

**THE MINUTES OF THE REGULAR MEETING
TERN BAY COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Tern Bay Community Development District's was held on **Thursday, April 26, 2018, at 10:0 a.m.,** at the **Country Inn and Suites, 24244 Corporate Court, Port Charlotte, Florida 33954.**

Board Members Present:

Mike Dady
Rick Brylanski
Leah Popelka

Chairperson
Assistant Secretary
Assistant Secretary

Also Present were:

J.P. Ward
Scott Clark
Bill Riley

District Manager
District Counsel
District Engineer

Absent was:

Adam Lerner

Vice Chairperson

Audience:

Ceil Fillenworth
Tom Fillenworth

Resident
Resident

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 10:00 a.m., and roll call determined that all members of the Board were present with the exception of Supervisor Lerner.

2. Consideration of Minutes: September 19, 2017 Regular Meeting

Mr. Ward asked if there were any additions, corrections, or deletions to the minutes of the Regular meeting and there were none.

<p>Motion was made by Ms. Propelka and seconded by Mr. Dady to accept the Regular meeting minutes of September 19, 2017, and with all in favor, the motion was approved.</p>

3. Consideration of Acquisition of Land Now Owned by Tern Bay CDD Acquisitions, LLC

Mr. Ward asked Mr. Clark to explain this item.

Mr. Clark stated the special purpose entity, Tern Bay CDD Acquisitions, LLC, had been presented with an offer from Lennar Homes for \$20 million for the property which had been foreclosed upon and would like to move forward with the transaction. He presented the Board with a Purchase and Sale Agreement, which had a thirty day inspection period with a quick close. He said the Board's approval was required. He indicated there some things which needed to be worked out prior to closing like the bond debt for these pieces of land and the O & M debt prior to this current fiscal year; both would be extinguished at closing. He said the current fiscal year assessments would be pro-rated between buyer and seller, and the buyer would be responsible for paying next year's and thereafter.

Mr. Clark explained this agreement made sense. He said during the inspection period and, if necessary, after closing, the CDD would be working with Lennar to identify those places where easements were needed, titles to the roadway track were needed, and water pond issues needed clarification.

Mr. Clark called for questions saying the action he sought was for the Board to authorize Tern Bay CDD Acquisitions, LLC, to enter into this contract and for the Chairperson to have authorization to execute.

Mr. Dady pointed out that there was a history, and there would be questions that would come up during the finalization of the Purchase and Sale Agreement. So, as was said, the Board would be approving the contract in substantial form to allow attorneys on both sides to work together on the issues and to clarify any edits or questions that came up along the way. Mr. Dady said that the draft before them talked about the past due being forgiven in terms of the seller, and the final draft would include language that mentioned the buyer as well. Going forward, both sides would be assuming a proration for the 2017-18 year, and then the purchaser would be responsible for 2019 and forward.

Mr. Brylanski asked how much land was involved. Mr. Dady stated it was for the balance of the property, and a discussion of the specifics of this property ensued.

Ms. Propelka asked if there was a due diligence period, and Mr. Clark responded affirmatively, but it was a short period, 30 days.

Ms. Propelka asked what would happen to the golf course. Mr. Clark said it was being conveyed.

Mr. Brylanski asked if the buyer would be encumbered by permit conditions and the issue with the widening of Burnt Store Road. Mr. Clark responded that Lennar would own those areas.

Ms. Propelka asked if there was a cutoff line for maintenance and obligations. Mr. Clark responded October 1, 2017, the current budget year, was the cutoff line. He said at closing the District would be asked to give an estoppel letter.

Motion was made by Mr. Dady and seconded by Mr. Brylanski, to approve the Purchase and Sale Agreement presented between Tern Bay CDD Acquisitions, LLC, and Lennar Homes, LLC, with the caveat for clarification of the O & M to include both buyer and seller and that it be in substantial form allowing for legal edits and comments to be brought to final execution and that it authorize District staff and the Chair to execute documents and take further actions to execute the contracts, and with all in favor, the motion was approved.

4. Staff Reports

- a) District Attorney – No report.
- b) District Engineer – No report.
- c) District Manager - No report.

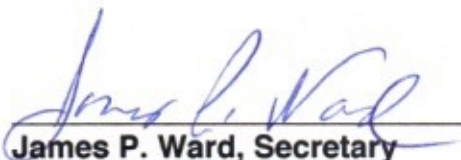
5. Supervisor's Requests and Audience Comments

There were no supervisor's requests. Mr. Fillenworth from the audience asked about the 30-day period. Mr. Clark responded it would start when the contract was signed which would be soon. Mrs. Fillenworth asked if any announcement of this sale would be made to the general public. Mr. Clark responded he was sure the purchaser would do so after closing.

6. Adjournment

Motion was made by Mr. Dady and seconded by Ms. Propelka to adjourn the meeting, and with all in favor, the motion was approved.

The meeting was adjourned at approximately 10:15 a.m.


James P. Ward, Secretary


Russell Smith, Chairperson