

**OCEAN HIGHWAY AND PORT AUTHORITY
ATTORNEY REPORT
01/2018**

1. City of Fernandina Beach:

a. Customs House - We still need to develop a plan to address the matter of the continued presence of US Customs/Border Protection at our facility. I suggest we wait until after we see how the new port operations and cash flow shape up. I still have not received the promised minutes to the meeting that took place months ago.

2. Callahan - As reported in the media, Florida Power has acquired a large stake in the Crawford Diamond property. Immediate plans for the property have not been discussed.

3. Hilliard - Callahan Corridor: Nothing to report.

4. Yulee - Nothing to report.

5. Nassau County - Nothing to report.

6. Camden County - Nothing to report;

7. Port Operator/Operating Agreement/Bond Defeasement: The transaction has not yet closed. Within the past 48 hours I have spoken with both Chris Ragucci, of Worldwide, and Yaron Gisser of Kinder Morgan. Both expect the transaction to close, however, the closing procedures and the bond indenture have proven a challenge to some really top notch legal counsel in New York and Houston. However, the delay in closing has a "ripple effect" with which we must deal. I will try and keep it simple:

Revenue - As you may recall, we anticipated a closing before the close of 2017. In anticipation of the closing several motions were passed and resolutions were adopted. One motion was to approve a joint written request to the bond trustee, directing the Trustee to move and deliver account balances in the Revenue Fund, Surplus Fund, and Maintenance Fund accounts to OHPA upon closing of the bond defeasement. Because the closing did not take place as anticipated, the funds received by Nassau Terminals had to go to the bond trustee in the usual course of business. This took place yesterday and, as a result, those account balances shifted. In addition, the regular movement of \$5,000.00 from Revenue Account to Maintenance Account also changed the balances.

REQUESTED ACTION: A **MOTION TO RESCIND OR CANCEL** the previous Motion to approve a Joint Written Request, in order to cancel the JWR to disburse funds from the Revenue, Surplus and Maintenance Funds is requested.

Once we get a closing date and new fund balances, another Joint Written Request can be prepared;

Here is a re-cap of my activity for the last month:

December 14, 2017 - Telephone conference with all attorney for all parties in bond defeasement;
email from/to Yaron Gisser and Jean Jason, re: funds in transit;
email from/to Jean Jason re: closing checklist;
email to Joe Stanton, re: conference call;
email from/to Chris Ragucci;

December 15, 2017 – email from/to Chris Ragucci;
email from City Manager, re: meeting; email from/to Adam Salzburg and Laura Dibella on same;
email from/to Robert Sturgess, re: transaction documents;
email from/to Robert Sturgess, re: Due diligence methods and procedure;
email from Steve Dubose, re: Funding initiative in legislature;
email from Kenni Callahan, re: contact with bond trustee;
email from Yaron Gisser, KMI, re: bond transaction

December 18, 2017: emails from/to Robert Sturgess, re: legality of “Notice of Gathering”;
email from Pierre Laporte, re: Fund balances and their uses;
email from Joe Stanton, re: bond transaction;
email from Kenni Callahan, re: bond transaction;
email from Jean Jason, re: bond transaction;

December 19, 2017 – Email to Pierre Laporte, re: account balances and their application;
emails from to Len Kreger and Laura Dibella, re: City PAB and Port Master Plan;
email from/to Gary Kardian, Federal Maritime Commission;
emails from/to Joe Stanton, bond counsel;
emails from/to OHPA, re: account balances and funds transfer
email from Tammi Bach, re: PAB and Port Element, City Comp Plan
email from Barbara Denton, BONYm re: bond transaction

December 20, 2017 – email from Laura Dibella, re: cargo service query;
email from Jason Jean, re: defeasement process;
email from/to Dr. Chip Ross, re: public records request;
email to Dr. Chip Ross, re: acknowledge request and describe search parameters;
email to Dr. Chip Ross, re: further define scope of search;
email to Dr. Chip Ross, re: progress of records search and billing for same;
email from Barbara Denton, BONY, re: Moody’s Rating;
email from Ashley Baker, Bryan Cave, re: bond defeasement & Moody;s
email from Jason Jean, re: ratings;
email from John Morale, Four Woods Capital, re: Closing

December 21, 2017 – Emails to/from Dr. Chip Ross, re: scope and procedure for public records request compliance and bill for services. Dr. Ross schedules inspection for following day. “Soft” and “hard” files pulled for inspection;
email to/from Joe Stanton, bond counsel and Jason Jean, re: Moody’s rating;

email from Matthew D'Amico, Four Woods, re: bond closing;
email from Yaron Gisser, KMI, re: upcoming conference call

December 22, 2017 – email to Dr. Chip Ross, re: failure to attend for file review on public records inspection;

December 26, 2017 – Telephone conference with all attorneys for all parties;
emails from Jason Jean, John Morale, Barbara Denton, Matthew D'Amico, and Chris Ragucci

December 27, 2017 - Telephone conference with all attorneys for all parties;
emails from/to Laura Dibella, re: Scott Saettrel & LignoTech
emails from/to Laura Dibella, re: Port of Fernandina
emails from/to Jason Jean and Joe Stanton, re: bond defeasement

December 28, 2017 – emails from/to Laura Dibella, re: LignoTech
emails from Laura Dibella, re: Dantzler Lumber
email from OHPA, re: rebate report;
email from Jason Jean, re: bond debt
email from Joe Stanton, bond counsel, re: bond redemption and defeasement
email from Bert Millis, BONY, re: bond redemption

January 3, 2018 – Call from Jason Jean and Yaron Gisser, KMI, re: path selection as we move forward;
email to Joe Stanton, OHPA bond counsel, regarding substance of call from KMI

January 4, 2018 – email from/to Chris Ragucci

January 5, 2018 – email to Yaron Gisser, Chris Ragucci, Barbara Denton, Jason Jean, re: need to transmit Nassau Terminals funds, “business as usual”, unless closing is imminent;
email from Yaron Gisser confirming transmittal of funds;
email from/to Laura Dibella, re: FTZ

January 8, 2018 – email to OHPA, re: need for JWR to move funds to maintenance account

Respectfully submitted,

CLYDE W. DAVIS /s/