

Executive Summary

Modular Classroom Agreement with the City of Parkland

Mira Lago West Lennar, LLC, Lennar Homes, LLC, and Standard Pacific of Florida and their respective assignees, collectively referred to as "Developers" are the owners/developers of various properties located in the City of Parkland ("City"), which are planned for residential development, and which will generate additional students into Broward County Public Schools located in the City. The Developers have entered into separate agreements with the City, which require them to make payment into a City fund. In order to accommodate for the increase in students in the City, the Modular Classroom Agreement proposes that in exchange for payment of funds in the amount of one million seven hundred and seventy-one thousand dollars (\$1,771,000) from the City fund to the School Board, the School Board shall construct, maintain, and operate seven (7) permanent modular classrooms ("Modular Classrooms") at one or more public schools located within the corporate limits of the City, and remove seven (7) portable classrooms at a location of the School Board's sole discretion as long as the location is within the North School Impact Fee Service Area, which also includes the corporate limits of the City.

The Modular Agreement also includes a provision to enable another land owner in the City of Parkland, Richmond American Homes of Florida, LP, which may proceed with future residential development in the City, to participate in the Agreement by contributing \$254,000 to the City and the City to the School Board for the construction of one additional modular classroom and the removal of one additional portable classroom within eighteen months of receipt of the payment by the School Board.

The timing and amount of each payment for the modular classrooms are structured on the anticipated availability of the funds and the cost of the additional permanent school capacity that will be provided by the revenue generated from the projected residential development of the Parkland properties. Per the Agreement, three payments are scheduled, one for \$425,000 upon execution of the Agreement by the School Board, and one for \$450,000 on May 15, 2014, which will result in 3 modular classrooms to be completed within eighteen months of the first payment; (which is the typical amount of time needed by the Office of Facilities & Construction to deliver modular units upon receipt of payment) and one final payment for \$896,000 on February 15, 2015 to fund an additional 4 classrooms (and possibly one additional modular classroom if an additional \$254,000 is received from the City by Richmond American Homes of Florida, LP) to be completed by August 2016, prior to the opening day of school. It should be noted that the Modular Classroom Agreement includes a provision to address any change in the cost per modular classroom (currently \$250,000 per classroom) to ensure that the School Board is only obligated to construct the maximum number of modular classrooms that can be fully funded by the payments covered in the Agreement. In the event the payments are insufficient to complete the modular classrooms called for in the Agreement, the City shall not be required to pay the balance of the payments to the School Board and the School Board shall return the balance, if any, of the unused or unapplied payments to the City on or before December 1, 2016. The City's obligation to make the payments to the School Board is conditioned upon and subject to the receipt of the payments by the Developers to the City.