MINUTES OF MEETING
PARKLANDS WEST
COMMUNITY DEVELOPMENT DISTRICT

A Special Meeting of the Parklands West Community Development District's Board of Supervisors was held on **Wednesday, February 8, 2012** at **4:00 p.m.,** at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135**.

Present and constituting a quorum were:

Francis Percuoco	Chair
Robert Wyant	Vice Chair
John Patterson	Assistant Secretary
William Kaufman	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Jon Kessler	FMS Bonds
Jim Reinders	Landowner
Jerry Garman	Resident

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. Adams called the meeting to order at 4:00 p.m., and noted, for the record, that Supervisors Kaufman, Percuoco, Wyant and Patterson were present, in person. One (1) seat remains vacant.

SECOND ORDER OF BUSINESS **Discussion of Bond Refinancing Matters and Consideration of Related Actions**

Mr. Adams indicated the purpose of today's meeting is to discuss and consider potentially refinancing the CDD's bonds. He noted unique developments in the bond market since the beginning of the year, prompting him have the bond structure reviewed by a few investment bankers to determine if savings can be realized.

Mr. Jon Kessler, of FMS Bonds, introduced himself and stated he is working with Mr. Pfil Hunt, of Gardnyr Michael Capital. He recalled Mr. Hunt previously researched refinancing opportunities; however, due to bond exposure to the golf course and club, it was not possible to get the bonds rated, which would bring the rate down, considerably. Mr. Kessler indicated the municipal bond market is now very strong, meaning the District could issue nonrated bonds and save a considerable amount. He explained that rates have been driven extremely low within the last 30 to 45 days. Mr. Kessler referred to a chart, on Page 5, showing where A- and Triple B rates have gone in the municipal sector. Page 6 details the tremendous amount of cash that had gone into the municipal bond market, especially over the last 60 days. He advised that, unlike at other times, right now, there are too many bond buyers and not enough bonds, making this a good time to issue bonds on a nonrated basis.

Mr. Kessler referred to Page 12, indicating the District has approximately $9 million in outstanding bonds, at a coupon rate of 6.90% and a debt service reserve fund, which is equal to one (1) year's worth of debt service, approximately $814,000. The bonds are currently callable, at par. Mr. Kessler recommended issuing approximately $8.9 million and using half of the reserve fund to reduce the bonds and pay the refinancing costs. The District could then issue bonds at a blended coupon of around 5.65%. The bonds are currently structured as nonrated securities. It was originally a vacant piece of land but now the loan to value on the bond is in the 5% to 10% range, so it is a very secure credit. This will allow for a lower reserve and utilization of the credit curve. Mr. Kessler explained that the bonds were initially issued as one (1) 30-year bond at 6.90%. He would likely sell individual bonds that mature in five (5), ten (10) and 20 years. This allows them to carve out shorter maturities at lower yields to bring the overall yield down. Mr. Kessler's expectation was a bond that matures in five (5) years at 4.50%, another that matures in ten (10) years at about 5.00% to 5.10% and another that matures in 2033 that is in the 5.85% range. This effectively can save approximately $70,000 per year. The most impact will be on The Club, whereby they can save approximately $20,000 per year. The annual debt service savings percentage for everyone will be about 8%.

Mr. Kessler indicated the figures presented are fully loaded with costs. His expectation, for a transaction such as this, is approximately $300,000 in total costs for the $9 million bond issue.

A Board Member referred to his tax bill, and referenced the non ad valorem tax, of which approximately $360,000 was allocated as reimbursement to the Master Association for the property. He felt the CDD's portion of that assessment was 74%.

Mr. Jim Reinders, a landowner, summarized the proposal is to take half of the debt service reserve fund to defray underwriter discounts, other costs of issuance and reduce the outstanding principal by the balance. He questioned if this means that money that would have been there to offset assessments, at the end of the term, would no longer be there, resulting in an overall reduction in the savings. Mr. Adams replied yes and explained that is the situation whenever there is a refinancing. Mr. Reinders asked if the callable bonds are on the older part. Mr. Kessler replied affirmatively. Mr. Reinders asked why they would not call the residential and refinance those at a substantially lower rate, on a rated basis, and leave the golf course to refinance to the extent a better rate can be obtained. Mr. Adams indicated bondholder consent is required to break it apart and that was not possible, as the risk is too high with the golf course, as one (1) entity being responsible for 30% to 40% of the overall debt. The bondholders will not want to take that kind of risk. Mr. Adams noted the same concentration of risk is what halted the chance to refinance last year.

A Board Member questioned if money could be borrowed to pay off the portion attributed to the recreation facility. It was noted that The Club would have to do it and put it on their balance sheet as a liability. In response to Mr. Kessler's question, Mr. Adams confirmed that only property owners who are club members pay a portion of the clubhouse. Discussion ensued regarding The Club and Mr. Kessler voiced his opinion that it would be difficult to find someone to buy bonds secured by the golf course and club. Mr. Kessler felt the rate for just the golf course and club would be about the same as the current rate.

Regarding the possibility of refinancing the golf course portion, Mr. Kessler advised that the CDD statute prohibits issuing CDD bonds for a yield currently over 6.60%, as there is a cap, and he felt he could not find a bond buyer for a golf course only bond at 6.60% or lower. Mr. Reinders suggested approaching the same bond buyers as for the residential piece. Mr. Kessler indicted the blended bonds will likely be sold to high net worth clients, meaning individual investors. Mr. Kessler reiterated the difficulty in finding buyers for nonrated bonds secured by only a golf course.

Mr. Adams summarized that Mr. Kessler feels, in the foreseeable future, he will not be able to receive a rating by breaking the bond into two (2) parts; it is a nonrated deal. Mr. Kessler clarified he could get the residential portion rated; the issue is selling the golf course bonds. Discussion ensued regarding the yearly golf course taxes, how Mediterra CDD handled their situation, and potential savings by obtaining a loan to pay off the golf course portion.

Mr. Adams stated, given the difficulties in breaking the golf course portion away from the residential portion, he feels the options presented offer a decent savings opportunity. The District could save 125 basis points, keep the same maturity date, save 8% for all property owners, across the board, and realize a $1.35 million total savings over the remaining 20 years. Mr. Adams noted Mr. Kessler is confident this deal could close in four (4) to six (6) weeks, once the Board approves it.

Discussion ensued regarding the value of the golf course, a potential appraisal, how much a buyer would likely pay, the golf courses profit and the implications of trying to sell golf course secured bonds. A Board Member asked Mr. Kessler if he has bond buyers waiting to purchase these bonds. Mr. Kessler indicated FMS is a municipal bond firm; they sell approximately $300 to $350 million worth of bonds per month. Mr. Kessler confirmed these bonds have not been marketed but he advised that, on the secondary bond market, he can sell bonds at this level or better. Mr. Kessler stated he is highly confident that the bonds could be sold in a couple of hours.

On MOTION by Mr. Percuoco and seconded by Mr. Wyant, with all in favor, authorizing Staff to engage investment bankers and other like staff to proceed with refinancing of the residential bond and closing, as quickly as possible, was approved.

Mr. Adams confirmed the Board will meet at least once, if not more, prior to closing the bond deal. Mr. Kessler recommended continuing the meeting to Thursday, February 23, 2012 at 1:00 p.m.

THIRD ORDER OF BUSINESS **Audience Comments/Supervisors' Requests**

There being no audience comments or Supervisors' requests, the next item followed.

FOURTH ORDER OF BUSINESS **Adjournment**

The meeting recessed at 4:45 p.m.

On MOTION by Mr. Wyant and seconded by Mr. Patterson, with all in favor, the meeting was continued to February 23, 2012 at 1:00 p.m., at this location.

Secretary/Assistant Secretary

Chair/Vice Chair