

MINUTES OF MEETING NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, January 9, 2013 at 5:00 p.m. in the district office, 9700 N.W. 52nd Street, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Mark Capwell	Assistant Secretary

Also present were:

Doug Hyché	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer
Brenda Schurz	District Clerk
Nick Schooley	Drainage Supervisor
Donna Holiday	GMS-South Florida, LLC

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyché called the meeting to order at 5:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the December 5, 2012 Meeting

Mr. Hyché stated the next item is approval of the minutes of the December 5, 2012 meeting.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the December 5, 2012 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Engagement Letter with Florida League of Cities to Prepare GASB 45 Disclosure for Fiscal Year Ending September 30, 2011

Mr. Hyche stated item three is an engagement letter with Florida League of Cities to prepare the GASB 45 disclosure for fiscal year ending September 30, 2011.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the engagement letter with Florida League of Cities to prepare GASB 45 disclosure was approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Manager

i. Consideration of Supplemental Completion and Improvement Acquisition Agreement with Toll FI V LLC

Mr. Hyche stated the next item is consideration of supplemental completion and improvement acquisition agreement with Toll FL V LLC. We would like to get this approved subject to legal and engineering review. There is an area at the west gate entry area we would like to get more closely defined.

Mr. Colon stated this is also for Pod 16 and 17 inside the development and it is really landscape features. It is similar to the agreement we had in place with WCI. As you are aware Toll acquired the property and we wanted to do some cleanup on the agreement and Dennis' office and Toll came up with the agreement.

Mr. Gray stated when they took over they took over all of WCI's agreements and this is just a modification to that agreement.

Mr. Colon stated that is right.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the supplemental completion and improvement acquisition agreement for Parkland Golf and Country Club Assessment Area and Assessment Area A with Toll FL V LLC was approved subject to legal and engineering review.

ii. Consideration of Maintenance Agreement with Parkland Golf and Country Club Foundation, Inc. for Parkland Golf and Country Club Replats

Mr. Hyche stated the next item is consideration of maintenance agreement with Parkland Golf and Country Club Foundation, Inc. for Parkland Golf and Country Club Replats.

Mr. Gray asked is this too a modification to the original agreements they took over?

Mr. Hyche responded yes.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the maintenance agreement with Parkland Golf and Country Club Foundation, Inc. for Parkland Golf and Country Club replats was approved.

iii. Advance Funding Agreement with Standard Pacific of Florida, GP Inc. for Property Identified as "Bruschi" (Watercrest)

Mr. Hyche stated the next item is an advance funding agreement with Standard Pacific of Florida GP, Inc. for property identified as Bruschi (Watercrest).

Mr. Lyles stated this agreement was handed out prior to the meeting and at the top it says acquisition agreement. In the past the district had used a form of document called "advance funding agreement" and it was initially thought that would be appropriate here. Staff and myself agreed with Standard Pacific as well as Lennar, which is the next agreement that we are really talking about an acquisition agreement. This says they are going to install the improvements in the ground and at a later time

the district intends to issue its bonds, this all is in connection with the Wedge property for improvements to be acquired and at that time and assuming that the bonds are issued and closed and we have the funding, approximately \$2.9 million is set aside within that bond issue to pay for these improvements. That is the figure that is an engineering estimate for the improvements covered by this agreement. At that time our engineer will certify that (a) they have all been permitted and installed in accordance with the requirements of law, and any appropriate agencies (b) that the value of the improvements is consistent with the estimates and that they are worth what the district is paying and generally that they are coming to the district in good order and with a warranty and we are ready to accept them as the district and pay out of our bond proceeds the not to exceed \$2.9 million that is in the agreement. If it costs more for these improvements to be installed then the developer bears that expense. There is a completion obligation in this agreement. We have a maximum, it might go down but it won't go up. Also included within that amount again in terms set forth in the agreement the developer also has to provide us with the necessary interest in real property whether it is fee simple title, easement, whatever it takes to install the utilities and the improvements that are contemplated by this agreement at no additional charge all within the \$2.9 million that is spelled out as a maximum in the agreement.

Mr. Gray stated I'm familiar with the advance funding agreements that were used in the past. We are still buying it but we are not doing it in the same fashion.

Mr. Lyles stated we are not paying upfront. Based upon their schedule and their requirements they want to go now and do it themselves so we are saying fine, you can do that as long as our engineer signs off on everything including the plans and specs and you comply with the terms of this agreement. When and if we issue the bonds and we agree that we will use our best efforts to do this we will buy these improvements from you for the not to exceed figure that is set forth in the document.

Mr. Capwell stated the amount in the agreement is \$3,066,000.

Mr. Lyles stated it changed a little from the draft.

Mr. Gray asked we won't be supervising any of it?

Mr. Lyles responded yes we will be overseeing it.

Mr. Colon stated we will be because they pay 2.5% permit fees to the district and our intent is to do special assessment bonds on their property.

Mr. Gray asked then we will be inspecting it as it is being put in the ground?

Mr. Colon responded that is correct.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the acquisition agreement with Standard Pacific of Florida, GP Inc. for Bruschi (Watercrest) was approved.

iv. Consideration of Advance Funding Agreement with Lennar Homes, LLC

Mr. Hyche stated the next item is consideration of acquisition agreement with Lennar Homes, LLC.

Mr. Lyles stated same set of terms and conditions slightly different language in a few places at the request of Lennar this afternoon. We made a few minor tweaks to the form of instrument you just approved in connection with Standard Pacific, nothing substantive and again there is a not to exceed figure of \$7,264,000 it is a larger set of infrastructure improvements and exactly the same transaction, also in the Wedge area when and if we issue our bonds and we are going to agree to use our best efforts to issue those bonds. There are certain events that could occur that might make it impossible but short of that we are going to have an obligation once we approve this and they go forward and build these improvements they are in effect loaning the money to the district and we are going to pay for the improvements, a turnkey set of improvements, when components of the project are complete. It might be that the

water and sewer lines are ready to accept prior to other portions, that will be up to the engineer to decide but when the district engineer is ready to certify to you that these components are complete and ready to turn over and for you to accept them then we will pay them for that portion or all of it if it is totally completed up to the \$7,264,000 figure that is set forth in Section 3 of the agreement.

Mr. Gray stated this is a much larger amount. I know it is for a greater improvement but the way we get our funding back is by assessing the area. As an example they put in the improvements they spent the money and they couldn't sell so it is sitting there with no people to return revenue to us. What is our out on that because we need to be able to recover our funds to pay our bonds?

Mr. Lyles responded we are going to levy assessments and have lien rights on the property. If they don't sell this product to anybody if it is just sitting there with homes on it or stays raw land we are still going to assess it the same way and Lennar or their successor will write us a check. If for some reason Lennar were to go bankrupt and we can't look to them any longer then we have first lien against the property, we will take the property from them through a foreclosure action and sell it to somebody else to develop it.

Mr. Gray stated we have first lien rights.

Mr. Lyles stated we are coequal with the county and the city and ahead of a mortgage.

Mr. Capwell asked is it just reasonable time to get the bond?

Mr. Lyles responded yes, we can't predict what the financial world will be operating under. We have seen things in the last three or four years and there could come a time when it is impossible to issue a bond and I'm not predicting or suggesting that but we have to use our best efforts to do this assuming that the financial conditions of the markets are amenable to the issuance of these bonds.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the acquisition agreement with Lennar Homes, LLC was approved.

Mr. Lyles stated as an accommodation given the last minute nature of some of these tweaks that were negotiated literally this afternoon with Lennar, Standard Pacific has been very cooperative and one of the things they have requested along the way is that they receive essentially the same deal as Lennar in terms of the document. While we are on the subject I would like you to authorize staff to conform the language if requested by Standard Pacific in their agreement to the wording in the Lennar agreement. It is wording there is no change in the terms, conditions, the numbers, any of the obligations that we have. For instance we got down to some real issue on what the difference between Property with a capital "P" and an interest in real property, lower case, and that is spelled out a little more clearly in the Lennar agreement and I would like to make that offer to Standard Pacific too.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor staff was authorized to conform the language in the Standard Pacific acquisition agreement to the agreement with Lennar Homes.

Mr. Hyche stated the next item I handed out and is called the HET Rebate Program. This is the high efficient toilet rebate program. All of the surrounding municipalities and the county have the program and this is basically a mirror image of that program with a few minor adjustments. We are asking you to approve this program.

Mr. Gray stated the program works on a \$99 rebate for people who buy a high efficient toilet to replace a lower efficient one. How do you verify that?

Mr. Hyche stated it is spelled out in the program. This will mirror the website. They have to provide the barcode and the receipt.

Mr. Gray asked what if they already have an efficient toilet and just want a new one and want to get paid for it?

Mr. Colon stated we do an inspection and they have to be pre-approved before they are reimbursed.

Mr. Capwell asked are we getting reimbursement from anyone?

Mr. Hyche responded no, this is our program not the county program and we will give them a credit on their utility bill.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the North Springs Improvement District HET Rebate Program was approved.

B. Attorney

There not being any, the next item followed.

C. Engineer

i. Consideration of Change Order No. 4 for Additional Work Per Revised 20" Force Main Work for Parkland Golf and Country Club Water Main Project for a Net Increase of \$62,690

Ms. Early stated item one is consideration of change order no. 4 for additional work per revised 20" force main work for Parkland Golf and Country Club water main project for a net increase of \$62,690. It is change order no. 4 because the original project was the 8" water supply line on PGCC and as we continued with that and some piping at the intersection and then we change ordered the 20" force main on Nob Hill Road into this project. As you know the county wouldn't issue any permits for quite some time on the piping then they decided they now want 36" of cover rather than 30" that is

in their standards and no matter how we argued they said they are changing their standards so we had to revise the drawings. In many cases we have to go under existing drainage so it is a lot more work for the contractor. In addition they wanted us to isolate this 20" force main until such time as the Lennar and the Bruschi properties are developed so we have an 8" we have to keep in use so we had to add quite a few valves and we had to add air release valves due to the new depth and that is what prompted the change order.

Mr. Gray stated they are requesting us to meet a standard that doesn't exist yet.

Ms. Early responded they have agreed to change it so to them it is changed but I couldn't find it anywhere and they said that was their standard now and they weren't going to issue the permit unless we changed it to the 36" of cover.

Mr. Colon stated these are going to be pass through costs to the developers and they have agreed to the dollar amount.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 4 for the Parkland Golf and Country Club water main contract in the amount of \$62,690 was approved.

Ms. Early stated I have an additional item that is not on the agenda, it is Parkland Village Replat Two. They made some revisions to the multi-family and I have reviewed it and it is our standard plat review and they will require a surface water management permit, which they are aware of. We recommend approval.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor Parkland Village Replat Two was approved.

ii. Project Status Report

Ms. Early stated you have a copy of the project status report.

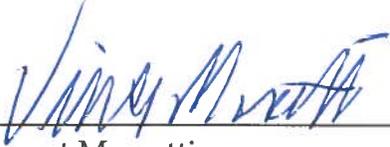
FIFTH ORDER OF BUSINESS

**Approval of Financials and Check
Registers**

Mr. Hyche stated the next item is approval of the financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the financials and check registers were approved.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the meeting adjourned at 5:18 p.m.



Vincent Morretti
Secretary



David Gray
President