

Minutes of Meeting
Tolomato
Community Development District

The regular meeting of the Board of Supervisors of the Tolomato Community Development District was held Wednesday June 26, 2019 at 4:00 p.m. in the Nocatee Amenity Center, 245 Nocatee Center Way, Ponte Vedra, Florida

Present and constituting a quorum were:

Richard T. Ray	Chairman
William Fitzgerald	Vice Chairman
Jon Morris	Supervisor
Cherya Cavanaugh	Supervisor
Dr. Ron Howland	Supervisor

Also present were:

Jim Perry	District Manager
Katie Buchanan	District Counsel
Scott Wild	District Engineer
Don Pratt	England-Thims & Miller
Steve Hanson	Tolomoto
Lee Hovis	Tolomoto
Tina Burleigh	Tolomoto
David Ray	GMS
Justin Williams	Connelly & Wicker
Joe Muhl	Parc Group
Brett Sealy	MBS Capital Markets, LLC
Sete Zare	MBS Capital Markets, LLC

The following is a summary of the actions taken at the June 26, 2019 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 4:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Affidavit of Publication

A copy of the affidavit of publication of the notice of meeting was included in the agenda packages.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 28, 2019 meeting

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor the minutes of the May 28, 2019 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of Certification Cost

Ms. Buchanan stated the indenture that was executed in 2006 provided for the payment of deferred costs to the developer as well as the offering statements but then there was an error in the forms because the procedure for collection of deferred costs was supposed to be outlined in the acquisition agreement and that language was not included. Essentially, what deferred costs are is that if the developer pays for infrastructure that would have been part of the project and would have been funded out of proceeds but at the time proceeds were not available then when money becomes available we are able to repay the developer. There was a relatively small number, approximately \$251,399, that the developer has incurred and requested the payment of deferred costs. To connect the dots appropriately I have prepared an amendment to the acquisition agreement, which essentially provides that we will agree to fund work product improvements and agree to accept real property, that is what the original said. The amendment just clarifies that it is work product improvements and then provides for the structure and how to collect and distribute the payment of deferred costs. What then happens is you get a certificate from the district engineer that the costs are in fact part of the improvement plan and the costs were in fact incurred. At that point we would submit a direction letter to the trustee asking that they pay the developer for the deferred costs on behalf of the district. This is a cleanup item and what we anticipate is that this will be paid and those funds will not be part of the refinancing, they would be paid upfront instead of being part of the refunding.

On MOTION by Mr. Ray seconded by Mr. Morris with all in favor the amendment to the acquisition agreement and direction to the trustee was approved.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-12 Setting Forth the Specific Terms of the District's Special Assessment Refunding Bonds Series 2019A-1 (Senior) and 2019A-1 (Subordinate), Series 2019B and Series 2019C

Ms. Buchanan stated this resolution is massive because the exhibits attached to it are the bulk of the paperwork in front of you. We will walk through the resolution in generalities and we can touch base on the attached reports and the underwriter can give you an overview of the terms of the bonds.

This resolution essentially takes the amount of bonds that we have issued and sizes it specifically to the assessments that are levied on the property. It goes through the history of the district, the history of the bonds and what exactly we are refunding and then adopts the methodology, adopts the engineer's report, and notes that the prior assessments are going to be replaced with the assessments as identified in the supplemental engineer's reports. Once we adopt this resolution the 2006 assessments will be no more, the 2007-1s and 2007A-1 assessments will be eliminated as well as the 2012A-3 assessments. That is the sole purpose of the resolution. The par amount of bonds as shown in section 4 is \$101,125,000 and that is just shy of the maximum number that we approved and it references exhibits for sources and uses as well as debt assessment collections and maturities.

Ms. Zare stated we were successful in pricing all series of the bonds providing for construction proceeds and 4% in debt service reduction to all residents within the assessment area. The 2019A bonds have an average coupon of 3.11% down from 5.4%, the 2019B bonds have an average coupon of 2.84% down generating debt service savings as well as construction proceeds and 2019C bonds has an average coupon 4.28%, a significant savings in all three series of bonds.

Ms. Buchanan stated exhibit D has the sources and uses for the bond proceeds, this exhibit identifies how we are taking the remaining funds in the entire bond accounts and transferring them over into this current refinancing. When you look at the other sources and uses you will see the liquidation of the debt service reserve fund, the revenue account and construction account.

The last exhibit is the debt service schedule and none of the debt service schedules were extended in term, they are the same length as they were initially.

The methodology report is the most significant change although it was tweaked slightly to match the actual assessment amounts, nothing substantive and similarly the engineer's report the only change was the line item for the project fund was increased from what we anticipated because we had lower interest rates than initially anticipated.

At the end of the day we were able to reduce everyone's assessments by at least 4% and we were able to recapture more than \$17 million for construction proceeds.

Mr. Ray stated this really sets us up for a long time not only to finish the amenities but also for restoration and renovation.

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor Resolution 2019-12 was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

- 1. Construction Updates**

- 2. Consideration of Change Orders**

- 3. Consideration of Work Authorizations**

- 4. Requisition Summary**

Mr. David Ray stated the series 2006 construction account is going to be swept away prior to the timing of these requisitions going through and we would like to request that the two requisitions under series 2006 be paid out of the 2019 construction account.

On MOTION by Mr. Ray seconded by Ms. Cavanaugh with all in favor the requisition summary, copy of which is attached, was approved as amended.

C. Manager

Report on Number of Registered Voters, St. Johns County 10,766

Report on Number of Registered Voters, Duval County 1,657

Copies of the letter from the supervisors of elections in St. Johns and Duval Counties indicating the number of registered voters was included in the agenda package.

D. Community Manager Report

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of May 31, 2019 and Statement of Revenues and Expenditures for the Period Ended May 31, 2019

A copy of the balance sheet and statement of revenues and expenditures were included in your agenda package.

B. Construction Schedule – May 31, 2019

A copy of the construction schedule was included in your agenda package.

C. Assessment Receipt Schedule

A copy of the assessment receipt schedule was included in your agenda package.

D. Check Register

On MOTION by Mr. Ray seconded by Mr. Fitzgerald with all in favor the check register approved.

NINTH ORDER OF BUSINESS

Other Business

Ms. Buchanan stated my understanding is that there is a piece of property that the district owns that is basically a strip of land that runs parallel to the highlighted portion of the map that has a stormwater pipe underneath it. I'm not sure why we own this piece of property but it runs directly through a developable piece of property owned by Sonoc and Sonoc has requested that we turn the property over to them with the understanding that we would have a perpetual non-

exclusive easement and should anything happen to our improvements if they are damaged or if we have to dig up this site for repair of our improvements the district would not be responsible for the cost of repairing this site back to its condition. To that end, it is a stormwater pipe, we have easements for that purpose all the time instead of owning it but I was asked to bring it to the board to see if anyone had any concerns about taking that action. If there are no concerns we can authorize that transaction between board meetings.

Mr. Ray stated this is a piece of land off of U.S.1 and the developer is donating this piece of land to K9s for Warriors. It is about 4 acres and to expand the facility the developer is going to make a donation. In going through the process we found that down the edge of this property is a stormwater pipe with a piece of land owned by the district. We would donate that land and retain an easement to be able to repair the stormwater pipe if needed.

On MOTION by Mr. Fitzgerald seconded by Dr. Howland with all in favor the chair was authorized to execute documents related to transferring the piece of property to Sonoc.

TENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Next Schedule Regular Meeting and Public Hearing- July 30, 2019 at 3:00 p.m. at the Nocatee Amenity Center

Mr. Perry stated our next scheduled meeting and public hearing is July 30th for the budget at 3:00 p.m. at this location.

On MOTION by Mr. Ray seconded by Mr. Morris with all in favor the meeting adjourned at 4:19 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman