
MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

HERITAGE LANDING COMMUNITY DEVELOPMENT DISTRICT

The **Regular** meeting of the Board of Supervisors of Heritage Landing Community Development District was held on **Thursday, February 12, 2015 at 6:00 p.m.** at the Heritage Landing Amenity Center, located at 370 Heritage Landing Parkway, St. Augustine, Florida 32092.

Present and constituting a quorum:

| | |
|----------------|--|
| Bret Sovine | Board Supervisor, Chairman |
| Kathy Shippey | Board Supervisor, Vice Chairman |
| Elmer Bley | Board Supervisor, Assistant Secretary |
| Dallas Dunn | Board Supervisor, Assistant Secretary |
| Virginia Moore | Board Supervisor, Assistant Secretary |

Also present were:

| | |
|------------------|---|
| Melissa Dobbins | District Manager, Rizzetta & Company, Inc. |
| Pete Williams | Rizzetta & Company, Inc. |
| Brianne Beirl | Rizzetta & Company, Inc. |
| Jere Earlywine | Hopping Green & Sams, P.A. |
| Todd Myhill | Amenity Manager, ASG, Inc. |
| Jimmy Edmonds | Field Manager, ASG, Inc. |
| Brett Sealy | MBS Capital Markets |
| Lewis Williamson | ValleyCrest Landscaping |
| Camille Evans | Bond Counsel, Greenberg Traurig (via speakerphone) |

Audience Members

FIRST ORDER OF BUSINESS

Call to Order

Mr. Sovine called the meeting to order at 6:03 p.m. and read the roll call.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

There were no audience comments on agenda items.

THIRD ORDER OF BUSINESS

Consideration of the Minutes of the Board of Supervisors' Regular Meeting held on January 8, 2015

On a motion by Ms. Moore, seconded by Mr. Bley, with all in favor, the Board approved the minutes of the Board of Supervisors' regular meeting held on January 8, 2015 for Heritage Landing Community Development District.

FOURTH ORDER OF BUSINESS

Ratification of the Operation and Maintenance Expenditures for December 2014

On a motion by Mr. Bley, seconded by Ms. Shippey, with all in favor, the Board ratified the Operations and Maintenance Expenditures for December 2014 in the amount of \$136,595.01 for Heritage Landing Community Development District.

FIFTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
Mr. Earlywine noted that there was discussion months ago that new legislation would require the Board to have ethics training. The Legislation was passed on this, but it doesn't apply to CDDs.

- B. District Engineer
Not present.

Ms. Dobbins updated the Board of Supervisors on behalf of the engineer. She noted that the contractor has reviewed the crosswalk this past Monday. A schedule should be set soon to modify the width of it.

- C. ValleyCrest Landscaping
Mr. Williamson reviewed his report under Tab 3.

- D. Amenity Center Manager
Mr. Myhill reviewed his report under Tab 4.

He noted that Kathy Howell is the new program director for Heritage Landing.

He also reviewed potential revenue and staff costs for food trucks, showing a potential end of the fiscal year earnings of \$3,267. The Board of Supervisors gave a consensus that using revenue from the food trucks to pay for the additional staff was appropriate.

- E. Field Manager

- Mr. Edmonds reviewed his report under Tab 5.
- F. District Manager
Ms. Dobbins noted that the next regularly scheduled Board of Supervisors' meeting will be held March 12, 2015 at 10:00 a.m.

Ms. Dobbins presented ASG's Fiscal Year 2015 First Quarter Revenue Sharing in the amount of \$568.80. She also noted that she received a draft of the Hammerheads Amendment, which is being reviewed for execution.

SIXTH ORDER OF BUSINESS

Presentation by MBS on Bond Re-financing Opportunities

Mr. Sealy presented an update to bond re-financing opportunities (marked as Exhibit "A").

After discussion, the Board of Supervisors authorized staff to proceed with re-financing opportunities.

On a motion by Mr. Bley, seconded by Mr. Dunn, with all in favor, the Board authorized staff to proceed with re-financing opportunities for Heritage Landing Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Delegation Resolution

The Board of Supervisors tabled this item and will review it at a continued meeting on February 25, 2015 at 9:30 a.m.

EIGHTH ORDER OF BUSINESS

Consideration of Main Entrance Landscape Proposals

After discussion, the Board of Supervisors decided to review this item this summer and/or incorporate it into the Fiscal Year 2016 budget.

NINETH ORDER OF BUSINESS

Review of CDD Encroachment Surveys

The Board of Supervisors reviewed official surveys and after discussion directed the District Manager to send final notices to property owners to remove their fence off CDD property within 60 days.

On a motion by Mr. Dunn, seconded by Ms. Shippey, with all in favor, the Board directed the District Manager to send final notices to property owners to remove their fence off CDD property within 60 days for Heritage Landing Community Development District.

TENTH ORDER OF BUSINESS

**Audience Comments and
Supervisor Requests**

There was a question regarding lights on the soccer field.

There was a question regarding speeding on the roads.

There was a question on the movie deck repairs.

There were no Supervisor requests.

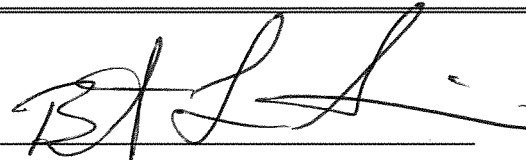
ELEVENTH ORDER OF BUSINESS

Continuance

On a motion by Mr. Bley, seconded by Ms. Moore, with all in favor, the Board continued the meeting for February 25, 2015 at 9:30 a.m. Heritage Landing Community Development District.



Secretary / Asst. Secretary



Chairman / Vice Chairman

Exhibit “A”



Heritage Landing Community Development District

Presentation to the Board of Supervisors
Update to Refinancing Opportunities
February 12, 2015

Presented by
MBS Capital Markets, LLC

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Winter Park, FL 32789
(407) 622-0130

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(813) 281-2700

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Estimated Refunding Results

The table below provides an update and comparison to the prior estimated refunding results provided in February 2013 under current market conditions based upon the receipt of a confidential rating from S&P of "BBB". The estimated results in the table below are subject to change based upon fluctuations in market conditions. Accompanying footnotes are included on the following page.

| Series 2005 Bonds Refunding Analysis | | February 2013 | February 2015 |
|--|--|---------------|---------------|
| Dated Date | | April 2013 | 3/13/2015 |
| Principal Amount to be Refunded | | \$15,095,000 | \$14,455,000 |
| Current Est. Average Coupon | | 5.60% | 5.60% |
| Current Max Annual Debt Service | | \$1,144,500 | \$1,144,500 |
| Estimated Par Amount of Refunding Bonds | | | |
| Estimated Par Amount of Refunding Bonds | | \$15,400,000 | \$14,400,000 |
| Estimated Average Coupon | | 4.46% | 3.71% |
| Estimated Net Interest Cost (inclusive of U/D and OID) | | 4.61% | 3.89% |
| Estimated Max Annual Debt Service (1) | | \$1,072,952 | \$986,518 |
| Estimated NPV Savings % (2) | | 7.08% | 15.06% |
| Estimated NPV Savings \$ (2) | | \$1,069,892 | \$2,177,495 |
| Estimated Max Annual Debt Service Reduction \$ (3) | | \$74,608 | \$157,982 |
| Estimated Max Annual Debt Service Reduction % (3) | | 6.52% | 13.80% |
| Final Maturity (4) | | 5/1/2036 | 5/1/2036 |
| Estimated DSRF Cash Requirement (5) | | 50% of MADS | 50% of MADS |
| Underwriter's Discount (6) | | 1.5% | 1.5% |
| Estimated Costs of Issuance (7) | | \$150,000 | \$150,000 |

Estimated Refunding Results (cont'd)

- (1) The projected maximum annual debt service does not include the gross-up to provide for the 4% discount for early payment and the collection fees charged by the St. Johns County Tax Collector and Appraiser.
- (2) These figures are net of all costs, transfers from the existing trust estate.
- (3) The reduction of annual debt service is calculated based upon comparing the debt service on the outstanding Series 2005 Bonds and the debt service on the proposed refunding bonds.
- (4) The maturity date on the proposed refunding bonds is 5/1/2036 which is consistent with the maturity date on the Series 2005 Bonds.
- (5) A portion of the proceeds of the prior Debt Service Reserve Fund is assumed to be utilized to repay Deferred Costs on a discounted basis in the amount of \$250,000.
- (6) Our contractual fee for this refinancing transaction is 1.5% which is consistent with our fees for other recently closed CDD refinancing transactions. This fee is contingent upon the closing of the refinancing transaction.
- (7) The estimated costs of issuance of the refinancing are based on recently closed refunding transactions.

Est. Reduction of Annual Debt Service Assessments

| Product Type | Current Annual Debt Service Assmnts.* | Est. Post-Refunding Annual Debt Service Assmnts.* | Est. Reduction in Annual Debt Service Assmnts.* | Est. % Reduction in Annual Debt Service Assmnts. |
|--------------|---------------------------------------|---|---|--|
| SF | \$1,100 | \$947 | \$153 | 13.90% |

* Includes allowance for collection costs and early payment discount.

NOTE: Reduction in debt service assessments are based upon the assumptions presented on page 2 and are subject to change based upon fluctuations in market conditions.

Process/Timing

| | |
|---|---|
| Feb. 12 th - | Board Meeting – Authorize District financing team to commence work on delegation resolution along with forms of the preliminary official statement, supplemental indenture, escrow deposit agreement and continuing disclosure certificate. Continue Board meeting (assumed to be 2/25) to present delegation resolution along with aforementioned documents. |
| Feb. 13 th - Feb. 24 th - | District financing team to draft delegation resolution along with forms of the preliminary official statement, supplemental indenture, escrow deposit agreement, continuing disclosure certificate and supplemental assessment methodology. |
| Feb. 25 th - | Board Meeting – Present delegation resolution along with forms of the preliminary official statement, supplemental indenture, escrow deposit agreement, continuing disclosure certificate and supplemental assessment methodology. |
| Feb. 27 th – | Print and mail preliminary official statement. |
| March 5 th – | Price the bonds. |
| Mar. 5 th – Mar. 11 th - | District financing team to prepare all necessary certificates, documents and opinions to close. |
| March 12 th - | Board Meeting – Pre-closing. |
| March 13 th - | Fund and close. |

Disclosures Regarding Underwriter's Role – MSRB Rule G-17

Disclosures Concerning the Underwriter's Role

- (i) Municipal Securities Rulemaking Board Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (ii) The Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the District and it has financial and other interests that differ from those of the District;
- (iii) Unlike a municipal advisor, the Underwriter does not have a fiduciary duty to the District under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the District without regard to its own financial or other interests;
- (iv) The Underwriter has a duty to purchase securities from the District at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (v) The Underwriter will review the official statement for the District's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Disclosure Concerning the Underwriter's Compensation

Underwriter's compensation that is contingent on the closing of a transaction or the size of a transaction presents a conflict of interest, because it may cause the Underwriter to recommend a transaction that it is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Disclosures Regarding Underwriter's Role – MSRB Rule G-17 (cont'd)

Conflicts of Interest

Payments to or from Third Parties. There are no undisclosed payments, values, or credits to be received by the Underwriter in connection with its underwriting of this new issue from parties other than the District, and there are no undisclosed payments to be made by the Underwriter in connection with this new issue to parties other than the District (in either case including payments, values, or credits that relate directly or indirectly to collateral transactions integrally related to the issue being underwritten). In addition, there are no third-party arrangements for the marketing of the District's securities.

Profit-Sharing with Investors. There are no arrangements between the Underwriter and an investor purchasing new issue securities from the Underwriter (including purchases that are contingent upon the delivery by the District to the Underwriter of the securities) according to which profits realized from the resale by such investor of the securities are directly or indirectly split or otherwise shared with the Underwriter.

Credit Default Swaps. There will be no issuance or purchase by the Underwriter of credit default swaps for which the reference is the District for which the Underwriter is serving as underwriter, or an obligation of that District.

Retail Order Periods. For new issues in which there is a retail order period, the Underwriter will honor such agreement to provide the retail order period. No allocation of securities in a manner that is inconsistent with an District's requirements will be made without the District's consent. In addition, when the Underwriter has agreed to underwrite a transaction with a retail order period, it will take reasonable measures to ensure that retail clients are bona fide.

Dealer Payments to District Personnel. Reimbursements, if any, made to personnel of the District will be made in compliance with MSRB Rule G-20, on gifts, gratuities, and non-cash compensation, and Rule G-17, in connection with certain payments made to, and expenses reimbursed for, District personnel during the municipal bond issuance process.