

PALERMO COMMUNITY DEVELOPMENT DISTRICT



AGENDA

AUGUST 13, 2021

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 33308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

PALERMO COMMUNITY DEVELOPMENT DISTRICT

August 6, 2021

Board of Supervisors

Palermo Community Development District

Dear Board Members:

This Public Hearing of the Board of Supervisors of the Palermo Community Development District will be held on **Friday, August 13, 2021, at 8:30 A.M.** at the offices of **Lennar Homes, LLC, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966.**

WebEx link and telephone number:

<https://districts.webex.com/districts/onstage/g.php?MTID=e6c752b09d87876556dcae97a6f9238c1>

Access Code: **173 006 4072**, Event password: **Jpward**

Phone: **408-418-9388** and enter the access code **173 006 4072** to join the meeting.

Agenda

1. Call to Order & Roll Call.
2. Notice of Advertisement of Public Hearing.
3. Consideration of Minutes:
 - I. June 18, 2021 – Public Hearing.
4. **PUBLIC HEARING TO CONSIDER THE ADOPTION OF CAPITAL SPECIAL ASSESSMENTS**
 - I. Public Comment and Testimony.
 - II. Board Comment.
 - III. Consideration of **Resolution 2021-16**, a Resolution of the Board of Supervisors of Palermo Community Development District making the following findings: (i) Authorizing a Capital Improvement Plan: (ii) Adopting an Engineer's Report: (iii) Providing an estimated cost of Improvements: (iv) Adopting an Assessment Report: (v) Equalizing, Approving, Confirming and Levying Special Assessments: (vi) Addressing the finalization of Special Assessments: (vii) Addressing the payment of Special Assessments and the Method of

Collection: (viii) Providing for the allocation of Special Assessments and True-Up Payments: (ix) Addressing Government Property, and making provisions relating to the transfer of Real Property to units of Local, State and Federal Government: and (x) Authorizing the recording of an Assessment.

5. Consideration of Interlocal Agreement between Palermo Community Development District and the Lee County Tax Collector regarding Non-Ad Valorem and/or Special Assessments.
6. Consideration of setting **Friday, November 19, 2021, at 8:30 A.M.** at the offices of Lennar Homes, **10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966**, as the date, time, and location for Landowner's Meeting.
7. Staff Reports.
 - I. District Attorney.
 - II. District Engineer.
 - III. District Manager.
8. Supervisor's Requests and Audience Comments.
9. Adjournment.

The first order of business is the Call to Order & Roll Call.

The second order of business is the Notice of Advertisement of Public Hearing.

The third order of business is the consideration of the minutes from the June 18, 2021, Public Hearing.

The fourth order of business is the Public Hearing to consider the adoption of capital special assessment along with Public Comment and Testimony and Board Comment and consideration of **Resolution 2021-16**, a Resolution of the Board of Supervisors of Palermo Community Development District making the following findings: (i) Authorizing a Capital Improvement Plan: (ii) Adopting an Engineer's Report; Providing an estimated cost of Improvements: (iii) Adopting an Assessment Report; Equalizing, Approving, Confirming and Levying Special Assessments: (iv) Addressing the finalization of Special Assessments: (v) Addressing the payment of Special Assessments and the Method of Collection: (vii) Providing for the allocation of Special Assessments and True-Up Payments: (viii) Addressing Government Property, and making provisions relating to the transfer of Real Property to units of Local, State and Federal Government: and (ix) Authorizing the recording of an Assessment.

The fifth order of business is the consideration of an Interlocal Agreement between the Palermo Community Development District and the Lee County Tax Collector regarding Non-Ad Valorem and/or Special Assessments.

The sixth order of business is the consideration of setting Friday, November 19, 2021, at 8:30 A.M. at the offices of Lennar Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966, as the date, time, and location for Landowner's Meeting.

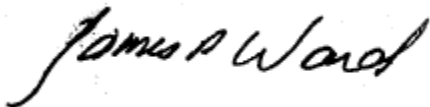
The seventh order of business are staff reports by the District Attorney, District Engineer, and District Manager.

The eighth order of business is the consideration of Supervisor's Requests and Audience Comments.

If you have any questions and/or comments before the meeting, please do not hesitate to contact me directly at (954) 658-4900.

Sincerely yours,

Palermo Community Development District



James P. Ward
District Manager

The Fiscal Year 2022 schedule is as follows:

October 22, 2021	November 19, 2021
December 17, 2021	January 20, 2022
February 18, 2022	March 18, 2022
April 22, 2022	May 19, 2022
June 17, 2022	July 22, 2022
August 19, 2022	September 16, 2022

The News-Press
media group
news-press.com A GANNETT COMPANY

THE PALERMO CDD
2301 NE 37TH ST
FORT LAUDERDALE, FL 33308
ATTN

STATE OF WISCONSIN COUNTY OF BROWN:

Before the undersigned authority personally appeared said legal clerk, who on oath says that he or she is a Legal Assistant of the News-Press, a daily newspaper published at Fort Myers in Lee County, Florida; that the attached copy of advertisement, being a Legal Ad in the matter of

PUBLIC NOTICE

In the Twentieth Judicial Circuit Court was published in said newspaper in the issues of:

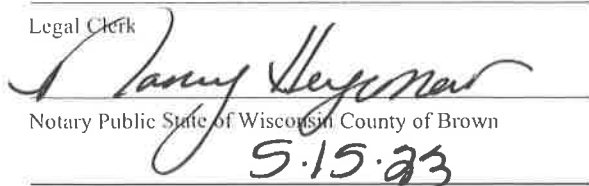
7/17/2021; 7/24/2021

Affiant further says that the said News-Press is a paper of general circulation daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at Fort Myers, in said Lee County, Florida, and that the said newspaper has heretofore been continuously published in said Lee County, Florida each day and has been entered as periodicals matter at the post office in Fort Myers, in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he or she has never paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Sworn to and Subscribed before me this 24th day of July, 2021.



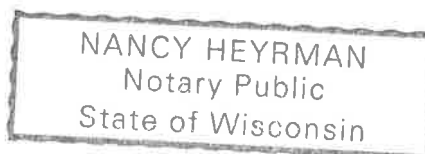
Legal Clerk



Notary Public State of Wisconsin County of Brown
5.15.23

My commission expires

Publication Cost: \$4,476.80
Ad No: GC10687037
Customer No: 0000003045
PO#: PUBLIC NOTICE



Timestamp

7/15/2021 13:24:50

Final Publication Date

7/17/2021 ↩, 7/24

Ad Number

GCI0687037

Publication

News Press

Market

Ft Myers

Delivery Method

Email

Number of Affidavits Needed

1

Customer Name

The Palermo Cdd

Customer Phone Number

(954) 658-4900

Customer Address

2301 NE 37Th ST

Fort Lauderdale, FL 33308-6242

United States

Account Number (If Known)

0000003045

Customer Email

coridissinger@jpwardassociates.com

Your Name

Natalie Herbertz

Email Address

nherbertz@localiq.com

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**MINUTES OF MEETING
PALERMO
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Palermo Community Development District was held on Friday, June 18, 2021, at 8:30 a.m., at the offices of Lennar Homes, LLC, 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966.

Present:

Russell Smith	Chairperson
Scott Edwards	Assistant Secretary
Dalton Drake	Assistant Secretary
David Negip	Assistant Secretary

Absent:

Steve Gabor	Vice Chairperson
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Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Steve Sanford	Bond Counsel

Audience:

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS
WERE TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS

Call to Order

District Manager James P. Ward called the meeting to order at approximately 8:30 a.m. He conducted roll call; all Members of the Board were present save Supervisor Gabor, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

March 19, 2021, Regular Meeting Minutes

Mr. Ward asked if there were any additions, corrections, or deletions to the Regular Meeting Minutes; hearing none, he called for a motion.

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On MOTION made by Mr. Russell Smith, seconded by Mr. Dalton Drake, and with all in favor, the March 19, 2021, Regular Meeting Minutes were approved.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2021-9

Consideration of Resolution 2021-9, a Resolution of the Board of Supervisors of the Palermo Community Development District amending the date of the Public Hearing on the Fiscal Year 2021 and Fiscal Years 2022 Proposed Budgets

Mr. Ward: Resolution 2021-9 amends your public hearing date to today for consideration of your Fiscal Year 2021 and 2022 Budgets. If you have any questions on the Resolution, I will be happy to answer them. We are only changing it because we missed our May meeting. He asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. Dalton Drake, seconded by Mr. Scott Edwards, and with all in favor, Resolution 2021-9 was adopted, and the Chair was authorized to sign.

FOURTH ORDER OF BUSINESS

PUBLIC HEARING

Mr. Ward discussed basic public hearing proceedings.

FISCAL YEARS 2021 & 2022 BUDGETS

I. Public Comment and Testimony

Mr. Ward called for a motion to open the Public Hearing.

On MOTION made by Mr. Russell Smith, seconded by Mr. Dalton Drake, and with all in favor, the Public Hearing was opened.

Mr. Ward asked if there were any members of the public present via audio or video with comments or questions with respect to the Fiscal Year 2021 or 2022 Budgets; hearing none, he called for a motion to close the public hearing. He noted there were no members of the public present in person.

On MOTION made by Mr. Russell Smith, seconded by Mr. Dalton Drake, and with all in favor, the Public Hearing was closed.

II. Board Comment

91 Mr. Ward asked if there were any Board comments or questions. He noted both Budgets were
 92 funded for the District pursuant to an agreement with the developer; the developer would fund the
 93 Budgets up to the amount contained in the Budgets.

94

95 **III. Consideration of Resolution 2021-10 adopting the annual appropriation and Budget for Fiscal Year**
 96 **2021**

97

98 Mr. Ward called for a motion to adopt Resolution 2021-10.

99

100 **On MOTION made by Mr. David Negip, seconded by Mr. Scott**
 101 **Edwards, and with all in favor, Resolution 2021-10 was adopted, and**
 102 **the Chair was authorized to sign.**

103

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105 **IV. Consideration of Resolution 2021-11 adopting the annual appropriation and Budget for Fiscal Year**
 106 **2022**

107

108 Mr. Ward called for a motion to adopt Resolution 2021-11.

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110 **On MOTION made by Mr. David Negip, seconded by Mr. Dalton Drake,**
 111 **and with all in favor, Resolution 2021-11 was adopted, and the Chair**
 112 **was authorized to sign.**

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115 **FIFTH ORDER OF BUSINESS**

Consideration of Resolution 2021-12

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117 **Consideration of Resolution 2021-12, a Resolution of the Board of Supervisors of Palermo Community**
 118 **Development District declaring Special Assessments; indicating the location, nature and estimated**
 119 **cost of those improvements which cost is to be defrayed in whole or in part by the Special**
 120 **Assessments; providing the portion of the estimated cost of the improvements to be defrayed in**
 121 **whole or in part by the Special Assessments; providing the manner in which such Special Assessments**
 122 **shall be made; providing when such Special Assessments shall be made; designating lands upon which**
 123 **the Special Assessments shall be levied; providing for an Assessment Plat; adopting a Preliminary**
 124 **Assessment Roll; providing for a public hearing to consider the advisability and propriety of said**
 125 **Assessments and the related improvements; providing for notice of said public hearing; providing for**
 126 **publication of this Resolution**

127

128 *Mr. Ward: Items five and six are companion items. It is the start of the process to levy special*
 129 *assessments for the Palermo Community Development District for any future Master Assessment*
 130 *Programs that we will have. This Resolution does a couple of things: one is it approves the Engineer's*
 131 *Report prepared by Banks Engineering with respect to the master levy of the special assessments, and*
 132 *two, it will approve the master assessment methodology that I have prepared for you with respect to*
 133 *that. If you would like, Dave and I can take a minute or two and go through each of the reports briefly*
 134 *with you and then we will consider the resolution and move on to the public hearing.*

135

136 *Mr. David Underhill: This report prepared for Palermo provides a description of the community, the*
 137 *development. The development is located in North Ft. Myers. It is approximately 385 acres in size and is*

138 *planned to contain 1,232 residential units in a mix of primarily single-family units with 264 townhomes.*
139 *The developer is CL Ventures. They are the property owner and developer who is a wholly owned*
140 *subsidiary of Lennar Homes. The report provides a breakdown of the land use areas within the District.*
141 *They include residential areas, roadways, lakes, amenities and preserves. It also provides a breakdown*
142 *of units; a unit mix on the project. The purpose of the report is to provide a description of the District,*
143 *the capital improvements to be constructed and financed by the District, and then the estimated cost of*
144 *the capital improvements. The report also provides a description of the existing infrastructure to serve*
145 *the development. Continuing on page 5 it provides a summary of the proposed District infrastructure.*
146 *The infrastructure that will comprise the District project includes irrigation, stormwater management,*
147 *water and wastewater, mitigation, professional services and also a contingency. The irrigation systems*
148 *provide irrigation water to the land uses within the District. That system will consist of an irrigation*
149 *pump house with pump stations and irrigation mains. It will not include any of the irrigation services on*
150 *the private properties. The District will ultimately own and maintain the irrigation system. The*
151 *stormwater management system consists of stormwater management, lakes, pipes, catch basins and*
152 *stormwater outfalls. No improvements to private properties will be financed by the District. None of the*
153 *excavation or the transporting or the placing of the materials on the private property will be included as*
154 *part of the project. Water and wastewater facilities consist of the potable water mains and the sewer*
155 *mains that serve the development. These facilities will be acquired by the district and then transferred to*
156 *Lee County who provides water service, and FGUA is the utility that provides sewer service. Ultimately*
157 *Lee County and FGUA will be responsible for the ownership and maintenance of the water and*
158 *wastewater facilities and none of the lateral lines on private property will be financed by the District.*
159 *Mitigation, there is an 18-acre wetland preserve and some filter marsh creation areas that are part of*
160 *the mitigation within the development. These areas will be part of the District project and ultimately*
161 *owned and maintained by the District. The professional services are the engineering, testing, design, and*
162 *construction services associated with the construction of the District project. The contingency is*
163 *approximately 10% of the cost of the Infrastructure. The Report provides an opinion of the costs of the*
164 *infrastructure. Total project cost is approximately \$20 million dollars. It is broken down in the report.*
165 *The District will pay the lesser of the actual cost or the fair market value of the public improvements. All*
166 *the public infrastructure comprising the project will be on land owned by or subject to permanent*
167 *easements in favor of District or other governmental entity. Public improvements comprising the project*
168 *benefit the District and the estimate of the probable cost is less than the benefit the assessed property*
169 *will receive as a result of construction of the project. The Report also includes a description of the*
170 *permits. Permits are in place for the first few phases of the project and the rest of the permitting is*
171 *expected to be obtained in due course. This really summarizes the report.*

172

173 Mr. Ward asked if there were any questions. There were none.

174

175 *Mr. Ward: My report is intended to develop and provide to you a road map which lays out in detail each*
176 *step for use by the District of the Board of Supervisors to impose non ad valorem special assessments on*
177 *the property. The capital improvement program that Dave outlined for you is in the amount of*
178 *\$19,922,655 dollars is what we will be financing. The issuance of one or more series of tax-exempt*
179 *bonds to be repaid on property from non-ad valorem special assessments levied by the District on all*
180 *assessable properties within the District itself. Methodology has basically two goals, one is to determine*
181 *the special and peculiar benefits that flow to the property as a logical connection from the public*
182 *infrastructure systems and facilities, constitute enhanced use and increased enjoyment of the property,*
183 *and secondarily to apportion those benefits on a basis that is fair and reasonable to all properties within*
184 *the District. This report conforms with the requirements of the private constitution, chapters 170, 190*
185 *and 197 respectively, with respect to the assessments consistent with my understanding of the case law*

186 *and the subject itself. As Dave had mentioned to you, there are a number of land use plan elements for*
187 *the Master Development, all of which are primarily residential in nature, constituting a projected number*
188 *of 1,232 units within the District. That is the number of units that will fund the capital program of the*
189 *\$19.9 million dollars in capital infrastructure. When you do a financing of this nature there are a number*
190 *of other elements that compose the additional financing sources necessary to fund the \$19.9 million*
191 *dollars that include capitalized interest. That carries the District for a certain period of time before it*
192 *needs to levy assessments theoretically and most practically through the construction period. A debt*
193 *service reserve account is intended to be used to pay principal and interest on bonds in the event of a*
194 *default and then delivery expenses which include the underwriters fee for the issuance of bond and cost*
195 *of issuance for the professionals necessary to do that. For purposes of this Master Report, I am using an*
196 *average coupon rate of 6.5% which in this market is extraordinarily high, but over time that may go*
197 *down and as we prepare supplemental reports will pare that number down to what the market interest*
198 *rate will be, which in today's market is about 3.7% for bonds of this nature. The plan of financing does*
199 *permit the developer to buy down or opt out as the case may be, assessments on any particular project.*
200 *As you move forward through this process itself it does provide for true-up of payment for any debt*
201 *reductions that the developer may choose to make to achieve certain target levels of assessments that is*
202 *desired with respect to this particular project itself. When we consider the assessment program itself,*
203 *we take a look at the conditions of the states of development. Initially all land is what we call an*
204 *unplatted state which means the land has not been platted for particular housing developments that*
205 *may come on from there. The second is what we call an approved state which is where a developer has*
206 *received approval for a site development plan, the land has been platted, or a condominium has been*
207 *recorded on any of the land. Condominiums in Florida, as you know, are more used for attached units,*
208 *either horizontal or vertical attached units. In this project I see we do have townhouses which may be*
209 *attached units at some point in time as this development occurs. Those assignments of assessments are*
210 *based on the types of land uses characterized within here and based upon the mix of the residential land*
211 *uses and accepted methods for allocating the costs of the public infrastructure. For purposes of this*
212 *particular methodology, I have assigned an equivalent residential unit factor based primarily on the size*
213 *of the lot. Lot sizes run from 30 to 39, 40 to 49, upwards to 75 to 79 footers. The ERU factor is based on*
214 *the front foot of the lot itself. Those are the equivalent residential unit factors based on essentially the*
215 *front footage of the lot itself for this property. Once they enter a developed state, we assign the*
216 *unplatted per acre debt on all lots to the platted lots within the property. Within this particular project,*
217 *some of them are platted already and as such have already been assigned the master assessment for this*
218 *particular project as you go through this process. As you know, property taxes in Florida, and specifically*
219 *in Community Development Districts, we levy non-ad valorem special assessments pursuant to Statute.*
220 *We do not levy ad valorem taxes and as such these are fixed assessments on property and the annual*
221 *debt service associated with these fixed assessments are born out with a fixed amount that is on tax bills*
222 *by property appraisers each year. There are a few pages in here with respect to the benefit analysis. I'll*
223 *just make them a part of the record and not repeat them into the record itself. The one other point that I*
224 *want to make to you is I think I started out, the developer does have the ability to prepay assessments in*
225 *full as does any property owner along the way. Once a piece of property is sold, if he or she does desire*
226 *to prepay the assessment in full they may do so at any time during the lien process which would be for 30*
227 *years. Those prepayments must be in full. We do not provide for partial prepayments, and we do have*
228 *what we call an inventory adjustment determination that basically says if, and to the extent that, we*
229 *issue bonds and the developer changes the land use plan during the development of the District, with*
230 *respect to that particular bond issue, then we go through and do an inventory adjustment. That means*
231 *we assign the remaining debt to the new product types that are here and if that debt assignment does*
232 *not carry enough of the debt, then the developer will be required to make a prepayment for the*
233 *differential between the lot mix was and what the lot mix turns out to be. It's not often that this*

234 happens. This project has a master capital improvement special assessment bond at \$28,415,000
235 dollars. The assessment levels for each product type will run between \$15,320 dollars a unit and \$30,641
236 dollars and they generate an assessment between \$1,240 dollars a unit a year and \$2,500 dollars a unit
237 a year. These are generally, for purposes of the Master Report, on the high side. They will be lowered as
238 we move into the supplemental assessment proceeding as we move forward. He asked if there were any
239 questions.

240

241 Mr. Negip: On the description of the townhouses, we have 30 to 39 feet in there in parentheses, and we
242 really are about 20 to 29 feet. I don't know if that matters.

243

244 Mr. Smith: We are actually at 20 feet.

245

246 Mr. Ward: Okay, we will make the change. We will make them 20 to 29 feet.

247

248 Mr. Urbancic: We do this in a two-step process. Step one today is in Resolution 2021-12, what Jim and
249 Dave just outlined in their respective reports, and basically is the first step in the assessment process.
250 What we are doing in this Resolution is declaring the assessments, describing the project by
251 incorporation of Dave's Engineer's Report that he just described, with a total estimated cost of the
252 improvements of \$19,922,655 dollars, and that would defer a total assessment of \$28,415,000 dollars.
253 As described by Jim in his summary and his report, we are declaring the method in which they are going
254 to be paid and we are adopting a preliminary assessment, this is the main gist. We are going to be going
255 through both a mailed notice and a newspaper publication of both this resolution and notice as required
256 by law. The second Resolution will be 2021-13 which will set this for a public hearing which we can talk
257 about when we get there to confirm the date.

258

259 Mr. Ward asked if there were any questions; hearing none, he called for a motion to adopt the
260 Resolution with two changes: One is to conform the Engineer's Report cost estimate with the Report
261 and the Master Assessment Methodology and to authorize the change in the Master Methodology for
262 the townhouse products to a 20-to-29-foot product line which will change the assessments across the
263 board that are contemplated in here, in my (Mr. Ward's) report, or the master report.

264

265 **On MOTION made by Mr. Dave Negip, seconded by Mr. Dalton Drake,**
266 **and with all in favor, Resolution 2021-12 was adopted as amended,**
267 **and the Chair was authorized to sign.**

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270 **SIXTH ORDER OF BUSINESS**

Consideration of Resolution 2021-13

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272 **Consideration of Resolution 2021-13, a Resolution of the Board of Supervisors of Palermo Community**
273 **Development District setting a Public Hearing to be held on August 13, 2021 at 8:30 A.M. at the offices**
274 **of Lennar Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966 for the purpose of**
275 **hearing public comment on imposing special assessments on certain property within the District**
276 **generally described as the Palermo Community Development District in accordance with Chapters**
277 **170, 190 and 197, Florida Statutes**

278

279 Mr. Ward: What this does is set the public hearing date for August 13, 2021, at 8:30 a.m., here at the
280 offices of Lennar Homes, LLC, 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966. This date will

281 *trigger two things, one is a mailed notice to all property owners within the District and a series of legal*
 282 *ads of these resolutions noticing the public hearing dates. He asked if there were any questions;*
 283 *hearing none, he called for a motion.*

284
 285 **On MOTION made by Mr. Dalton Drake, seconded by Mr. Scott**
 286 **Edwards, and with all in favor, Resolution 2021-13 was adopted, and**
 287 **the Chair was authorized to sign.**

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290 **SEVENTH ORDER OF BUSINESS**290 **Consideration of Resolution 2021-14**

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292 **Consideration of Resolution 2021-14, authorizing the Issuance of not to exceed \$30,000,000 aggregate**
 293 **principal amount of Palermo Community Development District Special Assessment Bonds, in one or**
 294 **more Series, to pay all or a portion of the design, acquisition and construction costs of certain Public**
 295 **Infrastructure Improvements, including, but not limited to, Roadway Improvements; Stormwater**
 296 **Management and Control Facilities, including, but not limited to, related Earthwork; Water and**
 297 **Wastewater Systems including connection fees; roadway improvement including impact fees; and**
 298 **related incidental costs, including professional fees (collectively, the “Project”), pursuant to Chapter**
 299 **190, Florida Statutes, as amended; providing for the appointment of a Trustee; approving the form**
 300 **and authorizing the execution and delivery of a Master Trust Indenture and Supplemental Trust**
 301 **Indenture in substantially the forms attached hereto; providing that such Bonds shall not constitute a**
 302 **debt, liability or obligation of the Palermo Community Development District (except as otherwise**
 303 **provided herein), Lee County, Florida, the State of Florida or of any other political subdivision thereof,**
 304 **but shall be payable solely from Special Assessments assessed and levied on the property within the**
 305 **District benefited by the project and subject to assessment; providing for the judicial validation of**
 306 **such Bonds**

307

308 *Mr. Steve Sanford, Bond Counsel: For Community Development Districts, any time they issue bonds that*
 309 *have a maturity of more than 5 years you have to validate the bonds and the security for the bonds in*
 310 *the circuit court. In order to get into the circuit court, the District Board has to authorize an issuance of*
 311 *bonds for a particular purpose. This resolution is a necessary condition to get into the validation that*
 312 *Greg and I will handle. We are authorizing a principal amount of bonds not to exceed \$30 million. That*
 313 *does not bind the Board to issue that amount of bonds, but it provides enough cushion to provide for*
 314 *whatever unforeseen events occur. The validation process is a bit long. It is at least 45 days, so you*
 315 *don't want to have to go through that process again. This Resolution does a couple things. As I said, it*
 316 *authorizes the bonds to finance in one or more series and to finance the capital improvements described*
 317 *in more terms in Dave's report, but it is laid out also in the Resolution. This Resolution appoints US Bank*
 318 *to serve as your bond trustee. There are two exhibits to this Resolution. One is a Master Trust Indenture*
 319 *between the District and US Bank as the Trustee. That's the primary document that would govern all*
 320 *issues of bonds by the District Board. Every time we do a series of bonds there would be a separate*
 321 *document, supplemental indenture, and that's the other exhibit. That's also between the District and the*
 322 *Trustee. The supplemental indenture will be specific to the particular bond issue. It will spell out the*
 323 *redemption provisions, the interest rate, the maturities, and the like. Whereas the Master Trust*
 324 *Indenture is more generic, and it talks about the rights and remedies of the bond holders, the security of*
 325 *the bond holders, the duties, and obligations of the Trustee. Both of these documents we are asking the*
 326 *Board only to approve in substantial form, and they would be an exhibit to this resolution as well as be*
 327 *part of the validation process. Lastly, this Resolution authorizes the validation of the bonds.*

328

329 Mr. Ward asked if there were any questions; hearing none, he called for a motion.

330

331

On MOTION made by Mr. Dalton Drake, seconded by Mr. David Negip, and with all in favor, Resolution 2021-14 was adopted, and the Chair was authorized to sign.

332

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335

336 **EIGHTH ORDER OF BUSINESS****Consideration of Resolution 2021-15**

337

338 **Consideration of Resolution 2021-15 designating dates, time, and location for regular meeting of the**339 **Board of Supervisor's for Fiscal Year 2022**

340

341 *Mr. Ward: This Resolution sets the dates, times, and location for next Fiscal Year, the same, date, time,*342 *and location as we have now, other than they have been updated for Fiscal Year 2022 which is 8:30 a.m.*343 *at the Offices of Lennar Homes, the third Friday of every month. He asked if there were any questions;*344 *hearing none, he called for a motion.*

345

346

On MOTION made by Mr. Dalton Drake, seconded by Mr. Scott Edwards, and with all in favor, Resolution 2021-15 was adopted, and the Chair was authorized to sign.

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351 **NINTH ORDER OF BUSINESS****Consideration of Interlocal Agreement**

352

353 **Consideration of Interlocal Agreement between Palermo Community Development District and the**354 **Lee County Tax Collector regarding Non-Ad Valorem and/or Special Assessments. (This agreement is**355 **currently being drafted by the Tax Collectors office)**

356

357 *Mr. Ward: In Lee County each year, there are two agreements contemplated as a result of special*358 *assessments; action one is an agreement with the Property Appraiser, and one is an agreement with the*359 *Tax Collector. I have received the Uniform Collection Agreement from the Property Appraiser's office and*360 *we are one from the Tax Collector. This simply allows us to do that. You will see that other agreement at*361 *some point in the future. He asked if there were any questions; hearing none, he called for a motion.*

362

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On MOTION made by Mr. Dalton Drake, seconded by Mr. Scott Edwards, and with all in favor, the Interlocal Agreement was approved.

364

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368 **TENTH ORDER OF BUSINESS****Consideration of Interlocal Agreement**

369

370 **Consideration of the Interlocal Agreement between Palermo Community Development District and**371 **the Lee County Property Appraiser regarding Non-Ad Valorem and/or Special Assessments**

372

373 *Mr. Ward: We don't have this one yet. (No action was taken or required. This Item was continued.)*

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ELEVENTH ORDER OF BUSINESS **Consideration of Amendment**

Consideration of Amendment and substitution of party to agreement regarding the acquisition of certain work product, infrastructure, and real property

Mr. Greg Urbancic: The Acquisition Agreement had listed US Home as the party with whom the District contracted. Once we figured out when we saw the plat that CL Venture was the actual entity and US Home was a member of that entity, what we are doing is an amendment to substitute the party. When we did this Acquisition Agreement anyway, it was obviously before we had the Engineer's Report which we adopted today. We always contemplated that we would come back for an amendment and restatement. We will be doing that likely at the time of issuance, but for now we wanted to do this amendment to clarify the proper party, CL Ventures, as the entity instead of US Homes. We ask that you approve this Amendment.

Mr. Ward asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. Dalton Drake, seconded by Mr. Russell Smith, and with all in favor, the Amendment to the Acquisition Agreement was approved.

TWELFTH ORDER OF BUSINESS **Staff Reports**

a) District Attorney

No report.

b) District Engineer

No report.

c) District Manager

I. Report of Registered Voters as of April 15, 2021

Mr. Ward: It is a requirement of Statute to report on the number of registered voters within the District. You have a whopping zero registered voters as of April 15, 2021. It will become a factor when you hit two thresholds. One is six years from the date of establishment, which this District already hit.

Mr. Russ Smith: If you have a renter, who gets to cast the vote? The owner of the house or the renter?

Mr. Ward: As long as the renter is a registered voter within the boundaries of the District, the renter would vote in a qualified elector election, but not in a landowner election.

422 *Mr. Smith: So, if you own it, but you have a renter, the renter gets to vote instead of you in a*
423 *qualified elector election.*

424
425 *Mr. Ward: Correct. So, when you hit 250 qualified electors within the District, you will begin to*
426 *transition two of the five seats to qualified elector basis at the next general election. No action is*
427 *required of the Board at this time. This information is provided as a matter of law.*

428
429

430 **THIRTEENTH ORDER OF BUSINESS** **Supervisor’s Requests and Audience Comments**

431
432 Mr. Ward asked if there were any Supervisor’s requests; there were none. He asked if there were any
433 audience comments; there were none.

434
435 Mr. Ward asked the Board to put August 13, 2021, at 8:30 a.m. on their calendars as attendance was
436 required for public hearings.

437
438

439 **FOURTEENTH ORDER OF BUSINESS** **Adjournment**

440
441 Mr. Ward adjourned the meeting at approximately 9:15 a.m.

442

On MOTION made by Mr. Dalton Drake, seconded by Mr. Scott Edwards, and with all in favor, the Meeting was adjourned.

443
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445
446 Palermo Community Development District

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449 _____
450 James P. Ward, Secretary

_____ Russell Smith, Chairperson

RESOLUTION 2021-16

A RESOLUTION OF THE BOARD OF SUPERVISORS OF PALERMO COMMUNITY DEVELOPMENT DISTRICT MAKING CERTAIN FINDINGS; AUTHORIZING A CAPITAL IMPROVEMENT PLAN; ADOPTING AN ENGINEER'S REPORT; PROVIDING AN ESTIMATED COST OF IMPROVEMENTS; ADOPTING AN ASSESSMENT REPORT; EQUALIZING, APPROVING, CONFIRMING AND LEVYING SPECIAL ASSESSMENTS; ADDRESSING THE FINALIZATION OF SPECIAL ASSESSMENTS; ADDRESSING THE PAYMENT OF SPECIAL ASSESSMENTS AND THE METHOD OF COLLECTION; PROVIDING FOR THE ALLOCATION OF SPECIAL ASSESSMENTS AND TRUE-UP PAYMENTS; ADDRESSING GOVERNMENT PROPERTY, AND MAKING PROVISIONS RELATING TO THE TRANSFER OF REAL PROPERTY TO UNITS OF LOCAL, STATE AND FEDERAL GOVERNMENT; AUTHORIZING THE RECORDING OF AN ASSESSMENT NOTICE; AND PROVIDING FOR SEVERABILITY, CONFLICTS AND AN EFFECTIVE DATE.

WHEREAS, Palermo Community Development District (the "**District**") is a local unit of special-purpose government established and existing under and pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "**Act**"); and

WHEREAS, the District has previously indicated its intention to construct certain types of improvements and to finance such public infrastructure improvements through the issuance of bonds, notes or other specific financing mechanisms, which bonds, notes or other specific financing mechanisms would be repaid by the imposition of special assessments on benefited property within the District; and

WHEREAS, the District's Board of Supervisors (the "**Board**") has noticed and conducted a public hearing pursuant to Chapters 170, 190 and 197, Florida Statutes, relating to the imposition, levy, collection and enforcement of such assessments, and now desires to adopt a resolution imposing and levying such assessments as set forth herein; and

WHEREAS, the District desires to set forth the particular terms and confirm the lien of the levy of the Assessments (defined below) to pay for the specified project.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PALERMO COMMUNITY DEVELOPMENT DISTRICT AS FOLLOWS:

1. **AUTHORITY FOR THIS RESOLUTION; RECITALS.** This Resolution is adopted pursuant to Chapters 170, 190 and 197, Florida Statutes, including without limitation, Section 170.08, Florida Statutes. The recitals stated above are incorporated herein; are adopted by the Board as true and correct statements; and are further declared to be findings made and determined by the Board.

2. **FINDINGS.** The Board further finds and determines as follows:

The Capital Improvement Plan

a. The District is authorized by Chapter 190, Florida Statutes, to finance, fund, plan, establish, acquire, install, equip, operate, extend, construct, or reconstruct roadways, sewer and water distribution systems, stormwater management/earthwork improvements, landscape, irrigation and entry features, conservation and mitigation, street lighting and other infrastructure projects and services necessitated by the development of, and serving lands within, the District.

b. On June 18, 2021, and pursuant to Section 170.03, Florida Statutes, among other laws, the Board adopted Resolution 2021-12 (the "**Declaring Resolution**"), and in doing so determined to undertake a capital improvement plan to install, plan, establish, construct or reconstruct, enlarge, equip, acquire, operate and/or maintain the District's public infrastructure improvements which may include roadways, sewer and water distribution systems, stormwater management/earthwork improvements, landscape, irrigation and entry features, conservation and mitigation, street lighting and other infrastructure projects (the "**Project**").

c. The Project is described in the Declaring Resolution and the Engineer's Report for the Palermo Community Development District prepared by Banks Engineering, Inc. and dated June 18, 2021 (the "**Engineer's Report**"), a copy of which is attached hereto and made a part hereof as **Exhibit "A"**, and the plans and specifications for the Project are on file in the offices of Banks Engineering, Inc., 10511 Six Mile Cypress Parkway, Suite 101, Fort Myers, Florida 33966 and the offices of the District Manager at JP Ward & Associates LLC, 2301 Northeast 37th Street, Ft. Lauderdale, Florida 33308 (the "**District Records Office**").

The Assessment Process

d. Also, as part of the Declaring Resolution, the Board expressed an intention to issue bonds, notes or other specific financing mechanisms to provide a portion of the funds needed for the Project, and further declared its intention to defray the whole or any part of the expense of the Project by levying special assessments (the "**Assessments**") on specially benefited property within the District.

e. The Declaring Resolution was adopted in compliance with the requirements of Section 170.03, Florida Statutes, and prior to the time it was adopted, the requirements of Section 170.04, Florida Statutes, had been met.

f. As directed by the Declaring Resolution, said Declaring Resolution was published as required by Section 170.05, Florida Statutes, and a copy of the publisher's affidavit of publication is on file with the Secretary of the District.

g. As directed by the Declaring Resolution, the Board caused to be made a preliminary assessment roll as required by Section 170.06, Florida Statutes.

h. As required by Section 170.07, Florida Statutes, pursuant to Resolution 2021-13 adopted by the Board on June 18, 2021, the Board fixed the time and place of a public hearing at which owners of the property to be assessed and other persons interested therein could appear before the Board and be heard as to (i) the propriety and advisability of making the improvements, (ii) the cost thereof, (iii) the manner of payment therefore, and (iv) the amount thereof to be assessed against each specially benefited property or parcel, and the Board further authorized publication of notice of such

public hearing and individual mailed notice of such public hearing in accordance with Chapters 170, 190, and 197, Florida Statutes.

i. Notice of the scheduled public hearing was given by publication and also by mail as required by Sections 170.07 and 197.3632, Florida Statutes, and affidavits as to such publication and mailings are on file in the office of the Secretary of the District.

j. On August 13, 2021, and at the time and place specified in the Declaring Resolution, the Board conducted such public hearing and heard and considered all complaints and testimony as to the matters described above; the Board further met as an "Equalization Board;" and the Board has made such modifications in the preliminary assessment roll as it deems necessary, just and right in the making of the final assessment roll.

Equalization Board Additional Findings

k. Having considered the estimated costs of the Project, the estimated financing costs and all comments and evidence presented at such public hearing, the Board further finds and determines that:

i. It is necessary to the public health, safety and welfare and in the best interests of the District that: (1) the District provide financing of all or a portion of the Project as set forth in the Engineer's Report; (2) the cost of such Project be assessed against the lands specially benefited by such Project; and (3) the District issue bonds, notes or other specific financing mechanisms to provide funds for such purposes pending the receipt of such Assessments; and

ii. The provision of said Project, the levying of the Assessments, and the sale and issuance of such bonds, notes, or other specific financing mechanisms serve a proper, essential, and valid public purpose and are in the best interests of the District, its landowners and residents; and

iii. The estimated costs of the Project are as specified in the Engineer's Report and Assessment Report (defined below), and the amount of such costs is reasonable and proper; and

iv. It is reasonable, proper, just and right to assess the cost of such Project against the properties specially benefited thereby, using the method determined by the Board and set forth in the Palermo Community Development District Master Special Assessment Methodology Report prepared by JPWard & Associates, LLC dated June 18, 2021 (the "**Assessment Report**"), a copy of which is attached hereto and made a part hereof as **Exhibit "B"**, which results in the Assessments set forth on the final assessment roll; and

v. The Project benefits all assessable property within the District described in the Assessment Report; and

vi. Accordingly, the Project as set forth in the Engineer's Report constitutes a special benefit to all assessable parcels of real property listed on the final assessment roll attached to the Assessment Report, and the benefit, in the case of each such parcel, will be equal to or in excess of the Assessments imposed thereon, all as set forth in the Assessment Report; and

vii. All assessable property within the District as described in the Assessment Report is deemed to be benefited by the Project, and the Assessments will be allocated in accordance with the Assessment Report; and

viii. The Assessments are fairly and reasonably allocated across the benefitted property, as set forth in the Assessment Report; and

ix. It is in the best interests of the District that the Assessments be paid and collected as herein provided; and

x. In order to provide funds with which to pay the costs of the Project that are to be assessed against the benefitted properties, pending the collection of the Assessments, it is necessary for the District to issue revenue bonds, notes or other specific financing mechanisms, in one or more series, including refunding bonds (collectively, the "**Bonds**").

3. **AUTHORIZATION FOR PROJECT; ADOPTION OF ENGINEER'S REPORT.** The Engineer's Report identifies and describes the infrastructure improvements to be financed in part with the Bonds, and sets forth the costs of the Project. The District hereby confirms that the Project serves a proper, essential, and valid public purpose. The use of the Engineer's Report in connection with the sale of the Bonds is hereby authorized, approved and ratified, and the proper officers, employees and/or agents of the District are hereby authorized and directed to take such further action as may be necessary or desirable to cause the same to be made.

4. **ESTIMATED COST OF IMPROVEMENTS.** The total estimated costs of the Project (\$20,295,000.00) and the costs to be paid by the Assessments on all specially benefited property (\$28,415,000.00) are set forth in the Engineer's Report and the Assessment Report.

5. **ADOPTION OF ASSESSMENT REPORT.** The Assessment Report setting forth the allocation of Assessments to the benefitted lands within the District is hereby approved, adopted, and confirmed. The District authorizes its use in connection with the sale of the Bonds.

6. **EQUALIZATION, APPROVAL, CONFIRMATION AND LEVY OF SPECIAL ASSESSMENTS.** The Assessments imposed on the parcels specially benefited by the Project, all as specified in the final assessment roll set forth within **Exhibit "B"**, attached hereto, are hereby equalized, approved, confirmed and levied. Immediately following the adoption of this Resolution, the lien of Assessments as reflected in **Exhibit "B"**, attached hereto, shall be recorded by the Secretary of the District in the District's "**Improvement Lien Book**". The Assessments against each respective parcel shown on such final assessment roll and interest, costs, and penalties thereon, as hereafter provided, shall be and shall remain a legal, valid and binding first lien on such parcel until paid, and such lien shall be coequal with the lien of all state, county, district, municipal or other governmental taxes and superior in dignity to all other liens, titles, and claims (except federal liens, titles and claims).

a. **Adjustments to Special Assessments.** The District may, by subsequent resolution, adjust the acreage assigned to particular parcel identification numbers listed on the final assessment roll to reflect accurate apportionment of acreage within the District amongst individual parcel identification numbers. The District may make any other such acreage and boundary adjustments to parcels listed on the final assessment roll as may be necessary and in the best interests of the District, as determined by the Board by subsequent resolution. Any such adjustment in the assessment roll shall be

consistent with the requirements of law. To the extent that land is added to the District, the District may, by supplemental resolution at any noticed meeting, determine such land to be benefitted by the Project and reallocate the Assessments in order to impose special assessments on the newly added and benefitted property.

b. **Impact Fee Credits.** The District may or may not be entitled to impact fee credits as a result of the development of the Project, based on applicable laws and/or agreements governing impact fee credits. Unless otherwise addressed by supplemental assessment resolution, the proceeds from any impact fee credits received may be used in the District's sole discretion as an offset for any acquisition of any portion of the Project, for completion of the Project, or otherwise used against the outstanding indebtedness of any debt issuance that funded the improvement giving rise to the credits.

c. **Supplemental Assessment Resolutions for Bonds.** In connection with the issuance of any particular series of the Bonds, the District will adopt, without the need for further public hearing, a supplemental assessment resolution establishing specific Assessments, in one or more separately enforceable Assessment liens, securing such Bonds. Such subsequent resolutions shall be adopted at a noticed meeting of the District, and shall set forth the actual amounts financed, costs of issuance, expected costs of collection, and the total amount of the assessments pledged to that issue, which amount shall be consistent with the lien imposed by this Resolution. Among other things, the supplemental assessment resolutions may provide for the issuance of multiple bonds each secured by one or more different assessment areas.

7. **FINALIZATION OF SPECIAL ASSESSMENTS.** When the Project has been constructed or otherwise provided to the satisfaction of the Board, the Board shall adopt a resolution accepting the same and determining the actual costs (including financing costs) thereof, as required by Sections 170.08 and 170.09, Florida Statutes. Pursuant to Section 170.08, Florida Statutes, regarding completion of the Project funded by a particular series of Bonds, the District shall credit to each Assessment the difference, if any, between the Assessment as hereby made, approved and confirmed and the actual costs incurred in completing the Project. In making such credits, no credit shall be given for bond, note or other specific financing mechanism costs, capitalized interest, funded reserves or bond or other discounts. Such credits, if any, shall be entered in the Improvement Lien Book.

8. **PAYMENT OF SPECIAL ASSESSMENTS AND METHOD OF COLLECTION.**

a. Payment. Commencing with the year in which the Assessments are certified for collection and subsequent to any capitalized interest period, the Assessments, as further set forth in each supplemental assessment resolution, and securing the issuance of each series of the Bonds, may be paid in not more than thirty (30) yearly installments of principal and interest, provided, however, that the Board shall at any time make such adjustments by resolution, and at a noticed meeting of the Board, to that payment schedule as may be necessary and in the best interests of the District to account for changes in long and short term debt as actually issued by the District.

b. Prepayment. Except as otherwise provided in any supplemental assessment resolution, any owner of property (or any designee of such owner of property in the case of clause (iii) below) subject to the Assessments may, at its option, (i) pre-pay the entire amount of the Assessment attributable to such owner's property subject to Assessment at any time; (ii) pre-pay a portion of the entire amount of the Assessment attributable to such owner's property subject to Assessment one time; or (iii) pre-pay a portion of the amount of the Assessment attributable to such owner's property subject

to Assessment without a limit in number following a default (and while such default exists) by such owner in the payment of the Assessment as to such owner's property, provided that any prepayment hereunder includes all accrued interest to the next succeeding interest payment date or to the second succeeding interest payment date if such a prepayment is made within forty-five (45) calendar days before an interest payment date. Prepayment of Assessments does not entitle the property owner to any discounts for early payment. If authorized by a supplemental assessment resolution, the District may grant a discount equal to all or a part of the payee's proportionate share of the cost of the Project consisting of bond financing costs, such as capitalized interest, funded reserves, and bond discount included in the estimated cost of the Project, upon payment in full of any Assessment during such period prior to the time such financing costs are incurred as may be specified by the District.

c. Uniform Method; Alternatives. The District may elect to use the method of collecting Assessments authorized by Sections 197.3632 and 197.3635, Florida Statutes (the "**Uniform Method**"). The District has heretofore taken all required actions to comply with Sections 197.3632 and 197.3635, Florida Statutes. Such Assessments may be subject to all of the collection provisions of Chapter 197, Florida Statutes. Notwithstanding the above, in the event the Uniform Method of collecting its Assessments is not available to the District in any year, or if determined by the District to be in its best interests, and subject to the terms of any applicable trust indenture, the Assessments may be collected as is otherwise permitted by law. In particular, the District may, in its sole discretion, collect Assessments by directly billing landowners and enforcing said collection in any manner authorized by law. Any prejudgment interest on delinquent assessments that are directly billed shall accrue at the applicable rate of any bonds or other debt instruments secured by the Assessments. The decision to collect Assessments by any particular method – e.g., on the tax roll or by direct bill does not mean that such method will be used to collect Assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

d. Uniform Method Agreements Authorized. For each year the District uses the Uniform Method, the District shall enter into an agreement with the County Tax Collector who may notify each owner of a lot or parcel within the District of the amount of the special assessment, including interest thereon, in the manner provided in Section 197.3635, Florida Statutes.

e. Re-amortization. Any particular lien of the Assessments shall be subject to re-amortization where the applicable series of Bonds is subject to re-amortization pursuant to the applicable trust indenture.

9. **ALLOCATION OF SPECIAL ASSESSMENTS; APPLICATION OF TRUE-UP PAYMENTS.**

a. At such time as parcels of land, or portions thereof, are included in a plat or site plan, it shall be an express condition of the lien established by this Resolution that, prior to County approval, any and all plats or site plans for any portion of the lands within the District, as the District's boundaries may be amended from time to time, shall be presented to the District Manager for review. As parcels of land, or portions thereof, are included in a plat or site plan, the District Manager shall review the plat or site plan and cause the Assessments securing each series of Bonds to be reallocated to the units being included in the plat or site plan and the remaining property in accordance with the Assessment Report, and cause such reallocation to be recorded in the District's Improvement Lien Book.

b. Pursuant to the Assessment Report, there may be required from time to time certain true-up payments. When a plat or site plan is presented to the District, or platting information

comes available to the District on the annual tax roll, the District Manager shall review the plat or site plan to determine whether, taking into account the plat or site plan, there is a net shortfall in the overall principal amount of Assessments reasonably able to be assigned to benefitted lands within the District. Such determination shall be made based on the tests or other methods set forth in the Assessment Report (if any), or any tests or methods set forth in a supplemental assessment resolution and corresponding assessment report. If the overall principal amount of Assessments reasonably cannot be assigned, or is not reasonably expected to be assigned, as set forth in more detail in and subject to the terms of the Assessment Report (or any supplemental resolution and assessment report, as applicable), to the platted and site planned lands as well as the undeveloped lands, then a debt reduction payment (each, a "**True-Up Payment**") in the amount of such shortfall including accrued interest shall become due and payable that tax year by the landowner(s) of record of the land subject to the proposed plat or site plan and of the remaining undeveloped lands, in addition to any regular assessment installment. The District's review shall be limited solely to this function and the enforcement of the lien established by this Resolution. In the event a True-Up Payment is due and unpaid, the lien established herein for the True-Up Payment amount shall remain in place until such time as the True-Up Payment is made. The District shall record all True-Up Payments in its Improvement Lien Book.

c. In connection with any true-up determination, affected landowner(s) may request that such true-up determination be deferred because the remaining undeveloped lands are able to support the development of all of the originally planned units. To support the request, the affected landowner(s) shall provide the following evidence for the District's consideration: (i) proof of the amount of entitlements remaining on the undeveloped lands; (ii) a revised overall development plan showing the number and type of units reasonably planned for the remainder of the development; (iii) evidence of allowable zoning conditions that would enable those entitlements to be placed in accordance with the revised development plan; (iv) documentation prepared by a licensed engineer that shows the feasibility of implementing the proposed development plan; and (v) a revised Assessment Report demonstrating that debt service on the Bonds of such series can be paid without the True-Up Payment. Any deferment shall be in the District's reasonable discretion.

d. The foregoing is based on the District's understanding that the community would be developed with the type and number of units set forth in Assessment Report, on the developable acres. However, more than the stated number of units may be developed. In no event shall the District collect Assessments pursuant to this Resolution in excess of the total debt service related to the Bonds issued to finance all or a portion of the Project, including all costs of financing and interest. The District recognizes that such things as regulatory requirements and market conditions may affect the timing and scope of the development in the District. If the strict application of the true-up methodology to any assessment reallocation pursuant to this paragraph would result in Assessments collected in excess of the District's total debt service obligations for the Project, the Board shall by resolution take appropriate action to equitably reallocate the Assessments.

10. **GOVERNMENT PROPERTY; TRANSFERS OF PROPERTY TO UNITS OF LOCAL, STATE, AND FEDERAL GOVERNMENT.** Real property owned by units of local, state, and federal government (including the District) shall not be subject to the Assessments without specific written consent thereto. Except as otherwise provided herein, if at any time any real property on which the Assessments are imposed by this Resolution is sold or otherwise transferred to a unit of local, state, or federal government or similar exempt entity (without consent of such governmental unit or entity to the imposition of special assessments thereon), all future unpaid Assessments for such tax parcel shall become due and payable immediately prior to such transfer without any further action of the District. To the extent any real

property subject to the Assessments is acquired by the District, such real property shall not be subject to the Assessments and all future unpaid Assessments for such tax parcel shall be reallocated as provided in the Assessment Report or any supplemental assessment report. In the absence of any provision relating to such reallocation or if reallocation is not permitted pursuant to the Assessment Report or applicable supplemental assessment report in the determination of the District, said Assessments shall become due and payable by the transferor of such real property immediately prior to such transfer without any further action of the District.

11. **ASSESSMENT NOTICE.** The District's Secretary is hereby directed to record a general Notice of Assessments in the Public Records of Lee County, Florida, which shall be updated from time to time in a manner consistent with changes in the boundaries of the District.

12. **SEVERABILITY.** If any section or part of a section of this Resolution is declared invalid or unconstitutional, the validity, force and effect of any other section or part of a section of this Resolution shall not thereby be affected or impaired unless it clearly appears that such other section or part of a section of this Resolution is wholly or necessarily dependent upon the section or part of a section so held to be invalid or unconstitutional.

13. **CONFLICTS.** All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, superseded and repealed.

14. **EFFECTIVE DATE.** This Resolution shall become effective upon its adoption.

PASSED AND ADOPTED this 13th day of August, 2021.

**PALERMO COMMUNITY
DEVELOPMENT DISTRICT**

ATTEST:

James P. Ward, Secretary

Russell Smith, Chairman

Exhibits:

Exhibit "A": Engineer's Report for the Palermo Community Development District prepared by Banks Engineering, Inc. and dated June 18, 2021

Exhibit "B": Palermo Community Development District Master Special Assessment Methodology Report prepared by JPWard & Associates, LLC dated June 18, 2021

ENGINEER'S REPORT
FOR THE
PALERMO
COMMUNITY DEVELOPMENT DISTRICT

PREPARED FOR:

BOARD OF SUPERVISORS
PALERMO
COMMUNITY DEVELOPMENT DISTRICT

ENGINEERS:

BANKS ENGINEERING
10511 SIX MILE CYPRESS PKWY, SUITE 101
FORT MYERS, FLORIDA 33966

June 18, 2021

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APPENDIX

EXHIBIT "1"	DISTRICT BOUNDARY/ LOCATION MAP
EXHIBIT "2"	EXISTING CONDITIONS PLAN
EXHIBIT "3"	EXISTING STORMWATER FACILITIES
EXHIBIT "4"	EXISTING POTABLE WATER FACILITIES
EXHIBIT "5"	EXISTING SANITARY SEWER FACILITIES OUTFALL MAP
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EXHIBIT "8"	STORMWATER FACILITIES
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ENGINEER'S REPORT

1. INTRODUCTION

1.1 Description of Palermo Community Development District

Crane Landing (the "Development") to be served by the Palermo Community Development District (the "District") is in Lee County, Florida lying in Section 22 and 23, Township 43 South, Range 24 East, Lee County, Florida. The Project (as defined below) location is shown by Exhibit "1" of the Appendix. The Project is South of Del Prado Blvd approximately 1 mile east of US 41.

The Development program and unit mix is planned to include one thousand two hundred and thirty-two (1,232) residential units. The units are allocated among the following product types: (i) 309 single-family lots 40'-49' wide; (ii) 418 single-family lots 50'-59' wide; (iii) 241 single-family lots 60-69' wide; and (iv) 264 Townhome units. This information is summarized in Table 2. The Development includes a mix of amenities including a club house, fitness center with tennis and pool. The Development will include lake/water management facilities, roadways, preserves, and passive recreation areas.

Infrastructure construction began in 2007 and was stopped in 2008 with portions of the infrastructure partially completed. Bonds were never issued.

CL Ventures LLC, a wholly owned subsidiary of Lennar Homes, LLC as the developer (the "Developer") has restarted construction in the Development and is starting to construct residential units. Construction of the Project (as defined below) began in 2020. The Development will be completed in approximately four (4) years. The unit breakdown for the Development is provided in Table 2 and land use shown on Exhibit "7".

In support of the Development, the District intends to finance, construct and/or acquire the public infrastructure improvements identified herein including, but not limited to, stormwater management improvements, irrigation infrastructure, buffers, water and wastewater, and related professional services (the "Project"). The proposed land uses are included in Table 1 below.

TABLE 1
Land Use Summary:

TYPE OF USE	ACREAGE	% OF TOTAL
RESIDENTIAL	236.91	61
ROADWAYS	50	13
LAKES	65	17
AMENITY	5	1
PRESERVES	28.73	8
TOTAL	385.64	100%

TABLE 2
PROJECT UNIT SUMMARY:

	UNITS
SINGLE FAMILY (40'-49' LOTS)	309
SINGLE FAMILY (50'-59' LOTS)	418
ESTATE (60'-69' LOTS)	241
TOWNHOMES	264
TOTAL	1,232

1.2 Purpose and Scope of the Report

The purpose of this Engineer's Report is to provide a description of the District, the capital improvements to be constructed and financed by the District, and the estimated cost of the capital improvements. The financing and assessment methodology will be developed by the District's methodology consultant.

2. DISTRICT BOUNDARIES AND PROPERTIES SERVED

2.1 District Boundaries

Exhibit "1" shows the location of the Project and delineates the boundaries of the District. The District is bounded on the north by Del Prado Blvd, the West by the Sabal Springs Golf and Racquet Club and on the east by power lines and the Powell Creek Canal, and on the south by single family residential property.

2.2 Description of Properties Served

The District is located in Section 22 and 23, Township 43 South, Range 24 East, Lee County, Florida and is 385.64 acres in size.

The District has been previously cleared and partially filled and elevations range from 14 feet to 19 feet NGVD. Approximately 12 lakes totaling 40 acres were excavated and the material spread throughout the northern third of the District. Ground water is generally less than one foot below natural ground during the wet season and drops to 5' below in the dry season.

The property within the District is zoned for residential development. A site plan is depicted on Exhibit "8".

2.3 Existing Infrastructure

The District is located within the Lee County Utilities (LCU) water franchise area, and within the Florida Governmental Utilities Authority (FGUA) sewer franchise area. LCU is a department of Lee County, a political subdivision of the State of Florida. The Lee County Board of County Commissioners serves as Ex-Officio Governing Board of this water-sewer service area. FGUA is a public utility that serves 120,000 customers in 14 Counties throughout south and central Florida and will provide sewer services to the District. FGUA is governed by a Board of Directors that is made up of County utility officials in the Counties where FGUA provides service. FGUA can also provide effluent reuse water available to the District for irrigation recharge from existing mains adjacent to the District.

Potable water for the District is available via an existing 16" watermain along Del Prado Blvd. This existing potable watermain is operated by LCU. The location of the existing potable water facilities is shown on Exhibit "5" of the Appendix. The Phase 1 portion of the onsite water system was started in 2008 and construction completed in 2020. The District previously acquired the facilities and dedicated them to LCU. The District will reimburse the Developer for the cost of the Phase 1 water system once bonds are issued.

Wastewater for the District is available via an existing 12" force main along Del Prado Blvd. This existing force main is operated by FGUA. The location of the existing sanitary sewer facilities is shown on Exhibit "6" of the Appendix. The Phase 1 portion of the onsite wastewater system was started in 2008 and construction completed in 2020. The District previously acquired the facilities and dedicated them to FGUA. The District will reimburse the Developer for the cost of the Phase 1 water system once bonds are issued.

Irrigation water is provided by onsite withdrawal from the lakes. An irrigation pump station and irrigation mains were constructed for the phase 1 area of the project in 2021. The District will reimburse the Developer for the cost of the Phase 1 water system once bonds are issued and the facilities are acquired by the District.

The District is located within the Powell Creek Drainage Basin with the receiving body being the Caloosahatchee River. The outfall is shown on Exhibit "4". The Phase 1 portion of the onsite water system was started in 2008 and construction completed in 2020. The District will reimburse the Developer for the cost of the Phase 1 stormwater management system once bonds are levied and the facilities are acquired by the District.

Del Prado Blvd borders the District's North boundary. It is a public roadway that provides the primary access to the District. A secondary access to Garden Street will be provided to the south.

The District is located within the franchise areas of Lee County Electric Coop (LCEC). Cable and telephone service is available from Hotwire. These utility companies will provide electrical power, telephone and cable television services to the Development located within the District. These utilities have been partially constructed for the Phase 1 Development and are not part of the Project.

3. PROPOSED DISTRICT INFRASTRUCTURE

3.1 Summary of the District Infrastructure

All of the Developable lands within the District will benefit from the Project to be financed, acquired and/or constructed by the District. The District's infrastructure generally consists of the following:

- Irrigation
- Stormwater Management
- Water and Wastewater
- Mitigation
- Professional Services
- Contingency

3.2 Irrigation

The irrigation system will provide irrigation water to all the land uses within the District. The District's irrigation system will consist of two irrigation pump stations and irrigation mains of varying sizes. Irrigation services are provided to the lots and other residential areas of the District. The individual sprinkler systems on the residential lots will not be part of the District Project. The District irrigation facilities are shown on Exhibit "11". Approximately 65,300 linear feet of irrigation main will be constructed to serve the entire District. The irrigation system withdraws from the onsite lake that will be owned by the District.

The irrigation system will use pumped groundwater and/or reuse water from FGUA to recharge the irrigation lake. These recharge systems will be required as conditions of the permits and will be part of the District's irrigation system. Reuse water from FGUA will be used for irrigation recharge if available. The reuse recharge will include tapping the existing mains that are adjacent to the District and installing a service with meter to feed the irrigation lake. The reuse recharge system will be part of the Project. Recharge Wells and associated piping to the irrigation lake may be required to supplement any reuse water that is available. The recharge wells and piping will be part of the Project.

The irrigation system within the District will be constructed or acquired by the District when completed, and located within District owned property, or within areas where appropriate easements are provided to the District for the operation of the system. The District will own the Irrigation System and be responsible for perpetual maintenance of the irrigation system.

3.3 Stormwater Management

The District's stormwater management system consists of stormwater management lakes, drainage pipes, catch basins, swales, berms, and water control structures as generally reflected in the plan attached as Exhibit "9". Approximately 90,000 feet of valley gutter and 27,150 feet of drainage pipes will be constructed as part of the Project to serve the District. These are the conveyance elements that will drain the Development and connect to the lakes. Stormwater runoff from within the District will be collected and conveyed to the stormwater management lakes for water quality treatment and quantity storage. Stormwater runoff from the District will be stored in the lakes during the storm events. The storm water management system has been designed and will be constructed in accordance with South Florida Water Management District standards for water quality treatment, quantity storage and flood protection. The stormwater management system will discharge to Powell Creek through water control structures that limit the discharge to pre-development rates.

Ten stormwater lakes totaling approximately 40 acres were excavated as part of the 2007 construction. The lake construction from 2007 will not be financed by the District. As part of the Project, some of these existing lakes will be reshaped and expanded. Excavation of approximately 25 acres of new lakes is also planned. Approximately 1,100,000 cubic yards of material will be excavated. The cost of the Project does not include the transportation or spreading of material on private lands whether during construction or thereafter. Ground cover will be provided as necessary to prevent erosion. Ground cover will consist of sod, shrubs and littoral and upland plantings in and around the lakes and berms.

The cost to excavate the lakes, as required by the permit approvals, will be financed by the District. Only the cost since construction was restarted in 2020 will be part of the Project. The Stormwater Management improvements for the Development will be constructed or acquired by the District when completed. The District will own the stormwater management system

including the lakes. The District will be responsible for perpetual maintenance of the stormwater management system.

3.5 Water and Wastewater

The water and wastewater utilities to serve the District will consist of a potable water distribution system and a wastewater collection/transmission system. These utilities are designed and will be constructed in accordance with appropriate rules of Lee County and State of Florida regulatory agencies. The potable water distribution and wastewater collection/transmission systems will be constructed by the District or acquired from the Developer. It is the intent of the District to transfer ownership, operation and maintenance of the water facilities to LCU and the and wastewater to FGUA after they are constructed and placed into service.

Potable water service for the District will be provided by the extension of water mains along Del Prado Blvd. The water system will include distribution mains, valves, hydrants, and water services of varying sizes to serve the lots and buildings within the District. There will be approximately 43,500 linear feet of distribution mains constructed to serve the entire District. The general location of the potable water facilities is shown on Exhibit "9".

Approximately 5,350 LF of water main serving 104 units was constructed as part of the Phase 1 District Project. These potable water facilities are operated by LCU. There will be approximately 38,150 linear feet of potable water distribution mains constructed as part of the Project to serve the remainder of the District. The Project cost for the water system includes the cost for Phase 1. The cost for any infrastructure construction in 2007 will not be part of the Project nor financed by the District. No lateral utility lines on private property will be financed by the District.

Sanitary Sewer service for the District will be provided by connecting to and extending the existing sewer facilities along Del Prado Blvd that are owned and operated by FGUA. The wastewater facilities will consist of gravity collection mains and three onsite pumping stations. Force mains will connect these stations to the existing CCU system. It is estimated 37,800 linear feet of gravity sewer and 4,750 feet of force main will be needed to serve the entire District. The general location of the sanitary sewer facilities is shown on Exhibit "10".

Approximately 4,100 LF of gravity sewer and 1,200 LF of force main and one lift station serving 109 units was constructed as part of the Phase 1 District Project. These sanitary sewer facilities are now operated by FGUA. There will be approximately 33,700 linear feet of gravity sewer mains, two lift stations and 6,000 LF of force main constructed as part of the District Project to serve the remainder of the District. The Project cost for the waste water system includes the cost for Phase 1. The cost for any infrastructure construction in 2007 will not be part of the Project nor financed by the District. No lateral utility lines on private property will be financed by the District.

3.6 Mitigation

The wetland impact mitigation for the Development will consist of the enhancement of onsite mitigation areas and the creation of the filter marsh areas which are shown on Exhibit "12". The mitigation will be completed in accordance with SFWMD, ACOE and Lee County requirements. Enhancement of the mitigation and filter marsh areas will occur through construction and planting of aquatic littoral zones in the mitigation areas, removal of exotic plant species and replanting of the preserve areas with native plants.

A vegetated buffer is required as part of the wetland mitigation along the boundaries of the preserves. These buffers will be planted with native plants. The cost for the grading and planting of this buffer will be part of the District mitigation work and a part of the Project.

The enhancement activities will be part of the Project and will be financed by the District. The onsite mitigation areas will be deeded to the District for ownership at no cost. The District will own, or otherwise have the necessary easement rights, and maintain the mitigation areas, and the vegetated buffer areas.

3.7 Professional Services

The professional services for design and construction of all components of the Project including the engineering, utilities, soils investigation and testing, landscaping design, environmental consultation, and construction services for inspection of the Project during construction. The professional services for the design and construction of the private infrastructure will not be part of the District Project, nor financed by the District.

3.8 Contingency

These costs include a reasonable contingency in the amount of 10% to cover unexpected cost or unforeseen requirements, and to cover any inflationary cost since construction of some District infrastructure may not occur for several years.

4. OPINION OF PROBABLE CONSTRUCTION COSTS AND BENEFIT

A summary of the opinion of probable costs for the public improvements comprising the Project to be financed by the District is represented in Table 3. The costs do not include the legal, administrative, financing, operation, or maintenance services necessary to finance and operate the District infrastructure. In all cases, the District will pay the lesser of the actual cost or the fair market value of the public improvements comprising the Project. All of the public infrastructure comprising the Project will be on land owned by, or subject to a permanent easement in favor of the District or other government entity.

The public improvements comprising the Project benefit the District and the estimate of probable cost is less than the benefit the assessed property within the District will receive as a result of the construction of the Project. The District Assessment Methodology apportions the cost based on the special benefit received by the residential units that comprise the District.

It is my professional opinion that these costs are reasonable for the work to be performed and benefit the developable real property in the District. I believe that the District's planned Project to be financed with bonds can be constructed within the budget set forth in this report.

TABLE 3
Summary of Opinion of Probable Cost:

Project Description	Project Cost
IRRIGATION	\$1,500,000
STORMWATER MANAGEMENT	\$9,624,315
WATER AND WASTEWATER	\$6,998,350
MITIGATION	\$300,000
PROFESSIONAL SERVICES	\$1,500,000
CONTINGENCY (10%)	\$0
GRAND TOTAL	\$19,922,665

5. PERMITS

Overall Project Permits

Permits for construction are required prior to the commencement of infrastructure improvements. These permitting agencies have continuing jurisdiction over the public infrastructure being financed. The following permits will be required for the Project.

- Local zoning approval.
- South Florida Water Management District Environmental Resource Permit (ERP).
- Environmental Protection Agency NPDES permit.
- Lee County Development Order Permit
- FDEP Water and Sewer Construction Permits

Local permits for the Phase 1 District Project have been issued. The Phase 2 permitting is in progress. All permits for the remainder of the proposed units will be obtained in due course prior to construction.

APPENDIX

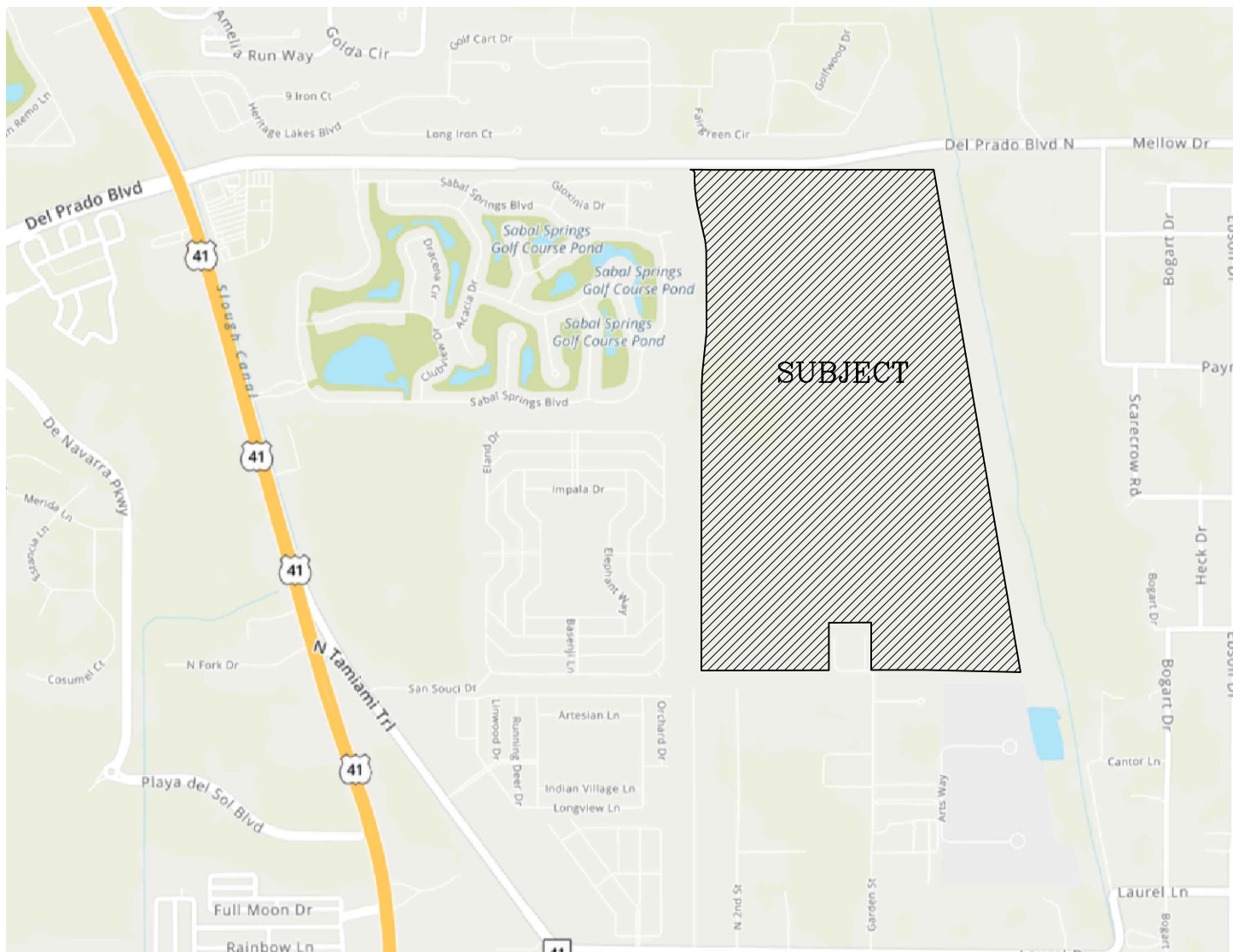


EXHIBIT 1

BANKS
ENGINEERING

10511 SIX MILE CYPRESS PARKWAY
FORT MYERS, FLORIDA 33966
PHONE: (239) 939-5490 FAX: (239) 939-2523

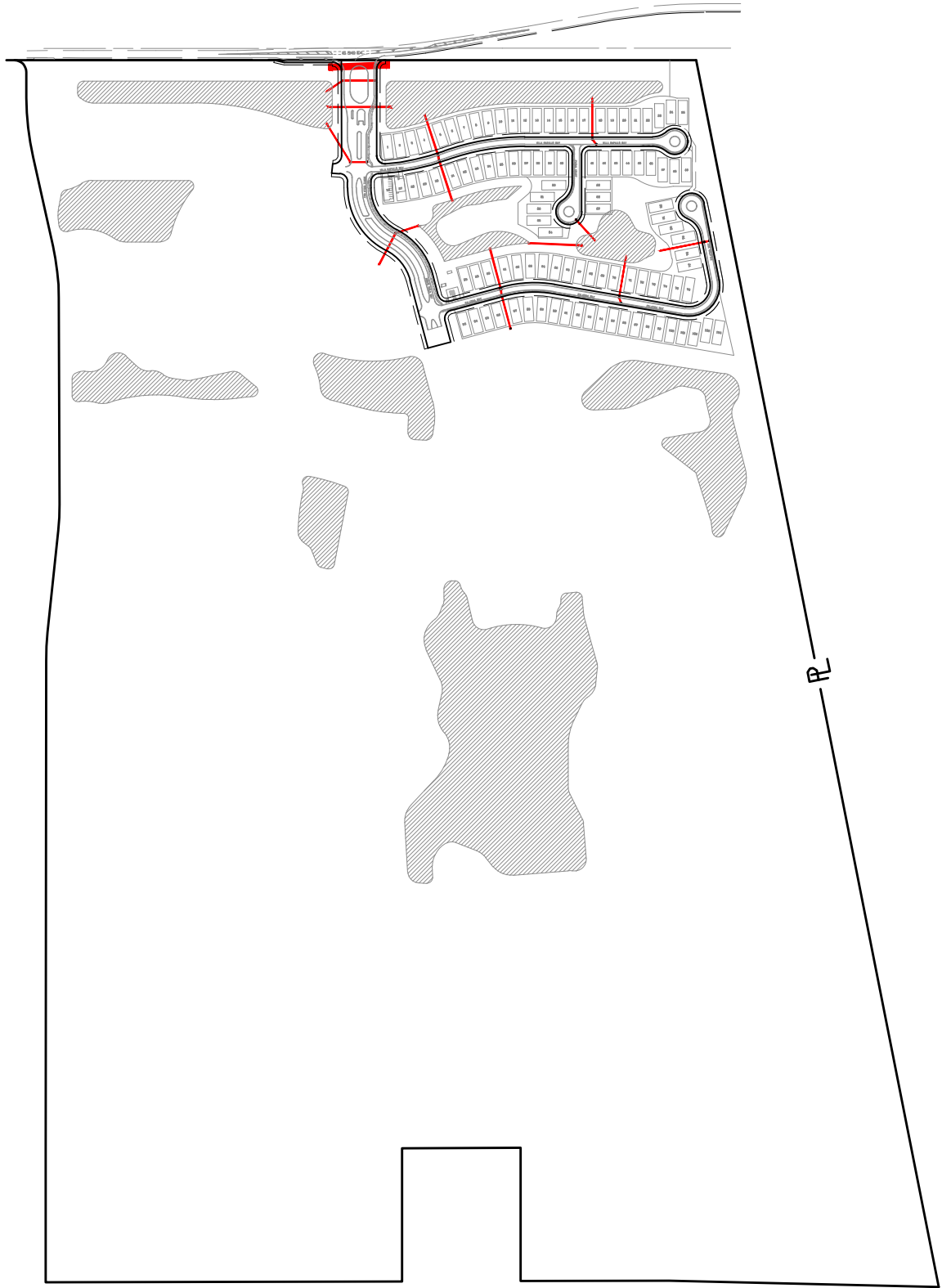
ENGINEERING LICENSE # EB 6469
SURVEY LICENSE # LB 6690

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LOCATION MAP
PALERMO COMMUNITY DEVELOPMENT DISTRICT
CRANE LANDING

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	LOCATION	KG	KG	DRU	N.T.S.	1



PL



EXHIBIT 2

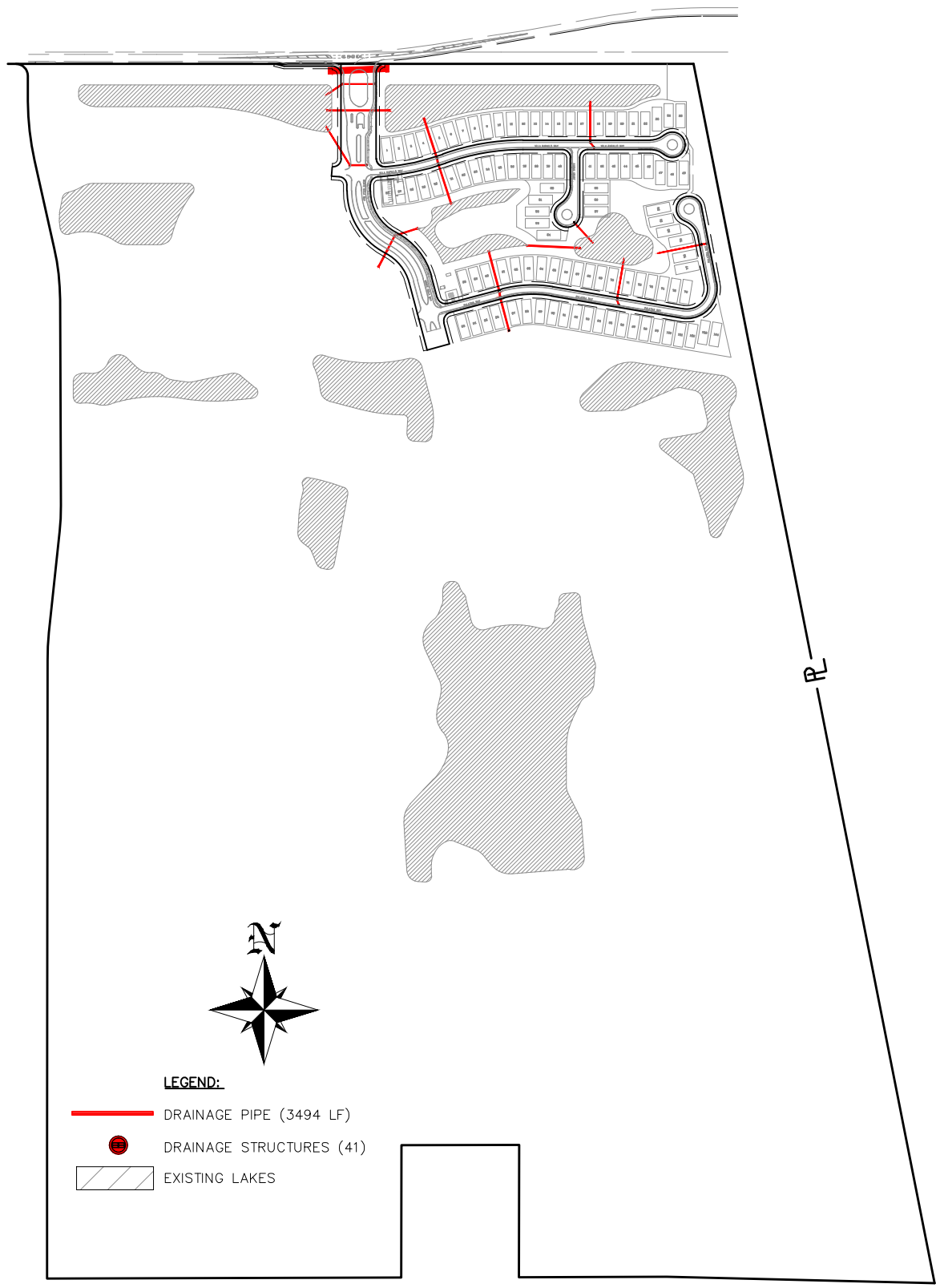
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EXISTING CONDITIONS PLAN
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	EX. COND.	KG	KG	DRU	N.T.S.	1



LEGEND:




-  DRAINAGE PIPE (3494 LF)
-  DRAINAGE STRUCTURES (41)
-  EXISTING LAKES

EXHIBIT 3

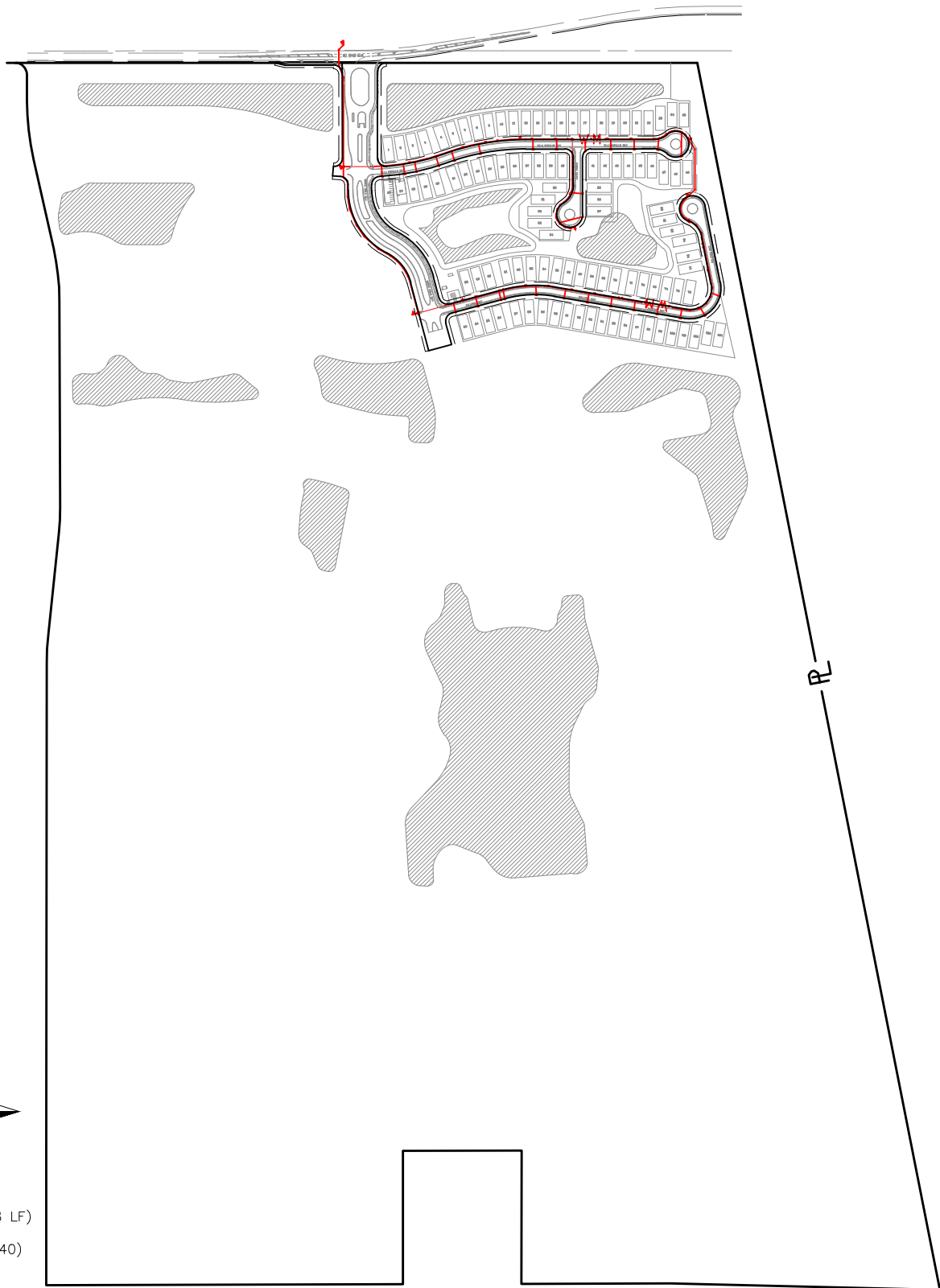
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EXISTING STORMWATER MANAGEMENT FACILITIES
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	EX. SW	KG	KG	DRU	N.T.S.	1



LEGEND:

- WM — WATER MAIN (5348 LF)
- - - WATER SERVICES (40)

EXHIBIT 4

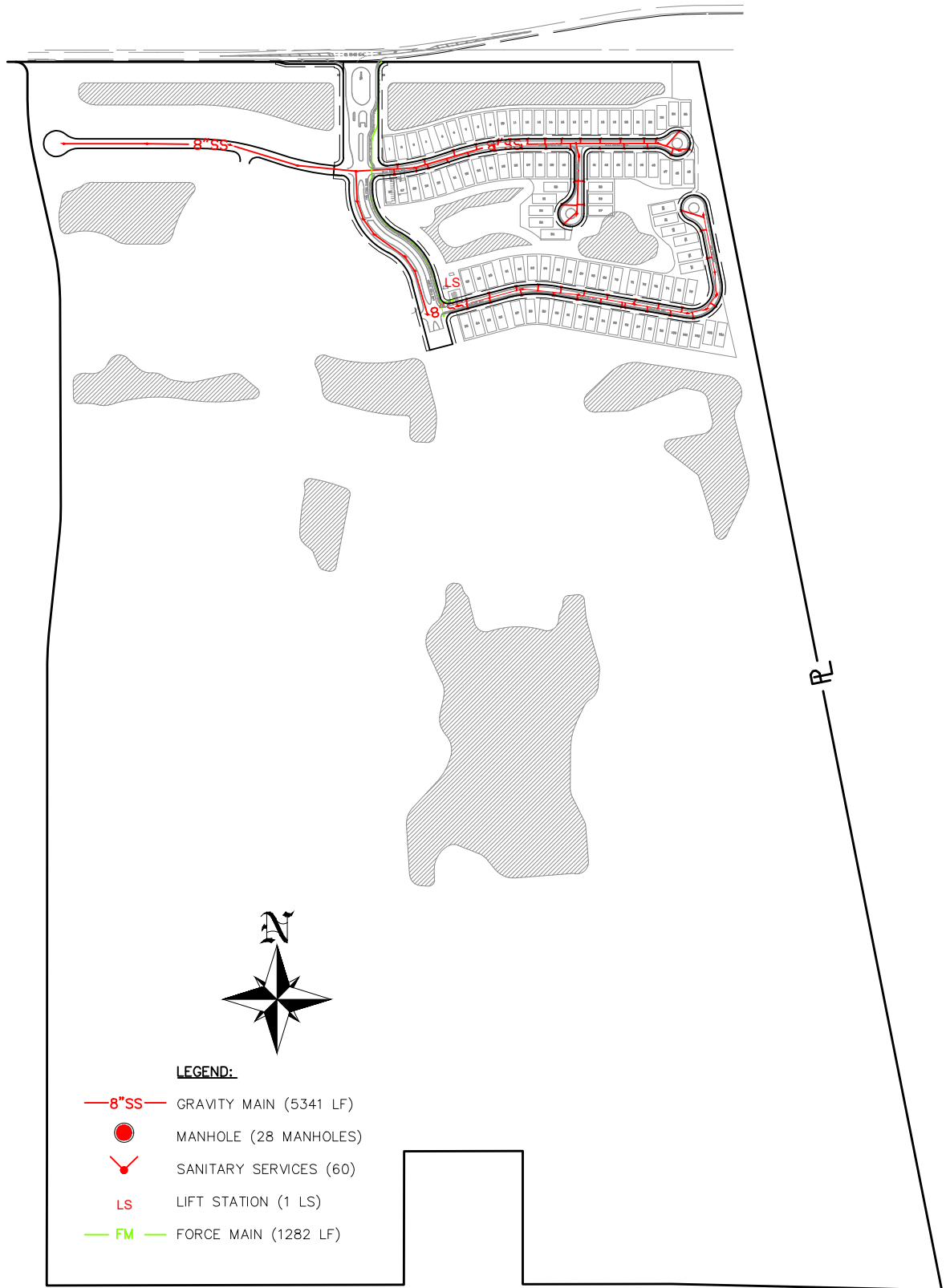
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EXISTING POTABLE WATER FACILITIES
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LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	EX. WM	KG	KG	DRU	N.T.S.	1



LEGEND:

- 8"SS— GRAVITY MAIN (5341 LF)
- MANHOLE (28 MANHOLES)
- ∨ SANITARY SERVICES (60)
- LS LIFT STATION (1 LS)
- FM— FORCE MAIN (1282 LF)

EXHIBIT 5

BANKS
ENGINEERING

10511 SIX MILE CYPRESS PARKWAY
FORT MYERS, FLORIDA 33966
PHONE: (239) 939-5490 FAX: (239) 939-2523

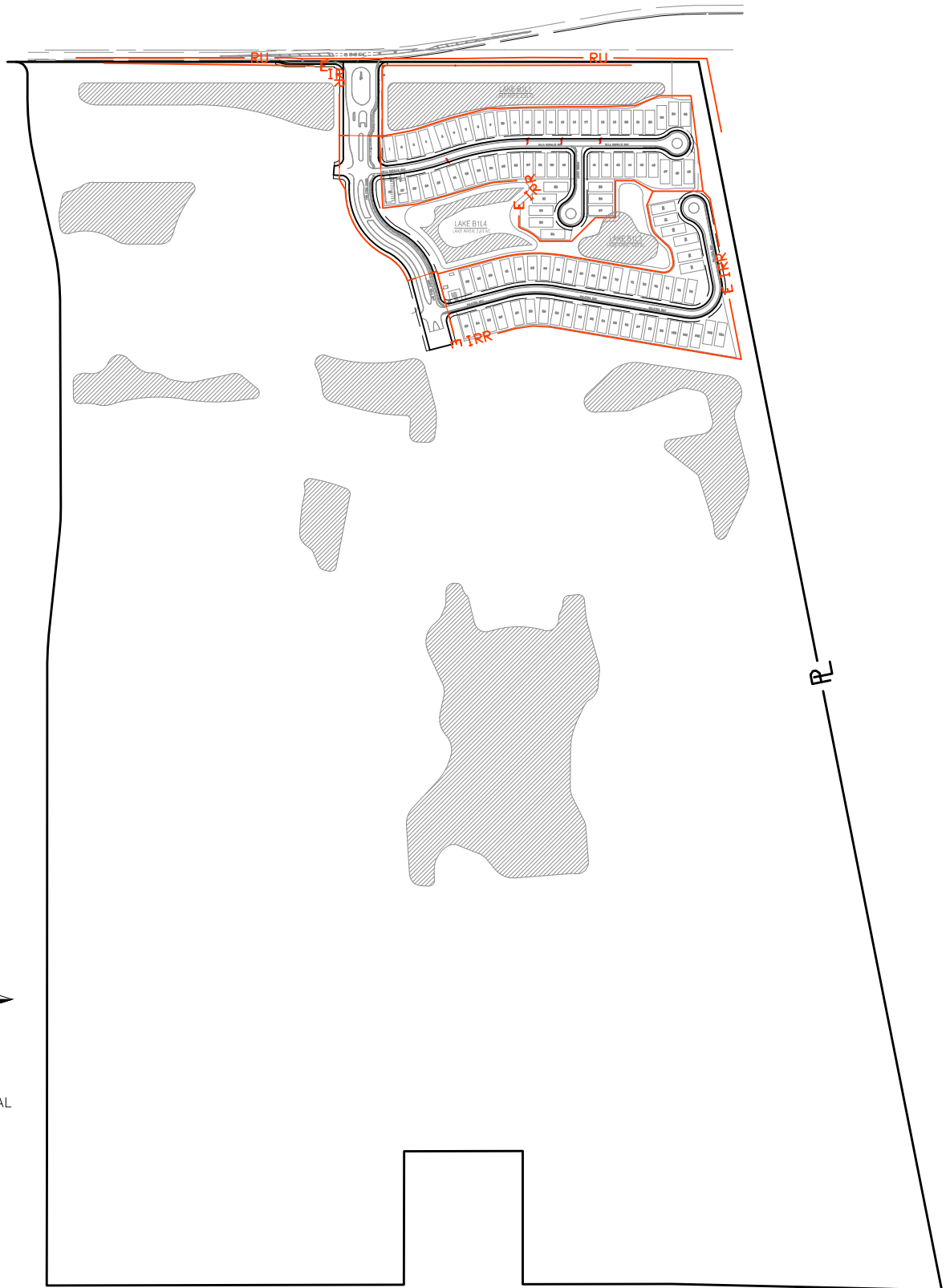
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LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	EX. SS	KG	KG	DRU	N.T.S.	1



LEGEND:

- E IRR— EXISTING RESIDENTIAL IRRIGATION MAIN
- RU— REUSE MAIN

EXHIBIT 6

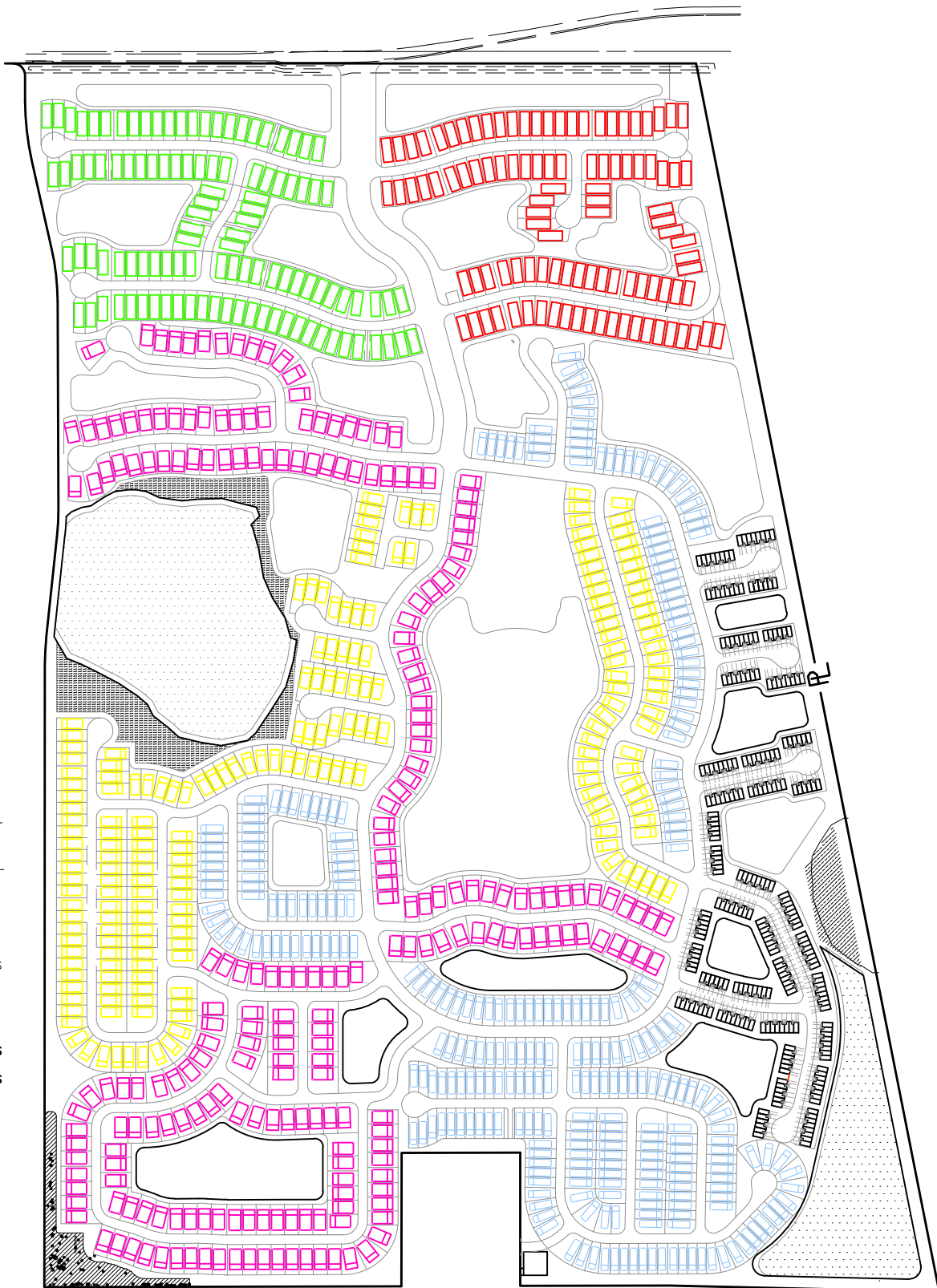
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EXISTING IRRIGATION FACILITIES
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LEE COUNTY, FLORIDA

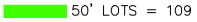
DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	EX. IRRIGATION	KG	KG	DRU	N.T.S.	1



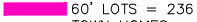
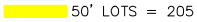
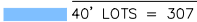
PHASE 1 LOT COUNT:
50' LOTS = 104



PHASE 2 LOT COUNT:
50' LOTS = 109



FUTURE LOT COUNT:
40' LOTS = 307
50' LOTS = 205
60' LOTS = 236
TOWN HOMES = 264 UNITS



TOTAL COUNT:
40' LOTS = 307
50' LOTS = 418
60' LOTS = 236
TOWN HOMES = 264 UNITS

TOTAL = 1225 LOTS/UNITS

TYPICAL LOT SIZES:
40'x130' = 5,200 SF
50'x130' = 6,500 SF
60'x130' = 7,800 SF

EXHIBIT 7

BANKS

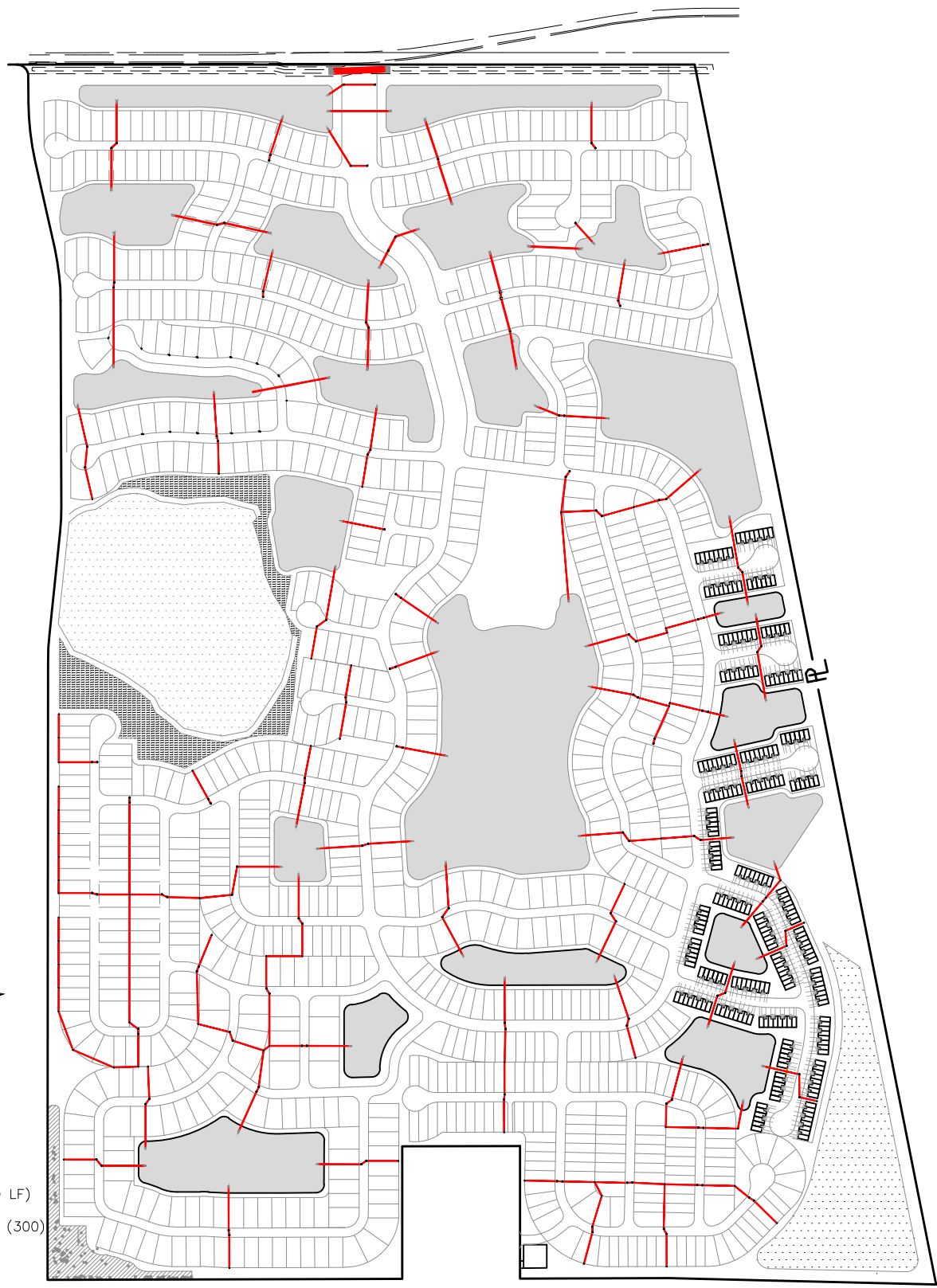
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OVERALL SITE PLAN
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	SP	KG	KG	DRU	N.T.S.	1



LEGEND:

- DRAINAGE PIPE (27,150 LF)
- DRAINAGE STRUCTURES (300)
- LAKES

EXHIBIT 8

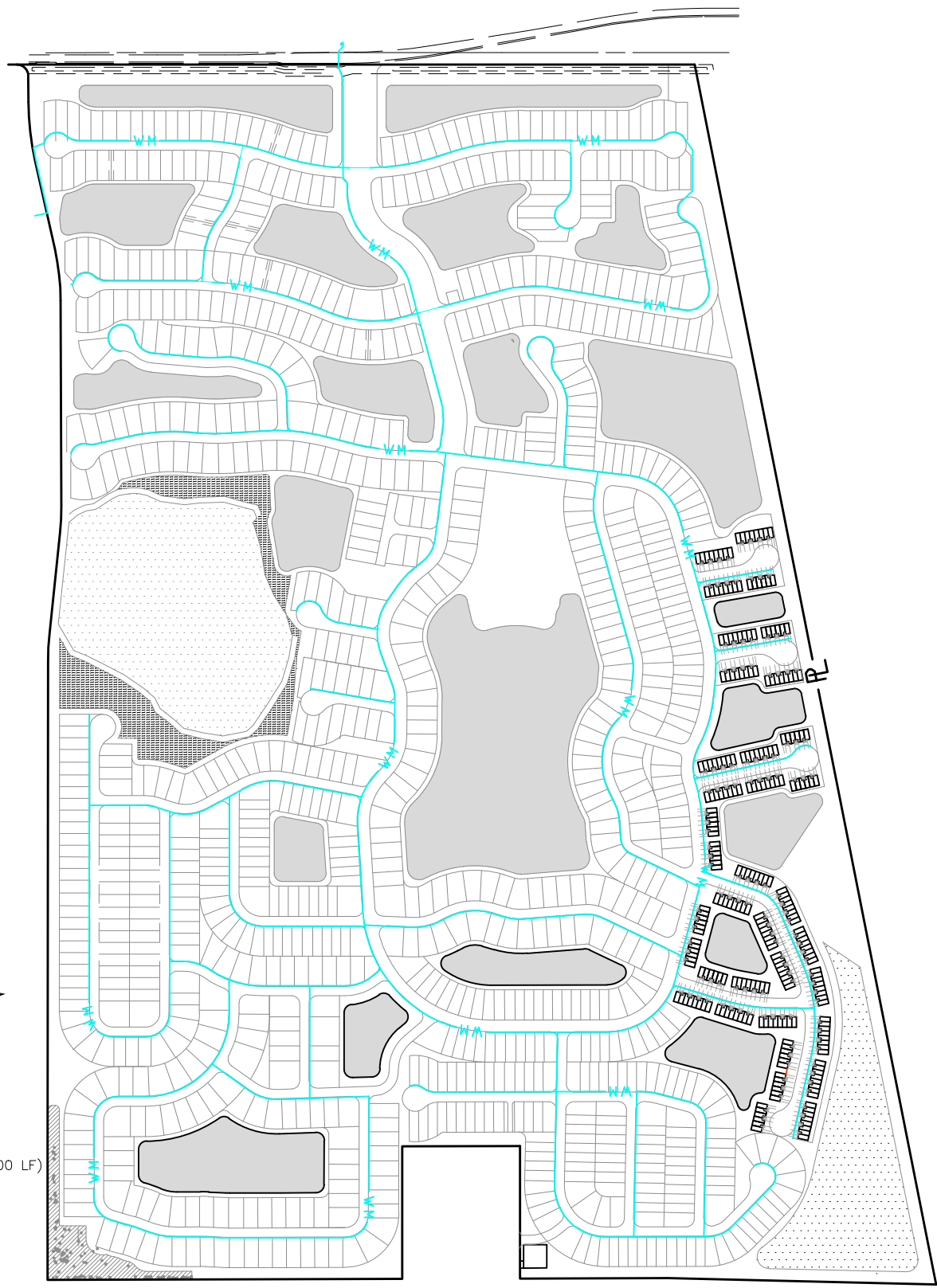
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STORMWATER FACILITIES
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	SW	KG	KG	DRU	N.T.S.	1



LEGEND:

— WM — WATER MAIN (43,500 LF)

EXHIBIT 9

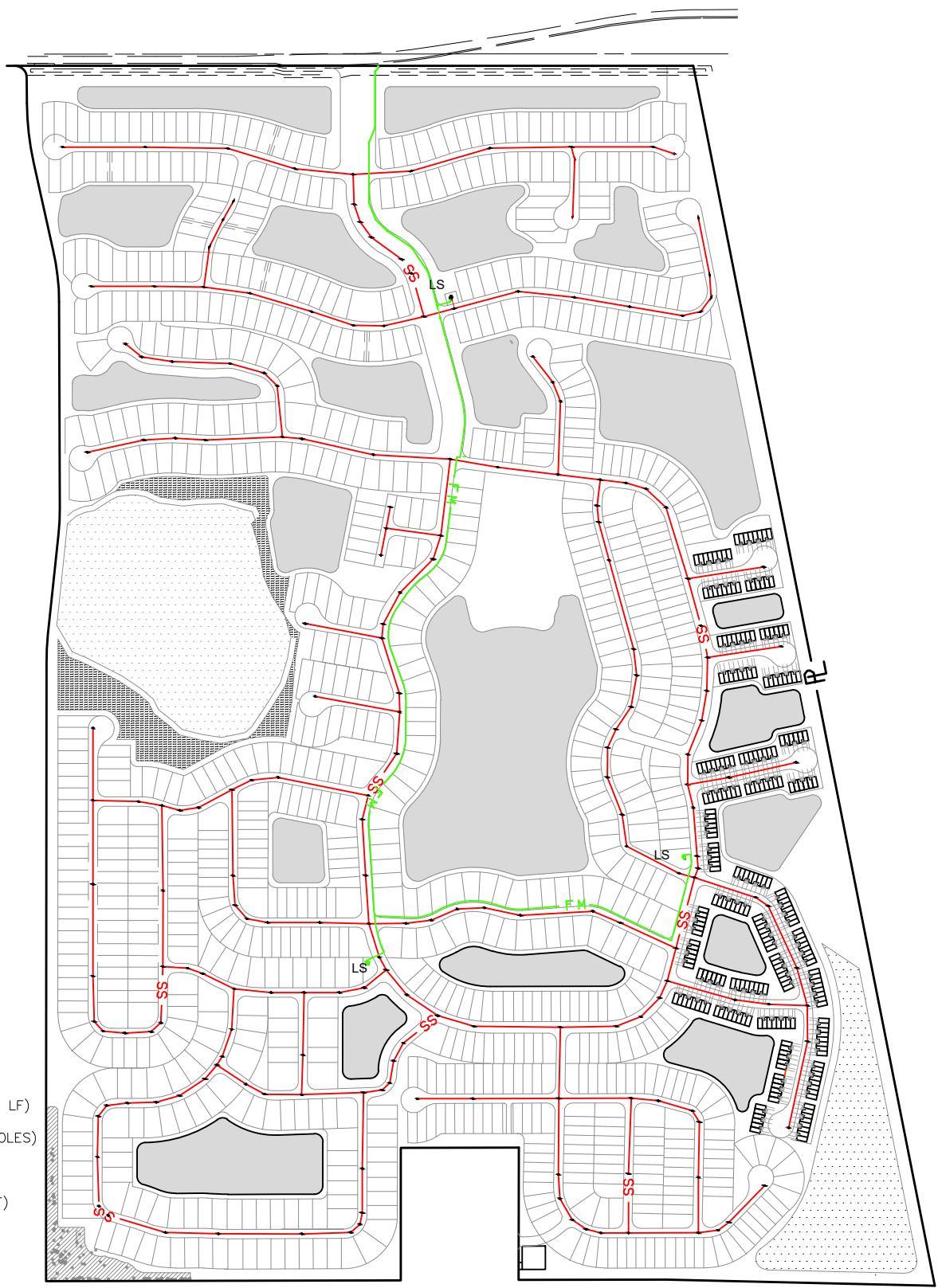
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POTABLE WATER FACILITIES
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	WATERMAIN	KG	KG	DRU	N.T.S.	1



LEGEND:

- SS — GRAVITY MAIN (37800 LF)
- MANHOLE (225 MANHOLES)
- LS LIFT STATION (3 LS)
- FM — FORCE MAIN (5950 LF)

EXHIBIT 10

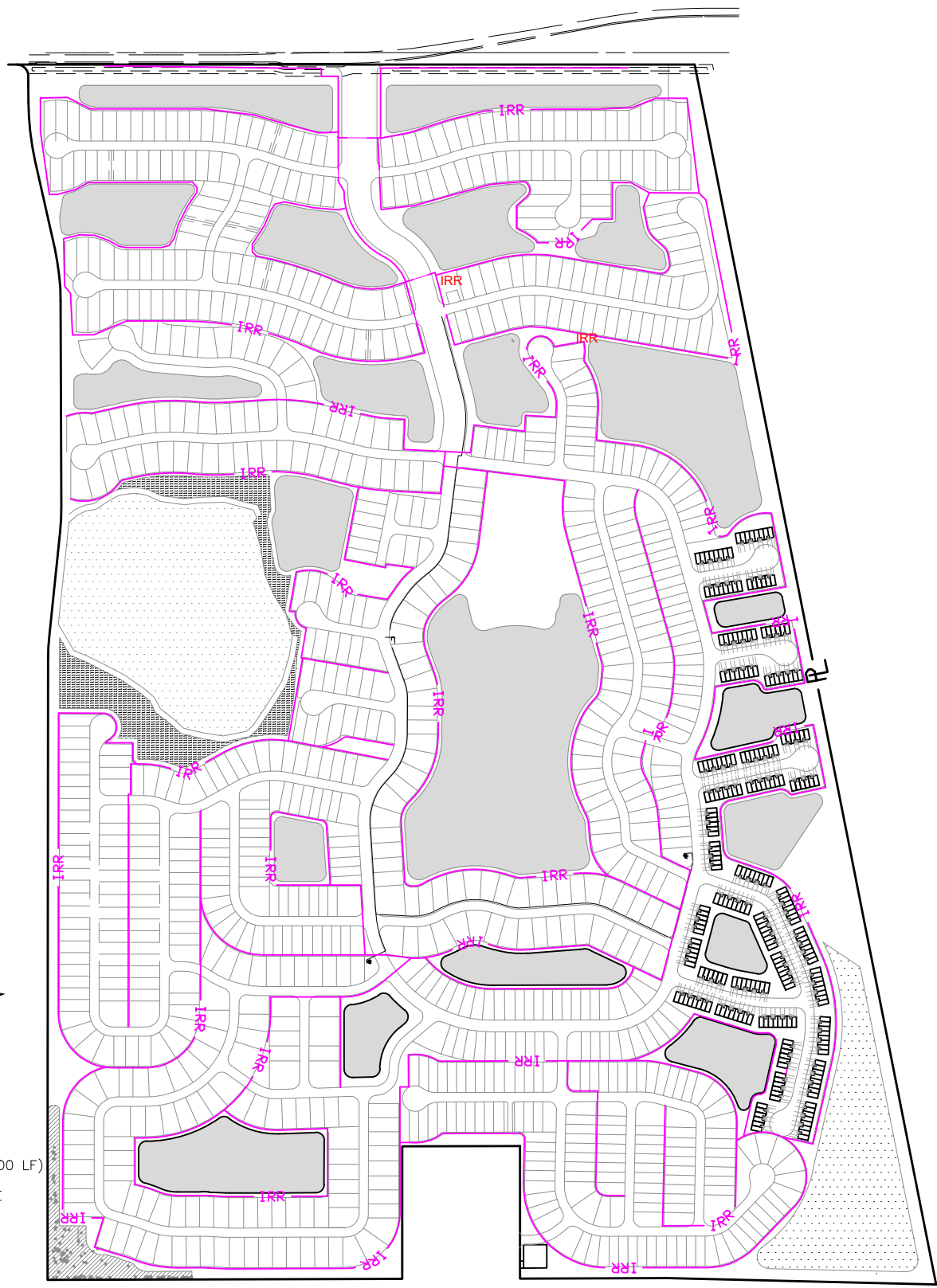
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SANITARY SEWER FACILITIES
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	SANITARY	KG	KG	DRU	N.T.S.	1



LEGEND:

- IRR — IRRIGATION MAIN (65,300 LF)
- IRR — IRRIGATION PUMPHOUSE

EXHIBIT 11

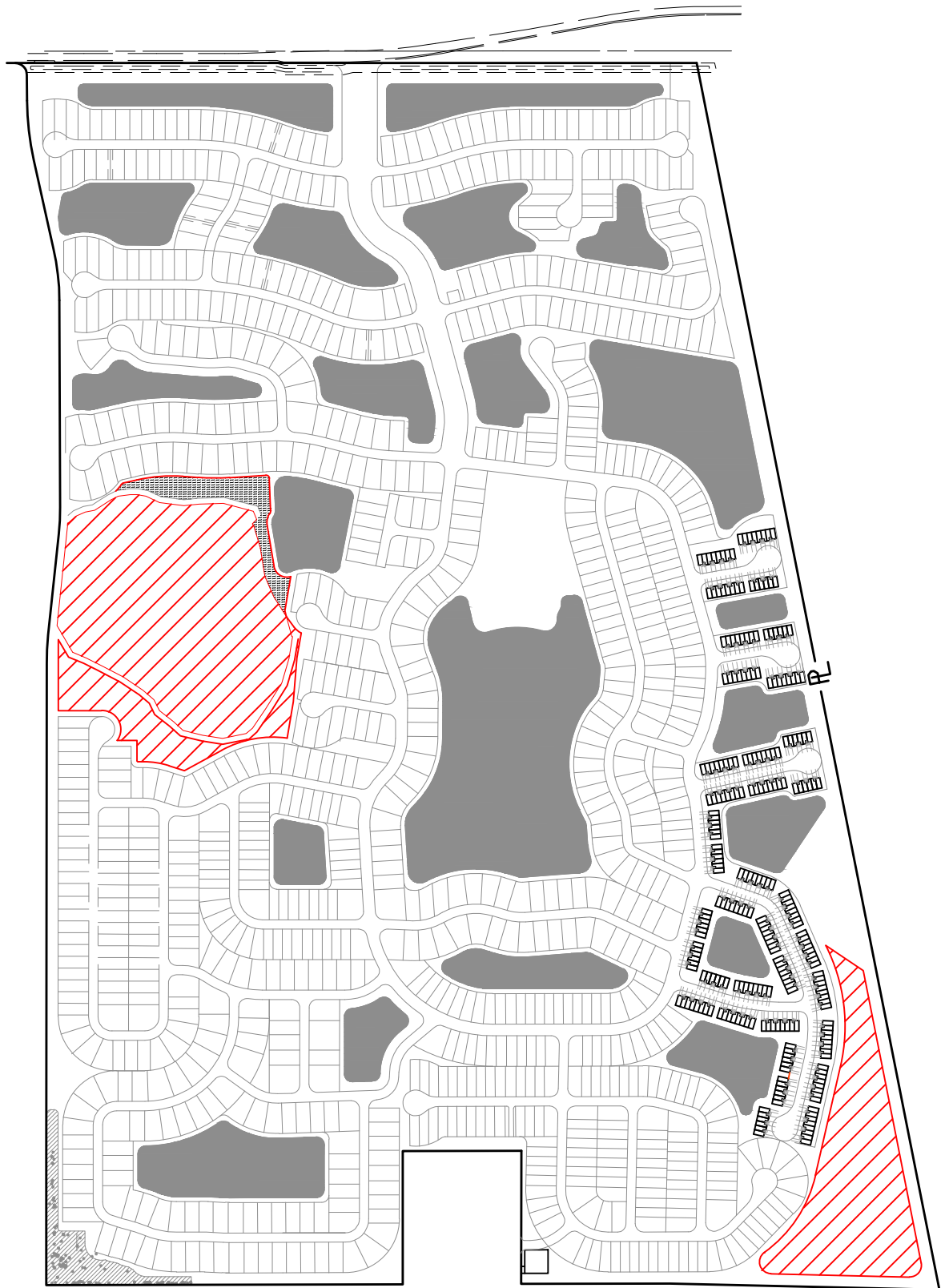
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IRRIGATION FACILITIES
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
6-1-2021	1960	IRRIGATION	KG	KG	DRU	N.T.S.	1



LEGEND:

 MITIGATION AREA

EXHIBIT 13

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ENGINEERING

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FORT MYERS, FLORIDA 33966
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MITIGATION
PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA

DATE	PROJECT	DRAWING	DESIGN	DRAWN	CHECKED	SCALE	SHEET
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PALERMO
COMMUNITY DEVELOPMENT DISTRICT

Master Special Assessment Methodology

Prepared by:

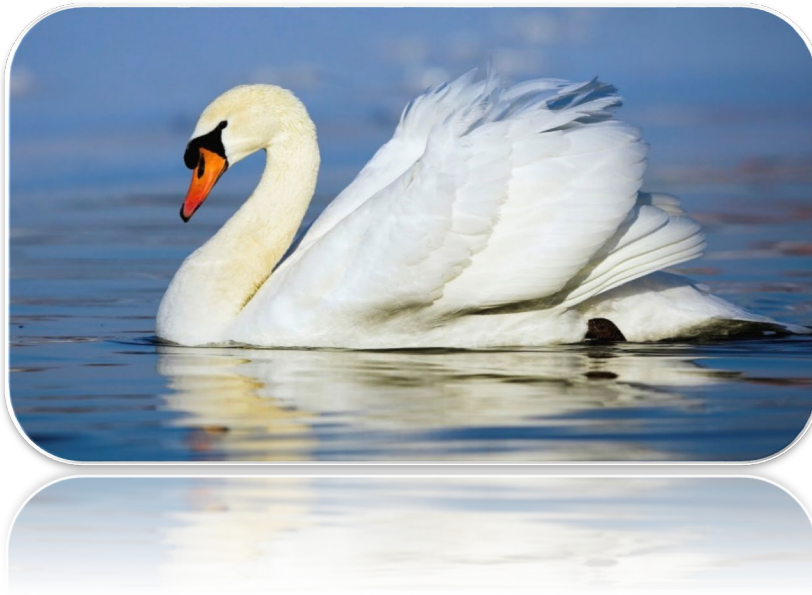
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1.0 INTRODUCTION

This Master Assessment Report (herein, the “Master Report”) is intended to stand alone as the initial allocation report for the Palermo Community Development District (“**District**”) special assessments and is not an amendment, supplement, or restatement of any assessment methodologies considered and/or adopted by the District for previous financings.

The assessment methodology described in this Master Report applies the principles and allocations outlined herein to the financings proposed for the District public infrastructure capital improvement program (“**CIP**”), which is described in that *Master Engineer’s Report, dated June 18, 2021*, prepared by Banks Engineering (“**Engineer’s Report**”). The CIP will allow for the Development of the property within the District and will be partially or fully funded through the issuance of District bonds. The debt will be repaid from the proceeds of assessments levied by the District’s Board of Supervisors on properties within the District that benefit from the implementation of the CIP. These *non-ad valorem* special assessments will be liens against properties within the boundary of the District that receive special benefits from the CIP.

In addition, the District’s limited purpose is to manage the construction, acquisition, maintenance and financing of its public works including basic infrastructure, system, facilities, services and improvement.¹

This Master Report will identify the special and peculiar benefits for the works and services including added use of the property, added enjoyment of the property, and probability of increased marketability, value of the property and decreased insurance premiums and each will

¹ See Florida Statutes sections 190.002(1)(a) and (c) and (3); Florida Statutes section 190.003(6); Florida Statutes section 190.012; and *State v. Frontier Acres Com. Develop.*, 472 So 2d 455 (Fla. 1985) in which the Florida Supreme Court opines about the “limited grant of statutory powers under chapter 190 [and] the narrow purpose of such districts” as “special purpose governmental units,” where the narrow purpose is in the singular as applied to their powers in the plural. *Frontier Acres Com. Develop.*, at 456. The Supreme Court also references section 190.002, Florida Statutes, to “evidence the narrow objective” in providing community infrastructure in section 190.002(1)(a), Florida Statutes, opining that the “powers” of such districts “implement the single, narrow legislative purpose.” *Id.* at 457.

be evaluated for each of the residential product types in order to ensure that the new assessments are fair, just and reasonable for all property.

2.0 THE DISTRICT AND BOND STRUCTURE

The District is a special purpose unit of local government established pursuant to Chapter 190, Florida Statutes, and by Ordinance 07-05 of the Lee County Board of County Commissioners, which Ordinance became effective on April 4, 2007. The District encompasses approximately 394.82+/- acres of land.

According to the District’s Engineer’s Report, the development is called Crane Landing (the “**Development**”), and is located wholly within in the boundaries of the District. The District is located in Lee County Florida lying in Sections 22 and 23, Township 43 South, Range 24 East, Lee County Florida. The Development is South of Del Prado Boulevard approximately one (1) mile east of U.S. 41. The Development program and unit mix is planned to include one thousand two hundred and thirty-two (1,232) residential units and also includes a mix of amenities including a club house, fitness center with tennis court(s), pool and passive recreation areas.

Please note that this table may be revised as the Development commences and the final site plan is further refined by CL Ventures, LLC, a wholly owned subsidiary of Lennar Homes, LLC, as the master developer (the “**Developer**”).

Master Lot Matrix

<i>PRODUCT TYPE</i>	<i>UNIT COUNT</i>	<i>PERCENT OF TOTAL</i>
<i>Townhomes</i>	<i>264</i>	<i>21.4%</i>
<i>40’-49’ lots</i>	<i>309</i>	<i>25.1%</i>
<i>50-59’ lots</i>	<i>418</i>	<i>33.9%</i>
<i>60-69’ lots</i>	<i>241</i>	<i>19.6%</i>
<i>TOTAL</i>	<i>1232</i>	<i>100.0%</i>

3.0 PURPOSE OF THIS REPORT

This Master Report and the methodology described herein have been developed to provide a roadmap and the report lays out in detail each step for use by the Board of Supervisors of the District (the “**Board**”) for the imposition and levy of non-ad valorem special assessments. The District’s CIP will allow for the Development of property within the District and will be partially or fully funded through the issuance by the District of tax-exempt bonds in one or more series (the “**Bonds**”) to be repaid from the proceeds of *non-ad valorem* special assessments (the “**Assessments**”) levied by the Board on assessable properties within the District that benefit from the implementation of the CIP. The Assessments will be liens against properties that receive special benefits from the CIP.

The methodology described herein has two goals: (1) to determine the special and peculiar benefits that flow to the properties in the District as a logical connection from the public infrastructure systems and facilities constituting enhanced use and increased enjoyment of the property; and (2) to apportion the special benefits on a basis that is fair and reasonable. As noted above, the District has adopted a CIP comprising certain public infrastructure and facilities. The District plans to fund the CIP, all or in part, through the issuance of Bonds in phases which are intended to tie into the Development phasing for the community. The methodology herein is intended to create a framework to apportion the special and peculiar benefits from the portions of the CIP financed with the proceeds of the Bonds payable from, and secured by, the Assessments imposed and levied on the benefitting properties in the District. The report is designed to conform to the requirements of the Constitution, Chapters 170, 190 and 197 F.S. with respect to the Assessments and is consistent with our understanding of case law on this subject. Once levied by the Board, the Assessments will constitute liens co-equal with the liens of State, County, municipal and school board taxes, against properties within the District that receive special benefits from the CIP.

4.0 MASTER DEVELOPMENT PROGRAM

4.1 Land Use Plan

The anticipated land use plan for the District is identified in Table I and constitutes the expected number of residential units to be constructed by type of unit planned by the Developer. As with any land use plan, this may change during development, however, the District has anticipated this in this Master Report. By utilizing the concept that the Assessments are levied on a per acre basis initially for all undeveloped lands, and as land is platted, the District assigns debt to the platted unit, based on the type of unit noted in the land use plan noted herein, changes in during development are accounted for.

4.2 Capital Requirements

Banks Engineering (the “**District Engineer**”) has identified certain public infrastructure that is being provided by the District for the entire master development and has provided a cost estimate for these improvements, as described in the Engineer’s Report. The cost estimate for the District’s CIP can be found below in Table II. It is estimated the cost of the District’s CIP will be approximately \$19,922,655.00 and the CIP be constructed in one or more phases without taking into consideration the various costs of financing the improvements.

5.0 BOND REQUIREMENTS

The District intends to finance some or all of its CIP through the issuance of the Bonds. As shown in Table III, it is estimated that the District may issue Bonds not exceeding an aggregate principal amount of \$28,415,000.00 to fund the implementation of the CIP, assuming all of the CIP is financed. A number of items comprise the estimated bond size required to fund the \$19,922,655.00 necessary to complete the District’s CIP. These items may include, but are not limited to, a period of capitalized interest, a debt service reserve, an underwriter’s discount, issuance costs, and rounding, also noted in Table III.

As the finance plan is implemented a supplemental methodology will be issued for each phase of development, that mirrors this master methodology, and the final source and use of funds will be determined at the time of issuance of the Bonds and is dependent on a variety of factors, most importantly, the interest rate that the District is able to secure on the Bonds, along with items such as the capitalized interest period, reserve requirement, and costs of issuance. Stated another way, the master methodology described herein is intended to establish, without the need for a further public hearing, the necessary benefit and fair and reasonable allocation findings for a master assessment lien, which may give rise to one or more individual assessment liens relating to individual bond issuances necessary to fund all or a portion of the project(s) comprising the CIP. All such liens shall be within the benefit limits established herein and using the allocation methodology described herein and shall be described in one or more supplemental reports.

As set forth in any supplemental report, and for any particular bond issuance, the Developer may opt to “buy down” the Assessments on particular product types and/or lands using a contribution of cash, infrastructure or other consideration, in order to have the Assessments reach certain target levels. Note that any debt reduction payment or “true-up,” as described herein, may require a payment to satisfy the “true-up” obligations as well as additional contributions to maintain such target Assessment levels. Any amounts contributed by the developer to pay down Assessments will not be eligible for “deferred costs,” if any are provided for in connection with any particular bond issuance.

Any cost of infrastructure contributed by the Developer to pre-pay Assessments will not be eligible for "deferred costs," if any are provided for in connection with any particular bond issuance. Any estimated capital requirements/contributions necessary for the entire Development not financed with a contemplated series of Bonds may be deferred from time to time and considered at different stages of development (e.g., at the time of platting and/or issuance of Bonds, project completion, etc.), and the Developer's obligation will be limited to the difference in the actual cost of construction of the public infrastructure and that amount deposited and available in all construction accounts of all series of Bonds. In addition to the extent any CIP project financed by a series of Bonds give rise to impact fee credits or cash payments from another governmental entity, the supplemental assessment methodology report and related trust indentures will address the application of the same consistent with the requirements of applicable state and federal law. In the event that a CIP project to be financed by a series of Bonds is not completed, required contributions or other payments are not made, or under certain other circumstances, the District may elect to reallocate the Assessments, and the District expressly reserves the right to do so, provided however that any such reallocation shall not be construed to relieve any party of contractual or other obligations to the District and such reallocated Assessments will not exceed the special benefit each parcel of land within the District is receiving.

6.0 ASSIGNMENT OF ASSESSMENTS

It is useful to consider three broad states or conditions of development. The initial condition is the "unplatted state." In the unplatted state, infrastructure may or may not be constructed, and in general, home sites or other development units may not have been defined and all of the developable land within the applicable special assessment area (as may be defined in a supplemental assessment resolution) is considered unplatted acreage ("**Unplatted Acres**"). In the unplatted state, all of the lands within the applicable special assessment area receive benefit from all or a portion of the components of the financed CIP and Assessments would be imposed upon all of the land within the special assessment area on an equal acre basis to repay the Bonds of the related series in an amount not in excess of the benefit accruing to such parcels.

The second condition is the interim or "approved state." In the approved state, a developer would have received approval for a site development plan or other similar development order from the County primarily for the building of a particular type of multi-family product. By virtue of the County granting an approval for its site development plan or other similar development order for a neighborhood, certain development rights are committed to and are peculiar to that neighborhood, thereby changing the character and value of the land by enhancing the capacity of the Unplatted Acres within a neighborhood with the special and peculiar benefits flowing from components of the CIP and establishing the requisite logical connection for the flow of the special benefits peculiar to the property, while also incurring, at the same time, a corresponding

increase in the responsibility for the payment of the levied debt assessment to amortize the portion of the debt associated with those improvements. However, it should be noted that for any multi-family products, this increased state of development does not fully allocate the units to be constructed within this state until a declaration of condominium is recorded and the District knows exactly the type and number of units that will be constructed on the site. Therefore, the approved stated becomes final once the declaration of condominium is filed.

Once the land achieves the approved state, the District will designate such area, or in combination with other such areas, an assessment area, and allocate a portion of the Assessment to such assessment area in the “approved state.”

This apportionment of benefit is based on accepted practices for the fair and equitable apportionment of special and peculiar benefits in accordance with applicable laws and the procedure for the imposition, levy and collection of *non-ad valorem* special assessments in conformity with State laws applicable to such assessments.

Development enters its third condition, the “platted state,” as property is platted. Land becomes platted property (the “**Platted Property**”) when single-family units are platted or multi-family units receive a building permit and a separate tax parcel identification number is issued for such parcel. At this point, and only at this point, is the use and enjoyment of the property fixed and determinable and it is only at this point that the ultimate special and peculiar benefit can be determined flowing from the components of the CIP peculiar to such platted parcel. Next, a specific apportionment of the Assessments will be fixed and determinable from the supplemental assessment report to be prepared once the final pricing details of the bonds are known.

When the development program contains a mix of residential land uses, an accepted method of allocating the costs of public infrastructure improvements to benefiting properties is created through the establishment of a system that “equates” the benefit received by each property to the benefit received by a single-family unit to other unit types. To implement this technique for CIP cost allocation purposes, a base unit type must be set.

Unlike property taxes, which are *ad-valorem* in nature, a community development district may levy special assessments under Florida Statutes only if the parcels to be assessed receive special benefit from the infrastructure improvement acquired and/or constructed by the District. Special benefits act as a logical connection to property from the improvement system or service facilities being constructed and include, but are not limited to, added use, added enjoyment, increased access, and increased property values. These special benefits are peculiar to lands within the District and differ in nature to those general or incidental benefits that landowners outside the District or the general public may enjoy. A District must also apportion or allocate its special assessments so that the assessments are fairly and reasonably distributed

relative to the special benefit conferred. Generally speaking, this means the amount of special assessment levied on a parcel should not exceed the amount of special benefit enjoyed by that parcel. A District typically may develop and adopt an assessment methodology based on front footage, square footage, or any other reasonable allocation method, so long as the assessment meets the benefit requirement, and so long as the assessments are fairly and reasonably allocated.

A. Benefit Analysis

It is anticipated that the CIP will function as a system of improvements and provide special benefit to all lands within the District. Stated differently, this infrastructure project is a program of improvements and was designed specifically to facilitate the development of the lands within the District, from both a legal and socio-economic standpoint. Therefore, special benefits will accrue to the land used within the District.

As noted above, the CIP includes certain master infrastructure developments that will provide benefit to all future development planned within the District. To ensure that the CIP fairly apportioned to the entire project, Table IV allocates the entire CIP program, in the methodology described herein across the projected one thousand two hundred and thirty-two (1,232) anticipated residential units in the District, and as development occurs, and the District will issue one or more series of Bonds. The CIP allocation will be more fully discussed in a supplement to this Master Report. The determination of benefits provided by the CIP was done for each of various product types that will receive a similar amount of benefit from the construction of the CIP. A standard allocation is computed for each product type based on an average front foot basis, as noted in Table IV.

Also, one or more private amenity facilities are planned as part of the CIP. However, a debt assessment is not appropriate in connection with the development of these amenities because the amenities will be owned and operated by a homeowner's association and are considered a common element for the exclusive benefit of lot owners. Stated differently, any benefit for these facilities flows directly to the benefit of all of the Platted Property in the District. As such, no Assessment would be assigned to these amenities.

Valid assessments under Florida Law have two (2) requirements that must be met by the Board using this methodology to provide that the assessments will be liens on property equal in dignity to county property tax liens and to justify reimbursement by the property owners to the District for the special benefits received by and peculiar to their properties.

First, the properties assessed must receive, peculiar to the acre or parcel of property, a special benefit that flows as a logical connection from the systems, facilities and services constituting improvements.²

The courts recognize added use, added enjoyment, enhanced value and decreased insurance premiums as the special benefits that flow as a logical connection from the systems, facilities and services peculiar to the property. Additionally, the properties will receive the special benefit of enhanced marketability.

With this provision of infrastructure, the Board is enhancing the delivery of those identified special benefits as well as adding the special benefit of enhanced marketability.

Second, the special benefits must be fairly and reasonably apportioned in relation to the magnitude of the special benefit received by and peculiar to the various properties being assessed,³ resulting in the proportionate special benefit to be applied.

² The two basic requirements for a valid assessment under law are stated succinctly in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (“There are two requirements for the imposition of a valid special assessment. First, the property assessed must derive a special benefit from the service provided. Second, the assessment must be fairly and reasonably apportioned among the properties that receive the special benefit.”) (Citations omitted). The requirement that the benefits received from the property must be peculiar to the parcel or acres is stated in *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999) (A special assessment “is imposed upon the theory that that portion of the community which is required to bear it receives some special or peculiar benefit in the enhancement of value of the property against which it is imposed as a result of the improvement made with the proceeds of the special assessment.”). The requirement for the existence of a logical connection from the systems, facilities and services constituting the improvements to the parcel or acre is found in *Lake County v. Water Management Corp.*, 695 So. 2d 667, 669 (Fla. 1997) (The test for evaluating whether a special benefit is conferred to property by the services for which an assessment is imposed “is whether there is a ‘logical relationship’ between the services provided and the benefit to real property.”)

Although property taxes are automatically liens on the property, *non-ad valorem* assessments, including special assessments, are not automatically liens on the property but will become liens if the governing Board applies the following test in an informed, non-arbitrary manner. If this test for lienability is determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be imposed, levied, collected and enforced as a first lien on the property equal in dignity to the property tax lien.⁴ Florida courts have found that it is not necessary to calculate property by the services for which an assessment is imposed, the determination is whether there is a 'logical relationship' between the services provided and the benefit to real property, and so long as the levying and imposition process is not arbitrary, capricious or unfair.

Focused, pinpointed and response management by the District of its systems, facilities and services, create an enhance special benefits that flows peculiar to property within the bounds of the District, as well as general benefits to the public at large.

All benefits conferred on District properties are special benefits conferred on property because only property within the District will specially benefit from the enhanced services to be provided as a result of these new assessments. Any general benefits resulting from these assessments are incidental and are readily distinguishable from the special benefits that accrue to the property within the District. Properties outside the District do not depend on the District's programs and undertakings in any way for their own benefit and are therefore not considered to receive benefits for the purposes of this methodology.

³ *City of Boca Raton v. State*, 595 So. 2d 25, 29 (Fla. 1992) *holding modified by Sarasota County v. Sarasota Church of Christ, Inc.*, 667 So. 2d 180 (Fla. 1995) and *modified sub nom. Collier County v. State*, 733 So. 2d 1012 (Fla. 1999).

⁴ *Workman Enterprises, Inc. v. Hernando County*, 790 So. 2d 598, 600 (Fla. 5th DCA 2001) ("When a trial court is presented with a property owner's challenge to a special assessment the appropriate 'standard of review is the same for both prongs; that is, the legislative determination as to the existence of special benefits and as to the apportionment of the costs of those benefits should be upheld unless the determination is arbitrary.") (Citation omitted). § 170.09, Fla. Stat. (2010) ("The special assessments . . . shall remain liens, coequal with the lien of all state, county, district, and municipal taxes, superior in dignity to all other liens, titles, and claims, until paid.")

Because the benefits of the District control and management are greater than the costs of the Assessments, an overall net special benefit occurs. This net special benefit equates into an increase in at least some of the property values of the surrounding homes. An increase in property values makes these properties more marketable and more saleable.

Further, a derivative special benefit also exists from this increased marketability, each property will enjoy the special benefit of the added use and enjoyment of the properties, and equates to a net benefit, even though they are not yet capable of being calculated with mathematical certainty; however, their magnitude can be determined with reasonable certainty today. Each special benefit is by order of magnitude more valuable than the cost of, or the actual Assessment imposed and levied for the improvements that they provide peculiar to the receiving properties.

B. Allocation/Assignment Methodology

The Assessments assignable to Platted Property and Unplatted Acres are shown in Table IV. This table provides the maximum assessments for the entire District. As noted earlier in this report, to the extent there are Unplatted Acres, the initial assessment on those parcels will be on an equal assessment per acre basis. When the Unplatted Acres are platted into Platted Property, Assessments will be assigned on a first-assigned, first-platted basis, as set forth in more detail in the supplemental special assessment methodolog(ies) applicable to particular series of Bonds. Note that while the CIP functions as a system of improvements benefitting all lands within the District, debt assessments associated with different bond issuances may differ in amount, due to changes in construction costs, financing costs, or other matters.

7.0 Prepayment of Assessments

The Assessments encumbering a Platted Property may be prepaid in full, at such times and in such manner as more fully described in the related assessment proceedings of the District, without penalty, together with interest at the rate on the bond series to the Interest Payment Date (as defined in the applicable bond trust indenture) that is more than forty-five (45) days next succeeding the date of prepayment, or such other date as set forth in the applicable bond trust indenture. Notwithstanding the preceding provisions, the District does not waive the right to assess penalties and collection costs, which would otherwise be permissible if the Platted Property being prepaid is subject to an assessment delinquency.

8.0 Overview of the Inventory Adjustment Determination

The methodology described herein is based on the development plan that is currently proposed by the Developer. As with all projects of this size and magnitude, as development occurs there may be changes to various parts of the proposed project mix, the number of units,

the types of units, etc. The inventory adjustment determination mechanism is intended to ensure that all of the debt assessments are levied only on developable properties, such that by the end of the development period there will be no remaining debt assessments on any undevelopable property.

First, as property is taken from an undeveloped (raw land) state and readied for development, the property is platted or alternatively specific site plans are developed and processed through the County Property Appraiser, who assigns distinct parcel identification numbers for land that is ready to be built upon. Or in the case of property where a condominium is being developed the land is platted as a large tract of land, and ultimately as the developer files the declaration of condominium, the County Property Appraiser will assign distinct parcel identifications to each condominium unit that will be constructed on the property.

When either of these events occurs, the District must allocate the appropriate portion of its debt to the newly established and distinct parcel identification numbers. The inventory adjustment determination allows for the District to take the debt on these large tracts of land, and assign the correct allocation of debt to these newly created units. This mechanism is done to ensure that the principal assessment for each type of property constructed never exceeds the initially allocated assessment contained in this report.

This is done periodically as determined by the District Manager or their authorized representative and is intended to ensure that the remaining number of units to be constructed can be constructed on the remaining developable land. If at any time, the remaining units are insufficient to absorb the remaining development plan, the applicable landowner will be required to make a density reduction payment, such that the debt remaining after the density reduction payment does not exceed principal assessment for each type of property is exceeded in the initially allocated assessment contained in this report. Such obligation to make debt reduction payments will be evidenced in one or more true-up agreements to be entered into with the Developer and the District.

The specific process for handling inventory adjustments is set forth in more detail in the District's assessment resolution adopting this Master Report, as well as a true-up agreement entered into between the Developer and the District. Further, please note that, in the event that the District's capital improvement plan is not completed, required contributions or payments are not made, or certain other circumstances, the District may be required to reallocate the Assessments, as described herein.

9.0 Preliminary Assessment Roll

Exhibit 1 provides the Assessment Roll for the District, which includes Exhibit 2, the legal description of the District.

**Palermo Community Development District
Land Use Type - Master Development
Table I**

Description	Product Type						Total
	TWH (20' - 29')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Phase 1			104				104
Phase 2			109				109
<i>Future Development</i>	264	309	205	241			1019
Total	264	309	418	241	0	0	1232

**Palermo Community Development District
Capital Improvement Program Cost Estimate - Master Development
Table II**

No.	Facility	Districts Capital Improvement Plan
1	Exterior Landscaping & Hardscape	\$0.00
2	Subdivision Potable Water System	\$2,581,600.00
3	Subdivision WasteWater System	\$4,416,750.00
4	Irrigation Facilities	\$1,500,000.00
5	Storm Water Facilities ⁽¹⁾⁽²⁾⁽³⁾	\$9,624,315.00
6	Gound Improvement	\$0.00
7	Excavation	\$0.00
8	Environmental Preservation & Mitigation	\$300,000.00
9	Off-Site Improvements	\$0.00
10	Private Streets	\$0.00
11	Off-Site Road Utilities	\$0.00
12	District Roadways	\$0.00
13	Amenities	\$0.00
14	Electrical/Street Lights	\$0.00
15	Miscellaneous Structures	\$0.00
16	Municipal Fees & Permits	\$0.00
Subtotal (Improvements Benefiting All Units)		\$18,422,665.00
17	Contingency (10%)	\$0.00
18	Professional Fees	\$1,500,000.00
Total Improvements		\$19,922,665.00

Total Public Infrastructure - Master CIP \$19,922,665.00

The cost estimates set forth herein are estimates based on current plans and market conditions, which are subject to change. Accordingly, the 'CIP Project' as used herein refers to sufficient public infrastructure of the kinds described herein (i.e., stormwater/floodplain management, sanitary sewer, potable water, etc.) to support the development and sale of the planned residential units, which (subject to true-up determinations) number and type of units may be changed with the development."

Notes:

- ⁽¹⁾ Public Stormwater/Floodplain mgmt includes storm sewer pipes, inlets, catch basins, control structures, headwalls
- ⁽²⁾ Developer Funded Stormwater/Floodplain mgmt includes lake excavations, lot pad grading, road grading.
- ⁽³⁾ Includes Lake Excavation to a 10' minimum depth required by the South Florida Water Maangement District
- ⁽⁴⁾ The portions of the Project financed be will be detailed in a supplement to this report prepared prior to the issue of future

**Palermo Community Development District
Special Assessment Bonds
Source and Use of Funds - Master CIP**

Table III	
Sources:	
Bond Proceeds	
Par Amount	\$ 28,415,000.00
	\$ 28,415,000.00
Uses:	
Project Funds Deposit	
Const of Construction	\$ 19,922,665.00
Rounding Proceeds	\$ 61.98
	\$ 19,922,726.98
Other Funds Deposits:	
Capitalized Interest (36 Months)	\$5,540,925.00
Debt Service Reserve at 100% of MADS	\$2,152,548.02
	\$7,693,473.02
Delivery Date Expenses	
Cost of Issuance	\$ 230,500.00
Underwriter's Discount	\$ 568,300.00
	\$ 798,800.00
	\$ 28,415,000.00
Average Coupon:	
	6.50%
Capitalized Interest	
	36 months
Max Annual Debt Service	
	\$2,152,548.02

**Palermo Community Development District
Master Assessment Allocation
Table IV**

Description of Product	EAU Factor	Development		Total Par Debt		Estimated Annual Debt Service (1)	Estimated Discounts and Collections (2)	Estimated Total Annual Debt Service Per Unit	Estimated Total Annual Debt Service (1)	Total Annual Debt Service (4)
		Plan	Total EAU	Allocation	Allocation Per Unit					
TWH (20' - 29')	0.5000	264	132.00	\$ 2,830,777.36	\$ 10,722.64	\$812.28	\$56.86	\$869.14	\$214,442.52	\$229,453.50
40' - 49'	1.0000	309	309.00	\$ 6,626,592.45	\$ 21,445.28	\$1,624.56	\$113.72	\$1,738.28	\$501,990.44	\$537,129.78
50' - 59'	1.2500	418	522.50	\$ 11,205,160.38	\$ 26,806.60	\$2,030.71	\$142.15	\$2,172.86	\$848,834.97	\$908,253.42
60' - 69'	1.5000	241	361.50	\$ 7,752,469.81	\$ 32,167.92	\$2,436.85	\$170.58	\$2,607.43	\$587,280.08	\$628,389.69
70' - 74'	1.7500	0	0.00	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
75' - 79'	1.8750	0	0.00	\$ -	\$ -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Units:		1232	1325.00	\$ 28,415,000.00					\$2,152,548.02	\$2,303,226.38
Estimated Max Annual Debt Service:									\$2,152,548.02	
Rounding:									\$0.00	

- (1) Excludes Discounts/Collection Costs
- (2) Estimated at 4% for Discounts and 3% for County Collection Costs
- (4) Includes Discounts and Collection Costs

Palermo Community Development District
EXHIBIT 1 - Supplemental Assessment Roll - Master Capital Improvement Program

Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601847	0.07		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601772	0.16	10601772	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601765	0.15	10601765	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601843	3.06		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601770	0.15	10601770	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601761	0.16	10601761	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601771	0.15	10601771	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601764	0.15	10601764	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601865	315.50		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	\$ 25,759,392.52		264	309	314	241			1,128
10601766	0.15	10601766	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601763	0.15	10601763	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601760	0.16	10601760	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601762	0.16	10601762	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601773	0.19	10601773	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601779	0.19	10601779	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601797	0.25	10601797	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601811	0.16	10601811	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10531796	9.20		LEE COUNTY PO BOX 398 FORT MYERS, FL 33902	Non-Residential								
10601792	0.15	10601792	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601782	0.16	10601782	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601776	0.16	10601776	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601754	0.16	10601754	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601794	0.17	10601794	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601795	0.19	10601795	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601822	0.16	10601822	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601767	0.15	10601767	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601757	0.16	10601757	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601759	0.16	10601759	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601756	0.19	10601756	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601778	0.16	10601778	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601775	0.16	10601775	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601769	0.18	10601769	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601768	0.18	10601768	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601781	0.16	10601781	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601851	0.16	10601851	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601777	0.16	10601777	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601844	1.60		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601849	0.16	10601849	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601850	0.17	10601850	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601791	0.15	10601791	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601790	0.20	10601790	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601845	2.91		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601823	0.17	10601823	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601755	0.19	10601755	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601780	0.19	10601780	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601819	0.15	10601819	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601833	0.15	10601833	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601787	0.15	10601787	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Folio #	Acres	Platted Unit Assigned to Folio	Property Owner	Assessment by Acre	Total Assessment by Folio (1)	Planned Units by Folio Number						Total Planned Units
						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601796	0.19	10601796	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601788	0.15	10601788	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601783	0.16	10601783	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601858	0.20	10601858	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601799	0.19	10601799	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601801	0.20	10601801	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601774	0.19	10601774	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601852	0.18	10601852	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601753	0.16	10601753	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601752	0.16	10601752	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601793	0.15	10601793	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601815	0.15	10601815	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601789	0.20	10601789	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601785	0.16	10601785	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601812	0.16	10601812	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601786	0.15	10601786	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601800	0.20	10601800	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601857	0.21	10601857	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601803	0.15	10601803	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601818	0.18	10601818	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601825	0.15	10601825	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601856	0.19	10601856	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601809	0.16	10601809	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601853	0.16	10601853	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601824	0.15	10601824	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601831	0.15	10601831	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601813	0.15	10601813	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601830	0.17	10601830	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601855	0.18	10601855	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601807	0.18	10601807	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601804	0.15	10601804	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601816	0.15	10601816	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601808	0.19	10601808	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601814	0.15	10601814	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601806	0.15	10601806	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601805	0.15	10601805	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601828	0.20	10601828	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601835	0.15	10601835	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601817	0.18	10601817	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601834	0.15	10601834	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601836	0.15	10601836	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601863	0.34	10601863	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601820	0.15	10601820	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601848	0.06		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601838	0.15	10601838	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601846	18.73		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601860	0.15	10601860	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601840	0.15	10601840	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601864	10.00		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential								
10601758	0.16	10601758	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601784	0.16	10601784	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601802	0.19	10601802	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601798	0.20	10601798	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601810	0.16	10601810	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601821	0.15	10601821	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601829	0.17	10601829	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'	
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62			
10601832	0.15	10601832	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601827	0.18	10601827	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601826	0.15	10601826	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601837	0.15	10601837	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601854	0.38	10601854	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601839	0.15	10601839	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601861	0.17	10601861	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1
10601862	0.20	10601862	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1

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						TWH (30' - 39')	40' - 49'	50' - 59'	60' - 69'	70' -74'	75' - 79'		
Debt Allocation by Product Type Master						\$ 15,320.81	\$ 20,427.75	\$ 25,534.69	\$ 30,641.62				
10601859	0.15	10601859	CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966		\$ 25,534.69			1				1	
10601866	3.29		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential									
10601868	3.06		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential									
10601842	2.36		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential									
10601841	7.18		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential									
10601867	0.15		CL VENTURES LLC 10481 SIX MILE CYPRESS PKWY FORT MYERS, FL 33966	Non-Residential									
TOTAL	394.81				\$ 25,759,392.52	\$ 2,655,607.48	264	309	418	241	0	0	1,232

Total Assessment - All Assessment Area \$ 28,415,000.00
Total Assessment - Assigned to Platted Lots \$ 2,655,607.48
Total Assessment - Assigned to Unplatted Acreage \$ 25,759,392.52
Unplatted Per Acre Assessment \$ 81,646.25

Exhibit 2 - Legal description

Banks Engineering, Inc.

Professional Engineers, Planners & Land Surveyors
FORT MYERS ♦ NAPLES ♦ SARASOTA

DESCRIPTION
OF A
PARCEL OF LAND
LYING IN
SECTIONS 22 AND 23, TOWNSHIP 43 SOUTH, RANGE 24 EAST
LEE COUNTY, FLORIDA

(CRANE LANDING)

A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF LEE, LYING IN SECTIONS 22 AND 23, TOWNSHIP 43 SOUTH, RANGE 24 EAST, BEING FURTHER BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 23; THENCE S.00°12'52"E. FOR 100.00 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF MELLOW DRIVE (100.00 FEET WIDE PER COUNTY RIGHT-OF-WAY MAP FOR COUNTY PROJECT #4013) AND THE **POINT OF BEGINNING**; THENCE N.89°59'56"E. (100.00 FEET SOUTH OF AND PARALLEL TO THE NORTH LINE OF SAID SECTION 23) FOR 2671.79 FEET TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 23; THENCE N.89°55'22"E. ALONG SAID PARALLEL FOR 185.94 FEET; THENCE S.11°11'14"E. FOR 5333.31 FEET TO A POINT OF INTERSECTION WITH THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23; THENCE N.88°39'48"W. ALONG SAID SOUTH LINE FOR 1226.00 FEET TO THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 23; THENCE S.89°50'59"W. ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 23 FOR 634.36 FEET; THENCE N.00°02'44"E. FOR 567.97 FEET; THENCE S.89°50'59"W. FOR 505.06 FEET; THENCE S.00°02'44"W. FOR 567.97 FEET TO A POINT OF INTERSECTION WITH SAID SOUTH LINE; THENCE S.89°50'59"W. ALONG SAID SOUTH LINE FOR 1519.93 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 23; THENCE N.00°02'44"E. ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 23 FOR 2649.76 FEET TO THE NORTHWEST CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 23 AND TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1174.94 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05°57'01" FOR 122.02 FEET; THENCE N.05°59'45"E. FOR 435.43 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1024.94 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 06°12'37" FOR 111.09 FEET; THENCE N.00°12'52"W. FOR 882.68 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 1024.94 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°25'42" FOR 222.33 FEET; THENCE N.12°38'34"W. FOR 387.74 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A RADIUS OF 1174.94 FEET; THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 12°25'42" FOR 254.86 FEET; THENCE N.00°12'52"W. FOR 110.54 FEET TO THE BEGINNING OF A CURVE TO THE LEFT HAVING A RADIUS OF 50.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°44'43" FOR 78.32 FEET; THENCE S.89°57'35"E. FOR 124.78 FEET TO THE **POINT OF BEGINNING**.

ASSUMED NORTH BASED ON THE NORTH LINE OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 43 SOUTH, RANGE 24 EAST, LEE COUNTY, FLORIDA, AS BEARING N.89°59'56"E.

PARCEL CONTAINS 394.82 ACRES, MORE OR LESS.

SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS-OF-WAY OF RECORD.

DESCRIPTION PREPARED: 08-02-05

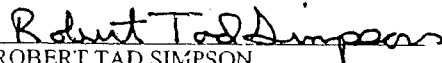

ROBERT TAD SIMPSON
REGISTERED LAND SURVEYOR
FLORIDA CERTIFICATION NO. 5559

EXHIBIT A
Page 1 of 2

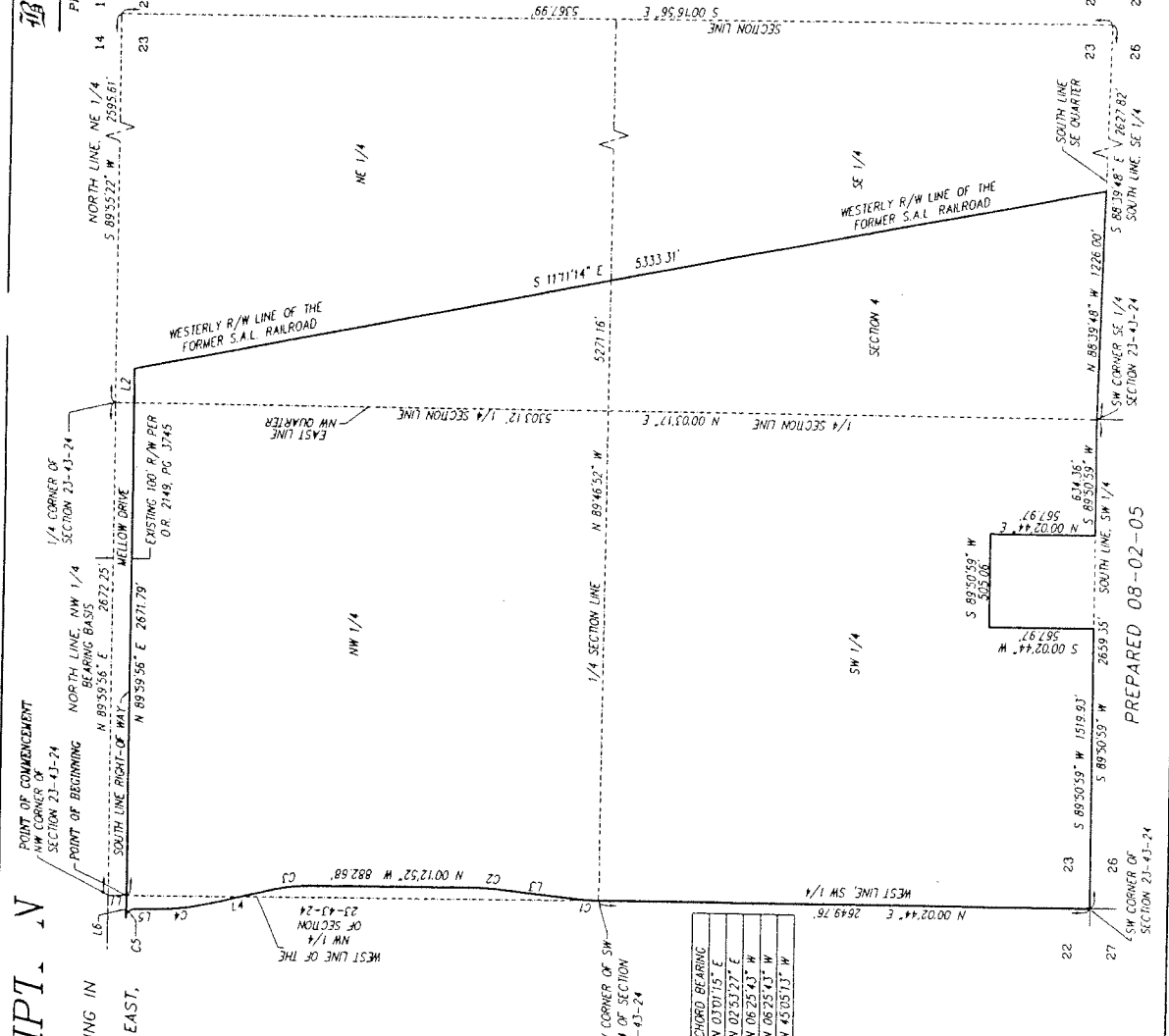
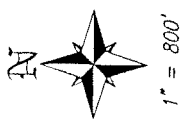
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SKETCH OF DESCRIPT. N

OF
A TRACT OR PARCEL OF LAND LYING IN
SECTIONS 22 AND 23,
TOWNSHIP 43 SOUTH, RANGE 24 EAST,
LEE COUNTY, FLORIDA
(CRANE LANDING)

Banks Engineer, Inc.
PROFESSIONAL ENGINEERS, LAND SURVEYORS & PLANNERS
13 FLORIDA BUSINESS CERTIFICATION NUMBER LB 6890
10511 SIX MILE CYPRESS PARKWAY - SUITE 101
FORT MYERS, FLORIDA 33912
(239) 939-5480



LINE TABLE

LINE	BEARING	DISTANCE
L1	S 00°12'52" E	100.00'
L2	N 89°55'22" E	185.94'
L3	N 05°59'45" E	435.43'
L4	N 12°28'34" W	387.74'
L5	N 00°12'52" W	110.54'
L6	S 89°55'22" E	124.78'

CURVE TABLE

CURVE	RADIUS	BETA	ARC	CHORD	CHORD BEARING
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C2	1024.94'	08°31'37"	171.09'	171.04'	N 02°53'27" E
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C5	50.00'	89°44'43"	78.32'	70.55'	N 45°05'13" W

- NOTES:
- 1) SUBJECT TO EASEMENTS, RESTRICTIONS, RESERVATIONS AND RIGHTS-OF-WAY OF RECORD.
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- LEGEND:
- PG. INDICATES PAGE
 - O.R. INDICATES OFFICIAL RECORDS BOOK
 - Q. INDICATES CENTER LINE
 - P.I. INDICATES POINT OF INTERSECTION
 - L1 INDICATES LINE 1 OF LINE TABLE
 - C1 INDICATES CURVE 1 OF CURVE TABLE

SEE SHEET 1 FOR COMPLETE METES AND BOUNDS DESCRIPTION.
THIS SKETCH OF DESCRIPTION IS NOT A BOUNDARY SURVEY

Robert T. Simpson
ROBERT TAD SIMPSON
REGISTERED LAND SURVEYOR
FLORIDA CERTIFICATION NO. 5559

- THIS SKETCH OF DESCRIPTION IS NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

PREPARED 08-02-05

UNIFORM COLLECTION AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____, 2021, by and between Palermo Community Development District ("Authority"), whose address is 2301 NW 37th Street, Fort Lauderdale, Florida 33308, and the Office of the Lee County Tax Collector, by and through the Honorable R. Noelle Branning, Lee County Tax Collector, whose address is Lee County Tax Collector's Office, 2480 Thompson Street, Ft. Myers, Florida 33901 ("Tax Collector").

WHEREAS, The purpose of this Agreement under Rule 12D-18, Florida Administrative Code, is to establish the terms and conditions under which the Tax Collector shall collect and enforce the collection of those certain non-ad valorem special assessments, the "Assessments", levied by Authority to include compensation by Authority to the Tax Collector for actual costs of collection pursuant to Section 197.3632(8)(c), Florida Statutes; payment by Authority of any costs involved in separate mailings because of non-merger of any non-ad valorem special assessment roll as certified by the Authority, or his or her designee, pursuant to Section 197.3632(7), Florida Statutes, and reimbursement by Authority for necessary administrative costs, including, but not limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage and programming which attend all of the collection and enforcement duties imposed upon the Tax Collector by the uniform methodology, as provided in Section 197.3632(2), Florida Statutes.

Both parties mutually agree as follows:

1. The Authority shall meet all the requirements of Florida Statutes 197.3631 and 197.3632 and Florida Administrative Code ("FAC") Rule 12D-18 for the implementation of the Authority's non-ad valorem assessment billing.
2. Upon the performance by the Authority of its requirements in compliance with the above statutes and this Agreement, the Tax Collector agrees to implement the Authority's non-ad valorem assessments billing and collection.
3. The Authority further agrees that it shall provide to the Tax Collector compensation for the actual cost of collecting these non-ad valorem assessments as provided in Florida Statutes (F.S. Section 197.3632(8)(c)). Since the actual costs of collection cannot be precisely determined, the current estimated annual collection cost is \$ 1.45 per parcel and is subject to change based upon actual expenditures.
4. This Agreement shall be in effect for the tax year 2021 and subsequent years thereafter unless canceled by either the Authority or the Tax Collector by giving notice in writing to the other by January 10th of a tax year.
5. This Agreement may be modified by both parties in writing provided such modifications are agreed upon prior to any notice of termination.
6. This Agreement shall be changed, modified, or amended in writing as necessary to conform with any new statutory requirements when and if enacted into law.
7. Subject to the provisions and limitations of Florida Statute 768.28, the Authority shall indemnify and save harmless and defend the Tax Collector, its agents, servants, and employees from and against any and all claims, liability, losses, or causes of action which may arise from any misconduct, improper action, negligent act, or omission of the Authority,

its servants, or employees in the performance of services under this Agreement. The Authority acknowledges that the Tax Collector is entering this Agreement without any determination that the Authority is legally authorized or qualified to assess these non-ad valorem assessments pursuant to Section 197.3632, Florida Statutes, determine the legality of the assessment, or determine the constitutionality of any lien resulting from nonpayment of the assessment.

8. Notice

All notices or other communications hereunder shall be in writing and shall be deemed duly given if delivered in person or sent by certified mail return receipt requested and addressed as follows:

If to the Authority:

Palermo Community Development
District
Attn: James P. Ward
District Manager
2301 Northwest 37th Street
Fort Lauderdale, Florida 33308

With a copy to:

Coleman, Yovanovich & Koester, P.A.
Greg Urbancic, District Attorney
4001 Tamiami Trail N., Suite 300
Naples, Florida 34103

With a "copy to" for Tax Collector:

If to the Tax Collector:

Honorable R. Noelle Branning
Lee County Tax Collector
2480 Thompson Street
Ft. Myers, Florida 33901

John Bodner
Chief Operations Officer
Lee County Tax Collector
2480 Thompson Street
Ft. Myers, Florida 33901

IN WITNESS HEREOF, the parties have executed this Agreement by their respective duly authorized officers or representatives.

ATTEST:

PALERMO COMMUNITY DEVELOPMENT
DISTRICT

Name: _____

BY: _____
(Authorized Signature for Authority)

Name: _____
Title: _____
Date Signed: _____

ATTEST:

LEE COUNTY TAX COLLECTOR

Name: _____

BY: _____
R. Noelle Branning, Tax Collector

Date Signed: _____

Approved as to form and legal sufficiency:

Signature: _____ Date Signed: _____
Orfelia M. Mayor, Esq. on behalf of
Lee County Tax Collector

ATTACHMENT A
CITY-TOWN-VILLAGE-DISTRICT OF XX
RESOLUTION NO. XXX
(Adopted DATE?)

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF
THE PALERMO COMMUNITY DEVELOPMENT DISTRICT
FOR THE ELECTION OF SUPERVISORS**

Date: November 19, 2021

Time: 8:30 A.M.

Location: Office of Lennar Homes
10481 Six Mile Cypress Parkway
Ft. Myers, Florida 33966

Pursuant to Chapter 190, Florida Statutes, after a Community Development District ("District") has been established and the landowners have held their initial election, there shall be a subsequent landowners' meeting for the purpose of electing members of the Board of Supervisors every two years until the District qualifies to have its board members elected by the qualified electors of the district. The following instructions on how all landowners may participate in the election is intended to comply with Section 190.006(2)(b), Florida Statutes, as amended by Chapter 2004-353, Laws of Florida.

A landowner may vote in person at the Landowner's Meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each person that the landowner desires to elect to a position on the Board of Supervisors that is open for election for the upcoming term (five (5) seats on the Board will be up for election). A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. **Please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.**

At the Landowners' Meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board of Supervisors that is open for election for the upcoming term. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The remaining candidates receiving votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

OFFICIAL BALLOT

**PALERMO COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
LANDOWNERS MEETING – NOVEMBER 19, 2021**

For Election (5 Supervisors): The two (2) candidates receiving the highest number of votes will each receive a four (4) year term, and the remaining candidates shall receive a two (2) year term, with the term of office for each successful candidate commencing upon election.

The undersigned certifies that the undersigned is executing this Official Ballot in his or her individual capacity as landowner, or in his or her capacity as an authorized representative of the entity named below as landowner, (hereinafter, "Landowner") and that Landowner is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Palermo Community Development District and described as follows:

<u>Property Description</u>	<u>Acreage</u>
<u>See Exhibit A: Legal Description of CDD</u>	

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this ballot is: **395**

I, **Russell Smith**, in my individual capacity as Landowner; or in my capacity as an authorized representative of Landowner, an entity; or as the proxy holder pursuant to the Landowners Proxy attached hereto, do cast my votes as follows:

	NAME OF CANDIDATE	NUMBER OF VOTES
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____

Date: _____

Signed: _____

Printed Name: Russell Smith

NOTE: If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.).

LANDOWNER PROXY

**PALERMO COMMUNITY DEVELOPMENT DISTRICT
LANDOWNERS MEETING – NOVEMBER 19, 2021**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints:

RUSSELL SMITH

Proxy holder

For and on behalf of the undersigned to vote as proxy at the meeting of the Landowners of the Palermo Community Development District to be held at the offices of **Lennar Homes, LLC, 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966** on **Friday, November 19, 2020 at 8:30 A.M.**; said meeting published in a newspaper in Lee County; and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner which the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may come before said meeting including, but not limited to, the election of members of the Board of Supervisors and may vote in accordance with their discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally come before the meeting. Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in force from the date hereof until the conclusion of the landowners meeting and any adjournment or adjournments thereof, but may be revoked at any time by notice thereof, in writing, filed with the Secretary of the Palermo Community Development District.

Signature

Russell Smith

Print Name

Date

Property Description

Acreage

SEE ATTACHED EXHIBIT 1

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

The number of authorized votes for this proxy is: **395**

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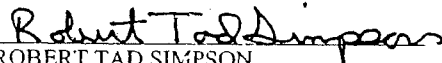

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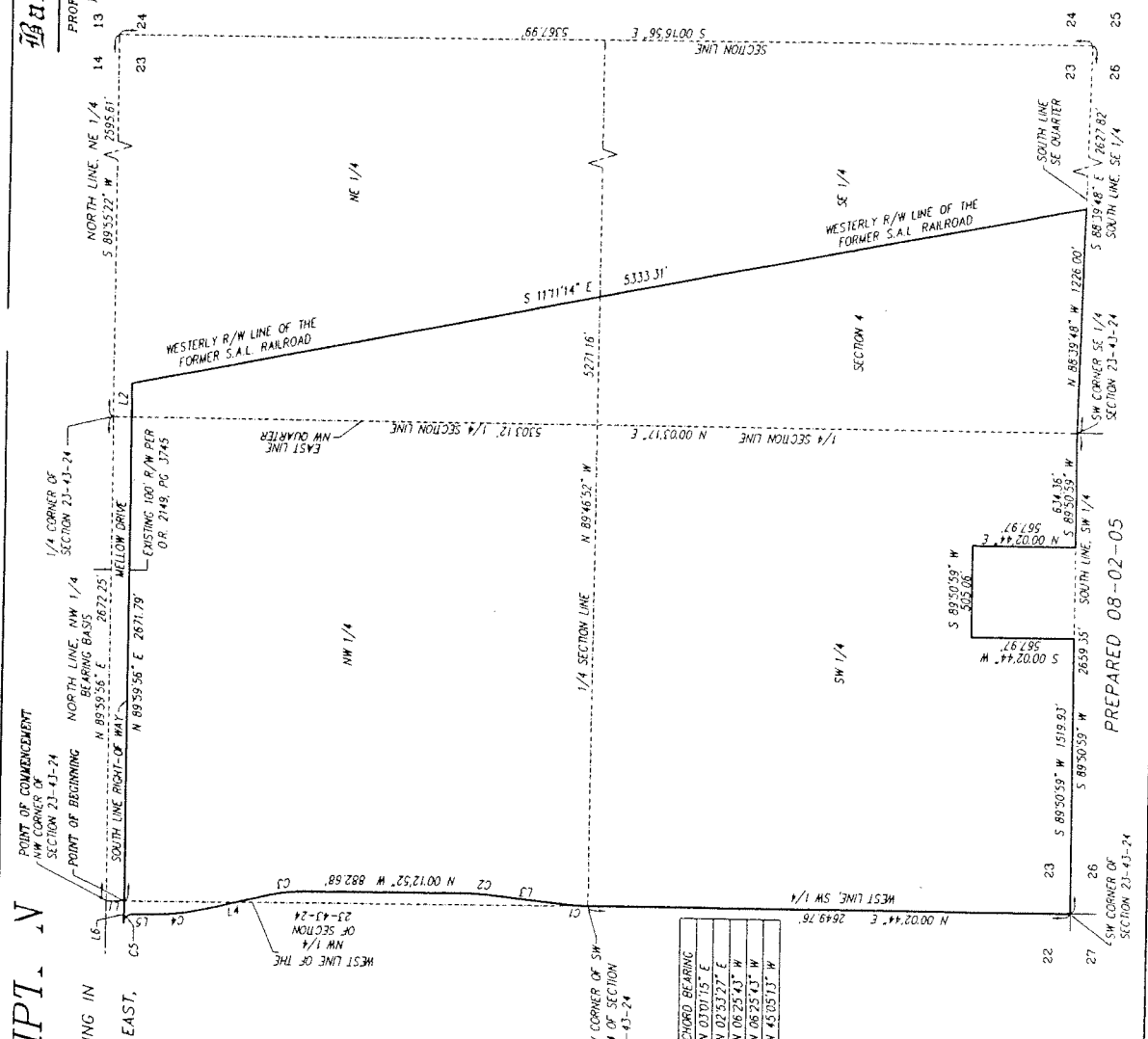
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1" = 800'



LINE TABLE

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