

MINUTES OF MEETING
AMELIA CONCOURSE COMMUNITY DEVELOPMENT DISTRICT

A special meeting of the Board of Supervisors of the Amelia Concourse Community Development District was held Wednesday, April 29, 2015 at 11:00 a.m. at the Amelia Concourse Amenity Center, 85200 Amaryllis Court, Fernandina Beach, Florida 32034.

Present and constituting a quorum were:

James Marvin	Vice Chairman
Debbie Malloch	Supervisor
David Jae	Supervisor (by phone)
Scott Campbell	Supervisor

Also present were:

David deNagy	District Manager
Jason Walters	District Counsel (by phone)

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 11:00 a.m.

SECOND ORDER OF BUSINESS

Public Comment

There are no audience members in attendance.

THIRD ORDER OF BUSINESS

Discussion of SPE Acquisition

Mr. Walters stated I apologize in advance because I thought a resolution had already been sent over but apparently, it was not. The SPE, which currently owns the remaining undeveloped property within the District, has been in discussions over the past two years with several folks in terms of selling the undeveloped property. At this time, we have a finalized purchase and sale agreement with Dreamfinders Homes under the entity of DFH Land, LLC, to purchase all of the remaining undeveloped property within the District. Hopefully, you have had a chance to review the agreement. The reason we are here today is even though it is the entity that owns the property and obviously has the right to contract and sell that property, that SPE is a District managed SPE. When we have an entity like that and we get to this point in the process, where we have a purchase and sale agreement ready to go, we like to have the board to approve the sale

of that property and authorize staff and the Chairman to take other options. Scott Campbell has been working long and hard to bring this to a conclusion.

Mr. Campbell stated we have a contract with Dreamfinders Homes on behalf of the SPE. Dreamfinders will be taking down phases two and three in effectively two takes. They want to take down phase three first based on what they believe is better access to the property and a little more marketability initially. The purchase price for the property will be \$13,000 per raw undeveloped lot. They will obviously be responsible for the development costs. They will take down phase three first. That would follow a 60-day due diligence period. They are currently about a week into that period. They have a \$25,000 deposit that has been made with the escrow agent. Upon completion of due diligence, they will post another \$25,000 nonrefundable deposit. They have 30 days after due diligence to close on phase three with the only closing contingency being the need to modify the assessment methodology to effectively carve out phase one from phases two and three, such that it frees up phases two and three for the ability of Dreamfinders to issue additional bond debt for the infrastructure development. That way, phase one homeowners are not burdened by additional bond debt under the current methodology. That is the only contingency to close. At the time of the closing of phase three, they will post another \$100,000 nonrefundable deposit that would be applicable to the subsequent takedown, which would be phase two and that takedown would take place 30 months after the first closing to give them the opportunity to move through the first phase of lots, so that they are not burdened with the additional carry. In addition to the \$13,000 purchase price per lot, there is a true up calculation that is based upon a stratified average sales price for the homes that they close and that is summarized on phase four of the contract in section 3G. You can see that the sales prices are basically stratified between home sales less than \$200,000 all of the way up to home sales above \$300,000. The quick calculation is there is a percentage that is applied to the home sale price. We use an example of a \$290,000 home has an applicable percentage of 7%. That 7% represents \$20,300 of consideration. They would be responsible for the difference between the \$20,300 of consideration and the \$13,000 initial lot price, so therefore, at the time of the home closing, they would pay \$7,300 to the SPE. It is just an additional way for the bondholder to participate in hopefully a recovering real estate market and hopefully as we move into phase two, the market values have continued to go up, so rather than have an escalator, hopefully the true ups continue to grow as home prices go up.

Mr. Marvin asked so the SPE is currently CDD controlled?

Mr. Campbell responded yes.

Mr. Marvin asked so the funds that come from the buyer go to the SPE that is controlled by the CDD?

Mr. Campbell responded typically, the funds would go to the SPE and then there is a tri-party agreement that would direct the SPE to funnel the funds up to the trustee for distribution to the bondholder.

Mr. Walters stated that is correct. It sets forth the terms of repayments and so forth. The general flow would be to the SPE and then pursuant to the tri-party agreement to the appropriate parties.

Mr. deNagy asked, "Scott, you mentioned the 30 day window before things start to happen. I am assuming that is when the assessment methodology would be needed?"

Mr. Campbell responded actually it is 60 days or more. Dreamfinders has 60 days to go through their due diligence. My hope is that during that time period, a combination of us can work with yourself and Jason Walters to modify the assessment methodology to effectively carve out phase one from phases two and three. That would then solidify the contingencies in the contract for Dreamfinders to close. Running parallel with that, I am making some introductions for Dreamfinders to various underwriters on the bond side, so they can begin to get up to speed on what is going to be necessary for them to issue additional bonds for phase three. The closing is not contingent on any sort of bond offering being completed. That would take place after the closing. I have a call set up tomorrow with John Kessler and Dan McCranie and Batey McGraw to make some introductions and for Batey to learn a little more about the process for the phase three offering.

Mr. Walters stated I think that will be very helpful in terms of starting to get everyone on the same page. You can see exhibit C to the agreement is kind of summary of the anticipated amendment to the methodology. We are working on putting together a revised methodology. Exhibit C sets forth the general terms of how we would effectuate that.

Mr. Campbell stated I think we had talked before, that there was enough validation capacity from the original formation of the District to allow Dreamfinders to go ahead and finance phases two and three. Is that correct?

Mr. Walters responded I believe it was in excess of \$20M that was validated.

Ms. Malloch stated I have a question on paragraph 26, the homeowner's association disclosure. Number seven under that with Dreamfinders becoming the new Developer and the new declarant, the current homeowners association has been turned over to the residents because Jackson Shaw was the Developer and the declarant of phase one, so once we came to the terms to where the votes became equal or less for the Developer, it got turned over. Article seven says that the new Developer can make changes without the HOA board approval or any membership approval. Is that correct?

Mr. Walters responded I am not entirely familiar with the way it was done here. Is that the same homeowners association that has purview over phases two and three or is that a different homeowners association?

Ms. Malloch responded there is only one homeowners association. Currently, phases two and three have not been a party to any HOA doings because there isn't anything there. Understanding that the new Developer would outnumber the votes of the current homeowners, I just think the verbiage is wrong. I don't know that it could technically be done without approval. The new owner would have the number of votes to pass anything that they so chose to pass but I don't think you legally can do it without the HOA board and the homeowners being involved.

Mr. Walters stated that language may need to be massaged at the end of the day. It does say may have the right, so I guess that is somewhat of a saving Grace there but that is something that we may need to look at, in terms of if the HOA does cover all of phases two and three and it currently has whatever structure in place that it does. I am not familiar with HOA laws, so I can't speak as much to that but if that needs to be massaged in the future then we will certainly do that.

Mr. Marvin asked is there no language in the HOA documents that says that it would cover all of the project?

Ms. Malloch responded it does say that.

Mr. Marvin stated I would have thought that you would not have reached the number of residents to be able to turn it over yet.

Ms. Malloch stated we did. You are basing it off of the 458 but it was based on lots. Those are not lots.

Mr. Marvin stated this is a peculiar project to me because I believe that the CDD owns the storm drainage and inlets and the storm drainage pipes and the County owns the roadways

over which the storm drains and utilities are installed. If that is correct then I don't know if there will have to be some turnover activity.

Mr. Walters stated I think that is more of a District issue and not a purchaser of a landowner in phases two and three issue. Obviously, we have been working on that issue a little bit in different capacities but it won't have any effect on this arrangement.

On MOTION by Mr. Marvin seconded by Ms. Malloch with all in favor Resolution 2015-04 Conveyance of Phases 2 & 3 Property to DFH Land, LLC upon the Terms Set Forth in the Agreement & Authorization for District Chair, Staff & Manager of SPE to take all necessary and reasonable actions to effectuate that transaction was approved.

Mr. Walters stated the next thing the board will see related to this is once we have a modified assessment methodology then we will be coming back to the board at some point for approval of that. The good news is we will hopefully back to the development side again and working on financings and construction to get the rest of the project built out.

FOURTH ORDER OF BUSINESS **Audience Comments**
There being none, the next item followed.

FIFTH ORDER OF BUSINESS **Supervisors Requests**
There being none, the next item followed.

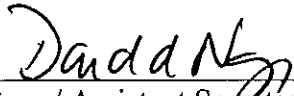
SIXTH ORDER OF BUSINESS **Next Scheduled Meeting – May 14, 2015 at 9:30 a.m. at Amelia Concourse Amenity Center**

Mr. deNagy stated the next schedule meeting is May 14, 2015 at 9:30 a.m. at this location.

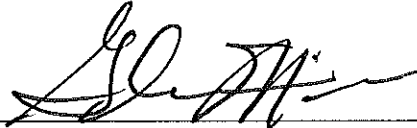
SEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Malloch seconded by Mr. Marvin with all in favor the Meeting was adjourned.



Secretary / Assistant Secretary



Chairman / Vice Chairman