

**MINUTES OF MEETING
AVENTURA ISLES
COMMUNITY DEVELOPMENT DISTRICT**

A Special Meeting of the Aventura Isles Community Development District's Board of Supervisors was held on **Thursday, September 12, 2013, at 10:00 a.m., at 190 NE 199th Street, Suite 206, Miami, Florida 33179.**

Present at the meeting were:

Richard "Rick" Feather
Anthony "Tony" Valle
Eric Reiter

Chair
Vice Chair
Assistant Secretary

Also present were:

Michal Szymonowicz
Gerry Knight
Halle Alexander (*via telephone*)
Bob Gang (*via telephone*)
Jon Kessler
Tara Valle
David Eisner
Pedro Hernandez
Pedro Miranda

Wrathell, Hunt and Associates, LLC
District Counsel
Bond Counsel/Greenberg Traurig
Bond Counsel/Greenberg Traurig
Underwriter/FMSBonds, Inc.
Notary Public
Supervisor-Elect
Underwriter's Counsel/Squire Sanders
Underwriter's Counsel/Squire Sanders

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Szymonowicz called the meeting to order at 10:08 a.m., and noted, for the record, that Supervisors Feather, Valle and Reiter were present, in person. Supervisor Acaro was not present.

SECOND ORDER OF BUSINESS

**Consideration of Mr. Neil Eisner's
Message Declining to Serve as Board
Member**

Mr. Szymonowicz advised that Supervisor Neil Eisner previously submitted his resignation, via email, to the District Manager. Mr. Knight clarified that the Oath of Office was not administered to Mr. Eisner; therefore, Mr. Eisner is not resigning, he is declining the appointment.

On MOTION by Mr. Valle and seconded by Mr. Reiter, with all in favor, the declination letter of Mr. Neil Eisner, dated August 7, 2013, was accepted.

- **Discussion: Potential Candidate to Fill Unexpired Term of Seat 5; Expires November, 2017**

- **Administration of Oath of Office for Newly Appointed Supervisors**

Mr. Szymonowicz asked for nominations for Seat 5, term expiring November, 2017. Mr. Feather nominated Mr. David Eisner. No other nominations were made. Mr. Eisner accepted the nomination.

Ms. Tara Valle, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Eisner.

Mr. Knight provided and explained the Financial Disclosure Forms. He suggested that Mr. Eisner have proof of mailing the forms or that he personally deliver them to the office of the Supervisor of Elections. Mr. Knight also explained the Sunshine Law and advised Mr. Eisner not to speak with other Board Members, regarding District related items, outside of Board Meetings. He noted that Mr. Eisner may speak with District Counsel or District Staff at any time.

Mr. Knight advised Mr. Eisner that he is appointed to Seat 5 and the term expires November, 2017.

- **Consideration of Resolution 2013-____, Electing Officers**

This item was not addressed.

On MOTION by Mr. Feather and seconded by Mr. Valle, with all in favor, the appointment of Mr. David Eisner to Seat 5, term expires November, 2017, was approved.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2013-23, Delegated Award Resolution

- **Exhibit A: Master Trust Indenture**
- **Exhibit B: First Supplemental Trust Indenture**
- **Exhibit C: Bond Purchase Contract**
- **Exhibit D: Preliminary Limited Offering Memorandum**

- **Exhibit E: Rule 15C2-12 Certificate of the District**
- **Exhibit F: Continuing Disclosure Agreement**

Ms. Halle Alexander, of Greenberg Traurig, indicated that Resolution 2013-23 is a supplemental resolution to Resolution 2013-11, adopted on June 3, 2013, authorizing the issuance of the District's special assessment bonds in one (1) or more series. She advised that District Counsel was successful in having the bonds validated and they are now waiting for the appeal period to end.

Ms. Alexander stated that Resolution 2013-23 authorizes the issuance of not-to-exceed \$8.5 million aggregate principal amount of the District's Special Assessment Bonds Series 2013 to finance a portion of the costs of the project, as set forth in the Engineer's Report. Ms. Alexander noted that several documents are attached to the resolution, for the Board's approval.

Ms. Alexander explained that Section 1, of the original resolution, was amended to allow the bonds to be issued in \$5,000 denominations instead of \$100,000 denominations, for marketing purposes. "Section 2. Authorization of Issuance of Series 2013 Bonds.", authorizes the issuance of the bonds to fund a portion of the parts of the project, as well as fund the reserve from the cost of issuance, subject to parameters set forth later in the resolution. "Section 4. The Indenture." ratifies, approves and confirms the form of Master Indenture, attached as Exhibit A, and also attached as an exhibit to the bond resolution. Ms. Alexander noted that the Master Indenture requires the signature of the Chairman or other designated Board Member and the attestation of the Secretary or the Assistant Secretary.

The Supplemental Indenture, attached to the resolution, as Exhibit B, is specifically related to the Series 2013 Bonds and contains all the terms of those bonds. "Section 5. Negotiated Sale", contains the negotiated sale findings and advises the Board why it is in the District's best interest to sell the Series 2013 Bonds by a negotiated sale versus a competitive sale. Ms. Alexander noted that there is a smaller market due to the complexity of the financing structure and the unrated nature of the securities of the bonds; therefore, it is helpful to have an underwriter assist with structuring the financing. She advised that the District will not be adversely affected by if the bonds are not sold pursuant to a competitive sale.

"Section 6. Bond Purchase Contract", approves a Bond Purchase Contract, in substantiated form, attached to the resolution as Exhibit C, and authorizes the execution and delivery, thereof, by the Chairman or designated member. Ms. Alexander explained that the contract sets forth certain parameters for the sale of the bonds. She noted that the purchase

contract authorizes the sale of the bonds to the issuer and the issuer sells them to the underwriter, FMSbonds, Inc., (FMS), and the underwriter, in turn, sells the bonds to institutional buyers. Ms. Alexander summarized that the Bond Purchase Contract is a contract between the District and FMSbonds.

Ms. Alexander advised that the Bond Purchase agreement is subject to the following parameters: the aggregate principal amount of the bonds will not exceed \$8.5 million; the interest rate cannot exceed the average net interest cost rate, computed by adding 300 basis points to The Bond Buyer "20 Bond Index", which is the maximum statutory rate; the Series 2013 Bonds shall mature no later than November 1, 2045 and authorized in not more than 30 yearly installments; the Series 2013 Bonds are subject to redemption prior to maturity, at the option of the District, no later than November 1, 2024 at a redemption price no greater than par plus accrued interest and the price at which the Series 2013 Bond shall be sold to the underwriter shall not be less than 98% of the aggregate face amount of the Series 2013 Bonds, the underwriters discount must not exceed 2% of the face amount of the bonds.

Mr. Jon Kessler, of FMSbonds, Inc., conveyed that Mr. Neil Eisner sent an email that morning advising that the developer would like to consider increasing the assessments on the future phases. Mr. Kessler advised that discussions were previously held with Mr. Knight, Mr. Lyles and the District Manager's office and it was determined that there is an ability to raise assessments. He indicated that he has not performed calculations with the new assessment levels.

Mr. Kessler stated that, with the Board's authority, he would like to increase the par in this resolution from \$8.5 million to \$10 million in the parameter. Mr. Kessler noted that the \$8.5 million might be sufficient but he has not run the math on the bond par; therefore, he requests the Board's authority to make the change from \$8.5 million to \$10 million. Mr. Knight asked what the original validation was. Mr. Szymonowicz indicated that the Master Methodology depicts the validation at \$18.340 million. Ms. Alexander confirmed that the District validated at \$18.340 million. Mr. Kessler believes that increasing the par amount to \$10 million will be sufficient. Mr. Feather inquired why such a big 'spread' if the District validated \$18.340 million. Mr. Kessler explained that the \$18.340 million does contain all the District's eligible costs that could be financed and the landowner does not want the assessments to be too high; the assessments would potentially be double the amount and might impede sales. Mr. Knight noted that the District might decide to issue additional bonds but would not have to go back and be validated.

Ms. Alexander explained that, under the Master Indenture, another supplemental indenture may be prepared to validate the remaining amounts. Mr. Kessler pointed out that the current indenture prohibits Ms. Alexander's suggestion, until the District is built out. Mr. Kessler and Mr. Knight confirmed that the residents may add on projects.

Mr. Knight asked what the interest rate would be. Mr. Kessler advised that, statutorily, the maximum interest rate is 8% and noted that the District's rate might be substantially lower; however, because of the volatile market, the resolution reflects an 8% interest rate. Mr. Kessler noted that the 20 Bond Buyer Index is currently 5%; therefore, the maximum statutory rate is 8%. In Mr. Kessler's discussions with the landowner, it is their belief that the bonds will price at least 100 to 150 basis points below that but, typically, he has the 8% rate printed on the resolution.

For clarification, Mr. Knight asked Mr. Kessler if he intends to amend the resolution to raise the not-to-exceed principal amount of the bonds to \$10 million. Mr. Kessler replied affirmatively. Mr. Knight advised that the motion will approve the resolution "as amended" to consent to the increase in the amount.

Ms. Alexander continued with the presentation of Resolution 2013-23. She indicated that "Section 7. Preliminary Limited Offering Memorandum; Final Limited Offering Memorandum", attached is attached to the resolution, as Exhibit D. Ms. Alexander explained that this is the preliminary offering document and authorizes the preparation and execution and delivery of a final Limited Offering Memorandum, which is, essentially, the Preliminary Limited Offering Memorandum and, after bond pricing, it will include the terms of the pricing.

Ms. Alexander advised that the memorandum authorizes execution of the Securities and Exchange Commission's (SEC) Rule 15c2-12 certificate, attached to the resolution, as Exhibit E, by the Chairman or other designated Board Member. The executed certificate deems the Preliminary Limited Offering Memorandum final, subject to certain omissions that are permitted in the memorandum, such as interest rate.

With regard to "Section 8. Continuing Disclosure Agreement.", Ms. Alexander noted that the agreement is included in the resolution, as Exhibit F, and authorizes and approves execution and delivery of a Continuing Disclosure Agreement, by the Chairman or other designated Board Member.

Ms. Alexander indicated that "Section 9. Application of Bond Proceeds." stipulates that the proceeds of the Series 2013 Bonds shall pay costs of the project, pay interest on the Series

2013 Bonds through November 1, 2013, fund the Series 2013 Debt Service Reserve Account and pay costs of issuance, as further described in the First Supplemental Indenture. “Section 10. Further Official Action; Ratification of Prior and Subsequent Acts.” authorizes further action necessary in order to effectuate the issuance of the bonds as contemplated by the resolution.

Mr. Szymonowicz indicated that the first motion will be to approve the increase of the not-to-exceed amount from \$8.5 million to \$10 million. Mr. Szymonowicz asked Mr. Knight if separate motions are necessary. Mr. Knight replied no, the motion was to adopt the resolution as amended and suggested that the Board proceed with the first motion and then move the resolution as amended.

On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, amending the par amount in Resolution 2013-23 from \$8.5 million to \$10 Million, was approved.

On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, Resolution 2013-23, Amending Resolution No. 2013-11 of the District Adopted on June 3, 2013, with Respect to the Principal Denominations of the Bonds Upon Issuance provided therein; Authorizing the Issuance of Not to Exceed \$8,500,000 Aggregate Principal Amount of its Aventura Isles Community Development District (Miami-Dade County, Florida) Special Assessment Bonds, Series 2013 (the “Series 2013 Bonds”); Determining Certain Details of the Series 2013 Bonds; Authorizing the Execution and Delivery of a Master Trust Indenture, First Supplemental Trust Indenture and Continuing Disclosure Agreement; Authorizing the Negotiated Sale of the Series 2013 Bonds; Authorizing the Execution and Delivery of a Bond Purchase Contract with Respect to the Series 2013 Bonds and the Sale of the Series 2013 Bonds to the Underwriter Named Therein Within Certain Parameters; Approving the Form and Authorizing the Distribution of the Preliminary Limited Offering Memorandum and its Use By the Underwriter in Connection with the Offering for Sale of the Series 2013 Bond and Approving the Execution and Delivery of a Final Limited Offering Memorandum; Providing for the Application of Series 2013 Bond Proceeds; Authorizing the Proper Officials to do all Things Deemed Necessary in Connection with the Issuance, Sale and Delivery of the Series 2013 Bonds; Making Certain Declarations; Providing an Effective date and for Other Purposes, as amended, was adopted.

Ms. Alexander advised that she will email an amended resolution to the District Manager for circulation to the Board.

Mr. Kessler indicated that there is an acknowledgment, for the Chairman’s signature, that is required by the SEC and basically explains the role of the underwriter, which will be forwarded for execution.

FOURTH ORDER OF BUSINESS

Consideration of True-Up Agreement

Mr. Szymonowicz presented the True-Up Agreement for the Board’s consideration. He indicated that this is one (1) of the documents required for issuance of the bonds and assessments.

Mr. Knight explained that the assessments are based on the District’s plan of development, on a per-unit basis. He indicated that, if the District replats the property and lowers the density, there will be a shortfall in the assessments that pay the debt service on the bonds. The True-Up Agreement requires that, if there is a shortfall, the developer will make a true-up payment to pay the difference.

Mr. Feather indicated that the District is platted out and they are not going to reduce; he expressed his concern with the homeowners that have already closed escrow, at a lower cost. Mr. Knight explained that this agreement will only apply to new sales contracts. Mr. Eisner notified the head of sales that all new contracts will be subject to the new disclosure, effective Friday, September 13.

Mr. Knight clarified that the assessment levels are set and the appropriate amounts necessary to pay the debt service are locked into the calculations; therefore, a true-up for the existing lots is unnecessary. He explained that a true-up agreement is triggered by changes in the project that will result in fewer units to pay the amount that the assessments were intended to produce.

On MOTION by Mr. Valle and seconded by Mr. Elliot, with all in favor, the True-Up Agreement, was approved.

- **Declaration of Restrictive Covenants**
****This item was an addition to the Agenda.****

Mr. Knight advised that, when a petition is filed to establish a District in Miami-Dade County, it is a requirement to file and record a Declaration of Restrictive Covenants (Declaration). The Declaration specifies the amount of the assessments and is a disclosure to homebuyers. The Declaration must be attached to the sales contract, as Exhibit B, to disclose the maximum level of assessments. When the petition was filed, the developer provided the assessment information in the declaration and it was recorded.

Mr. Knight indicated that, if the developer wants to raise the assessments to future homebuyers, the Declaration must be amended. He explained that an amended Declaration will be submitted to the county, for review and approval, followed by recordation, which cancels the prior Declaration. The amended Declaration will be submitted with the title, opinion, etc. Mr. Knight clarified that the description of the property that will be amended should only be the portion of the property that will pay the increased assessment; the existing property, paying the lower assessments, is excluded.

Mr. Feather noted that the property was platted and asked if the folios will be included. Mr. Knight replied no, and clarified that he will prepare a description of the platted area by tracts, blocks or lots. Mr. Feather asked if Mr. Knight is in possession of that information. Mr. Knight indicated that he needs a description of the portion of the property that will be paying the increased assessments. Mr. Eisner pointed out that each individual lot has a folio number. Mr. Feather wondered why the folio numbers cannot be listed. Mr. Knight explained that a legal description is necessary, which will not be difficult because the land is platted. Mr. Feather's concern is that, within the same block, there may be a mixture of lower and higher assessments. Mr. Knight acknowledged Mr. Feather's concern and explained that, if the homes that previously closed are included in the amended Declaration, they will have to join in the increased assessments; therefore, he must 'carve' them out.

Mr. Valle asked how homeowners that signed a sales contract but have not yet closed will be handled. Mr. Feather indicated that they will pay the lower assessment; it does not apply to closing but does apply to sales contracts. Mr. Valle explained that, if a home does not close escrow and is resold, the increased assessments will apply. Mr. Feather disagreed and noted the disclosure agreement. Mr. Knight clarified that, in this case, the increased assessment will apply, if the home does not close and a new buyer is obtained. Mr. Feather explained that the Miami-Dade County covenant requirement runs with the sales contract, which the disclosure is attached to.

Mr. Knight summarized that he needs to know the lots that will be subject to the new assessments versus the old assessments and that is the description that will be used for the amended Declaration. Discussion ensued regarding the cut-off date for the increased assessments. In response to a Board Member's question, Mr. Knight advised that new contracts may be executed, prior to the approval of the amended Declaration, as long as the homebuyer receives the disclosure of the new assessment level. A Board Member pointed out that the new assessment level must be determined.

Mr. Feather indicated that, in order to close on the new sales contracts, the Declaration must be approved by the county. In response to the Board's question regarding a time frame for the approval of the Declaration, Mr. Knight advised that it may take two (2) to two and one-half (2½) months; however, he recently submitted an amended Declaration to the county but there was a delay with the county deciding whether the Declaration should be approved by the commission, because it was an increase. He recalled that the county decided not to take it back and recorded the Declaration. Assuming that is the case, Mr. Knight reiterated that the process will only take a couple of months.

Mr. Knight indicated that the homebuyers signing sales contracts prior to the Declaration's approval and recordation, may be required to sign a joinder subsequent to the closing, joining them into the new Declaration; at that point, the homeowner is a landowner. Mr. Valle reiterated that 12 to 16 weeks is not a problem because it will impact very few homes and they will be to-be-built homes. Mr. Valle felt that the only thing that may cause an issue is if a contract is cancelled on an existing home. A decision will have to be made whether to 'grandfather' the new homebuyer in, at the lower rate, or perform a joinder. A Board Member asked what the additional delay will be, if the Declaration goes to the commission. Mr. Knight advised that it will prolong the process by an additional two (2) months, for a total of three (3) to four (4) months. Mr. Valle indicated that a delay will impact townhomes the most, because units in a building are not simultaneously sold. Mr. Valle commented that the District will have to 'play-it-by-ear' as long as there is a way around the issues. Mr. Knight and Mr. Szymonowicz advised that a way around the issues is for the developer to agree to pay the difference, in case there is a denial. Mr. Feather noted that the bonds are secured by an assessment; the risk falls on the developer. Mr. Knight pointed out that someone must pay the difference. Mr. Feather stated that, if the shortfall is not paid, the developer is liable for the entire assessment, as stipulated in the covenant.

Mr. Knight feels that there will not be a risk; it is just a timing issue. It was noted that Mr. Szymonowicz will calculate the new assessments. Mr. Szymonowicz indicated that he will need additional information and requested an email containing a list identifying the lots with the lower assessments and a second list identifying the lots with the increased assessments, both of which should include folio numbers and unit types. Mr. Knight noted that he needs blocks and lots to prepare the Declaration. Mr. Valle indicated that an existing document includes all the information that Mr. Szymonowicz is requesting. Mr. Szymonowicz noted that the aforementioned document will satisfy Mr. Knight's needs and he needs the information to specify, in the Supplemental Assessment Methodology, that the developer is prepaying more of the total cost of infrastructure for the lower assessed units and less in the higher assessed units.

In response to Mr. Knight's inquiry, Mr. Szymonowicz indicated that the District will not go on roll in November because the District was not created until April, the bonds have not been issued and the property was not timely platted.

Mr. Feather's understanding is that a year's worth of assessments is collected at closing; therefore, everyone must be apprised of the new assessments level. Everyone was in agreement.

Mr. Szymonowicz asked if a motion or direction from the Board is required to proceed with the Declaration. Mr. Knight noted that the Declaration requires involvement from the developer; therefore, he does not feel that a motion is necessary and stated that the Board adopted the higher assessments. Mr. Szymonowicz advised that he reviewed the District's records yesterday and no other resolution with numbers has been adopted, other than the \$18.340 million for the master methodology; therefore, from an assessment perspective, the District is fine. Mr. Knight pointed out that the assessment resolution levied the higher assessments.

FIFTH ORDER OF BUSINESS

Approval of Minutes

A. August 5, 2013 Landowners' Meeting

Mr. Szymonowicz presented the August 5, 2013 Landowners' Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, the August 5, 2013 Landowners' Meeting Minutes, as presented, were approved.

B. August 5, 2013 Public Hearing and Regular Meeting

Mr. Szymonowicz presented the August 5, 2013 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Reiter and seconded by Mr. Valle, with all in favor, the Public Hearing and Regular Meeting Minutes, as presented, were approved.

SIXTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

i. Bond Validation

Mr. Knight confirmed that the bonds were validated. In response to a Board Member's question regarding the length of the validation period, Mr. Szymonowicz advised that approximately 22 to 23 calendar days left remain. A Board Member noted that the bonds were validated on September 4. A bond closing will be scheduled the week of October 7.

B. District Engineer

Mr. Knight advised that, if the Board has questions for the District Engineer, he is available by phone.

▪ **Next Meeting Date**

*****This item was an addition to the Agenda.*****

Mr. Kessler suggested a pre-closing Board Meeting. Mr. Knight was in agreement. Discussion ensued regarding a date for the pre-closing Board Meeting. Mr. Knight noted that the meeting cannot be continued to October; it is too far out. An advertisement is necessary for the new meeting date. It was agreed that the pre-closing Board Meeting will be held on October 9, 2013 at 10:00 a.m.

Mr. Knight noted that it is cost efficient to run one (1) advertisement for all the Fiscal Year 2014 meetings and asked the Board if they were an agreement to hold the meetings the second Thursday of every month, beginning October 1, 2013 through September 30, 2014. Mr. Feather requested that this item be placed on the next agenda. Mr. Knight clarified that an

advertisement must be placed for the October 9 meeting and noted that the ad may be placed for the fiscal year or just for the one (1) day. Mr. Feather recommended that the Board verify the dates before placing the ad and noted that it is more cost efficient to run one (1) extra ad than three (3) ads rescheduling the meeting dates. Mr. Knight indicated that an advertisement will be placed for the October 9 meeting and a resolution adopting the Fiscal Year 2014 Proposed Meeting Schedule will be presented for the Board’s consideration at the next meeting. It was determined that the pre-closing will occur at the offices of Greenberg Traurig, after the Board Meeting.

C. District Manager

i. Approval of Unaudited Financial Statements as of July 31, 2013

Mr. Szymonowicz presented the Unaudited Financial Statements as of July 31, 2013 for the Board’s consideration. He noted that the financials only include statements for the general fund. Eventually, when the bonds are issued, capital projects fund and debt service funds will be added. Mr. Szymonowicz indicated that all expenses are currently developer funded. Mr. Feather asked if the requisitions are sent directly to him. Mr. Szymonowicz was not sure. Mr. Feather advised that if the requisitions are sent directly to him, they will be approved more rapidly.

On MOTION by Mr. Feather and seconded by Mr. Reiter, with all in favor, the Unaudited Financial Statements as of July 31, 2013, were approved.

EIGHTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’

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

NINTH ORDER OF BUSINESS

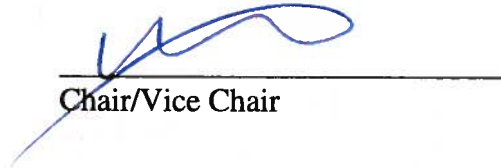
Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Feather and seconded by Mr. Reiter, with all in favor, the meeting adjourned at 11:05 a.m.



Secretary/Assistant Secretary



Chair/Vice Chair