
MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**MAGNOLIA CREEK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Magnolia Creek Community Development District was held on **Thursday, April 10, 2014 at 2:30 p.m. (CST)** at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, Florida 32459.

Present and constituting a quorum:

Maunsel White	Board Supervisor, Vice Chairman
Billy McConnell	Board Supervisor, Assistant Secretary
Dan Mueller	Board Supervisor, Assistant Secretary
Tom Hidell	Board Supervisor, Chairman <i>(joined the meeting in progress via speakerphone)</i>

Also present were:

Debra Anderson	District Manager, Rizzetta & Company, Inc.
Tucker Mackie	District Counsel, Hopping Green & Sams, P.A. <i>(via speakerphone)</i>
Carl Eldred	District Counsel, Hopping Green & Sams, P.A.
Rick Moore	District Engineer, Moore Bass Consulting <i>(via speakerphone)</i>

FIRST ORDER OF BUSINESS

Call to Order

Ms. Anderson called the meeting to order and read roll call.

SECOND ORDER OF BUSINESS

Audience Comments

It was noted that there were no members of the general public in attendance.

THIRD ORDER OF BUSINESS

**Consideration of Minutes of the Board
of Supervisors' Meeting Held on March
13, 2014**

<p>On a Motion by Mr. White, seconded by Mr. McConnell, with all in favor, the Board approved the Minutes of the Board of Supervisors' meeting held on March 13, 2014, for the Magnolia Creek Community Development District.</p>

FOURTH ORDER OF BUSINESS

**Ratification of Operation and
Maintenance Expenditures for March
2014**

Ms. Anderson stated that most of the invoices were usual and customary expenses, with the exception of the District Counsel and District Engineer invoices that were higher than normal due to recent foreclosure matters. A brief discussion ensued regarding the work associated with those invoices, payment for the road work that was just completed, and the balance of the funds received from the settlement. Ms. Anderson confirmed that the balance after paying for the roadwork is \$224,451.56.

(Mr. Hidell joined the meeting in progress via speakerphone.)

On a Motion by Mr. McConnell, seconded by Mr. White, with all in favor, the Board ratified the Operation and Maintenance Expenditures for March 2014 (\$56,286.70) for the Magnolia Creek Community Development District.

FIFTH ORDER OF BUSINESS

**Presentation of 2013 Arbitrage Rebate
Report for Capital Improvement Revenue
Bonds, Series 2007A and 2007B**

Ms. Anderson stated that this report represents the last of the overdue reports and as with the other reports there was no arbitrage liability. She explained that the IRS and the Trust Indenture require that the District provide a report each year showing that the District did not earn interest on bond funds above the interest paid to the investors.

On a Motion by Mr. White, seconded by Mr. Mueller, with all in favor, the Board accepted the 2013 Arbitrage Rebate Report for the Series 2007 A and 2007 B Bonds for the Magnolia Creek Community Development District.

SIXTH ORDER OF BUSINESS

Status Update on Foreclosure Matters

Mr. Eldred stated that as the Board is aware a Settlement Agreement was submitted to Developer's Counsel prior to the last meeting and that Developer has not responded to date. He stated that the Funding Agreement with the Trustee called for the Board to hold off on setting a foreclosure sale at least until April 1, 2014. Mr. Eldred stated that the Trustee has asked for a little more time to see if they can finalize the settlement discussions with the Developer and reach an agreement. He recommended that the Board not take any action on the foreclosure sale until the next meeting. He confirmed that he would convey to Trustee's Counsel the Board's concern about further delaying the foreclosure sale.

SEVENTH ORDER OF BUSINESS

**Status Update Regular Road Washout
Repairs**

Ms. Anderson stated that the repairs have been completed and the work was reviewed by someone from the District Engineer's office. She noted that pictures of the completed project were distributed to the Board. Ms. Anderson stated that at the last meeting the Board had asked that Staff try to reduce the cost by \$2,000, but they were only able to get a \$1,000 price deduction for a total cost of \$17,488.92.

Mr. Moore spoke on the repairs and his satisfaction with the work completed. He stated that should there be any further issues it should be covered under the warranty. A brief discussion ensued regarding the term of the warranty and it was thought that it was for two years. Ms. Anderson stated that she would confirm the term of the warranty and let the Board know if it is less than the two years.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
No report.

B. District Engineer
No report.

C. District Manager
Ms. Anderson stated the next Board meeting is scheduled for May 8, 2014 and she intends to present the fiscal year 2014/2015 proposed budget at that time. She inquired about who would be working with her on the budget and it was decided that Mr. White would act as the Board liaison on this matter. Ms. Anderson stated that the Trustee has asked that the budget be pared down given that they are funding a portion of the budget at this time.

Ms. Anderson stated that to date she has not received the executed Pump Storage Agreement and she will be following up with them on this matter.

A brief discussion ensued regarding the possibility of including some landscaping in the budget and whether the four line lane highway has been completed as that would reduce the amount of landscaping needed. It was noted that construction has not started yet, but someone is maintaining the area.

NINTH ORDER OF BUSINESS

Supervisor Requests

There were no Supervisor requests put forward.

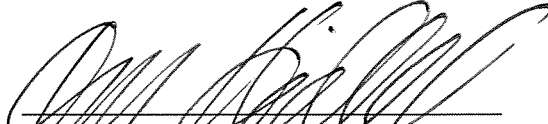
TENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Mueller, seconded by Mr. McConnell, with all in favor, the Board adjourned the meeting at 2:50 p.m. (CST), for the Magnolia Creek Community Development District.



Secretary / Assistant Secretary



Chairman / Vice Chairman