

MINUTES OF MEETING
CANOPY
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Canopy Community Development District was held Tuesday, November 6, 2018 at 11:00 a.m. at Dorothy B. Oven Park, 3205 Thomasville Road, Tallahassee, Florida.

Present and constituting a quorum were:

Tom Asbury	Chairman
Gregg Patterson	Vice Chairman
John "Al" Russell	Assistant Secretary
Colleen Castille	Assistant Secretary

Also present were:

Darrin Mossing	District Manager
Jennifer Kilinski	District Counsel
Abraham Prado	District Engineer
George Smith	Bond Counsel
Darrin Mossing, Jr.	GMS
Ed Bulleit	MBS Capital Markets
Steve Ghazvini	Sandco

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 2, 2018 Meeting

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor the minutes of the October 2, 2018 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2019-02
Supplemental Assessment Resolution**

Ms. Kilinski stated because it does incorporate the Final Assessment Methodology and final Supplemental Engineer's Report if there is anything you want to review we have extra copies.

Mr. Mossing stated we have the final numbers and the closing on the bonds is scheduled for this Thursday. The 2018A-1 was \$2,225,000 and the 2018 A-2 is \$5,480,000 and both of those bond issues are related to the 257 planned lots for Assessment Area 2. The landowner is responsible for the repayment of those bonds and the Series 2018 A-3 is \$2,735,000 and that bond issue represents the Assessment Area 3, which is the planned 651 single-family lots and the Series 2018 A-4 for \$965,000 is Assessment Area 1, which covers the 93 platted lots. The amounts that were disclosed to existing owners and future purchasers has not changed even though the numbers have moved around a little.

Ms. Kilinski stated we also had a few small changes in the Supplemental Engineer's Report since the previous time the Board approved it. The last review of the Engineer's Report was July 2018.

Mr. Prado stated the fundamental one is just clarification of what is currently allowed in the PUD and the proposed amendments to the PUD to obtain the additional 104 units bringing the total to 1,001 and some clarification on the permitting status since the original Engineer's report was submitted to the City and the water management district made a determination about Dove Pond, which is one of the specifically mentioned regional facilities within here and that will require some additional permitting. Just clarifying that six of the lots within the 93 lots have not been final platted yet.

Ms. Kilinski stated this resolution is really the final step in the bond issuance process. It incorporates the findings of the resolutions that you previously adopted and it clarifies the numbers that are set forth in the bond purchase agreement, which was executed by your Chairman before this Board Meeting. In section 3 it makes certain findings about the validation of the bonds, it will incorporate your Master Engineer's Report that was previously approved by the Board and the Supplemental Engineer's Report that was just reviewed by the Engineer with you. Section 3C will incorporate the Final Supplemental Assessment Methodology Report that was just reviewed by Darrin as well as your Master Assessment Report. Section 4, the exhibit sets forth the terms of the series 2018 A bonds, you have the bond schedule, sources of uses of funds and these are reflective of the final numbers that came out yesterday morning. Section 5 levies and allocates the 2018 assessments consistent with your assessment methodology and the indentures that were previously approved by the Board. Section 6 approves the true-up process and provides the parameters for

such true-up. Section 7 authorizes the District to record the lien in the improvement lien book. Section 8 will authorize the District to record an assessment notice so that future property owners will be on notice that there are assessments attributable to their property. Then you have the typical conflicts and severability.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Resolution 2019-02 Supplemental Assessment Resolution was approved.

FIFTH ORDER OF BUSINESS**Consideration of Other Financing Related Matters**

There being none, the next item followed.

SIXTH ORDER OF BUSINESS**Consideration of Resolution 2019-03 Rescinding Resolution 2019-01**

Ms. Kilinski stated at the last Board Meeting we presented a resolution that recommended re-starting the rebidding process for Units 4 and 5 infrastructure project. After that Board Meeting, in talking with the Engineer and the Landowner and understanding where we were in terms of contractor interest, time to rebid and the cost to rebid the project as well as the time and energy that the bidders have already put forth in bidding this project because we have had seven or eight addendums, we concluded that the recommendation should be to continue with the current bidders. We extended the bid deadline to November 30th recognizing that to go out and rebid is really only going to cost us more time, money and energy and the bidders you are likely to get back may be a reduced number based on the current market conditions with the intervening natural disaster and other considerations. This resolution will essentially put us back to where we were before you adopted Resolution 2019-01 and rescind that motion and keep going forward with the bids and we anticipate sometime in December or January you will consider the RFP packages for the current bidders that are in that process.

On MOTION by Mr. Russell seconded by Ms. Castille with all in favor Resolution 2019-03 Rescinding Resolution 2019-01 was approved.

SEVENTH ORDER OF BUSINESS**Appointment of Audit Committee and Chairman**

Mr. Mossing stated next is the appointment of an Audit Committee and Chairman. The District has reached the threshold in revenues and expenditures that requires us to have an annual audit by an independent certified public accounting firm. There is a process the District needs to go through in order to select an auditor to perform the annual audit services. This is step one, which is to appoint an Audit Committee and Chairman and we recommend that the existing Board act as the Audit Committee and the Chair act as the Chair for the Audit Committee.

On MOTION by Ms. Castille seconded by Mr. Russell with all in favor the Board Members were appointed to sit as the Audit Committee and Mr. Asbury was appointed Chair.

EIGHTH ORDER OF BUSINESS

Consideration of Requisition No. 1 for the Series 2018 Bonds

Mr. Mossing stated we have two Requisition No. 1's. When the District closes on its bonds on Thursday it will actually have four separate construction accounts where the proceeds will be deposited, and we have prepared Requisition No. 1 for the Series 2018 A-3 construction account and the 2018 A-4 construction account for your consideration and approval. This is reimbursing the developer for funds they expended prior to issuing the bonds. The expenditures for both those areas have exceeded the amount of bond proceeds available so the requisition amounts are the actual balances that will be in the account on Thursday and will be wired out immediately upon receipt of those proceeds on Thursday.

Mr. Bulleit joined the meeting at this time.

On MOTION by Mr. Patterson seconded by Mr. Russell with all in favor Requisition no. 1 for the Series 2018 A-3 Bonds payable to Ox Bottom Mortgage Holdings, LLC in the amount of \$1,019,257.82 was approved.

Mr. Mossing stated the next Requisition No. 1 is for the Series 2018 A-4 Bonds and it is payable to Ox Bottom Mortgage Holdings, LLC in the amount \$893,101 and this is for the 93 platted lots.

Ms. Castille stated I need to make sure I know what I'm voting on. We have an amended agenda is the backup for the amendment in here?

Ms. Kilinski stated just to clarify, the requisition you approved previously is for Dove Pond so the District has been approving construction requisitions for Dove Pond payments as they have

come in. Those you have seen and voted on and is a reimbursement. The second one is or the Unit 1 improvements. You may recall a couple meetings ago we had an acquisition package that set forth all the lien releases, the improvements that were provided that were consistent with the Engineer's Report for Unit 1. We had warranties and assignments to the District for the improvements, that whole package, is the one you previously approved but we haven't had money to reimburse for. The \$893,101 is reflective of the amounts you previously approved for that acquisition, knowing we wouldn't get the money until we issued bonds. The forms of the requisitions are set forth in the indenture that requires an Engineer's certificate or signature that confirms that it is part of the 2018 project and that it is coming out of the right construction fund because there is a restricted account for the amenity.

Ms. Castille stated my frustration today is that we are taking probably the most important aspect of what we need to do to make these payments and do what we need to do and we have a series of documents in front of us that don't purport to do what you are telling us that we do. I'm looking for this document and I can't find it. You handed me the requisition form, but it is the resolutions we are doing and we are all responsible.

Ms. Kilinski stated there are no resolutions for these and part of the reason you are getting these documents so late is because we didn't get numbers until yesterday.

Ms. Castille stated the responsibility is for all of you who are being paid a lot of money to make us have the right documents that we are voting on. Because we have responsibilities to the people we pay, we have responsibilities to the Chairman and his partner to do what needs to be done and if somebody comes back and questions it and they question us, I can tell you we are all looking around for the papers we are supposed to be deciding on. If I can put my eyes on it then I'm happy to do that.

Ms. Kilinski stated we are saying there are no resolutions for the requisitions. The requisition is the form that was approved in the Indenture by this Board. Darrin put that together this morning based on numbers that were provided to us yesterday.

Ms. Castille asked are these to make up the \$1.5 million in amenities? Is it part of that plus the \$7.3 million?

Ms. Kilinski stated no. Think about it this way, you have four buckets that are set forth in the Indenture that provide for the flow of funds in the construction account and the construction account can only be used for qualified projects that are set forth in the Engineer's Report. You have bucket A, which is the A-1 A-2 account, which is the 257 lots and we have no qualified

improvements today because none of that has been constructed. Then you have an A-3 account that has two separate accounts in it, it has a restricted account for \$1.5 million for an amenity that has not yet been built so there are no requisitions for that. Then you have \$1,019,257.82 the one that Darrin just set out and that is for the Dove Pond Dam, that is reimbursements for contracts that have been coming in. The Dove Pond Dam contract is for about \$4 million plus you have CEI services with RS&H and GPI who provided CEI. I don't know the total contract amount right now, but it is over \$4 million, \$2 million of that is being funded by Blueprint, over \$2 million that has been funded by the developer pursuant to that contract. We don't have that much money to pay them back and we won't have that much money to pay them back. All we have in that account is \$1,019,257.82, which will liquidate that account and pay them back for everything they paid to the District so far under Dove Pond. Then you have an A-4 account that has \$893,101 and that is the amount attributable to Unit 1 infrastructure for the 93 lots that is already done. Again, it is not completely lined up with the Unit 1 improvements, I think we had over \$2 million that you approved as an acquisition, but we were only able to fund \$893,101 for reimbursement. That was previously approved by this Board, but we didn't have money at the time and we said when we actually issue bonds we will come back to you with a requisition to repay some of this amount that you have already acquired. The District already owns those improvements.

Ms. Castille asked where is the requisition you just talked about? I have the No.1.

Mr. Mossing stated there are two No. 1's, different accounts.

Ms. Castille stated I have that.

Mr. Mossing stated the extra confusing part is the developer has spent a lot more than he is getting repaid.

Ms. Castille stated I am much more comfortable now.

On MOTION by Ms. Castille seconded by Mr. Russell with all in favor Requisition No. 1 for the series 2018 A-4 Bonds payable to Ox Bottom Mortgage Holdings, LLC in the amount of \$893,101 was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

i. Ratification of Capital Funding Request No. 7

Mr. Mossing stated Capital Funding Request No. 7 is for \$114,000, that is the next draw, construction application No. 9 to Sandco. That has been processed and received and paid to Sandco.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Capital Funding Request No. 7 in the amount of \$114,000 was ratified.

C. Manager

i. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

ii. Consideration of FY19 Funding Request No. 1

Mr. Mossing stated Funding Request No. 1 in the amount of \$16,8828.75 was included in the agenda package. The GMS invoice needs to be amended and I spoke with the Chairman prior to the meeting about that. The corrected amount is \$3,097.40 and the revised Funding Request No. 1 will be \$24,545.45. For Fiscal Year 2019 we adopted a build-out budget, some of our fees under the build out budget were higher in the budget than our contract calls for at this point.

Mr. Asbury asked does that include the Democrat?

Mr. Mossing stated that was the last funding request and we have not paid that. I have been trying to get in touch with representatives to address the cost of that advertisement and I spoke with a representative this morning who gave me another person to speak with who deals with the rates. We are continuing to follow-up on that.

On MOTION by Mr. Patterson seconded by Ms. Castille with all in favor Funding Request No. 1 in the amount of \$24,545.45 was approved as amended.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisors Requests

There being none,

On MOTION by Ms. Castille seconded by Mr. Patterson with all in favor the meeting adjourned at 11:31 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman