and sent back their deposit and we have two others that are both builders here now and both would like to buy it. One of them will close by year end and the other will probably need another 30 or 45 days but I am comfortable that either one of those will work out. It is going to be quite a feat to close in 29 days with the holidays and the advantage of being so far down the road with the other guys is that there were no difficulties or legal things, permit or wetland issues that were in the way of this happening. It was just the economics of the deal as far as that group was concerned. We understand that this is the first shoe that needs to fall, we need to know that Phase 5 is going to happen and the bond underwriters are also very comfortable. We worked intimately with them with these deals and talking back and forth so I have the utmost level of confidence that this is all happening. I will probably know by the end of the week and possibly by tomorrow that it is a go. At one point we were looking at a year-end closing and then we went back and talked a little more about give and take kind of stuff and the

year end closing is not as vital for us now as long as we are comfortable and a \$100,000 non-refundable deposit gets me pretty comfortable that we are a go. We are okay not having the year-end closing and having it happen February 1. They said actually we, the buyer, wants a year-end closing.

A resident asked can you talk about no. 5 \$195,000? Is that after the courts are done?

Mr. Cross stated roughly.

A resident stated so the \$2.8 million includes the four courts.

Mr. Oliver stated \$2.621 is the purchase price, plus \$300,000 for courts and playgrounds.

Mr. Cross stated I assume at this point we have no changes requested by the board so we will hold with that.

Ms. Buchanan stated that is fine here.

Mr. Oliver stated it sounds like the board wants me to get with the underwriter and run the scenario that will generate \$4.0 million.

Mr. Arrowsmith asked from our standpoint, from all of the other things we have working what is the time from signing the PSA?

Mr. Cross stated I assume if the board approves it at the next meeting it will signed that night, which will be around the first of the year.

Mr. Arrowsmith asked you don't have another meeting?

Mr. Cross responded no. That will go right in with your closing.

Mr. Arrowsmith stated it will but it won't be as good as what we need for all of our discussions that we want to know what the deal is. What to you need to go forward from a bond standpoint?

Ms. Buchanan asked in connection with validation or issuance?

Mr. Arrowsmith stated from having the purchase and sale agreement signed and Phase 5 contract?

Ms. Buchanan stated once Phase 5 is locked down and a purchase and sale agreement is executed there is a 60 day diligence period and that would be in connection with the closing on the property. What we expect is in conjunction with that period MBS would get the rating that we have been talking about and I believe that takes about two weeks and before any of that happens we would need to make sure we get the validation complaint filed and we have been holding it even though it is prepared because we wanted to make sure that it didn't get ahead of

the assessment hearing. I expect we can probably go ahead and file the validation complaint before the next meeting but the problem is I'm going to need some certainty on the number to include in the validation complaint. If it is \$4 million and that is what we expect to spend we are okay but generally I like to have a little buffer just in case something changes. Once we file the validation complaint it is a couple months before the final order and then we can generally issue bonds within 30 days after that order so we are talking about if we are optimistic and three months that is an optimistic timeframe.

Mr. Arrowsmith stated that should work.

Ms. Buchanan stated what I expect to happen based on what you discussed today is that our January meeting we will come back and approve the purchase and sale agreement, that will get that line of items moving. We will go ahead and start the assessment process and that would start that chain of events. The validation will possibly already be underway meaning that it will be in the court's hands. We won't try to set the court hearing until after the assessment hearings. The other items, the boundary amendment is sort of moving on a different track than the rest of the items but we are able to move forward with that contingent on funding from the developer.

Mr. Krueger asked do we need to approve this tonight to make things move smoother?

Ms. Buchanan stated the catch on that is that our due diligence will have some expiration dates basically so if we approve it tonight we have 60 days in which we need to undertake our due diligence. If for some reason our closing stretches out we are going to be responsible for the cost to pay to update that.

Mr. Arrowsmith stated you don't need to do that you can just stretch it if you want, just get it approved and take the time that is necessary. I would just as soon have it that way so everything can have some certainty and move forward. If that means you add three words after the due diligence or make it 90 days, you are going to do it as soon as it is ready.

Ms. Buchanan stated right and I think it actually is 60 days and we get a 30 day extension at our request so it could be 90 days right now. It is a business risk the board is willing to take that on based on the understanding that you expect to close by the end of the year unless there is a legal reason you can't.

Mr. Cross stated it is almost going to be simultaneous basically when he closes on that a few days later we can sign a PSA so I don't think a few days is going to make a big difference and it may end up affecting the long term so let's wait until the next one and that gives the board

time to contemplate and look at costs and gives us a little bit more time. I don't think we are in a rush at this point. Are you good with that?

Ms. Buchanan responded I'm fine.

Mr. Oliver stated I will contact the bond people.

Mr. Poole stated in reading the information presented regarding procurement of the golf course and looking at the \$121,000 up-charge that was a discussion about costs regarding the cost of the letter of credit being used for our bond reserves. Would you explain that?

Mr. Oliver stated typically you have up to a year's worth of assessments in the debt service reserve fund. If a bond issuer can't perform, and the trustee taps those reserves to make the payments for the principal or the semi-annual interest. In this case rather than putting actual funds in reserves, a policy or letter of credit was put in place to take the place of that and the developer has been paying for that policy. That has been accumulating on the balance sheet as a payable to the developer, the developer has not billed the district for that but that is what that amount represents.

Mr. Poole stated this is going to be an ongoing expense that we would start to incur directly?

Mr. Oliver stated once you refund the bonds, you are going to fund a traditional reserve account, but the terms of this bond is going to be 50% reserve requirement. We are actually going to have money in the Debt Service Reserve Fund for this. We don't expect to ever dip into that, we haven't in the past but again, the developer has been paying that in the past.

Mr. Poole stated the developer has been paying it but essentially it was a cost that was supposed to moved to the CDD.

Mr. Oliver stated correct and we have been accounting for it on the balance sheet.

Mr. Arrowsmith stated there is one other thing that may not come up but it was discussions we had previously before we talked about de-annexing the Armstrong property. We may wish to get underway on that new road over there prior to Ms. Buchanan forming the new district and getting all of that done. The county wants to be dealing with the CDD either the new CDD or this one as we talked about previously. We may ask South Village to move forward on that just as the mechanical way to get it moving. There is no responsibility, liability or anything else on the district's part but what happens is this district has us for one, it has Steve, it has Keith, it has environmental people that are already in line that we can move forward with and we

are going to have to do a lot of the processes that we have done here over the years in the new district. I don't know what's going to happen yet in my dealing with the county. They are looking at both scenarios as to which is the best way because they want the road started as soon as possible. I want to make everybody aware that I may come back and ask that of you. There is nothing tied to this.

Mr. Cross stated I understand exactly what you are saying and I have no problem with it I was wondering from your standpoint if we say yes go ahead and build the road then you have a new CDD would everything fall over to that CDD?

Mr. Arrowsmith responded probably. I don't know all the mechanics about how that would work. It may be written from the start that it is this CDD and that one or something.

FIFTH ORDER OF BUSINESS

Update and Actions Regarding Series 2005 Refunding Process and Funding of Golf Course Purchase

Mr. Oliver stated you looked at two scenarios and we will develop a third scenario and as Katie laid out the timetable nothing happens until you have a public hearing. There is a bond validation process that goes before a judge, we still would start the assessment hearing process at the January meeting and then you would send out mailed notice to all the landowners here in the district and have published notice and that would be no sooner than 30 days of our January meeting, tied into the timing on the validation, then you would have a public hearing.

SIXTH ORDER OF BUSINESS

Discussion of CDD Operational Funding of Golf Course

Mr. Oliver stated this is just something to keep at the top of your mind that if this transaction does go forward we are going to need to explore different ways to cover any deficits that may occur during the remaining months of fiscal year 2016. Assuming an acquisition March 1st we are going to have to work closely with the golf course staff, identify what their monthly budget looks like right now and plan the cash flow as we get to the end of the fiscal year because as you went through the fiscal year 2016 budget process this past summer we certainly didn't budget for the potential of golf course operations.

SEVENTH ORDER OF BUSINESS

Review of Scope of Services for Resurfacing of Pools

Mr. Oliver stated I spoke with Steve Andersen and he has already begun contacting the major players that do pool resurfacing and he can bring those to the January meeting.

EIGHTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated I do want some clarification. If we intend to start the assessment process in January then we are going to need to have our assessment methodology report and engineer's report completed so that we can present drafts to the board at that time. Is our direction that we want to use a \$4 million bond issuance and prepare reports accordingly or do we need to talk about it again?

Mr. Oliver stated if we prepare documents bases on the \$4 million scenario, we can always go down. Even though we prepared the documents with that scenario, we can downsize the issue, make those changes on the record, and adopt them in substantial form. We will have the information we need so that we can prepare mailed notice for the residents for a public hearing likely to happen mid-February.

Mr. Hadden stated in order for me to have the engineer's report prepared for the January meeting the sooner you can get me whatever you want on this list the better. I would love to have two to three pages of possible things well before the next meeting. If it is not listed it is very difficult to try to allocate money for that.

Mr. Andersen stated we did the exact same thing in another district and it needs to be extremely generic. The only thing we need to add to the list you have is numbers to each category and you can still move money around afterward.

B. Engineer

There being none, the next item followed.

C. Manager

There being none, the next item followed.

D. Director of Aquatics & Recreation

Mr. Biagetti gave an overview of his report, copy of which is attached hereto and made a part hereof.

E. Operations Manager

Mr. Andersen gave an overview of his report, copy of which is attached hereto and made a part hereof.

TENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Poole stated we had some discussion about the doors at the pool house and you were going to get some estimates. Is there any update on that?

Mr. Andersen stated the other two items are being taken care of but the doors are a little more difficult. We are going to replace them with something that will last such as fiberglass.

A resident asked are cameras going to be placed at the entrance of our neighborhood?

Mr. Biagetti stated I think we will eventually at some point. We have gotten a lot of bids and time has passed that we would revisit who has been onsite specifically with the entrance cameras. I think the main focus initially was around the amenities and we have a pretty solid plan there so it is buttoning down the entrance if we or the HOA wants to install license plate readers and whatnot.

Mr. Cross stated we looked at it but we didn't have the money to fund it. That is one of the things on my list of upgrades. Then we would have to look at how we would do it. We met with security people and received quotes to get a general idea of what we wanted and what it was going to cost.

A resident stated when we originally bought in the neighborhood there was a master plan that everybody keeps talking about. What exactly is the master plan and why is everything not being completed by the developer? If it is a matter of money are the residents responsible to come up with the money for things we want to get done?

Mr. Cross stated you can go to the sales office and ask to see the master plan and they will show you the master plan. As far as development goes there is not enough money to do

everything. As we said earlier the only thing we are going to be responsible for after he gets the tennis courts put in and whatever playgrounds we can get built with that money.

A resident stated but that is still money that we are financing that we are already paying for anyway in the original bond. It doesn't make sense to me. I heard Roger say some people bought specifically for the tennis courts and you have people in this room who bought because of the builders pointing out the playgrounds and that is why they selected the lots they selected because the playgrounds that don't exist were going to be built next to where they live. You are talking about taking out an additional \$500,000 to build things that should have already been built that were promised as part of the sales process. I don't know why we don't hold the builders feet to the fire, the ones who promised that to us. Why don't we get them to kick the money in for the playgrounds? They can kick in the money and add it to the price of the house and everybody is happy.

Mr. Cross stated I will talk to Roger about it.

A resident stated from what I heard tonight we are getting four new tennis courts whether we like it or not and we are going to pay for it.

Mr. Cross stated you are not paying for it. He is saying you can pay me \$2.8 million for the golf course and I will give you \$300,000 to build the four tennis courts.

A resident stated if we purchase the course we are going to get four new tennis courts. The ones we have are used 25% of the time except for tournament days kind of like the golf course when they close it down to everybody else on tournament days. How much are these four courts at \$300,000 and what revenue do they bring in?

Mr. Cross stated that one month was \$4,400.

Mr. Arrowsmith stated pay me \$2.8 million for the golf course and we will put in the tennis courts and parks.

A resident stated we are going to get them whether we want them or not. We are talking about borrowing more than the \$2.8 million you are talking about borrowing \$4 million. In the last couple years with the budgets the operation and maintenance there has been not itemization of what has been spent and where and Grant brought that up before.

Mr. Kreuger stated you are going to see the financials, we are starting to get that now.

A resident asked the money that we are spending now who is approving it? If every dime is going to be approved by you guys, itemized, line item by line item? Okay, that's fine.

Mr. Oliver stated to manage the bond proceeds, every time a bill comes in the engineer will review the bill, to ensure that it meets with the restrictions on the bond proceeds. If so, he prepares a requisition he will present it to the board. If it is approved, it will go to the trustee who holds the bond proceeds and they will execute that requisition. If for some reason the Board questions the requisition we will get more information and challenge that requisition. Every expenditure from bond proceeds has to go before the board at a public meeting.

A resident stated and that is all going to be a public record.

Mr. Oliver stated yes.

A resident stated it would be helpful if you could tell us how much the increase is going to be per \$100,000 that you are financing.

Mr. Krueger stated the way I came up with the extra \$2 is if you look at that as 4.23% if you get \$500,000 and pay it over 30 years divide it by 1,300 homes that comes to roughly \$2 per month.

A resident asked what is the projection of the amenities going in after the financing is complete?

Mr. Krueger stated once the sale of the golf course goes through then we will know how much money and we will have our list of improvements and at that point we will put the priorities on to what we are going to build.

A resident suggested building 10 courts not 12 and there would be more funding for things that the residents want.

Mr. Arrowsmith stated it was part of the master plan and it will be needed and if you don't do them then you don't know what is left over to do the parks and playgrounds.

ELEVENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of June 30, 2015 and Statement of Revenues and Expenses for the Period Ending June 30, 2015

The balance sheet and income statement were included as part of the agenda package.

B. Assessment Receipt Schedule

The assessment receipt schedule was included as part of the agenda package.

C. Approval of Check Register

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the check register was approved.

TWELFTH ORDER OF BUSINESS

**Next Meeting Scheduled for Tuesday,
January 5, 2016 at 6:30 p.m. at Eagle
Landing Residents Club**

Mr. Oliver stated the next scheduled meeting is Tuesday, January 5, 2016 at 6:30 p.m. at the same location. In preparation for this meeting by the end of the week I will have the new scenario you talked about and once I release that to the board we will also make it available to the public. I will have them put a summary together with the first two scenarios on there and put a third scenario side by side so you can compare those items.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the meeting adjourned at 8:10 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman