MINUTES OF MEETING
WENTWORTH ESTATES
COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Wentworth Estates Community Development District's Board of Supervisors was held on Thursday, November 9, 2017, at 9:00 a.m., at the TPC Tour Club, 9800 Treviso Bay Boulevard, Naples, Florida 34113.

Present and constituting a quorum were:

Joe Newcomb	Chairman
James Oliver	Vice Chairman
Paul Zotter	Assistant Secretary

Board members absent:

David Negip	Assistant Secretary
Russell Smith	Assistant Secretary

Also present were:

James Ward	District Manager
Greg Urbancic	District Attorney
Brett Sealy	MBS Capital Markets

Audience present were:

Bob Gang	Greenberg Traurig
Denise Ganz (via telephone)	Greenspoon Marder
Curt Keyser	Calvin Giordano and Associates

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 9:03 a.m., and roll call determined all members of the Board were present with the exception of Supervisors Negip and Smith.

2. Consideration of Minutes: October 12, 2017

Mr. Ward asked if there were any additions, corrections or deletions to the minutes, and there were none. He called for a motion for their approval.

Motion was made by Mr. Newcomb and seconded by Mr. Oliver to approve the minutes described above, and with all in favor, the motion was approved.

3. Consideration of Proposals from Bond Counsel

Mr. Ward stated this item was the consideration of proposals to provide bond counsel services related to the refinancing of the Series 2006 Bonds. He said there were two proposals: One from Greenspoon Marder represented by Denise Ganz, who was on the phone, and the second from Greenberg Traurig, Mr. Bob Gang, who was present at the meeting. Mr. Ward stated the same procedure would be used as last time, and as a matter of professional courtesy, he would ask that each presenter leave the room during the other's presentation if they would like to do so. After discussion, the Board determined to limit these presentations to 5-10 minutes each.

Mr. Gang stepped out of the room while Ms. Ganz gave her presentation.

Ms. Ganz began by apologizing for not being there in person and thanked them for the opportunity to present via telephone. She said she had provided the Board with a resume of her firm's experience, and added she had been involved in public finance almost since she became a lawyer in 1985. She had done hundreds of Community Development District financings, as well as all different types of financing throughout the state of Florida. She asked the Board to take into consideration her experience with their District in that a few years ago she had worked with Mr. Ward and Mr. Urbancic on impact fee issues which produced a good result. She stated during that process she had been able to get a good understanding of the District's bond issue and the assessment structure. She stated her firm also had tax expertise, especially with tax exempt bonds. She said her firm brought experience with structuring bond issues, an understanding of the assessments, and tax expertise. She added her firm had made sure the District had done what was necessary with respect to its continuing disclosure obligations. She stated she was very much up to speed with being able to accomplish the refinancing. She noted she had worked very closely with Mr. Ward on other transactions.

A comment was made that Ms. Ganz mentioned in her correspondence to the Board her firm was founded with a goal to become big enough to handle large and complex cases

while remaining small enough to offer each client focus. The question was asked where the CDD fit or what size it was. Ms. Ganz responded her firm was very specialized, and in the finance department, there were many partners who helped one another and were brought in as needed. She added there were less issues in a refinancing like this than in new bonds. She said in a refinancing transaction, her firm would be looking at how the money got spent to make sure it met the requirement of the tax code. Ms. Ganz assured the Board she would be the person who handled their transaction from beginning to end, barring an unforeseen emergency.

Ms. Ganz was asked about the Mc Carter and English partner who was mentioned. Ms. Ganz responded this firm's headquarters were in New Jersey. The partner to which she was referring had been practicing in the area of the tax law part of the code which applied to tax exempt bonds for over 35 years and was an expert. She said Greenspoon Marder had someone like this individual on staff but he had passed away. She added it was not easy to find people who were experts in the 103 area, which was the section of the code which applied to tax exempt bonds. Ms. Ganz stated this individual knew many other top lawyers in the country who worked in the same area as she did, and they often formed a consensus concerning difficult issues.

Ms. Ganz was asked if she foresaw any particular complications with regard to the District's transaction. She responded from what she could tell at this point some of the "thorny" issues had been resolved. She stated the way the underwriter decided to structure the bonds to get the best interest rate and savings were the issues, and she could not be sure at this point what might come up. She said it should be straight forward once the exact best structure was determined. She said the history of the District would have to be told, and her experience with the District would help her with this disclosure. She was asked if she was referring to the bankruptcy, and she responded affirmatively. Mr. Ward stated it was a disclosure issue, but not a hurdle to the refinancing.

The Board thanked Ms. Ganz and indicated they would hang up the phone and call her back after Mr. Gang presented.

Mr. Ward stated Ms. Ganz was off the phone, and Mr. Gang had rejoined the meeting.

Mr. Gang thanked the Board for the opportunity to present. He began by saying he had been the original bond counsel for the District. He had drafted the master trust indenture for the 2006 A and E Bonds and the supplemental indenture, which had been amended a couple times over the colorful history of the District. He said a second

supplemental indenture would be drafted to facilitate the refunding bonds. He stated in 2009, the original developer encountered a number of economic difficulties, and he continued to advise, and as a trustee, took over a default administration role. He said he had worked with US Bank as the successor to Wachovia in handling that, and some amendments had been made. He said in 2012, there was a settlement of all of the defaults, and Lennar had bought the land and bonds. He said by 2014, the District had a clean bill of health. He said his firm was a very large law firm with much expertise, and it had assisted with the default administration for the trustee and also with Lennar's entrance. He said he and his firm had been involved since the beginning, and he would like to continue his relationship with the District in the refunding.

Mr. Gang highlighted some of the material he had provided to the Board. He said his firm employed four full time municipal bond tax lawyers. One of them, Rebecca Harrigal, would be the person working with the District on the transaction. She came to his firm a year ago from the IRS where she was the Director of the Office of Taxes and Bonds for most of her career and was very knowledgeable.

Mr. Gang said his firm was the largest with CDD experience in Florida. He said a list of bond counsel deals since 2012 were included in the Board's packet, and the list included 250 transactions of $3.25 billion. He said for an example, he had included a list of Collier County CDDs which his firm represented. He pointed out he currently worked with Mr. Urbancic and Mr. Sealy in another CDD. He said he also had included in the packet a list of refunding transactions he had handled and added his firm had done senior subordinate funding transactions for 15 different CDDs. He stated MBS Capital Markets along with his firm had developed this technique. He explained briefly how this type of transaction worked.

The Board asked if the fee range for his firm's services would be $60,000-$65,000. Mr. Gang responded if Mr. Sealy informed him the route the CDD would take was in that range, then he would respond affirmatively. Mr. Gang explained some of the work his firm would be doing.

The Board said the increment between the two, $20,000, was not in the information provided. It was asked what the hourly rate structure was. Mr. Gang responded on bond transactions, his firm did not charge by the hour because what was being done was incurring liability for a tax opinion. He said the CDD would be giving investors their opinion on many millions of dollars of bonds, and they would come after the CDD if the IRS deemed them not to be tax exempt. He said in this event his firm would defend

their work. He reiterated their fees for the transactions were not the hourly rate but based on experience.

Mr. Gang stated he had been doing bonds for over 40 years and in his experience the fee of $60,000 to $65,000 was a fair fee. The comment was made that the question was asked because of the statement that the fees could be up to $20,000 more. Mr. Gang responded that would be if it became more complicated. It was asked what cap there might be on the fees.

Mr. Ward responded the way he read the proposal, it would be roughly $40,000 to $45,000 for private placement or $60,000 to $65,000; so the cap was either $45,000 or $65,000.

Mr. Gang was asked if he was the individual dedicated to the account, and he responded affirmatively and added Rebecca Harrigal would be the primary tax attorney and Camille Evans, who was out of the Orlando office. It was asked if Ms. Harrigal was out of Philadelphia. Mr. Gang stated the Board would not need the tax attorney in the room; she would be drafting the tax documents. He added she had been working on Florida CDDs since she had been with his firm.

Mr. Ward asked if Mr. Gang saw any complexities with the refinancing. He responded the history of the defaults was behind them, and the issues could be if a public offering would be the best execution and if bond insurance would be attainable and economic.

Mr. Gang said he would emphasize his firm had had experience with the District with experienced tax lawyers on staff. He added his firm had done billions of dollars with CDDs, and his career has been working with CDDs in Florida. He said his firm had the largest volume of CDD bond counsel experience.

Mr. Gang was asked about current legislation, and he responded he was not sure how this would affect the bonds. He added there were many differences between the Senate and House bills. He briefly explained this legislation.

Mr. Ward asked if Mr. Gang would like to remain at the meeting or leave. It was decided he would step out of the meeting while the Board deliberated.

Mr. Oliver stated that these two presenters were following the legal path of making sure everything was done correctly in the refinance of the bonds, and they would have nothing to do with which bonds or which direction to go to make sure it was done. The

District was only following the letter of the law. Mr. Ward responded the firm would prepare for the CDD all of the legal documents with the most important being the tax opinion. Mr. Sealy would define what the structure was, and the attorney would define how it would be documented. The question was asked if either bond counsel might conclude the District would not want to refinance. Mr. Ward assured the Board he did not think that would happen.

Motion was made by Mr. Newcomb and seconded by Mr. Oliver to accept the proposal of Greenberg Traurig for bond counsel, and with all in favor, the motion was approved.

Mr. Oliver asked concerning an issue with tax opinion if there was a suit brought, would it be typical that an indemnification be offered in the retainer agreement. Mr. Ward responded an indemnification was not given, and the CDD was relying on the tax opinion for the tax exempt status. If the bonds became taxable under current law, then the CDD would go after Greenberg Traurig for that amount. Mr. Oliver asked if a bond purchaser relied on the tax opinion in the disclosure document and it was materially wrong and the CDD was sued, was there a statutory right to legal fees and costs. The response was uncertain, but there might be something in the trust indenture.

The comment was made in a law suit, everyone got named, so would the Board be covered. Mr. Ward responded the Board had gone through a pretty difficult time when the private developer went into default and Lennar took it over. He continued other than that issue, it should be a clean deal. It was also pointed out multiple proposals had been considered for hiring bond counsel, the CDD counsel had been advising the Board, and it was felt all had been done to hire people with the confidence to do the transaction.

Mr. Ward pointed out the fees for the bond counsel were contingency fees, and if the deal did not close, then no one would be paid.

A section of the proposed agreement from Greenberg Traurig was read aloud, which indicated if the deal did not close because of market reasons, the District would not owe any money; however, if for any reason other than market feasibility the District decided to terminate the refunding transaction, fees would be due and payable. Mr. Ward indicated he had not read this part of the agreement and it was a problem and a major issue. The Board waited while Mr. Ward left the room to clarify this detail with Mr. Gang.

In the waiting period, it was pointed out that Ms. Ganz's proposal stated her firm would charge a flat fee of $60,000 in the event the bonds were publically sold or a flat bond counsel fee of $55,000 in the event the bonds were privately placed. No contingency language was seen.

Mr. Sealy said with the Board's approval of moving forward today, he would do the rate lock, which was for 90 days from the date of the letter. He said they would need to move quickly, but it could be done. Mr. Sealy was asked if more time might be allowed, and he said 90 days was as much as he had ever received. He said in the past his firm had asked for an extension, which was usually honored without increasing the rate. He said he was confident it could be done in 90 days.

The comment was made the early rate was much lower than currently. Mr. Sealy responded a lower rate could be achieved by a public offering because they could price to the insurers underlying rating, which was double A, and the District had received triple B+. He said the cost of the insurance in that scenario increased to where the savings was better under the private placement scenario based upon the current market.

It was asked if the CDD would be paying another .75% in addition. Mr. Sealy responded the proposal was a 75 basis point origination fee, which totaled $200,000.

Mr. Ward returned and said Mr. Gang would join them momentarily.

Mr. Ward reported the Board was now back on the record and it was 10:00 a.m.

Mr. Ward said Mr. Gang had indicated the paragraph in question had been used in the early days based upon Boards just arbitrarily deciding for whatever reason they did not want to proceed. He agreed that if the Board proceeded forward now and used his firm, then at the public hearing, together with the residents, it was decided not to proceed, then there would be no fee. However, Mr. Ward said if after that point, the Board decided on the day of pricing not to proceed for anything other than market conditions, the fee would be applicable. Mr. Ward said basically in the past Mr. Gang had done all the work, and the Board decided for some arbitrary reason not to proceed. The Board agreed this was fair. Mr. Gang returned to the meeting, and Mr. Ward informed him he had been retained as bond counsel to the District subject to the terms they had discussed related to the arbitrary provision in his proposal and subject to the cap rate of $65,000 on the deal.

4. Presentation by MBS Capital Markets of the Financing Alternatives of the District's 2006 Series Bonds

Mr. Ward asked Mr. Sealy to proceed. Mr. Sealy began with a summary of what had been done so far which included searching for the best deal, submitting the credit package to S&P and sending a package to AGM, a bond insurer. He said he had also sent a credit package to Hancock Bank, which his firm had worked with on about a dozen CDD refinancings. He said this bank was willing to go 20 years without a rate reset, and it was the only bank right now which was doing so. He said the District was 20-37. He said Hancock Bank was not extending the maturity, and the District would not be faced with a rate reset.

Mr. Sealy directed the Board to Page 6 of the Revised document. He said they were mailing an offering document for private placement, subject to interest rate risk. He said there were potentially fewer covenants on the public offering side than on the private placement side. He said in a private placement in the event of determination of taxability, there would be an immediate rate reset. In a public offering, if there was a determination of taxability, there would not be a rate reset.

A question was asked if at the time of the refinancing, the bonds are not taxable, and then Congress changes their mind and they become taxable, does that trigger the issue. Mr. Sealy responded for the bank private placement, there would be an automatic rate change, which would still be lower than the current rate on the bonds.

Mr. Gang stated Congress could not retroactively make bonds taxable, so if bonds were tax exempt when they were issued, it was because of something either the District did or that the expenditure of the funds was not properly governmental or something like that. He said what Congress was saying now was all of a certain kind of bond issued after January 1, 2018, were taxable.

A comment was made that the District's bonds would be issued in 2018. The response was their bonds were governmental and there was nothing in the current tax bill affecting bonds which would keep you from issuing tax exempt. Mr. Gang continued it may make the bonds less valuable as an investment because people's tax rates were lower.

Mr. Gang continued in the past developers had sold land to Districts at the appraised value, and the IRS looked at that. He said another issue was the proper use of fill was looked at by the government. He said those issues had been resolved in this District. He said there would probably not be any problems.

Mr. Ward indicated the District had been audited and it was fine.

Mr. Sealy continued there were two offerings: the public and the private offering. He said on Page 8, the Board would see that his firm had gone to S&P and received an underlying rating in senior bonds of triple B+, which was consistent with other senior subordinate transactions. He said he had received from AGM an acknowledgement of its willingness to provide an insurance commitment on the senior bonds as well as a partial surety bond, which essentially allowed the District to fund less cash reserve. He pointed out these results still provided for healthy net present value savings both on a percentage and total dollar basis, as well as annual reduction overall of about $245,000 a year.

Mr. Sealy stated his firm had also solicited Hancock Bank to provide a term sheet which he stated was consistent with other term sheets. It provided for a 20 year amortization on a fixed rate basis, which was at 3.75. He said he noted this rate was slightly higher than on the public offering side, but when bond insurance was factored in, it did create a higher net interest cost and resulted in a slightly less annual reduction in savings on the public offering side than on the private placement side.

Mr. Sealy said on the Hancock side, he had found the banks were looking for a bigger relationship than just being an investor. He said their term sheet included for them to serve in the capacity as the trustee.

Mr. Ward said replacing the trustee and using them as the depository trust were two pieces of the Hancock proposal which he was uncomfortable with. Mr. Ward explained they wanted to hold the District's operating account, which was now with Sun Trust. Mr. Ward stated he was particularly uncomfortable with this.

Mr. Ward was asked if the Trustee was paid a fee and how much it was. His response was affirmative, and he said the amount was under $10,000 a year. It was asked if Hancock Bank would be willing to wave that fee. Mr. Sealy said he would ask. He said he could probably negotiate for one of the requirements.

Mr. Ward stated on a daily basis, the two individuals who he worked with were the Trustee and the operating accounts. The trustee was the most important to him because he dealt with him every single day in terms of moving money around, making sure bond payments are made, making sure there wasn't someone in Philadelphia reading trust indentures which were different than what they really said with Mr. Ward having to spend days convincing them how to read a trust indenture. He said he was not familiar with Hancock Bank. He said the trustee and the depository trustee controlled absolutely everything, and that would not be advantageous for the District.

Mr. Ward was asked which of the two positions he would give up. He responded personally neither, but the least troublesome was the trust depository. He was asked why he would be dealing with the trustee so frequently once the deal was done. He responded he was moving money in and out of accounts, making sure debt service got paid on time, reading indentures to move reserve funds, making sure interest got credited correctly, etc. He gave an example of a recent problem he had encountered. His conclusion was he was uncomfortable with Hancock as a trustee.

Mr. Sealy did not think this issue was a deal breaker and indicated he would try to renegotiate these terms.

Mr. Ward stated he was not trying to be difficult but the trustee directing, and his office having to use Hancock Bank for investment purposes meant whatever the bank chose to invest in, he would have to sign off on. He said this would give him liability that those investment proceeds were where they should have been. He told the Board the Hancock Bank proposal had only come up within the last two days.

Mr. Ward was asked why he would be responsible if Hancock Bank's obligation was to invest within certain guidelines. Mr. Ward responded it was his obligation to direct it under the trust indenture, not the trustee. He said at the moment there was no trustee because the reserve account was basically nil. He said with refinancing the reserve account would go up to about $600,000.

Mr. Gang said there were guidelines in the trust indenture, and they could be further narrowed. He was asked what would happen if Hancock Bank went "belly up." He responded Hancock Bank would be seized by regulators. He said as he understood it in a qualified public depository structure in Florida, all the members covered for each other, so individuals were not supposed to lose money.

Mr. Ward stated that was different than a trust relationship bank. He said US Bank, for example, had a trust department and the funds were fully insured.

A concern was expressed that they had 90 days and would have to limit the kind of things they could do and set forth guidelines with which all were comfortable. If the scope of the investments was the concern, then maybe the Board should agree on a narrow scope of investments.

Mr. Ward responded it was not the scope of the investments, it was the limitation of having to leave them at Hancock Bank. He said the District would not be able to get quotes from US Bank or anybody else to invest the funds, and so Hancock Bank would be controlling the interest rate given. He said with a trustee who was not the bond holder, he did not have that problem.

Mr. Ward was asked if he would still have this concern if Hancock Bank was not given the trustee position. His response was negative. He said if they were just the bond holder in the normal course, he did not have a problem.

Mr. Sealy said the rate would be locked in from November 10, 2017, for 90 days. A comment was made that the District was refinancing $27 million, and was this deal with Hancock Bank their only option. Mr. Sealy responded there were two options. He said the Board could also go the public offering route based upon procurement of the underlying rating of the insurance and the surety bond, and the bonds would be sold in the marketplace. He said there was no rate lock. It was correctly stated that interest rate risk would be taken on in this option.

Mr. Ward said a public hearing was required because the Board would be increasing the par debt for each resident. He said the public hearing required mailing notices to everyone in the District 30 days in advance. The public would have an opportunity to appear and speak. At the end of the public hearing, the Board would be asked to adopt a resolution which increased the par debt on the lots. The Board would make the final decision. He said the Board would set the day and time and could limit each speaker's time, but they did not have to limit speaking time. It was commented that many people attend the meeting for clarification. Mr. Ward said probably a couple hundred people would attend.

Mr. Sealy said he would do a presentation, and he added the better the notice was written, the fewer people would attend.

It was asked when in a public offering, the interest rate was locked in. Mr. Sealy responded it was unknown until an offering document was mailed and the bonds were priced. He said he honestly had no idea where rates were going due to the political climate.

There was some further discussion of each scenario. Mr. Ward stated the Board did not have to approve either one today. He said the options needed to be worked out and the public hearing needed to be set. Mr. Ward said he would talk with Mr. Sealy and put together a schedule which would include a meeting, where a new term sheet would be presented and the Board could vote. A time for another meeting was discussed.

The Board agreed to have a continuation of today's meeting on November 27 at 8:30 a.m.

5. Consideration of Candidate for District Engineer

Mr. Ward stated he had advertised the District Engineer position and sent his proposal to six or seven engineers the he knew. He said he had received one proposal from Calvin Giordano & Associates, Curt Keyser, who was prepared to give a presentation, but it was not necessary the Board hear it. Mr. Ward stated he asked CGA to provide a copy of their rate sheet and a formal agreement. He said the Board's choice was to reject the one proposal that had been received or rank him as number one and authorize the agreement with CGA at the rate structures proposed which was consistent with other engineering companies. He said the reason for their receiving only one response was most likely the amount of work available this time of year and the fact that CDDs do not provide a great deal of work. He said CGA was a reputable firm, and he recommended them and the District would need an engineer for the refinancing. He said he has worked extensively with CGA for 30 years.

It was pointed out it would be fruitless to re-advertise the position, and it was advantageous that Mr. Ward had a relationship with CGA. Also, it was mentioned the fee structure was pretty standard, and there was the right within the agreement to terminate in 30 days.

Mr. Keyser said he would be the primary engineer for the District, and he said he had a staff of 12 engineers and support people. He said he knew one of the District's needs

was mapping, and he had a full GIS department. He said he could pull in whatever resources were necessary.

Mr. Ward explained the engineer was going to have to sign off on a certificate which said the infrastructure was operational. He said the Board had requested a map of the infrastructure, but that would be four or five months down the road.

Motion was made by Mr. Newcomb and seconded by Mr. Zotter to rank Calvin Giordano & Associates as No. 1 and authorize the staff to enter into the agreement, and with all in favor, the motion was approved.

Mr. Ward called for a motion to continue this current meeting on November 27, 2017, at 8:30 a.m.

Motion was made by Mr. Newcomb and seconded by Mr. Oliver to continue the meeting on November 27, 2017, at 8:30 a.m., and with all in favor, the motion was approved.

The meeting was ended at 11:04 a.m.

Wentworth Estate Community Development District

James P. Ward, Secretary

Joseph Newcomb, Chairman