

ABERDEEN
COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Aberdeen Community Development District was held Tuesday, November 13, 2018 at 4:00 p.m. at the Aberdeen Amenity Center, 110 Flower of Scotland Avenue, St. Johns, Florida 32259.

Present and constituting a quorum were:

Rhonda Lovett	Chairperson
Angela Andrews	Vice Chairperson
Dennis M. Clarke	Supervisor
Hillary (Beth) Fore	Supervisor
Gary Davis	Supervisor

Also present were:

Ernesto Torres	District Manager
Mike Eckert	District Counsel
James Oliver	GMS, LLC
Lauren Egleston	Vesta/Amenity Services Group
Sete Zare	MBS Capital Markets, LLC

The following is a summary of the actions taken at the November 13, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Lovett called the special meeting to order at 4:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

A resident stated putting a meeting notice in the St. Augustine Record isn't enough information for the whole community to know there is a meeting today.

Ms. Lovett stated that is a requirement as far as the notification and it is also on our website and it should have been noticed on the board outside.

Mr. Eckert stated Florida Law requires us to advertise in the newspaper and our rules require at least seven days in advance. It is on social media and the district's website trying to advertise it as well and this date was probably discussed at a prior board meeting as well.

Ms. Lovett stated the social media, which is not official, it has been on there for over 10 days.

THIRD ORDER OF BUSINESS

Matters Related to Series 2018 Bonds

A. Financing Update from MBS

Ms. Zare stated we successfully priced the bonds; the total par is \$2.065 million and an average coupon of about 5% and debt service per resident is by product type. It was a very successful transaction.

B. Consideration of Resolution 2019-05 Supplemental Assessment Resolution

Mr. Oliver stated attached as an exhibit to the resolution is the assessment methodology. You have seen several previous versions of report, which has been updated based on market conditions. At the recent public hearing we had excellent resident participation. In the mailed and published notice announcing the public hearing, projected assessment amounts reflected the maximum that could be assessed. The numbers you see on Table 4 of this final report represent a lower interest rate than we anticipated and the far right column shows what the per unit annual debt service for each product type. The largest product is a single-family 80 and gross annual debt service will be \$105.59. If you pay your tax bill by November 30th each year that is reduced by 4%. The single-family 73 foot unit is \$96.50, the 63 is \$83.21, the 53 is \$69.93, the multi-family unit is \$34.96 and the commercial and office space based on square footage is \$69.93 per 1,000 square feet.

Mr. Eckert stated Resolution 2018-05 was prepared by our office and two documents will be attached as exhibits, the supplemental engineer's report dated July 31, 2018 and the final supplemental special methodology report that Jim just described and we also have exhibits the maturities and coupon of the Series 2018 Bonds, the sources and uses of fund for the 2018 Bonds as well as the annual debt service payment schedule.

Section 1 of the resolution provides the authority for the resolution. Section 2 makes certain findings in terms of the assessments and that they will specially benefit the property within the district. Section 3 sets forth the terms of the bonds it confirms the maximum assessment lien securing the bonds. Section 4 levies and allocates the assessments securing the 2018 Bonds, which is at a lower level than you established your maximum assessment lien at your October public

hearing. Section 5 deals with the calculation and application of true-up payments. Essentially, the district has an agreement that will be entered into with the developer, D.R. Horton, that basically says D.R. Horton told us you would develop this many units if you don't develop that number of units you are going to have to pay us money so that we can turn around and pay the bondholders because that has been designed so that if for some reason one property owner doesn't pay it prevents everybody else's assessments from going up if the developer doesn't pay for some reason. We have that protection and that also is a lien on the property, the obligation to make a true-up payment. Section 6 just says we will update the improvement lien book. Section 7 authorizes the filing of an assessment notice in the property records and sections 8, 9, and 10 are more administrative in nature.

After reviewing all the documents and the presentation you have heard today staff would recommend adoption of Resolution 2019-05.

On MOTION by Mr. Davis seconded by Ms. Fore with all in favor Resolution 2019-05 was approved.
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C. Consideration of True-up Agreement

Mr. Eckert stated essentially it is an agreement for the benefit of the district and the bondholders and to the detriment of D.R. Horton if they choose to develop less units they will have to pay the same assessment amount so there is no shortfall in the district's funding obligations to the bondholders. We have a true-up agreement already in place on the old bonds, it is not a new concept but is something that is commonplace in the marketplace any time you sell bonds on property that hasn't been fully development yet. We recommend approval of the true-up agreement for the protection of the district.

Mr. Clarke asked what if more units are developed?

Mr. Eckert stated I would have to look at the methodology but one of two things happens and sometimes the methodology calls it out and sometimes it doesn't. If more units are developed sometimes you can re-amortize the payment schedule so everybody's assessment goes down a little bit and the other thing that happens sometimes is that you will just pay off your bonds earlier so everybody will pay assessments for a shorter period of time. That is going to be dictated by the methodology and if not then it will come back to the board and you can give direction on how to handle that should that situation arise.

On MOTION by Ms. Andrews seconded by Ms. Fore with all in favor the true-up agreement with D.R. Horton was approved.

D. Consideration of Related Documents

Mr. Eckert stated we had this as a placeholder in case there were documents we needed the board to look at and approve and I have none and staff has none.

FOURTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

FIFTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

A resident asked how do we know which assessment is ours?

Mr. Oliver stated it is based on the front footage of your lot. If unsure, you can call my office and we'll look up your specific property to confirm front footage.

A resident stated you said something about the true-up agreement if they build more than planned that everybody's bond would go down a little bit. What happens if somebody paid the bond off already? Will we get a refund?

Mr. Eckert stated no. It is not in the agreement. The agreement we have with D.R. Horton is they have to do a minimum. The trigger that kicks in, in the event they develop more is in our assessment methodology. It is not covered by that agreement. Let's say someone comes in and says I am going to build 1,000 homes and they actually build 1,010 we are going to assess every one of those 1,010 and we are either going to do it at a slightly lower level because we have more units paying now or we are going to assess 1,010 at the full amount but we are going to pay off the bonds in the year 28 versus year 30. That is just in the assessment methodology it is not in the true-up agreement.

A resident asked the bond is in stone now?

Mr. Eckert stated the actual closing is on the 15th, this is a precursor for the closing.

A resident asked are the numbers listed here all true?

Mr. Eckert stated yes, they aren't estimates anymore.

A resident asked how much out of the total will be spent?

Mr. Eckert stated attached to the resolution is an exhibit for the sources and uses that will show how much is going into the construction account and how much is associated with the actual bond issuance and how much is in the debt service reserve account.

Ms. Zare stated there is \$1.7 million going into the construction account.

A resident stated the land along the road that we maintain up to Racetrack Road. People are cutting their subdivision in these roads. Why aren't we getting paid and why don't we turn the land over to them?

Mr. Oliver stated it is not our property; it is county owned right of way. Many planned developments like Aberdeen choose to maintain the rights of ways and medians to a higher standard than the county would. A few years ago, the Board contracted or reduced the amount of right of way maintained by the CDD located beyond the CDD's boundaries.

A resident asked why don't we just stop maintaining it and let them maintain the area?

Ms. Lovett stated we did that and the residents complained because it wasn't safe to walk down the sidewalks, the grass grew up to their waists. The county doesn't mow it. The county has a schedule to mow every eight weeks, we mow every two weeks.

SIXTH ORDER OF BUSINESS

Next Scheduled Meeting – 11/27/18 @ 4:00 p.m. @ Aberdeen Amenity Center

Ms. Lovett stated our next scheduled meeting is November 27, 2018 at 4:00 p.m.

On MOTION by Mr. Davis seconded by Ms. Andrews with all in favor the meeting adjourned at 4:24 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman