

**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.

**PALMA SOLA TRACE  
COMMUNITY DEVELOPMENT DISTRICT**

The public hearing and special meeting of the Board of Supervisors of the Palma Sola Trace Community Development District was held on Thursday, April 18, 2013 at 1:30 p.m. at the Palma Sola Trace Clubhouse located at 7408 Hamilton Road, Bradenton, FL 34209.

Present and constituting a quorum:

Peter Gelman	<b>Board Supervisor, Chairman</b>
James Fleming	<b>Board Supervisor, Vice Chairman</b>
Roger Ohlson	<b>Board Supervisor, Assistant Secretary</b>
Mareed M. Stollman	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Greg Cox	<b>District Manager; Rizzetta &amp; Company, Inc.</b>
Jere Earlywine	<b>District Counsel; Hopping Green &amp; Sams, P.A.</b>
Rick Schappacher	<b>District Engineer; Schappacher Engineering</b>
Robbie Cox	<b>Director of Financial Consulting; Rizzetta &amp; Company</b>
Brett Sealy	<b>Bond Counsel; MBS Capital Markets</b>

Audience

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. (Greg) Cox called the meeting to order and read the roll call.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes of Board of Supervisors' Meeting held Feb. 28, 2013**

Mr. (Greg) Cox presented the minutes of the Board of Supervisors' meeting held on February 28, 2013 to the Board for consideration. Mr. Gelman noted that in the Fifth Order of Business, pond #6 was incorrectly written as pond #4.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting held February 28, 2013 as amended for the Palma Sola Trace Community Development District.

**THIRD ORDER OF BUSINESS**

**Consideration of Minutes of Board of Supervisors' Meeting held Mar. 12, 2013**

Mr. (Greg) Cox presented the minutes of the Board of Supervisors' meeting held on March 12, 2013 to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting held March 12, 2013 as presented for the Palma Sola Trace Community Development District.

**FOURTH ORDER OF BUSINESS**

**Consideration of Operation & Maintenance Expenditures for March 2013**

Mr. (Greg) Cox presented the Operation and Maintenance expenditures for March 2013 totaling \$9,463.35 to the Board for ratification.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board ratified the Operation and Maintenance expenditures for March 2013 totaling \$9,463.35 for the Palma Sola Trace Community Development District.

**FIFTH ORDER OF BUSINESS**

**Discussion Regarding Bond Refunding Transaction**

Mr. Earlywine gave a presentation of the history of work conducted to date on the efforts to refinance the District's current bond. He explained the required notices that were mailed to the landowners (residents and developer) regarding the refinancing. Mr. Sealy provided updated information to the Board regarding the current status of the transaction, explaining that the principal amount of the bond will be slightly increased due to the inclusion of costs of issuance but the annual debt payment to all residents would be decreased. He also explained that the life of the bond would not be increased. At the conclusion of the updates the Board of Supervisors opened the public hearing portion of the meeting to receive comments from those attending.

**SIXTH ORDER OF BUSINESS**

**Public Hearing on Series 2013 Assessments**

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board opened the public hearing portion of the meeting for the Palma Sola Trace Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Presentation of Supplemental Special Assessment Allocation Report**

Mr. (Robbie) Cox presented the Final Supplemental Special Assessment Allocation Report to the Board and reviewed it for them. Mr. Earlywine asked Mr. (Robbie) Cox a series of questions in which Mr. (Robbie) Cox responded that there is a benefit from the special assessment and that the assessments would be fairly and equally allocated.

Prior to receiving comments from the audience members, Mr. Gelman provided information regarding the funds that potentially had been due to the developer including comments that it could be assumed the "statute of limitations on the community infrastructure most likely had expired; the District has roughly \$540,000 in the bank; a great majority of the current street light electrical system has already been retrofitted; the "A-" credit rating given the District might be jeopardized if the District was to be involved in litigation; and that the Release & Waiver Agreement to be considered by the Board would only involve the District's assets and not those of the residents and their properties.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Public Comment**

Comments from the audience were received as summarized below:

Mr. Kenneth Alonso was concerned that the refinancing would trigger a payment to the developer, which he is opposed to. When it was explained there would now be zero payment to the developer he withdrew his opposition.

Ms. Carol Mason requested information regarding the old and new payments.

Ms. Laura Winehurt requested information on the debt service payoff amounts.

Mr. Meredith Shell expressed concern that it would take approximately 8-9 years to reach the point at which the refinancing would be financially beneficial.

Ms. Penny Bray requested information regarding rate lock.

Ms. Monica Wright requested information regarding the tax roll.

**NINTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-05,  
Approving and Confirming Special  
Assessments**

After the last audience comments Mr. Earlywine presented Resolution 2013-05 to the Board for consideration and reviewed it for them section by section.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board approved Resolution 2013-05, Approving and Confirming Special Assessments, for the Palma Sola Trace Community Development District.

**TENTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-06,  
Delegating Authority to Issue Series 2013  
Bonds**

Mr. Earlywine presented Resolution 2013-06 to the Board for consideration and reviewed it for them. Mr. Gelman requested an explanation of the dollar amount included in the resolution language. Mr. Earlywine explained how a portion of the District currently is not built out which led to the development of a senior bond and a subordinate bond in order to achieve the desired interest rates. Discussion ensued regarding the blank section related to the minimal annual reduction percentage. Following an explanation by Mr. Sealy and Mr. Earlywine, it was agreed upon to insert the figure of 7.5% in the blank line of Section 7 of the resolution.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved Resolution 2013-06, Delegating Authority to Issue Series 2013 Bonds, subject to approval of the Release & Waiver Agreement with the inclusion of an "accession clause", for the Palma Sola Trace Community Development District.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Release & Waiver  
Agreement**

Mr. (Greg) Cox presented the Release & Waiver Agreement mentioned earlier in the meeting to the Board for consideration. Mr. Cox advised that the agreement represents a mutual release for the District and for Taylor Morrison, as the developer, from future claims as explained in the document.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved the Release & Waiver Agreement with the inclusion of an "accession clause" for the Palma Sola Trace Community Development District.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board closed the public hearing portion of the meeting for the Palma Sola Trace Community Development District.

At 2:50 p.m. the meeting was temporarily recessed. At 2:55 p.m. the meeting was reconvened with all Board members still present.

**TWELFTH ORDER OF BUSINESS**

**Pond Maintenance Update**

Mr. (Greg) Cox introduced Mike Kaighin of Aquagenix who was present to give a status update on the ponds and answer questions from the Board. Mr. Kaighin advised that ponds #9 and #10 are having some issues with their plants. He also indicated that as residents are beginning to fertilize their yards, the fertilizer makes its way into the ponds which results in increased algae blooms. He also mentioned that duckweed is beginning to become an issue as

well. There was discussion regarding the improved water levels of pond #6 which will allow for installation of aquatic plants near the outflow structure.

**THIRTEENTH ORDER OF BUSINESS**                      **Discussion Regarding Pond Repairs**

District Engineer Rick Schappacher then provided an update of repairs made to the banks of ponds #4 and #6. He explained that on pond #4, Geoweb was installed to prevent further erosion. Mr. Schappacher also advised that on pond #6, pipes were plugged which had resulted in too-low water levels and that a ditch had been filled in.

**FOURTEENTH ORDER OF BUSINESS**                      **Consideration of Gate Repair Proposal**

Mr. Fleming explained the history of issues he has had with the emergency gate and how he was able to get Accurate Electronics to respond, and presented a proposal from them for gate renovations in the amount of \$2,281.22. After some discussion the Board tabled the topic and requested that Staff obtain additional proposals for gate renovations and also seek quotes for routine gate maintenance.

**FIFTEENTH ORDER OF BUSINESS**                      **Street Light Update**

Mr. (Greg) Cox informed the Board that he and Mr. Fleming had been working to see about getting tree limbs and palm fronds removed from around the light fixtures of the street lights. Mr. Cox also explained that Staff continued to research companies which might be able to paint the bases of the street lights.

**SIXTEENTH ORDER OF BUSINESS**                      **Creek Maintenance Update**

Discussion ensued regarding complaints that the maintenance contractor is killing plants and that there is a noticeable amount of trash in the creek. Mr. Gelman explained that with heavy rains, trash is often deposited on the creek banks and remains there until the service company can return to clean it up.

**SEVENTEENTH ORDER OF BUSINESS**                      **Monthly Unaudited Financial Summary**

Mr. (Greg) Cox presented the monthly unaudited District financial summary as of March 31, 2013 to the Board and reviewed it with them.

**EIGHTEENTH ORDER OF BUSINESS**                      **Review of Action Item List**

Mr. (Greg) Cox reviewed the action item list with the Board. He noted that the task of planting sod on the entrance pond's bank was complete and that it looked very good. Mr. Schappacher address all the items involving property ownership determination. Regarding the topic of sagging grates, Mr. Earlywine indicated he wanted to research the Covenants documents to see if they would shed light on ownership topics.

**NINETEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

Mr. Earlywine had no additional information to present.

**B. District Engineer**

Mr. Schappacher had no additional information to present.

**C. District Manager**

Mr. Cox announced the next meeting is scheduled for May 23, 2013 at 1:30 p.m. Mr. Earlywine advised there is a need to continue the present meeting in progress in order to address the tasks associated with the bond closing. After Board discussion it was decided to continue the meeting to Wednesday, May 8, 2013 at 10:30 a.m. It was also noted that presentation of the Fiscal Year 2013/2014 Proposed Budget would have to take place on May 8<sup>th</sup> if the May 23<sup>rd</sup> meeting was to be cancelled.

**TWENTIETH ORDER OF BUSINESS**

**Audience Comments and Supervisor Requests**

**Audience Comments:**

One audience member asked if the streets of the community belong to the District or to the City of Bradenton.


**Supervisor Requests:**

Ms. Stollman suggested that an item be placed on the District website to show which entities (the Master HOA, CDD, City, County) are responsible for what areas.

**TWENTY-FIRST ORDER OF BUSINESS**

**Continuance**

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, at 4:35 p.m. the Board continued the meeting to Wednesday, May 8, 2013 at 10:30 a.m. for the Palma Sola Trace Community Development District.
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Secretary / Assistant Secretary

  
Chairman / Vice Chairman