

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, June 28, 2017 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, Ballroom, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

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| Thomas G. Leek | Chairman |
| Robert E. Welsh | Vice Chairman by telephone |
| John McCarthy | Assistant Secretary |
| Donald Parks | Assistant Secretary |
| Mark McCommon | Assistant secretary |

Also Present were:

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| James Perry | District Manager |
| Katie Buchanan | District Counsel |
| Kurt von der Osten | Field Operations Manager |
| Jamie Rountree | Team Rountree |
| Kim Davila | Resident |
| Mary Johnson | Resident |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 1:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

Ms. Davila stated thanks for the improvements in the community it is looking so much better and thanks to Rountree for the trees and flowers they look great.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 15, 2017 Meeting

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| On MOTION by Mr. McCommon seconded by Mr. Parks with all in favor the minutes of the May 15, 2017 meeting were approved as presented. |
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FOURTH ORDER OF BUSINESS

Discussion of Hayman Wood Delinquent Properties

Mr. Leek stated next is discussion of Hayman Wood delinquent properties. I understand they have paid some.

Mr. Perry stated there were payments on the property tax roll for certain properties in the month of June. Hayman Wood is working with Lerner Advisory Group in regards to the bondholders and they are looking at the 1999C Bonds and 2005 Bonds and they are also doing an evaluation of the value of the properties for the bondholders. They have asked for quite a bit of information that we provided. They also reached out to counsel on certain things. The report is for the bondholders it is not for the district and I don't know if it will be made available to us or not and if it is it will be a public record so I doubt we will get that. Hayman Wood is working with them also to provide information. I think the overall goal is to accomplish some type of work out solution with Hayman Wood and whether that is forgiveness of debt on certain properties and/or deed on certain properties that is probably what is going to work. The other possibility is foreclosure; the bondholders might just go ahead and foreclose on those properties if they can't work out some type of transaction with Hayman Wood. The bondholders once they do that they are obviously going to try to sell that property as soon as they can to recoup their investment. Even though we don't have anything concrete to provide you at least there is activity, it is on the bondholders screen now. When they hire Lerner it is not an inexpensive project they are paying fees for that so they are trying to resolve the issues.

Mr. Leek asked do we know what percentage of delinquencies they paid?

Mr. Perry stated I don't have that with me. I know our assessments right now in regards to the financials we had \$770,000 received as of May 31st out of \$1,060,000 and there was about \$80,000 received in June. That is just O&M because we have not included the debt service for those properties on the roll.

Mr. McCommon asked if there is a forgiveness that will be reflected in our financials down the road.

Mr. Perry stated it will. Obviously, in regards to the bonds right now there is \$6.6 million related to the 1999C Bonds and on the 2005 Bonds there is \$6.8 million and out of that amount some are related to platted lots that are paying but a large portion of that debt is related to the undeveloped lands. HG Land if they cut a deal and the debt on that is \$1 million and they forgive \$500,000 we will reflect a write-off of that \$500,000 in our financial statements in the

bond area. As far as the O&M goes we are pretty much other than that one year collected because we have included that on the tax roll year after year so our exposure is a lot less than the bondholders.

Mr. McCommon asked do they have any idea how long this is going to take?

Ms. Buchanan stated the struggle is the large amount of taxes that are due and owing mean that the county has to be involved on some level if they want to have some sort of settlement. If it were to go to tax lien sale it would sell free and clear of all liens and that is what they are trying to avoid. To leave the CDD lien on the property they have to figure out a way to resolve the tax issue.

Mr. McCommon stated since it is 60 days before the next meeting if there is any update I would ask that it be communicated to the board members.

Mr. Perry stated yes, in fact prior to this meeting and a couple weeks ago I had emailed Ashley with Hayman Wood and asked if there were any updates and she said they are working through it. We do that every time before a meeting and we will let you know as soon as we know something.

FIFTH ORDER OF BUSINESS

Discussion of Fiscal Year 2018 Budget

Mr. Perry stated included in the agenda package is the budget that you approved at your last meeting and the budget will be formally adopted at your meeting in August, which will be your next meeting. We have a column for the approved 2018 budget and we will be updating the projected budget and what we expect to close out 2017 at your next meeting. The next column is changes we have made to the budget and if you look at the total we were projecting for maintenance assessments this is what we provided last month at \$750,000 for 2017 and that is going up almost \$100,000 so there are a lot of changes that will be happening. When that number increases the number below it, the carry forward surplus of \$195,000, will be going down. In regards to the changes in the second column we have adjusted some of the landscape charges to be reflective of the contract and on page 2 the landscape maintenance change is \$43,000 that is going to be in line with the contract and we have some catch-up with regard to some billings that Rountree did not make for this fiscal year. Our projected number of \$401,000 will go up. In addition to that under the change column unfortunately under plant replacement annuals it should be reflective of a \$10,000 increase and it is not and we will make that

adjustment but you will see on the proposed budget it shows the \$35,000 but the \$10,000 wasn't picked up in the change column. Likewise for conservation easement maintenance we increased that to \$28,000 and the \$5,000 wasn't picked up in the change column. The total amount of changes the next amount will be zero but there will be increases and again based upon where we come out on the actual numbers and what we are projecting we might have some final changes to those numbers to the right. Keep in mind even with all those changes the assessments have been established last year there was a light decrease we have already projected and we project there will be an additional recommendations to reduce them a little bit further probably around 5% in total.

Mr. McCommon stated these are minor but I wanted to ask a couple things. We have the supervisors' fees at \$12,000 and that assumes 12 meetings per year and we never meet 12 times in a year. Is it necessary to project that or is there anticipation that we are going to have to go to 12 meetings?

Mr. Perry stated I would leave it just in case the bondholders start to get active I would think you are going to have a number of meetings.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There not being any, the next item followed.

C. Manager

Mr. Perry stated for your next meeting we have been working on a document that we will upload to the Indigo CDD website that will be an overview of the LPGA Community, the Indigo CDD itself and what we are trying to do with this document and we have this in a couple other districts is to kind of give residents and interested purchasers of land within the district an overview of what the district is and what the HOA functions are. It is going to have an overview of the district, talk about the organization of the board, it will also show our monthly meetings, which is already included on the website, it will have what the relationship of the CDD is with

the HOA and go through the benefits of having a CDD. Then we will talk about certain things that the CDD does, which is the landscaping in the community, water quality in regards to the stormwater systems, the I-95 interchange responsibilities and the conservation and habitat area that we have to deal with. We also have sections with regard to the financials, which will basically talk about the budget and we will also have a section for the 1999A Bonds, 1999C Bonds and the 2005A Bonds. In regards to the financials it is basically going to be the budget and a short synopsis of each line item. We will provide that and if anyone has questions this is sort of a coverall document at a high level of what a district is.

Mr. McCommon asked are we still considering possibly creating an FAQ type of thing? There seems to be comments and questions that we hear all the time and it would be nice to have it in an FAQ type of document.

Mr. Parks stated the one that you did was very good and if you could incorporate that it would be good.

Mr. McCommon stated okay.

Mr. Leek stated I like the expenditures section where it explains the type of expenditures.

Mr. McCommon stated it should say what a CDD is and what a CDD is not.

Mr. Perry stated I think this covers it but we will take a look at that. We will have the final draft for you at your next meeting for comments by the board and once we finalize it we will upload it.

Mr. McCommon asked does the notice we put out for our meetings have a website listed?

Mr. Perry stated I don't believe it does.

Mr. McCommon asked should it be included? It is one more way for people to know there is a website.

Ms. Buchanan stated right, I noticed Jim started adding it to the agenda, which I think is helpful.

Mr. Perry stated we can incorporate that. Keep in mind we notice the annual meeting schedule and technically all we have to do is do one notice for all 12 or 6 meetings or however many we schedule but in addition to that this district and several others notice each meeting that is above and beyond the statutory requirements.

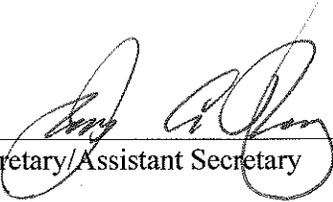
D. Field Operational Manager

June 28, 2017

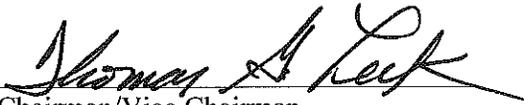
Indigo Community Development District

Mr. Leek stated the next scheduled meeting is August 23, 2017 at 1:00 p.m. in the same location.

On MOTION by Mr. McCarthy seconded by Mr. Parks with all in favor the meeting adjourned at 1:28 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman