

**MINUTES OF MEETING
EAST NASSAU STEWARDSHIP DISTRICT**

The East Nassau Stewardship District Board of Supervisors held a regular meeting on Thursday, November 15, 2018, at 10:00 a.m., in the Nassau Room (T0126), Building T, at Florida State College, Nassau Center, 76346 William Burgess Boulevard, Yulee, Florida 32097.

Present at the meeting were:

Mike Hahaj	Chair
Bob Rhodes	Assistant Secretary
Max Hord	Assistant Secretary
Rob Fancher	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Jonathan Johnson	District Counsel
Sarah Warren	Hopping, Green & Sams, P.A.
Zach Brecht	District Engineer
Camille Evans (via telephone)	Bond Counsel
Brett Sealy	MBS Capital Markets, LLC
Justin Rowan	MBS Capital Markets, LLC
Charles Adams	Raydient LLC

FIRST ORDER OF BUSINESS

Call to Order

Mr. Wrathell called the meeting to order at 10:06 a.m.

SECOND ORDER OF BUSINESS

Roll Call

This item was addressed following the Fifth Order of Business.

THIRD ORDER OF BUSINESS

Chairman's Opening Remarks

This item was presented following the Fifth Order of Business.

FOURTH ORDER OF BUSINESS

Public Comments *(limited to 3 minutes per person)*

This item was presented following the Fifth Order of Business.

Administration of Oath of Office to Newly Elected Supervisors *(the following will also be provided in a separate package)*

Mr. Wrathell stated that, at the Landowners' Election, Mr. Dan Roach and Mr. Bob Rhodes both received 23,650 votes and would serve four-year terms in Seats 3 and 4, respectively.

Mr. Wrathell, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Rhodes. The Oath of Office would be administered to Mr. Roach at another time. Mr. Wrathell provided and briefly explained the following items:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Review of Special Act**
- D. Financial Disclosure Forms**

- i. Form 1: Statement of Financial Interests**
- ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
- iii. Form 1F: Final Statement of Financial Interests**

E. Form 8B: Memorandum of Voting Conflict

- **Roll Call**

This item, previously the Second Order of Business, was presented out of order.

Supervisors Hahaj, Fancher, Rhodes and Hord were present, in person. Supervisor Roach was not present.

- **Chairman's Opening Remarks**

This item, previously the Fourth Order of Business, was presented out of order.

Mr. Hahaj welcomed everyone to the meeting and noted the following:

- A lawsuit was filed by the Developer and its related entities against Nassau County and was disseminated earlier in the week. Mr. Johnson will discuss this in more detail.

- Since the last meeting, there was significant progress at Wildlight, including multiple commercial owners progressing with construction, Florida Public Utilities (FPU) has steel going up on its building, the apartment site commenced construction and earthwork and Skinners are preparing for construction.

- **Public Comments *(limited to 3 minutes per person)***

This item, previously the Fourth Order of Business, was presented out of order.

There being no public comments, the next item followed.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2019-03, Canvassing and Certifying the Results of the Landowners' Election of Supervisors Held Pursuant to the Special Act, and Providing for an Effective Date

Mr. Wrathell presented Resolution 2019-02. The results of the Landowners' Election were as follows and will be added to the Resolution:

Seat 3	Dan Roach	23,650	Four-year Term, Term Expires November 2022
Seat 4	Bob Rhodes	23,650	Four-year Term, Term Expires November 2022

On MOTION by Mr. Hahaj and seconded by Mr. Fancher, with all in favor, Resolution 2019-03, Canvassing and Certifying the Results of the Landowners' Election of Supervisors Held Pursuant to the Special Act, and Providing for an Effective Date, was adopted.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2019-03, Designating the Officers of the District and Providing for Effective Date

Mr. Wrathell presented Resolution 2019-03. Mr. Hahaj nominated the existing slate of officers, as follows:

Michael Hahaj	Chair
Dan Roach	Vice Chair
Craig Wrathell	Secretary
Craig Wrathell	Treasurer
Rob Fancher	Assistant Secretary
Bob Rhodes	Assistant Secretary
Max Hord	Assistant Secretary
Cindy Cerbone	Assistant Secretary
Howard McGaffney	Assistant Secretary
Jeff Pinder	Assistant Treasurer

No other nominations were made.

On MOTION by Mr. Hahaj and seconded by Mr. Fancher, with all in favor, Resolution 2019-03, Designating the Officers of the District and Providing for Effective Date, as nominated, was adopted.

EIGHTH ORDER OF BUSINESS

Discussion/Consideration: Request for Joint Meeting with Board of County Commissioners

Mr. Hahaj stated that the Nassau County Board of County Commissioners (BOCC) requested a joint meeting with the ENSD Board, with one item being the Interlocal Agreement related to landscape common area maintenance on Wildlight Avenue. He recommended that this meeting be limited to the Interlocal Agreement and that Management try to arrange a convenient time for all ENSD Board Members, after the holidays. The BOCC also wanted discussion about any additional Interlocal Agreements; however, there is currently nothing before the ENSD Board related to that. Lastly the BOCC wanted to discuss any other issues.

Mr. Rhodes asked how time sensitive the Interlocal Agreement is; must it be completed now or what is the implication if it is not addressed now. Mr. Hahaj stated that, as of today, the District has not accepted a conveyance or easement of that property to maintain it and, associated with the other public infrastructure improvements that are anticipated to be received by the District but not likely occurring until January, ideally, if the District begins maintenance at the beginning of the year, upon receiving those infrastructure improvements, the timing would be around or before then so that the District has the Agreements in place in order to perform the maintenance. This is just for Wildlight Avenue. Mr. Hahaj stated that January is when the conveyances would occur, relevant to this Interlocal Agreement.

Mr. Rhodes' preference was to defer this decision until the Board hears from District Counsel about the pending litigation because the BOCC wants to discuss three items with the ENSD Board, one being the Interlocal Agreement, which the ENSD Board understands; however, it is difficult to limit discussions and he wanted more information about the lawsuit before discussing anything else with the BOCC. The ENSD Board must hear from District Counsel whether the District has an interest in the recently filed litigation and, if there is an interest, then it puts different considerations on the ENSD Board's decision to meet with the BOCC.

Mr. Johnson concurred with Mr. Rhodes. The Interlocal Agreement for landscape maintenance is a very perfunctory, ministerial type of item. He suspected that the reason the County pulled it was to try to get the ENSD Board to meet with them to then discuss far broader

matters, such as the impasse over the County’s contention that Raydient and the District fund recreational improvements far beyond those that are currently required by the entitlements on the property. He agreed with Mr. Rhodes that, during the meeting, it could be difficult to limit the discussion to just the Interlocal Agreement. If the ENSD Board decides, as a Board, that it is important to protect the interests of the District, as it relates to the final count in the complaint, relative to the declaratory action over whether the District has some obligation to fund those improvements, as the County has alleged, in a number of instances, then he would be loath to have any of those conversations that are the subject of pending litigation. District Counsel should know more, by the December meeting, in terms of a recommendation of whether the District should get involved. On the subject of landscaping, District Counsel also looked at whether there are options, under County Code, to simply apply for a right-of-way (ROW) utilization permit or another avenue. Rather than the ENSD Board and Staff putting themselves in a potentially awkward situation, Mr. Johnson felt that, if the ENSD Board waits until the December meeting, he will have a better idea about the landscape and what the District’s role may or may not be in that landscape and the ENSD Board will be able to make a more informed decision.

Mr. Hahaj concurred with Mr. Johnson’s recommendation.

This item was deferred to the December meeting.

NINTH ORDER OF BUSINESS

Presentation of Supplemental Engineers Report for 2018 Project, Wildlight Village Phase 1, dated October 18, 2018 (for informational purposes)

Mr. Brecht stated that the Supplemental Engineers Report in the agenda packet was unchanged, since it was last presented. He distributed revisions that were made to the report, which were more related to correcting clerical errors and incorporating comments received from Bond Counsel. The changes were highlighted in red, on Pages 2 and 3 and were as follows:

- Page 2, Table 2: Clarifiers were added stating that the roads and trails are going to be public and open to the public, even though they may not be constructed using bond funds, and that the District will be entering into a lighting agreement with Florida Power & Light (FPL) for the streetlights.

➤ Page 3, Table 3: Condensed version of the same proposed Maintenance Entity Table that was in the original Engineer’s Report, applicable to just the 2018 Project. A third column was added to reflect how each of the infrastructure improvements would be funded.

Mr. Brecht stated that this draft Engineer’s Report was sent to Bond Counsel, for confirmation; there may be minor adjustments, based on continuing conversations with Bond Counsel.

Mr. Brecht responded to the following question:

Mr. Wrathell: On Page 2, Table 2, the \$11,855,450, those are Master Infrastructure costs related to the 2018 Project and, at least for the purposes of bonding, at this point, we are just talking about funding the Master Infrastructure for this Project.

Mr. Brecht: Correct.

Mr. Adams advised Mr. Brecht that, for the mobility roads that are indicated with the double asterisk stating that they are being financed with proceeds from the District bonds, that roadway is subject to a mobility agreement for those reimbursements with the County that may not be by the bond proceeds. Mr. Brecht stated that could be corrected; the changes would be made.

Mr. Johnson noted the following change:

Page 3, Table 3: Should be clarified to reflect the District as the entity who is maintaining the streetlighting, if it is financed with bonds, but the District would be “maintaining” by entering into the Maintenance Agreement.

Mr. Adams asked if the streetlights in place were purchased or leased. Mr. Brecht stated that they are leased from FPL, which provides for all the power usage and maintenance, in a single payment, as opposed to them being purchased by the Developer. Mr. Adams asked how that relates to this. Mr. Johnson stated, in terms of what the District spends its bond money on, it could be that it is not an improvement that the District spends the money on; the District might spend it on other things that exceed the capital budget.

Mr. Wrathell stated that the Engineer’s Report and Methodology Report would be approved, in substantial form, recognizing that there could be minor changes. Mr. Johnson noted that the Delegation Resolution was previously adopted and, as part of the Resolution, the Board authorized the Chair to approve adjustments and changes to the various documents; therefore, the Board is essentially accepting these documents but they are still subject to the prior grant of authority to the Chair.

On MOTION by Mr. Hahaj and seconded by Mr. Rhodes, with all in favor, acceptance of the Supplemental Engineers Report for 2018 Project, Wildlight Village Phase 1, in substantial form, subject to the prior grant of authority to the Chair, was approved.

TENTH ORDER OF BUSINESS

Consideration of Revised Supplemental Special Assessment Methodology Report for Wildlight Village Phase 1A, 1B, & 1C, dated November 15, 2018

Mr. Wrathell stated that the version in the agenda packet was slightly updated and there may be the opportunity to make some additional adjustments, prior to finalizing it. He believed that this Supplemental Methodology Report is in substantially final form, other than minor adjustments. This Report focuses on issuing bonds for Phases 1A, 1B and 1C. He reviewed the following:

- Page 12, Table 1: Reflects the unit count breakdown of the Development Plan into Phases 1A, 1B and 1C. At this time, there is no plan to encumber debt on Phase 1D but the District could do so, in the future.
- Page 13, Table 2: Reflects the Phase 1 Project costs and 2018 Project Phase 1 costs, broken out by Master and Neighborhood Infrastructure Improvements.
- Page 14, Table 3: The Estimated Sources and Uses of the Bond Funds, as provided by the Underwriter, contemplates a par amount of bonds of \$5,230,000 for the debt that will encumber Phases 1A, 1B and 1C and the Uses of the bond funds are broken down on the table.
- Page 15, Table 4: The Master Infrastructure Improvements Benefit Allocation reflects the Equivalent Assessment Unit (EAU) weighting for the Commercial uses versus the Educational Community uses, as well as the Residential uses. This is related to Wildlight Village Phase 1, overall.
- Page 16, Table 5: Reflects the Master Infrastructure Improvements Cost Allocation for All Phases for all land use types, including the overall anticipated costs and the anticipated costs to be financed with the 2018 bonds and the value of the improvements to be financed with future bonds or contributed by the Developer.

Mr. Wrathell stated that, for the purposes of the 2018 Project, even though there is \$11.275 million of eligible infrastructure costs allocated to the Village Center and another \$2.8 million allocated to the Wellness Center/Private School, the allocation intends that only the

residential units will pay a debt assessment related to the Series 2018 Project bonds and the other costs allocable to those areas would be funded by the Developer or could be funded through future bonds.

Mr. Rhodes asked why there would not be an assessment on the Village Center and Wellness Center/Private School. Mr. Wrathell stated when the bonds are issued under the Master Methodology, the maximum degree of benefit is defined but, when the actual bonds are issued, the main Landowner has the option to construct improvements, on behalf of certain commercial properties and donate them to the District to offset having a debt assessment allocable to them.

Page 16, Table 5, continued: Review of the Table continued. It was noted that a debt assessment was not contemplated for the apartments, under Residential, because, similar to the Commercial, it was anticipated that the Developer will privately fund and convey to the District the infrastructure improvements, on behalf of the apartments, as well.

➤ Page 17, Table 6: At the recommendation of the Underwriter, this table was deleted from the updated version of the Supplemental Methodology Report, as it did not add any information to the Report.

➤ Page 18, Table 7: With the elimination of Table 6, referenced above, Table 7 becomes Table 6. This report reflects the par amount of bonds for the various product types, once the bonds are issued, and what the annual debt assessment will be.

➤ Page 7, Section 5.3: Describes the number of units, the status of those units and the amount of debt that will be on the units. If additional lots are platted between now and the bond issuance this section could be updated to reflect the change.

Mr. Rowan stated that, with the first series of bonds, initially, the assessments will encumber all the single-family for sale units in Phase 1A, 1C and 1D but, based on how the bonds are being sized, ultimately, the assessments will only encumber the for sale units in Phases 1A and 1C, leaving Phase 1D free and clear but that will not happen until such time as Phase 1C is platted and then the District will have the option, in the future, to issue another series of bonds related only to Phase 1D.

Mr. Rhodes asked for the next steps and timing of the bond issuance.

Mr. Rowan stated that, subject to the adoption of the Delegation Resolution at the last meeting, which authorized and approved the various documents that would be used in conjunction with marketing the bonds and subject to any additional adjustments and sign off

from Staff and incorporating the adjustments in the Engineer’s and Methodology Reports presented today, the Underwriter is in the process of making the final edits to the Offering Memorandum and then, subject to sign off, they will be in a position to present the Offering document to potential investors. Marketing the bonds would be targeted to commence next week and, if that occurred, the pre-close could likely occur in conjunction with the December 12 Board Meeting.

Mr. Johnson stated, regarding the litigation between Raydient and the County, the information is being updated to disclose this litigation in the Offering document and he advised MBS Capital Markets, LLC (MBS) to disclose that it is undetermined, at this time, whether the District will take further action.

Acknowledging that the authority to execute bond documents was already delegated to the Chair, Mr. Rhodes asked if the documents must come before the Board again. Mr. Johnson replied no but the Board will adopt a final Supplemental Assessment Resolution, which will include the pricing, etc. related to the bonds, along with a few other documents but, in terms of the overall scope of the transaction, there is nothing else that is needed for the sale to occur, other than for the Chair and District Staff to execute the documents.

Mr. Rowan stated that a lot of information was given at the last meeting and the bond issuance now focuses on the first 323 lots in Phase 1, which will reduce the initial bond offering to those units and there will also be an updated disclosure about the litigation between Raydient and the County.

On MOTION by Mr. Rhodes and seconded by Mr. Hord, with all in favor, the Revised Supplemental Special Assessment Methodology Report for Wildlight Village Phase 1A, 1B and 1C, dated November 15, 2018, in substantial form, subject to the prior grant of authority to the Chair, was approved.

ELEVENTH ORDER OF BUSINESS

Discussion: Final Bond Related Items

There being nothing further to report, the next item followed.

TWELFTH ORDER OF BUSINESS

Consideration of Authorization of Request for Proposals for Landscape Maintenance – Wildlight Village Phase 1

This item was deferred to the December meeting.

Mr. Wrathell presented the Unaudited Financial Statements as of September 30, 2018.

On MOTION by Mr. Hahaj and seconded by Mr. Fancher, with all in favor, the Unaudited Financial Statements as of September 30, 2018, were approved.

FOURTEENTH ORDER OF BUSINESS

**Consideration of October 18, 2018 Regular
Meeting Minutes**

Mr. Wrathell presented the October 18, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections.

The following change was made:

Line 233: Change "Brecht" to "Hahaj"

Line 296: Change "BHV" to "VHB"

On MOTION by Mr. Rhodes and seconded by Mr. Hahaj, with all in favor, the October 18, 2018 Regular Meeting Minutes, as amended, were approved.

FIFTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping Green & Sam, P.A.*

Mr. Johnson stated that Raydient LLC and several of its subsidiaries filed a complaint against Nassau County. He discussed the contents of the complaint and urged the Board to read the complaint, paying particular attention to Count VI, starting on Page 57, which addressed and seeks declaratory relief from the County over the continued statements and assertions that the County has made that, somehow, the enactment of the Stewardship District, through the Local Bill 1075, created an obligation on the Stewardship District to fund excess recreation detailed by the County on several instances. Mr. Johnson stated that there is nothing in the enactment of the Stewardship Bill that creates any obligation, whatsoever, it is very clear in the Act that this is all subject to growth management, zoning, planning, etc., that are enacted both by State law and County ordinance and the District has certain powers that the Board may choose to exercise. District Counsel will review the claim and determine whether to recommend that the District intervene in the litigation or recommend that the District refrain

from taking further action, particularly as to that Count, as the District has an interest in making sure the Court accurately and appropriately comes to a conclusion, which is that the District does not have an obligation created by the Stewardship District Act. Regarding discussing this in a Shade Session, Mr. Johnson stated that one can only be held if the District is a party to the litigation; therefore, the discussion of this at the December meeting will be public.

Mr. Fancher asked what the implications are for Board Members who are also employees of Raydient and/or its subsidiaries. Mr. Johnson stated that the Board Members are in a very clear position, under Florida law; they do not have a conflict of interest, in terms of their service on the Board. If he were to advise that the District should intervene to oppose Raydient, it would be an uncomfortable situation; however, the Board Members would still not have a conflict of interest. Based on the complaint, if a recommendation is made by District Counsel, it would likely be to intervene in support of Raydient.

B. District Engineer: *England-Thims & Miller, Inc.*

There being nothing additional to report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates LLC*

- **NEXT MEETING:** December 12, 2018 at 10:00 A.M.

The next meeting will be held on December 12, 2018 at 10:00 a.m.

SIXTEENTH ORDER OF BUSINESS

Board Members' Comments/Requests

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

SEVENTEENTH ORDER OF BUSINESS

Public Comments


There being no public comments, the next item followed.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

<p>On MOTION by Mr. Hahaj and seconded by Mr. Rhodes, with all in favor, the meeting adjourned at 10:57 a.m.</p>



Secretary/Assistant Secretary



Chair/Vice Chair