

**MINUTES OF MEETING
TWIN CREEKS NORTH
COMMUNITY DEVELOPMENT DISTRICT**

A Public Hearing and Regular Meeting of the Board of Supervisors of the Twin Creeks North Community Development District was held on Monday, December 12, 2016, at 11:30 a.m., at the offices of Rogers Towers, P.A., located at 100 Whetstone Place, Suite 200, St. Augustine, Florida 32086.

Present at the meeting were:

John Kinsey	Chair
Robert Furlong	Vice Chair
Bryan Kinsey	Assistant Secretary
Cora DiFiore (<i>via telephone</i>)	Assistant Secretary
Jared Bouskila (<i>via telephone</i>)	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Cindy Cerbone	Wrathell, Hunt and Associates, LLC
Gerry Knight	District Counsel
Neal Brockmeier	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 11:35 a.m., and noted, for the record, that Supervisors John Kinsey, Robert Furlong and Bryan Kinsey were present, in person. Supervisors Jared Bouskila and Cora DiFiore were attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Proof of Publication

Mr. Wrathell presented the proof of publication for today's Public Hearing and Regular Meeting.

FOURTH ORDER OF BUSINESS

**Supplemental Engineer's Report No. 1,
November 11, 2016 (for informational
purposes)**

Mr. Brockmeier stated that the Supplemental Engineer's Report addendum provided an updated infrastructure improvement plan to clarify the District's improvements and to adjust the Master Allocations costs based on the residential density changes. The District's improvement plan was currently estimated at 761 residential units and 1,060,000 square feet (sq ft) of commercial office infrastructure improvements. Those numbers were utilized to determine the allocation of the Master Infrastructure improvements to the commercial and residential parcels. The Master Infrastructure Improvement categories did not change, with a total cost of \$17,529,987, and the Neighborhood Parcel Infrastructure Improvement Costs remained at \$25,669,317. The allocation change allocated 24.3% of the Master Infrastructure improvements benefitting the nonresidential commercial areas and 75.7% benefitting the residential land uses.

Mr. Wrathell asked if the 1,060,000 sq ft retail commercial also included the 10,000 sq ft amenity recreation center. Mr. Brockmeier replied affirmatively. Mr. John Kinsey stated that Table 6 reflected 183.2 Equivalent Residential Units (ERUs) applied to Parcels 2 and 3, which was the parcel being sold to Lennar to develop 187 single-family lots. The ERUs were 0.98 per unit.

FIFTH ORDER OF BUSINESS

**Consideration of Revised Master Special
Assessment Methodology Report,
November 11, 2016**

Mr. Wrathell stated, on Page 3, Section 2.2 states that the CDD decreased from 833 residential units to 761 residential units. The commercial remained the same, at 1,050,000 sq ft, minus the amenity center. Since the amenity center would be owned by the Association and all of the property owners in the District would be paying assessments, the amenity center would not be assessed, which was the difference in the residential units. This change resulted in changes in the Master Methodology, which necessitated the Public Hearing process. On Page 17, the "Development Plan" showed the unit counts. Table 1 reflected the breakout of the residential parcels and the number of units for each. The issuance of neighborhood bonds was being proposed on some of the residential parcels. Master Infrastructure bonds would be issued over the entire project, which would benefit both the commercial and the residential units. There would be neighborhood bonds on specific neighborhood parcels. On Page 19, Table 3 assumed

that 100% of the Master Infrastructure improvements would be financed. With regard to the Master Bonds, the “Preliminary Sources and Uses of Funds” assumed the CDD paying off the outstanding Bond Anticipation Note (BAN), in addition to funding the balance of the Capital Improvement Plan (CIP) for Master Infrastructure. On Page 21, Table 5 showed the Assessment Apportionment, based upon the hypothetical scenario of financing 100% of the Master Infrastructure improvements. Table 10, on Page 26, included the final assessment roll and the Exhibit reflected the properties to be assessed, under the Master Methodology.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Revised Master Special Assessment Methodology Report, Dated November 11, 2016, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Supplemental Special Assessment Methodology Report, December 2, 2016

Mr. Wrathell presented the Supplemental Special Assessment Methodology Report, which was specifically tailored to match the bonds that were intended to close this week. On Page 3, Section 2.2 reflected that residential Parcels 10, 11, 12, 13 and 14 were proposed to be developed with a total of 494 residential units, which is the area related to the issuance of the neighborhood bonds. The Master Infrastructure bonds would be issued on all of the property. The A-1 and A-2 bonds would be secured by separate special assessment liens levied with respect to the A-1 bonds against all assessable properties in the District, with the exception of a parcel of land that is in the process of being removed from the District. On Page 21, the par amount of bonds would be \$21.5 million. There was an original issue discount of \$939,575 and unspent note proceeds of \$3,254,000, which was related to the BANS, which remained in the construction account. Under “Project Fund Deposits”, \$12,283,571.68 would be deposited into the construction account. Under “Other Fund Deposits:”, funds were set aside for the “Debt Service Reserve Fund” and the “Capitalized Interest Fund”. The A-2 bonds would be related to the neighborhood bonds for the specific parcels described, with an original issue discount of \$412,462.50. This bond would fund \$8,092,840.64 into the construction, debt service reserve and capitalized interest accounts, which would fund the interest payments until November, 2018, Cost of Issuance (COI), and underwriter’s discount. \$31,500,000 is the debt assessment that

would be levied on the properties, as opposed to \$33,401,000, which accounts for the extra BAN proceeds, as well as the original issue discount. In the Master Methodology, the annual debt assessment amount and the par amount of bonds for the commercial and the residential were both slightly higher than indicated in this Report. The maximum annual debt assessment for the neighborhood bonds would be \$1,346.31. Residential Parcels 1, 2 and 3 would pay a Master Infrastructure debt assessment, with no neighborhood assessments, at this time. Residential Parcels 10, 11, 12, 13 and 14 would pay the Master Infrastructure bond assessment and a neighborhood assessment.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Supplemental Special Assessment Methodology Report, dated December 2, 2016, was approved.

SEVENTH ORDER OF BUSINESS

Mailed Notices to Property Owners

Mr. Wrathell presented the mailed notices sent to property owners, which included the Engineer’s Reports and Methodology Reports, and advised property owners of today’s Public Hearing.

EIGHTH ORDER OF BUSINESS

Public Hearing to Consider the Adoption of an Assessment Roll and the Imposition of Special Assessments Relating to the Financing and Securing of Certain Public Improvements

Mr. Wrathell stated that testimony would be heard from affected property owners as to the propriety and advisability of making improvements and funding them with special assessments. With regard to the CIP, the District Engineer outlined the steps the District has taken to fund the improvements with Special Assessments.

- *Hear testimony from the affected property owners as to the propriety and advisability of making the improvements and funding them with special assessment on the property.*

Mr. John Kinsey stated that Twin Creeks Development Associates and Twin Creeks Ventures believed that the assessments were appropriate and the imposition of the assessments and issuance of the bonds should be approved.

- *Thereafter, the governing authority shall meet as an equalizing board to hear any and all complaints as to the special assessments on a basis of justice and right.*

Mr. Wrathell stated that the Board would ask to hear any and all complaints as to the special assessments on a basis of justice and right. The Assessment Methodologies must apportion debt in a fair and reasonable manner. Mr. John Kinsey stated neither Twin Creeks Development Associates nor Twin Creeks Venture had any issue with the assessment levels.

- A. **Consideration of Resolution 2017-4, Authorizing District Projects for Construction and/or Acquisition of Master Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted By Such Master Infrastructure Improvements to Pay The Cost Thereof and to Redeem Certain Special Assessment Bond Anticipation Notes, Series 2016, Issued by the District; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Providing for True-Up Payments; Making Provisions Relating to the Transfer of Real Property to Governmental Bodies; Providing for the Recording of an Assessment Notice; Providing for the Revision and Replacement of Prior Special Assessments; Providing for Severability, Conflicts and an Effective Date**

Mr. Wrathell presented Resolution 2017-4 for the Board’s consideration.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, Resolution 2017-4, Authorizing District Projects for Construction and/or Acquisition of Master Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted By Such Master Infrastructure Improvements to Pay The Cost Thereof and to Redeem Certain Special Assessment Bond Anticipation Notes, Series 2016, Issued by the District; Providing for the Payment and the Collection Of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Providing for True-Up Payments; Making Provisions Relating to the Transfer of Real Property to Governmental Bodies; Providing for the Recording of an Assessment Notice; Providing for the Revision and Replacement of Prior Special Assessments; Providing for Severability, Conflicts and an Effective Date, was adopted.

B. Consideration of Resolution 2017-5, Authorizing District Projects For Construction and/or Acquisition of Neighborhood Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted By Such Master Infrastructure Improvements to Pay the Cost Thereof and to Redeem Certain Special Assessment Bond Anticipation Notes, Series 2016, Issued by the District; Providing For Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Providing For True-Up Payments; Making Provisions Relating to the Transfer of Real Property to Governmental Bodies; Providing For The Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date

Mr. Wrathell presented Resolution 2017-5 for the Board’s consideration. The Master Infrastructure and the Neighborhood Infrastructure were being treated separately. The Public Hearing would be opened, with regard to the Neighborhood Infrastructure Improvements, and testimony would be heard from the affected property owners as to the propriety and advisability of making the improvements and funding them the special assessments on the property.

*****Mr. Wrathell opened the Public Hearing.*****

Mr. John Kinsey stated neither Twin Creeks Development nor Twin Creeks Venture had any problem with the manner of the Assessment Methodology.

Mr. Wrathell stated that the governing authority, the Board of Supervisors, would meet as equalizing Board to hear any and all complaints as to the Special Assessments on the basis of justice and right. Mr. John Kinsey had no objections.

*****Mr. Wrathell closed the Public Hearing.*****

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, Resolution 2017-5, Authorizing District Projects For Construction and/or Acquisition of Neighborhood Infrastructure Improvements; Equalizing, Approving, Confirming, and Levying Special Assessments on Property Specially Benefitted By Such Master Infrastructure Improvements to Pay the Cost Thereof and to Redeem Certain Special Assessment Bond Anticipation Notes, Series 2016, Issued by the District; Providing for the Payment and the Collection of Such Special Assessments by the Methods Provided for by Chapters 170, 190 and 197, Florida Statutes; Providing For True-Up Payments; Making Provisions Relating to the Transfer of Real Property to Governmental Bodies; Providing For The Recording of an Assessment Notice; Providing for Severability, Conflicts and an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Consideration of Bond Financing Documents

A. Amended and Restated Assignment and Acquisition Agreement

Mr. Wrathell stated that the CDD was preparing to issue new bonds and this Amended and Restated Assessment and Acquisition Agreement was specifically related to the Master Infrastructure Bonds.

Mr. Knight stated that the purpose of this Agreement was to amend and restate the Acquisition Agreement related to the BANS and was prepared as an agreement that relates to the issuance of the bonds.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Amended and Restated Assignment and Acquisition Agreement Related to the Master Infrastructure, in substantial form, was approved.

B. Acquisition Agreements

i. Neighborhood Infrastructure Improvements for Parcels 10/11, 12 and 13

Mr. Knight stated that the Acquisition Agreement was for neighborhood infrastructure improvements related to Parcels 10/11, 12 and 13.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the acquisition Agreement for Neighborhood Infrastructure Improvements for Parcels 10/11, 12 and 13, in substantial form, was approved.

ii. Neighborhood Infrastructure Improvement for Parcel 14

Mr. Wrathell presented an Acquisition Agreement for neighborhood infrastructure improvements related to Parcel 14.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Acquisition Agreement for Neighborhood Infrastructure Improvements for Parcel 14, in substantial form, was approved.

C. Collateral Assignment and Assumption of Development Rights

- i. Master**
- ii. Parcel 14**

Mr. Knight stated that, pursuant to the Collateral Assignment and Assumption of Development Rights, the developer agreed to assign to the District any development rights relating to the construction of the property being developed, in the event of a default in the payment of assessments. One document was for the Master Infrastructure and one was for the infrastructure for Parcel 14. Mr. John Kinsey asked if one document would be executed by Twin Creeks Development Associates, for all of the property that it owns, subject to these assessments, with a separate document being executed by Twin Creeks Ventures, with respect to all of the property it owns, subject to these assessments. Mr. John Kinsey clarified that the first document was not just for the Master; it was for the A-1 and A-2 bonds for the property owned by Twin Creeks Development Associates, who owns the property where the Master infrastructure was being completed and it owns the property where the parcel bonds were being issued.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Collateral Assignment and Assumption Agreement and Contract Rights Relating to Twin Creeks North Community Development District for Parcels 10, 11, 12, 13, to be executed by Twin Creeks Development Associates, LLC, in substantial form, was approved.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Collateral Assignment and Assumption of Development and Contract Rights Related to Twin Creeks North Community Development District, for Parcel 14, to be executed by Twin Creeks Ventures, LLC, in substantial form, was approved.

D. Agreements Regarding True-Up and Payment

- i. Series 2016A-1 Special Assessments**

Mr. Knight stated the True-up Agreements were intended to address the assessments, which were approved based on a proposed development plan. If that plan changed, and residential density declined, due to replatting, there must be a true-up payment because the District would not be receiving enough revenue from the assessments to pay the debt service on

the bonds. In the Agreement, “parcels” must be changed to “District lands”. With regard to the A-2 bond Agreement, the first sentence would be eliminated, with regard to the A-2 assessment bonds, because that matter was covered elsewhere in the document.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the True-Up Agreement for the Series 2016A-1 Bonds, in substantial form, was approved.

ii. Series 2016A-2 Bonds Assessments

Mr. Knight distributed and presented the True-Up Agreement. Mr. John Kinsey stated he read both of the final agreements today and he and Mr. Bryan Kinsey were in agreement with the form of the documents.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the True-Up Agreement for the Series 2016A-2 Bonds, in substantial form, was approved.

E. Completion Agreements

Mr. Knight stated that the Completion Agreements, in which the developer agrees to complete the CDD project, in the event the CDD does not have sufficient proceeds from the issuance of bonds, in its construction account, to finish the project.

i. Master Infrastructure Improvements

Mr. Wrathell presented the Master Infrastructure Improvements Construction Agreement.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Master Infrastructure Improvements Completion Agreement, in substantial form, was approved.

ii. Neighborhood Infrastructure Improvements for Parcels 10/11, 12 and 13

Mr. Wrathell presented the Neighborhood Infrastructure Improvements for Parcels 10/11, 12 and 13 Completion Agreement.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Neighborhood Infrastructure Improvements for Parcels 10/11, 12 and 13 Completion Agreement, in substantial form, was approved.

iii. Neighborhood Infrastructure Improvements for Parcel 14

Mr. Wrathell presented the Neighborhood Infrastructure Improvements for Parcel 14 Completion Agreement.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, the Neighborhood Infrastructure Improvements for Parcel 14 Completion Agreement, in substantial form, was approved.

F. Declaration of Consent to Jurisdiction (*for information purposes*)

Mr. Knight stated that, in this document, the developer declares its consent to be assessed, as described in the bond documents.

- **Partial Assignment of Agreement Regarding True-Up and Payment of Series 2016A-1 Special Assignments Related to Pending Sale of Parcels 2 and 3**

******This item was in addition to the agenda.******

Mr. Knight distributed a Partial Assignment Agreement. In the event that the transaction pending sale of Parcels 2 and 3 to Lennar Corporation closes, the CDD wants Lennar and Twin Creeks Development Associates to execute a Partial Assignment of the Agreement regarding the true-up payment for those parcels. The Agreement was prepared for approval, in substantial final form; however, it would not be executed until closing of the sale transaction and may be subject to further changes.

******The meeting recessed at 12:18 p.m.******

******The meeting reconvened at 12:21 p.m.******

This item was deferred.

TENTH ORDER OF BUSINESS

Consideration of Authorization to Publish RFPs for Project Construction

- A. Waterfall Way Landscape Improvements**
- B. Waterfall Way Electrical Infrastructure Improvements**

Mr. Wrathell stated that two ads were sent to the newspaper, for these requests for Proposals (RFPs) for Waterfall Way Landscape Improvements and Waterfall Way Electrical Infrastructure Improvements to obtain pricing for the ads. The newspaper inadvertently ran the ads on December 7, 2016. There was a 30-day timeframe to respond to the RFP. The Board must ratify the actions of District Management to advertise the RFPs. The CDD would be issued a credit for the cost of the ads.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, advertisement of the Waterfall Way Landscape Improvements and Waterfall Way Electrical Infrastructure Improvements RFPs, was ratified.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of October 31, 2016

Mr. Wrathell presented the Unaudited Financial Statement as of October 31, 2016. In response to Mr. Bouskila’s question, Mr. Wrathell stated that the \$4,252,530 in the Capital Projects Fund, was the balance in the construction account, unspent, through October 31, 2016. Mr. John Kinsey stated the CDD started with \$8 million, \$3.8 million was spent, which created an asset, and asked whether, since the asset has not been completed, the title has not been transferred to the District. Mr. Wrathell stated because these contracts were assigned to the District, there were two issues. Typically, when the developer starts construction, ahead of time, the CDD would acquire an improvement, in a completed segment. In this case, the construction contracts were assigned over to the CDD. There are assets that the District is paying for the ongoing work on but the District does not have it as a physical improvement. Mr. John Kinsey stated whatever portion of the bonds has been spent for improvements, to the extent that would be a liability, this statement presumes that there would be a corresponding asset that matches that amount for what was spent for developing those improvements. If the \$3.8 million were shown as the amount that was spent being included in the liability there would be a corresponding increase to the assets for the same amount. Mr. Wrathell stated these assets would be included on the financial statements. The audit would show the physical assets that the CDD owns. Mr. John Kinsey stated, when the first draft of the audit is received, he and Mr. Bouskila would examine it.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the Unaudited Financial Statements as of October 31, 2016, were approved.

TWELFTH ORDER OF BUSINESS

Approval of November 11, 2016 Special Meeting Minutes

Mr. Wrathell presented the November 11, 2016 Special Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. John Kinsey and seconded by Mr. Brian Kinsey, with all in favor, the November 11, 2016 Special Meeting Minutes, as presented, were approved.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Knight stated that the petition to contract the boundaries of the District was approved by the County Commission, on December 6, should take effect this week.

B. District Engineer

Mr. Brockmeier stated, at the last meeting, consideration of the infrastructure improvements for 11, 12, 13 and 14 was deferred. Those evaluations were completed and ranked. The Board should consider the rankings and proceeding with the negotiation and final contracts with the low bidder. Mr. Wrathell stated this would be considered at the January 4, 2017 meeting.

C. District Manager

Mr. Wrathell stated that, before adjournment, he would request a Special Meeting be scheduled for January 4, 2017, at 11:00 a.m., at this location.

FOURTEENTH ORDER OF BUSINESS

Board Members' Comments/Requests

There being no Board Members' comments or requests, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

SIXTENTH ORDER OF BUSINESS

Adjournment

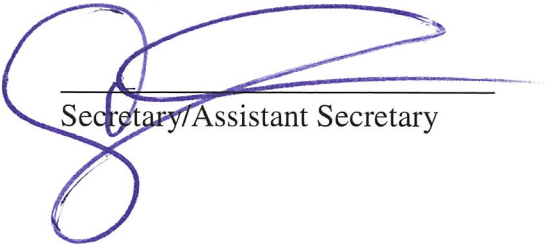
Mr. Wrathell stated that, as there were a couple of business items to be considered, a Special Meeting would be scheduled for Wednesday, January 4, 2017 at 11:30 a.m.

On MOTION by Mr. John Kinsey and seconded by Mr. Bryan Kinsey, with all in favor, scheduling a Special Meeting, on Wednesday, January 4, 2017 at 11:30 a.m., at this location, was approved.


Mr. Knight requested recessing today's meeting and continuing it to Thursday, December 15 at 11:30 a.m., at this location, in the event there were any special items to discuss prior to the bond closing on Friday, December 16, 2016.

On MOTION by Mr. John Kinsey and seconded by Mr. Furlong, with all in favor, the meeting recessed at 12:35 p.m., and was continued to Thursday, December 15, 2016 at 11:30 a.m., at this location.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair