

SOUTH VILLAGE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the South Village Community Development District was held Tuesday, May 3, 2016 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
Jason Merritt	Hopping Green & Sams by telephone
Matt Biagetti	Director of Aquatics & Recreation
Steve Andersen	Operations Manager
Josh Smith	Arnold Palmer Golf Management
Patrick Metcalf	Dream Finder Homes
Rob Dugan	Arnold Palmer Golf Management

The following is a summary of the minutes and actions taken at the May 3, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Cross 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 April 5, 2016 Meeting

Mr. Krueger asked did you get a response to the question I had?

Mr. Oliver stated on page 9 there is a discussion about the golf course operating at a profit right now. The minutes incorrectly shows Mr. Biagetti stated the golf course operating minus the social dues is basically break even. I believe that was one of the supervisors, this was about an hour and a half into the meeting. Does that sound familiar to either of you?

Mr. Krueger stated I'm not sure who that was. It just struck me as something Matt would not be talking about.

Mr. Oliver stated I think it was the chairman. I had it narrowed down to you two. It is accurate by the way.

On MOTION by Mr. Krueger seconded by Mr. Poole with all in favor the minutes of the April 5, 2016 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

Acceptance of the Minutes of the April 5, 2016 Audit Committee Meeting

On MOTION by Mr. Krueger seconded by Mr. Cross with all in favor the minutes of the April 5, 2016 audit committee meeting were accepted.

FIFTH ORDER OF BUSINESS

Update Regarding Golf Course Purchase, Due Diligence Process and Transition Planning

Ms. Buchanan stated we have done a fair amount of due diligence on the property, the most extensive being the survey, which at this point is substantially complete. Our office is going through and comparing the information that the surveyor provided and identifying any potential encroachments on it. Jason can confirm that there isn't anything that is unusual or surprising.

Mr. Merritt stated everything is good to this point and I hope to have the review completed later this week.

Ms. Buchanan stated the next item we had is related to the inspection of the district's structures and facilities. I believe that was previously circulated and we discussed it at prior meetings but if you have any questions or concerns about those items we can talk about them as

a board. I suggest we run through and briefly summarize each of the things we have done and if there is a concern you have with any of the reports let's talk about them.

As far as the building inspection there was approximately \$70,000 in deferred maintenance items that were identified but there were no major structural issues. The third item is the NGF report and I believe you also had that prior to our last meeting.

Mr. Merritt stated I don't have anything in addition to what was in my memo. There were several items identified as potential points of improvement for consideration including reconfiguration of the driving range, a suggestion to increase the annual budget by approximately \$131,000, consideration of the need in the near term of the potential of having to refurbish the various bridges and approximately \$474,000 of one time capital improvements to the clubhouse, tee boxes, bunkers and driving range to improve the course functionality and to reduce ongoing maintenance costs.

Mr. Cross asked does the \$474,000 include the improvement of removing the pond from the driving range?

Mr. Merritt responded that was my understanding.

Mr. Cross asked what about the bridges?

Mr. Merritt responded the bridges may have been included in that although I think we had some question about whether that was included. We need to confirm.

Mr. Cross asked was the seal coating of the parking lot included?

Mr. Merritt responded that is not included.

Ms. Buchanan stated the next item we undertook was the Phase 1 environmental assessment. There was a recommendation that we conduct a Phase 2 on one particular pond that is adjacent to the golf course maintenance house. I believe ESI is working on completing that right now and they are testing the water quality of that pond. Once we have the results back we will know more about what our next step might be. Last is the financial audit.

Mr. Oliver stated the board selected Berger Toombs, the CPA firm you use for your annual audit to conduct a limited independent audit. They have been provided the documents they need to do the offsite work on the audit. The auditors will meet with Duggan and his staff onsite Thursday to review documents including play sheets daily receipts on a test basis. They are winding up their audit right now and we will have a report to you in the next few weeks. The auditors have noted no red flags at this point.

Mr. Poole asked are we still moving forward toward a May 18th closing?

Mr. Oliver stated no, it looks like June 17th will be our target date right now.

Mr. Poole asked the independent auditor will have a chance to present their findings to us before that time.

Mr. Oliver stated the report will definitely be presented before closing.

Mr. Poole asked would we expect any recommendations other than the ones that are in the report from the standpoint of how to handle the deferred maintenance as it relates to the market value of the course and the clubhouse?

Mr. Oliver stated NGF doesn't talk in their report about the timing of those repairs. Clearly they come here as a consultant on a limited basis and probably this board and staff will rely more on working with Rob and his staff at the golf club to identify those things that are type A priorities you have to take care of right away. We will be able to work on that timeline in the coming months. When the sale does occur in mid June, we will have time to transition smoothly because you are retaining the same golf management company..

Mr. Poole asked who is going to pay for them and who should? Should that be a pro rata as it relates to what we are spending for the course?

Mr. Oliver stated the board has previously discussed considering any material results of the due diligence if needed to go back to the table with the seller to negotiate responsibility for unanticipated costs that the Board feels the seller needs to cover. That is negotiable. I think you have always taken that stance.

Mr. Payton asked when is the appropriate time to talk about that with the closing in mid June?

Mr. Oliver stated I think we are going to be in good shape hopefully within the next couple of weeks. We are going to continue this meeting to two weeks down the road because there are some other actions that we need to take regarding the bond issue. We will have more information at that meeting so we may be in a position to talk about any changes to the bottom line. I don't advise talking specific strategies too much in a public meeting, but the Board can give a designated supervisor and staff you enough direction so we can start having that discussion if there is something that is clearly material that was not anticipated.

Ms. Buchanan stated I do think if you would like to make a counter offer that is perfectly appropriate and we can do that under the contract documents. Ideally we will have that

information by May 17th if not Jason can send a request to the seller to extend the due diligence period because it is set to expire on May 17th but we would never be able to close before bonds are issued that was part of the contract. I don't foresee that to be a problem. What I suggest is that we wait until the audit findings are complete so that you have all of the information in front of you. That way we can go back with one thing instead of going back item by item.

Mr. Poole stated I reviewed the management agreement that you sent to us for Arnold Palmer Golf and East West and in looking at that document there are several incentives in the agreement that we give consideration to how we handle those incentives going forward if we are going to honor the extension of that agreement for one year.

Ms. Buchanan stated we can talk about that now or you can send them to me directly and I can incorporate them into a draft for everyone's review, whichever you prefer. I will say that based on the form of the agreement Arnold Palmer and my office had concluded that it is probably easier to start fresh than to try to take out all of the language that isn't appropriate for a government entity. Their general counsel is agreeable and working with us to try to come up with a document that is acceptable to both with the understanding that we will still honor that one year commitment. Rather than assigning the document that East West executed we will have a new one that is for a single year. If you have comments please send them to me or we can discuss them now. We will put together a draft based on what we think is appropriate and then we will come back for discussion with the board on the business points as to what you are comfortable with.

Mr. Cross stated the equipment leases it says these are due May 7th for renewal.

Mr. Krueger stated I think it is 2018.

Mr. Cross stated my point is we are not obligated to those leases. I was wondering if it would behoove us to look at going out with new leases at a better rate. I don't know that we can but who would do it, the management company?

Mr. Merritt stated here is the timeline for your consideration. The contract contemplates that by the end of the inspection period we will let the seller know which leases we wish to assume. That is the present timeline we are working under and if we agree to assume those leases then we would step in the shoes of the seller and we would be subject to the existing terms of each of those leases, which may have termination dates as set forth in the lease summaries that we sent you towards the end of last week. One major caveat for all of that discussion assumes

the fact that the various lessors agreed to for the leases, which we did not receive the affirmative approval of any of them yet. We have asked the seller to initiate that process based on the assumption that we were assuming at least one or more of these leases. We want to make sure we are ready to close if that is the case but we do have to decide whether or not we wish to reject any of these leases before the end of the inspection period.

Mr. Cross asked who would be responsible for going out and seeing if we are getting the best bang for our buck?

Mr. Krueger stated I have already asked Jim in one of our conference calls to start looking at what is best for us.

Mr. Poole asked can we ask the superintendent to bring us an assessment of the equipment that would be required for replacement and any recommendations associated with either new equipment or termination of any leases.

Mr. Krueger stated I think that is something the superintendent would give to Rob and he would bring it to us.

Mr. Merritt left the conference call at this time.

Mr. Dugan stated I'm sure you have an assessment of the equipment and I think the NGF report talked about the equipment as well. I think that is where it originally came from as far as what he would need. When it comes to leases I think as a government entity you may be able to get some discounts.

SIXTH ORDER OF BUSINESS

Discussion of Construction Funding Agreement

Ms. Buchanan stated as you will recall at the last board meeting we did authorize your request for proposal for the first part of the infrastructure work on Phase 5. That request for proposals did run in the newspaper and we are currently waiting for responses, the deadline is probably about three weeks off.

The one thing we left as an open item is the schedule of funding relating to that infrastructure. Dream Finders has worked with the district and has proposed to issue \$1 million in bonds and they expressed a very strong desire to use that \$1 million on the infrastructure improvements in the first part of the project. The way I understand it from their vice president is that they have set up their funding plan, their joint investors, that the \$1 million comes first. After the last meeting I went back and thought through things and I have come to the conclusion

that we are going to collect \$1.99 million from assessments and that is from the 199 lots. The way the numbers break down is that means the second part will almost be completely funded via the special assessments. I have a concern that we collect the \$1 million and only release \$500,000 as it was discussed at the last board meeting we would be holding back too much. Plus with the way the bond laws work we can only spend that money on the project that is described and approved by the board to essentially have excess money and no where to spend it. Paired with that Dream Finders request and the overall concern with the way our assessments are done if we change that now and Dream Finders for some reason doesn't want to use the \$1 million our assessments won't work. We would have to go back through the process and that would delay the closing. Think about whether you still want to hold back the \$500,000 and if you don't let's come up with a better solution because I think everyone involved understands that you feel very concerned with making sure that we have sufficient money to fund this contract. I understand and there is someone from Dream Finders here tonight to talk about this specifically, that as long as that \$1 million was used on Phase 1 whether it means they pay the first half of the project cost and we pay the second or whether they pay 75% of every pay application and we pay 25%, they are willing to work with us on that schedule and timing they just really want to reiterate their need to have that \$1 million in the first phase. I just need direction on this one part and I will bring it back when we approve the actual bids.

Mr. Smith stated the first phase would be proportion based on the bond proceeds compared to the construction costs. If the \$1 million is 25% the overall cost of Phase 1 then when the pay apps come in the bond proceeds would pay 25% of the pay app and Dream Finders would pay 75% of that pay app.

Mr. Krueger asked when are you looking to plat and start selling and so forth?

Mr. Smith stated currently we are projecting eight months for development and the second phase won't start until about 11 months after we complete the first phase.

Mr. Krueger stated you are looking at somewhere around June or July to plat the first 100 or so.

Mr. Smith responded no, I don't know that we could plat that early.

Mr. Cross stated or October.

Mr. Smith stated October.

Mr. Krueger stated I don't have a problem with that.

Ms. Buchanan stated we discussed originally proportionately with the understanding that we are going to hold back \$200,000 so if for some reason there is a problem we have the ability to pay that last pay out that came in before we stopped work.

Mr. Payton stated we asked about parks and in the end they can say we are not going to build them but we didn't have them in the first place. I expected all along that the CDD would build those parks if we have to. Counsel's opinion is that we go with the full \$1 million minus the \$200,000 for the first phase and then we build up money for Phase 2.

Ms. Buchanan stated that is right, when they sell the first 100 lots we will have the \$1 million and it will either be by the time they sell to a builder or by 2021 there is a date certain by which they have to pay the \$10,000. By 2021 in theory we should have \$1 million that should they not choose to continue with the project we would be able to put in the infrastructure.

Mr. Poole asked is that a contractual requirement?

Ms. Buchanan stated that is our assessment that we levied earlier this summer so should they not pay that \$10,000 per lot by 2021 we would have the ability to foreclose on the property and use the proceeds from that foreclosure sale. It is not attached to any bonds it is directly related to the district's improvements.

Mr. Cross stated basically we are secured all the way around.

Ms. Buchanan stated we can't protect against everything assuming that we pay proportionately withhold money to cover our payouts that should cover us in the short term and assume we collect that \$10,000 per unit for the first 100 lots that would go along way towards funding the infrastructure in the second part. I just need direction then I will prepare the agreement and bring it back for approval at the next board meeting.

Mr. Cross stated I don't have a problem with the direction being exactly what you are saying, proportionately with a hold back of \$200,000.

It was the consensus of the board to fund the pay applications proportionately and hold back \$200,000 as discussed.

SEVENTH ORDER OF BUSINESS

Update Regarding Issuance of Bonds

Mr. Oliver stated we spoke earlier that we extended the due diligence process and we need to meet again this month and if it works with your calendars we propose at the end of this meeting to continue the meeting to May 17th and at the meeting we will give you an update on

the due diligence process but also bring before the board what is known as a delegated award resolution, which puts into motion the marketing of the bonds so that the investment bankers can go out in the market and get the best rates for the district. We would meet again in early June and likely meet a second time in June hopefully for a closing sometime around June 17th.

Mr. Cross asked do we need to send a letter to the owner that we are going to meet June 17th?

Ms. Buchanan stated if everyone is comfortable and it is within Grant's authority we will take direction from him in what we previously delegated to him.

EIGHTH ORDER OF BUSINESS

Ratification of Agreement with Environmental Services, Inc. for Limited Phase II Environmental Site Assessment

Mr. Oliver stated the next item is ratification of agreement with Environmental Services, Inc. for the limited Phase II environmental site assessment for a fixed fee of \$4,700. This resulted from the Phase I environmental report they did and there was additional work they need to do. To keep the ball rolling we executed it and had them start the work.

On MOTION by Mr. Krueger seconded by Mr. Poole with all in favor the agreement with Environmental Services, Inc. for limited Phase II environmental site assessment was ratified.

NINTH ORDER OF BUSINESS

Board Guidance Regarding Fiscal Year 2017 Budget

Mr. Oliver stated at the June meeting we will start the fiscal year 2017 budget process. We will bring a proposed budget to the board and once you approve the proposed budget and set a public hearing date we will refine that budget over the next 60+ days. We can't hold a public hearing and adopt a budget until at least 60 days after you approve a proposed budget. I suspect you will probably want to set your budget hearing for the first week in September and that gives us a lot of time to work through some of the transitions issues associated with the golf course. Then you will have a public hearing, adopt the budget and we will provide that to the Clay County Tax Collector by the September 15th deadline and those assessments will be posted to the tax bills that go out November 1st.

I'm asking for your guidance tonight in preparation of that budget. What I have in mind early on is to prepare two budgets on the revenue side, one would be anticipating those 100 lots

be platted before the October deadline so they can be fully assessed for O&M but I will also have a contingent budget assuming the platting is not going to take place by October 1st and that would impact the assessments the district would receive.

Ms. Buchanan stated I think we have to have them platted by the time we adopt the budget so it is really more like September 7th.

Mr. Poole stated the social dues would be another income stream and we talked about what we were going to call them going forward so you would be making some assumptions.

Mr. Oliver stated I will be in a few things. There will still be property tax paid on the golf club operation. There won't be social dues per se anymore these will now be called operation and maintenance assessment because the district will own the course, the landowners will own the course, and we will charge operation and maintenance assessments just as you do for your other recreational facilities.

Mr. Krueger asked in preparation for doing that when do we need to start looking at the rates we are going to charge and how things are going to be, are we going to change anything in the pool or clubhouse area? How are we going to allocate the fees that people pay when they buy in to the properties here, the initiation fees?

Mr. Oliver stated that is something that we are going to tackle and there are the initiation fees, the capital reserve fund that landowners pay the current owner of the golf course but we will need to dig into that. In terms of the revenue projections from the typical sources that the golf club has right now we are going to pretty much mirror those for this particular budget. A lot of that is based on not only the budget we worked up but some of the comments made at the last meeting in terms of the golf course management and how there could be some slight change in the rates for residents versus non-residents. He was saying he is concerned to make too many big changes because he still doesn't have a good handle on what percentage of revenues are received from residents versus non-residents. There is a lot of work we need to do there. I don't think you are going to see great changes on what our draft budget was but once you have the proposed budget at the next meeting we can tweak it as we approach the public hearing.

Mr. Cross stated if we purchase it in June the social dues will still be collected until October the way they are being collected now and that money will be released to us. We have a problem with how we collect them and how it says on our deeds they will be collected.

Mr. Oliver stated I have been talking primarily with Jason Merritt and Katie also and it is our anticipation those will flow to the district for the remainder of this fiscal year because this district didn't budget for that for fiscal year 2016 because we don't own the course yet.

Mr. Poole stated whatever we call it we want to communicate that to the residents so they understand the transition we are going through so that they can understand any changes.

Mr. Oliver stated I agree and we will do that and it will be on the proposed budget document as well as the narrative we are preparing for that information. It will be a net/net basis what is now the social dues will pretty much be a match for the O&M to support the golf course operation.

TENTH ORDER OF BUSINESS

Other Business

Mr. Cross stated I have a letter from Mr. Deal who wants to chair a golf advisory board and I think that is a great idea, the more people we have involved in this the more input we get and the fact that several board members don't play golf it is hard for us. I would like to see an advisory board that can report to the board and work with the golf course and he would be a liaison between the three of us to work with us and work with them to make sure that we know if there is a problem we are all aware of it.

Mr. Krueger stated my only concern is the sunshine law how it would impact that.

Mr. Cross stated he would report to the board.

Ms. Buchanan stated if an advisory committee is part of the decision-making process they would have to meet in the sunshine. They can still do it but I suggest they line up their board meetings concurrent with these so we can notice them at the same time and say the golf advisory board meets at 5:00 p.m. and the CDD meets at 6:30 p.m. all meetings are at this address.

Mr. Cross stated we will work out the logistics.

Mr. Krueger asked is there a way we can get around that?

Ms. Buchanan stated what you had before was a group of citizens that were telling you what they thought about things when we had the initial committee. If you are talking about having them become part of your decision-making process meaning they are communicating with the vendors and reporting back to you, when they are making recommendations then my initial take is that those meetings need to be in the sunshine.

Mr. Payton stated I have talked to a number of people in the last few weeks about different advisory committees and resident groups and holiday lighting committee so I want to understand. I wasn't concerned until a minute ago.

Ms. Buchanan stated it is a nuance but if they are making a recommendation and have your attention and they are on the agenda where you consider the recommendation and that weighs into your decision-making process then that is an advisory committee, which would generally be required to be noticed in the sunshine. If it is a group of citizens that are submitting a request to the board saying I would like you do to this then that is just a group of citizens. It is the delegation of authority, you are giving them some authority to go do things on your behalf and report back to you. That is where it changes.

Mr. Payton stated now that I think about it some of these things are more like the holiday lighting as an example, they want to help Matt to plan or arrange or build things and we are not involved at all.

Ms. Buchanan stated that is delegated independent authority under his contract.

Mr. Cross stated that is really what I'm looking at with the golf advisory committee.

Mr. Poole stated there are a number of things in the community that would benefit from something like that as well. I think there are a number of people in the community who would be willing to act as a citizens group because that would probably be preferable, which would give them the flexibility they would like to have versus being subject to the sunshine law.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated there is a document in front of you from Clay County, which is a letter of support and is signed by the county manager, Stephanie Kopelousos and she explains that Armstrong Ventures and Clay County have been negotiating the design and construction of the Tines Boulevard extension. Basically she reiterates that this agreement is in draft form and would require approval by the Clay County Board of County Commissioners as well as this board to be effective and there are still some ongoing items that are under discussion. Some of the things she points out in sub-paragraph 5f, which is the maintenance of cash flow to the project, section 7b, which is a description of the guarantee, and 5h. On a 2,000 foot level the county and the developer are trying to negotiate the construction and funding of this extension.

The county wants to dedicate \$7 million of construction money to a CDD for the construction of that extension. As we discussed before it is anticipated that particular piece of property will be de-annexed from the district it will not continue to be a part of the district. However, the county has timing constraints on using their money and they would like the district to move forward with design solicitation and we have done this before. We publish a request for proposals and seek proposals from interested engineering firms that would then be evaluated by the board and approved to start working on the design of the project. The understanding and intent is that the county provides the funding for this work. Should the property be de-annexed from the district as planned we would then assign these contracts and any work product produced by these contracts to the new CDD. We discussed that before, I believe Roger came in and presented it to you. I think that in the past you have expressed a willingness to undertake the request for proposals for engineering provided it was developer funded but that is the extent of my recollection of your commitment.

Mr. Payton stated basically the request is that we help them get started even though we anticipate not being involved.

Ms. Buchanan stated correct. That is not how this agreement is drafted and is one of the concerns I highlighted, there is no ability for us to terminate the agreement if for some reason the new CDD didn't work out I don't think you want to be on the hook for this construction. You would undertake the beginning with the understanding that you could assign it to someone else. That is what you have always contemplated.

Mr. Krueger stated I don't have an issue with this as long as we can get out of this.

Mr. Cross stated I agree.

Mr. Poole asked what is expected of us?

Ms. Buchanan stated you do the request for proposals, you publish the notice then you have your time and my time to review the proposals to make sure they are appropriate, which they would reimburse us for. All of that would be covered by a developer funding agreement, which Roger has already suggested and committed to.

Mr. Cross stated we are just doing him a favor it is not going to cost us anything but time at a meeting to approve it, it is paid for by him. At what point do we get out of this?

Ms. Buchanan stated I think this is a solicitation for your comments and concerns so I suggest that be one thing we respond back with that we are happy to begin this process but we are not seeing it through to the end.

Mr. Payton asked how long after we de-annex will it take to create a CDD?

Ms. Buchanan stated I expect we will have the petition to amend the boundaries of South Village and a petition for the new CDD to be on the second county commission meeting in June.

Mr. Poole asked what do we need to respond to this?

Ms. Buchanan stated given his desire to move forward I'm sure he expects a response as soon as you are able. If you wanted to take some action tonight I suggest that you direct staff to work with one of you to make revisions to this agreement that you deem appropriate that we can bring back to the May 17th meeting for further discussion. Another option is to go ahead and approve the request for qualifications process subject to a funding agreement executed by the developer so even if you are not comfortable with this form we could potentially help him by starting the process.

Mr. Cross moved to authorize staff to start the process to subject to amendments being made to the agreement.

Mr. Poole stated if time is not of the essence I propose we bring this back as an agenda item at our continued meeting to give us time to read and understand it. I don't think two weeks is going to kill it.

Mr. Krueger stated I think the fact that he sent it to us to look at and evaluate that he would like to get started as soon as he can.

Mr. Cross stated I understand your point Bobby but it is not going to cost us anything, there is no liability it is really helping him out. He is just going through the process at this point. Whether we approve it now or two weeks from now it is still going to be the same thing with a change in the agreement so we know when it is going to be cancelled.

Mr. Poole stated it would people on the board time to read this document and understand it. This document is dated April 20, 2016 we could have had this document before this meeting to go over it and if we had any concerns or questions about it we could have asked them. I see the letter from the county is dated the 29th and that is not that old but if you are going to drop

something on our desk tonight for us to make some decisions and it was generated almost two weeks ago I get a little bit concerned.

Mr. Oliver stated staff hasn't been holding this.

Mr. Payton stated I agree with Bobby on this.

Mr. Krueger stated as long as we put the caveat in there that we can cancel it I don't see any issues with it.

Ms. Buchanan asked can you repeat the motion?

Mr. Cross stated I want to move forward with the request for proposals.

Ms. Buchanan stated you want to authorize solicitation for request for qualifications subject to developer funding.

Mr. Cross stated yes with the fact of the proposed amendments within the agreement to show us a termination.

Ms. Buchanan stated two motions, one is to direct staff to work with yourself to negotiate the terms of this agreement to ensure that the district has the ability to terminate this agreement basically provide for a contingent liability so we don't have any obligations if things don't work out as planned. We have a source of funding for this we have no bonds, it is not in our improvement plan we are doing this solely to facilitate the developer and county moving forward. That is one motion. The second motion I heard, which is separate and apart from this is to authorize district staff to move forward with solicitation of a request for qualifications for an engineering firm for the Tines Boulevard extension subject to the execution of a developer funding agreement prior to that work.

Mr. Payton stated the first is now negotiating, we are not approving this agreement today we are approving you to work up a new agreement that gives us an out or deadline of being transferred to a new CDD. Are we approving this today?

Mr. Cross stated approving it today with the clarification that there will be an amendment to show an expiration or termination of it.

Mr. Payton asked will we all see the new document or will it be you who sees it?

Mr. Cross responded you will see the new document.

Mr. Poole stated if I have clarification that nothing is going to happen until you bring it back to the board again.

Mr. Payton stated right, for the next couple of weeks they are going to work on the finance side and bring it back.

Mr. Cross stated on the second motion then we could go ahead and start the proposals, right.

Ms. Buchanan stated there are two things. Is everyone in agreement on the solicitation motion? Why don't we consider that first? That is a separate issue that is a little cleaner. That is just to authorize district staff to move forward with soliciting proposals in response to request for qualifications from engineers regarding the design for Tines Boulevard extension, all of that being subject to an executed developer funding agreement.

Mr. Cross stated basically what we are saying is that they can go ahead and move forward with an engineering agreement and proposals for contracts based on the fact that they are going to agree to pay for it.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor district staff was authorized to move forward with solicitation of a request for qualifications for an engineering firm for the Tines Boulevard extension subject to the execution of a developer funding agreement.

Ms. Buchanan stated one more point of clarification. Our typical criteria we use for request for qualifications are ability and adequacy of professional personnel, we usually rate that at 25 points. The second would be past performance and how well they performed for other CDDs, their experience, integrity and character and any conflicts of interest or relationships and that is usually 25 points as well. The one caveat there is that generally a CDD engineer will be deducted points. It is not that because Hadden Engineering has done such great work we would be able to give them more points. The purpose of the statute is to provide for multiple opportunities for different firms. That will be 25 points. Geographic location how close they are to this particular project we sometimes weigh at 5 points. Willingness to meet time and budget at 15 points. A certified minority business enterprise at 5 points. Projected workload at 5 points and volume of work previously awarded to the principle by the district 5 points. Would you like to modify that criteria is there anything that seems more important or less important? One thing to understand about this particular statute is that you cannot evaluate budget. You are supposed to pick an engineer based solely on qualifications and experience.

It was the consensus of the board to use the evaluation criteria outlined by Ms. Buchanan.

Ms. Buchanan stated we will use our standard form of qualifications when we publish the advertisement. We will have some time on this. I cannot make the advertisement work for our May 17th meeting so we will have to bring back proposals at the earliest to our June meeting. Is there anyone you would like to delegate authority to make any changes? I will run these by the county and if they suggest a change I would prefer to have someone be able to change them.

Mr. Cross stated I will be working with you and I can do that.

Ms. Buchanan stated we are authorized to do the RFQ and I would like a motion to approve that.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the evaluation criteria was approved and the chairman was authorized to make any necessary changes suggested by the county.

Ms. Buchanan stated we have done something that in theory will enable the project to move forward. I think from a practical standpoint you have taken an action that the developer should hopefully find helpful. Now the question is whether you want to approve this and delegate authority specifically to the chairman to change it or whether you want to direct staff to work with the chairman to come up with proposed revisions and bring them back for consideration at your May 17th board meeting. We will circulate a draft prior to that meeting so if you have comments you can review them and try to work them in prior to the May 17th meeting.

On MOTION by Mr. Cross seconded by Mr. Townsend with all in favor staff was authorized to work with the chairman to prepare revisions to the interlocal agreement to include a termination provision and to bring it back to the May 17th board meeting.

Mr. Poole stated I looked at the environmental report, the management services agreement between East West and Arnold Palmer and I looked at one other and I believe all three go back in his hand within them by some survey components the golf course and the golf club and would you share with us what the insufficiency existed in those surveys that really required us to go with the other survey? These were surveys of the golf course and the

clubhouse. The one question we asked as we started to move forward was the need to conduct a survey of the golf course and clubhouse to specifically identify what the boundaries were. I think we came to the conclusion that we had no survey that met the level of detail that we needed to have in the procurement of the golf course and the clubhouse. I'm asking in looking at those three documents what were the insufficiencies from a legal standpoint?

Ms. Buchanan stated I am going to have to refer that to Jason Merritt. I'm happy to get back to you with the answer. I will get with Jason and he will get with Keith on the surveys.

Mr. Poole stated there were surveys with those three documents that dealt with the golf course and dealt with the clubhouse.

Mr. Andersen stated there were not surveys there was a legal description, which is completely different. What you saw were legal descriptions. We asked those questions in the very beginning and said will those legal descriptions satisfy a survey, that is not a boundary survey that is an estimation that is not going out and putting stakes in the ground and actually putting in monuments throughout and that is what they ended up doing. That is why it cost so much and took so much time because they had to delineate between the wetlands, conservation area and the golf course so we could get an actual survey of the property that we are buying. You saw a legal description not a survey. The surveyor put in 1,000 different way points, it is just like on your property you have iron sitting in the back of your property. It is a protection for the district because now we know exactly what we are buying.

Ms. Buchanan stated we needed a certified survey to then get title insurance. If there is ever an issue with the title we have an insurance policy that will pay to defend what we believe is our property. Clary prepared a draft that we sent to the title company and that is what they preparing the policy on.

B. Engineer

There being none, the next item followed.

C. Manager

1. Report on the Number of Registered Voters (1,737)

Mr. Oliver stated the district is required by Florida Statutes once a year to put the number of registered voters on the record and that is now 1,737 registered voters.

2. General Election

Mr. Oliver stated general elections are approaching and this year there will be two seats up for elections, seats no. 2 and no. 4 held by Mr. Payton and Mr. Townsend. The qualifying period for registered voters who live in the district is from noon June 20 to noon June 24 and that is at the supervisor of elections office in Green Cove Springs, Florida. For more information go to clayelections.com and the phone number for the supervisor of elections is 269-6350 and we put that information on the website also.

D. Director of Aquatics & Recreation

Mr. Biagetti stated I believe I have spoken to a couple of you with regard to the fitness equipment upstairs in the athletic center. I would like to move forward on something now. We talked about purchasing new cardio equipment. I have one estimate to repair the cardio equipment and some other things that for roughly \$6,500. This is replacing all the link arms on the ellipticals, new decks on the treadmills, new belts, which are the biggest things on the treadmills. This will take care of everything that we currently have and starting down a new path on a new preventative maintenance plan more frequently we will be looking at two to three years of spending this \$6,500 opposed to the cost of one elliptical which is about \$6,500. I suggest if we can give me a not to exceed \$7,000 on getting everything where we want it to be on the workout equipment.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor staff was authorized to have the cardio equipment repaired in an amount not to exceed \$7,000.

Mr. Payton asked how soon can we expect to see this happen?

Mr. Biagetti stated it will be in the next three to four weeks if no sooner.

Mr. Cross stated the tennis facilities, the tennis classic we had I brought this up before about letting the board know when things are going on and no one was aware of it maybe Chris was but the board wasn't aware of it. I don't know what it cost us to put that on or if there is any cost. Is that money being donated under the name of South Village CDD or is it being donated

under East West? If we are helping them raise money for charity by using our facilities then we should get some kind of credit for it.

Mr. Oliver stated I did get an update from Mark Arrowsmith this afternoon. It says the only extra cost associated for the district for the tournament were for a few hours of overtime. The courts were also resurfaced, paid for from last year's tournament, which saves the CDD money. The prize money and money paid out to charity is all provided by the USTA and sponsors.

Mr. Biagetti stated the overtime is not passed through.

Mr. Cross stated I would like to be aware when we have it next time.

Mr. Payton stated we talked about it at a prior meeting but I will talk to them about notifying everyone.

Mr. Andersen stated we will find out how much is actually passed through because last year it generated income for the community.

Mr. Cross stated those are things I would like to know.

Mr. Krueger stated the 4th of July I would like to go back to having something for the community, a pig roast or whatever it may be. I would like to suggest that the board members contribute \$100 each to help with the fees and have a pig roast.

Mr. Cross stated I don't have a problem with that.

Mr. Biagetti stated we could charge a minimal fee for folks who participate and bring their family out and it will be a good event.

Mr. Cross stated I would rather have more of a community event with no charge if you live here.

Mr. Biagetti stated we can figure that out.

E. Operations Manager - Report

Mr. Andersen gave an overview of his report, copy of which was included as part of the agenda package.

TWELFTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Payton stated I had a meeting with Matt and Mark regarding concerns about the athletic facility and tennis courts. The issue we are having is late evening, Friday night, Saturday

and Sunday when we don't have staff, people from all over just show up playing tennis and sneaking into the basketball court through the backdoor. We met and tried to figure out some solutions. Courts 7 and 8 are the ones in the grass and courts 5 and 6, which are the back courts by the golf shed are fully fenced and the latches are the ones that have a hole for locking. We are going to put padlocks on those with a little sign that says check in at the desk to use the courts, which they should be doing anyway. The tennis pros will have keys and if someone checks in and wants to use the courts and if they are residents they can use the courts. We don't have the ability to lock 1 and 2 or 3 and 4 as they are 3 foot fences around some of the areas but those things are easily visible from the desk. When the facility is finished we will have fencing all the way around you will have to go to the front desk to get to a tennis court. We don't have that today.

A little more difficult is I saw two adult gentlemen park in the golf parking lot come to the backdoor of the basketball gym and someone from inside let them in. I went around and they left. We have doors in the back and two doors on the side that anybody from inside can open and let their friends in. We need to consider putting emergency only sirens so if you push that door open it activates an alarm, which will stop people from letting their friends in. The problem is spending the money to put alarms on the doors that we have today is kind of worthless. We discussed that once the doors are replaced we will put those alarms on them. In the meantime Matt is going to talk to staff about increasing their walks around, going in the gym and checking for a wristbands, checking to make sure there is nobody they haven't talked to playing tennis.

Mr. Cross stated if any resident sees somebody in there that doesn't belong let staff know. Don't confront them but let staff know.

Mr. Poole stated if people let their friends in or non-residents in the gym after hours there is no way to identify who is a resident or not a resident.

Mr. Payton stated the gym isn't open.

Mr. Biagetti stated the basketball court is, the workout facility upstairs is a different question because residents do have access after hours with a key card. I haven't heard of anything recently, there for a while we had a bunch of teenagers that were letting kids in.

Mr. Poole stated after hours if someone is in the gym and they are a resident and they let their friends in then unless someone is there to confront them or talk to them there is no way of identifying who is a resident and who is not.

Mr. Andersen stated right, which is why when we get the cameras installed this will be great because when I come in and let four friends in and they are approached or someone notices all you have to do is go back to the camera system and see what happened and come to the board and say this is the second time he has done this, yank his privileges. It is a great system, it works in a lot of different place and we have seen it in action. When we put up signs that say video surveillance 14 hours it tends to keep the honest people stay honest. It is a board decision but that is going to be our recommendation.

A resident asked the environmental services does that include the lake?

Ms. Buchanan stated it is the lake that the environmental assessment consultant recommended we do additional testing for.

A resident asked it will be cleared up before we take ownership, right?

Ms. Buchanan stated I think it is premature to say anything about it until we find out exactly what is wrong with it if there is anything wrong with it. That is the point of the due diligence to be sure that we are fully informed.

A resident stated we need to make sure we are clear on that and we are not absorbing something. The \$70,000 deferred maintenance, do we go back and negotiate that? Are we taking this on?

Mr. Cross stated that would be up to the board and that is what we are going to look at when we finish all the due diligence, the overall cost of everything. It would be a negotiating point at that time. We want to look at the overall cost of everything.

A resident stated it says \$70,000 of deferred maintenance and that is like maintenance not done.

Ms. Buchanan stated that is my paraphrasing.

A resident asked did NGF say that the tee boxes and those things needed to be redone?

Mr. Cross responded they said to make it a better facility they would recommend to do that but there is nothing wrong with them.

A resident asked what happens on the entrance? I think it is nice that you want to help the developer out but what happens if they go over \$7 million are we on the hook for anything?

Mr. Krueger responded no, anything over \$7 million the developer is responsible for.

Mr. Cross stated the county loaned him \$7 million that he has to pay back so ultimately the county is not even paying for it and if he is over the \$7 million he has to pay that too.

Mr. Andersen stated this is a county mandated road, this is a road that the county wants to build not the developer.

A resident asked I have seen a lot of the sidewalks built by the new builders that they have not brought the concrete level up to the utility, the utilities stick up. Is that something that you can look into?

Mr. Andersen stated I'm going to try to help. That is a builder issue that needs to contact the Clay County Utility Authority so they could lower those valve boxes. Clay County does know about this.

A resident asked has there been any thought around the potential for a stoplight at our entrance? When the toll road is active that is going to increase the traffic dramatically.

Mr. Cross stated that would be up to the county and the state has done studies that show that there are more accidents at red lights than stop signs so they don't like to put up a red light until they have to.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet as of March 31, 2016 and Statement of Revenues and Expenses for the Period Ending March 31, 2016

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. Payton seconded by Mr. Krueger with all in favor the check register was approved.

FOURTEENTH ORDER OF BUSINESS Next Meeting Scheduled for June 7, 2016 at 6:30 p.m. at Eagle Landing Residents Club

Mr. Oliver stated the next scheduled meeting is June 7, 2016 at 6:30 p.m. but earlier tonight we talked about continuing this meeting to May 17th and the items on that continued agenda would be the agreement we discussed earlier with the interlocal agreement with Clay County, the due diligence items and under bond matters we will bring the delegated award

resolution and associated documents. I ask that we delay the start of that meeting until 7:30 p.m. rather than 6:30 p.m. I have another district meeting that night that starts at 6:00 p.m.

On MOTION by Mr. Cross seconded by Mr. Krueger with all in favor the meeting was continued to May 17, 2016 at 7:30 p.m. in the same location.



Secretary/Assistant Secretary



Chairman/Vice Chairman