

MINUTES OF MEETING
BANNON LAKES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bannon Lakes Community Development District was held Wednesday, January 20, 2016 at 12:00 p.m. at the Offices of GMS St. Augustine, 475 West Town Place, Suite 114, St. Augustine, FL 32092.

Present and constituting a quorum were:

Art Lancaster	Chairperson
John Dodson	Supervisor
Maston Crapps	Supervisor
Karelyn Travieso	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Scott Land	District Engineer (by phone)
Peter Dame	Akermann & Senterfit
Tom Radicioni	BNY Mellon
Sheila Papelbon	BNY Mellon
Jim Perry	GMS, LLC

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 12:00 p.m.

SECOND ORDER OF BUSINESS

Public Comment

There are no audience members in attendance.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for Newly Elected Officers

Mr. Oliver stated we had a landowners meeting a couple of weeks ago and the landowner was represented by Mr. Lancaster, who executed the votes on behalf of the landowner. The supervisors that were elected were Mr. Art Lancaster, Mr. Maston Crapps, Ms. Sandra Powell, Mr. John Dodson and Ms. Karelyn Travieso. They have all been elected into office. Ms. Powell will have her oath administered later. Ms. Travieso has already had her oath of office administered.

Mr. Oliver administered an oath of office to Mr. Lancaster, Mr. Crapps and Mr. Dodson.

Mr. Oliver stated this board should only communicate with each other regarding CDD matters at a publicly noticed meeting. The documents that are generated for CDD business are subject to public records requests. We keep the official documents here at this office. If, for some reason, you retain your District records then you may want to keep them segregated from other business or personal documents.

Mr. Haber stated the other big thing that we always touch on is the Code of Ethics and that is largely conflict of interest issues.

Mr. Dame joined the meeting.

B. Resolution 2016-32, Canvassing & Certifying the Results of the Landowners Election

Mr. Oliver stated included in your agenda package is a copy of Resolution 2016-32. It shows that Mr. Lancaster, Ms. Travieso and Mr. Dodson each received 10 votes and Ms. Powell and Mr. Crapps each received five votes, so that means that Art, John and Karelyn will have four year terms and Sandy and Maston will have two year terms.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor Resolution 2016-32 Canvassing & Certifying the Results of the Landowners Election was approved.

C. Resolution 2016-37, Election of Officers

Mr. Oliver stated a copy of Resolution 2016-37 is included in your agenda package. This is to elect the officers of the District. As it stands, Art has been serving as the Chairman. I have been serving as Secretary and Assistant Treasurer. Jim Perry has been serving as Treasurer and Assistant Secretary. Dave deNagy and Ariel Lovera have been serving as Assistant Secretaries and Assistant Treasurers.

Mr. Haber stated Ms. Powell has not been sworn in yet, so she would not be included in this resolution yet. I think a number of documents that have been circulated identify her as both. I have advised the board that we can footnote next to her name to say that she has been elected at a landowner election but has not yet been sworn in.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor Resolution 2016-37 Election of Officers with Mr. Lancaster as Chairman, Mr. Dodson as Vice Chair, Other Board Members as Assistant Secretaries & All Other Offices Remain the Same was approved.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the December 16, 2015 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the December 16, 2015 meeting. Are there any additions, corrections or deletions? Hearing none.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor the Minutes of the December 16, 2015 Meeting were approved.

FIFTH ORDER OF BUSINESS

Matters Related to Bond Financing

A. Consideration of Final Supplemental Assessment Resolution 2016-38

Mr. Dame stated we don't particularly have any action to take on the bonds because we had previously adopted a bond resolution, authorized the sale of those bonds and authorized the Chairman to execute a bond purchase contract. The bonds were marketed. A bond purchase contract was executed and later today, we will have a pre-closing to sign some of the documents and then the bonds will be delivered on the 25th. The arbitrage yield of the bonds was 5.049%.

Mr. Haber stated in addition to the bond purchase agreement that the Chair has been authorized to sign, he has also been authorized to sign a number of other documents. There is going to be an acquisition agreement between the District and the Developer that contemplates the Districts acquisition of work product type items; such as plans, permits, real property and assignment of contracts in progress. There will also be true up agreements between the District and the Developer and the District and KB Homes. There is a completion agreement, as well as declaration of consents to the assessments. We will come back to the board with a ratification resolution that will ratify all of the documents in connection with the closing. With respect to the assessment resolution, this board has already gone through the initial process of levying a master assessment lien on all of the property within the boundaries of the District. You adopted a resolution declaring assessments. You adopted a resolution setting a public hearing. You adopted a resolution resetting that public hearing and then you held a public hearing that formally levied assessments on the property. There is an assessment lien on the property and

now we are taking the steps of allocating that lien to debt that will put the obligation to make payment of those assessments on property owners. The resolution before you takes that additional steps. It also specifies the terms of the bonds and it describes and explains how the master assessment lien is going to be allocated for purposes of these bonds. The assessment lien that was previously adopted contemplated improvements for both master improvements, as well as neighborhood improvements. This supplemental assessment resolution covers only master assessments for master improvements. It also contemplates that the lien will go across all of the property and as the property is sold to other homebuilders or other Developers, at the time of those sales, the assessments will be allocated to those properties, based on the development units assigned at the sale. While the assessment lien is on a broader piece of property, it will narrow down as the development progresses and it is anticipated that these bonds will be secured by less property than they are secured by now as those sales take place. Included as exhibits to this resolution are the most recent versions of the assessment methodology report and the engineers report. The engineers report includes a description of a 2016 project, which is something less than all of the master improvements included in the original engineers report. By virtue of your adoption of this resolution, you are approving that 2016 project. It also includes the specific terms of the bonds; the maturities, the rate and the sources and uses. The proceeds of these bonds serve multiple purposes. Largely, it is going to go to pay for the project but there is also a cost of issuance account. There is a reserve account. There is a capitalized interest account, whereby funds will be used to pay the initial cost of interest on the bonds. It also shows the debt service on the bonds, which is a period of 30 years that the bonds will be paid off. The resolution also confirms the findings the board previously made as it relates to the benefit that the properties will receive.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor the Supplemental Assessment Resolution 2016-38 was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

There being none, the next item followed.

C. District Manager

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet and Income Statement

Mr. Oliver stated included in your agenda package is the balance sheet and income statement.

B. Consideration of Funding Request No. 4

Mr. Oliver stated included in your agenda package is Funding Request No. 4.

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor Funding Request No. 4 was approved.

EIGHTH ORDER OF BUSINESS Supervisor's Request and Audience Comments

There being none, the next item followed.

NINTH ORDER OF BUSINESS Next Scheduled Meeting – February 17, 2016 at 12:00 p.m. at the Offices of GMS

Mr. Oliver stated the next scheduled meeting is February 17, 2016 at 12:00 p.m. at the Offices of GMS.

TENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Lancaster seconded by Mr. Dodson with all in favor the Meeting was adjourned.


Secretary / Assistant Secretary


Chairperson / ~~Vice Chairperson~~