MINUTES OF MEETING
PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT

A Special Meeting of the Parklands Lee Community Development District's Board of Supervisors was held on **Monday, April 8, 2013** at **1:00 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135**.

Present and constituting a quorum were:

Russell Rupp	Chair
John Gainey	Vice Chair
Robert Schwartz	Assistant Secretary
Emmett Potter	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Donald A. Pickworth	District Counsel
Jon Kessler (via telephone)	FMS Bonds, Inc.
Mike Williams (via telephone)	District Bond Counsel

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

Mr. Adams called the meeting to order at 1:00 p.m., and noted, for the record, that Supervisors Rupp, Gainey and Potter were present, in person. Supervisor Schwartz was not present at roll call. Seat 3 remains vacant.

SECOND ORDER OF BUSINESS **Discussion/Consideration of Certain Documents Related to Bond Financing**

- **Resolution 2013-5, Authorizing the Issuance of and Awarding the Sale of Special Assessment refunding Bonds, Series 2013A-1 and Special Assessment Refunding Bonds, Series 2013A-2**

Mr. Jon Kessler, of FMS Bonds, Inc. (FMS) reported that, recently, Japan went into a bond buying frenzy, which caused treasury prices to increase, yields to decrease and, correspondingly, so have munies. At the moment, the rates are the same as previously discussed.

Mr. Kessler is predicting a minimum of 10% savings, although it may be slightly higher. He indicated that he received the initial rating from Standard & Poor's (S&P) and is waiting for a final rating. The initial indication is that approximately 90% of the bonds will be rated in the A-category and the remainder will be nonrated.

Mr. Adams presented Resolution 2013-5 for the Board's consideration. He explained that it is a delegation resolution, which will put the Board in a position to authorize Staff to proceed with closing, assuming that, when the District goes to market, all the parameters in the resolution are met.

******Mr. Schwartz arrived at the meeting at approximately 1:03 p.m.******

Mr. Mike Williams, District Bond Counsel, stated that the third line in the resolution indicates that "...not exceeding $4,455,000 principal amount of ... special assessment refunding bonds...". The Series 2013A-1 will be the rated bonds and the Series 2013A-2 will be the nonrated bonds. This action will allow the District to receive a more attractive rate.

Mr. Williams advised that the documents that are approved by Resolution 2013-5 are the Second Supplemental Trust Indenture, which is the contract with the bondholder and Bond Purchase Agreement, which is the contract between FMS and their co-underwriter, Gardnyr Michael Capital, Inc. Provided that the parameters in Section 5 of the resolution are met, the Chair and the Vice Chair will have the authority to sign the Bond Purchase Agreement once the bonds have been priced.

Mr. Williams indicated that the resolution also approves the Preliminary Limited Offering Memorandum, which is the document that is sent to investors to determine their interest in buying the bonds. The Continuing Disclosure Agreement is also approved by this resolution, which requires the District to provide ongoing disclosure, primarily their audited financial statements on an annual basis, which has been part of the law applicable to Municipal Securities since 1996.

Mr. Williams stated that the final document approved by this resolution is the Escrow Deposit Agreement, which is the document pursuant to which the proceeds of the bond and other available monies of the District will be deposited to provide for a short escrow period before the bonds are paid off. The agreement also authorizes all transactions and designated parties to sign any documents necessary to close the bond issue.

For the record, Mr. Williams read the following parameters set forth in Section 5:

> ***"SECTION 5. Contract Approved.*** *... provided, however, that (i) average annual debt service on the 2013 Bonds shall be at*

> *least ten percent (10%), less than average annual debt service on the Refunded Bonds inclusive of all costs of issuance, (ii) the final maturity of the 2013 Bonds shall be no later than May 1, 2035 and (iii) the 2013 Bonds shall be subject to optional redemption no later than May 1, 2023 at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the redemption date."*

Provided that when Mr. Kessler prices the bonds, all three (3) parameters are met, Mr. Williams indicated that the Chair or Vice Chair will be authorized to sign the Bond Purchase Agreement.

Responding to Mr. Rupp's inquiry regarding the projected closing date, Mr. Kessler indicated that it will depend on how soon the rating is received from S&P; however, he is hoping to have the bonds priced by the end of the month, with a projected closing date the first week in May. In terms of commitment, Mr. Kessler indicated that the commitment is good when the Bond Purchase Agreement is signed.

Referring to a handout, Mr. Adams stated that another document that is part of the resolution is an updated assessment methodology report. There are no significant changes from the current methodology to the methodology the Board reviewed over a year ago during the issuance of the Series 2011 Exchange Bonds.

Mr. Adams noted that the majority of the changes are contained on Page 7. Mr. Adams discussed the comparison between Table 1 and Table 2. Table 1 reflects the current 2011 assessment lien, the amounts for each of the product types and the annual assessment payment amounts which may be compared to Table 2, which depicts what is projected in 2013. He noted the savings in the annual assessment amount, per unit, from $60 to a couple of hundred dollars, depending on the product type.

Mr. Adams explained that for the purpose of the methodology, the savings amounts were increased to reflect a "worst case scenario." After the final pricing, the amounts will most likely decrease significantly. When the bond pricing is completed, the savings amounts will be more accurate.

To the extent that there will be an increase in the lien, per property, Mr. Adams' recommendation will be to utilize surplus funds from the operating account to decrease the amount so that it does not exceed the current amount of the lien on each property.

In response to a question regarding the increase in assessments, Mr. Adams recalled that there will be a cost of issuance for the bonds. He explained that the cost of issuance may total $100,000 to $150,000, which includes fees for the financial team, the underwriters, bond counsel, general counsel and Management. Normally the District may absorb the costs in a reduced debt service reserve, which is one (1) year principal and interest. Unfortunately, 50% of reserve fund was utilized to pay the fees related to the foreclosure.

Mr. Adams noted that, for the current refinancing, the District will be required to maintain 50% of a traditional reserve, which is all that is remaining in the existing fund. He reported that the District has a couple of hundred thousand dollars of surplus in the operating fund. Instead of increasing the lien on everyone's properties, the District will utilize the surplus funds and keep the lien as it was prior to the refinancing.

Mr. Kessler indicated that the annual savings should be a minimum of $40,000. If the District decides to use $20,000 from the general fund, in the following year, assessments may be lowered by $20,000 and pay the funds back.

Mr. Adams reiterated that accurate amounts will be provided after the bond pricing.

On MOTION by Mr. Rupp and seconded by Mr. Potter, with all in favor, Resolution 2013-5, Authorizing the Issuance of and Awarding the Sale of Special Assessment refunding Bonds, Series 2013A-1 and Special Assessment Refunding Bonds, Series 2013A-2, was adopted.

******Mr. Kessler and Mr. Williams left the meeting at approximately 1:12 p.m.******

Mr. Rupp stated that, if the sale of the right-of-way (ROW) goes forward, the funds from that closing may be utilized for refinancing the bonds. Mr. Adams indicated that he is not sure if the timing of the closing for the ROW will coincide. Mr. Adams reiterated that the District has funds available and we can use the sale proceeds to replenish the surplus funds once that transaction is completed.

Discussion ensued regarding interest rates.

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

Mr. Adams indicated that he was advised that there is interest in considering an appointment to fill vacant Seat 3; the term expires November, 2016.

Mr. Rupp nominated Harvey Fontaine.

Mr. Fontaine confirmed that he is a full-time Parklands Lee resident. Mr. Adams advised that Mr. Fontaine meets the criteria for a general elected seat.

On MOTION by Mr. Rupp and seconded by Mr. Gainey, with all in favor, the appointment of Mr. Harvey Fontaine to Seat 3, term expires November, 2016, was approved.

Mr. Adams advised Mr. Fontaine that he will administer the Oath of Office during the May 9 meeting and requested that Mr. Fontaine provide his contact information.

In response to Mr. Schwartz's inquiry regarding the status of the sale of the ROW, Mr. Adams reported that Mr. Pickworth, District Counsel, is waiting for a copy of the approved development plans as an exhibit to the agreement from TerraCap. Mr. Adams recalled that the Board approved the sale with the caveat that a legal agreement be filed restricting access of the second entrance to emergency vehicles only. The agreement will be finalized when TerraCap provides the approved development plans.

FOURTH ORDER OF BUSINESS **NEXT MEETING DATE: May 9, 2013 at 1:15 P.M.**

Mr. Adams advised that the next meeting will be held on May 9, 2013 at 1:15 p.m.

FIFTH ORDER OF BUSINESS **Adjournment**

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Rupp and seconded by Mr. Schwartz, with all in favor, the meeting adjourned at approximately 1:16 p.m.

Secretary/Assistant Secretary

Chair/Vice Chair