

LCEFA BOARD MEETING

MARCH 16, 2016

The Leon County Educational Facilities Authority (LCEFA) convened for a special Board meeting, pursuant to proper notice, at 10:00 a.m. on March 16, 2016 at the offices of Chairman Lori Billberry, 1018 Thomasville Road, Suite 200A, Tallahassee. Members in attendance were Lori Billberry, Tom Proctor, Dennis Bailey, Gary Huff and Billy Hilaman and Pat Dallet.

Member Rick Graves was absent. There is currently a vacancy on the Board, member Pat Dallet having submitted his resignation after the meeting that Day.

Also present at the meeting were LCEFA Executive Director Bob Kellam, LCEFA general counsel Terry Madigan and special LCEFA - Heritage Grove litigation counsel, Hal Mardenborough.

The purpose of the meeting was to discuss recent events of significance and potential partial resolution options relative to the Heritage Grove litigation.

Hal Mardenborough and Terry Madigan gave a general update on progress and developments in the Heritage Grove lawsuit. Mr. Mardenborough outlined a concept proposed by one of the defendants, Capstone/LLT, LLC (the Heritage Grove developer) whereby that entity, in exchange for being dismissed from the lawsuit, would assign certain beneficial rights that it has against other defendants in the lawsuit. It was explained that this entity currently appears to be without assets and without insurance against which the LCEFA might (not be able to) collect should it get a judgment against it in the lawsuit, and if there was a strong possibility that entity might declare bankruptcy in the near future which would impact and delay the lawsuit. Discussion was held of the proposal and various related factors. It was advised by legal counsel that the proposal would be in the LCEFA's net best interests in the litigation, and it was recommended that the LCEFA attorneys be authorized to pursue an arrangement whereby certain rights of Capstone/LLT, LLC could be assigned to the LCEFA in exchange for a release from the lawsuit.

Upon the motion of Billy Hilaman, seconded by Dennis Bailey, the LCEFA unanimously by those members in attendance, resolved and directed that legal counsel should pursue and seek to obtain the assignment as discussed, and enter into a dismissal of the lawsuit against defendant Capstone/LLT, LLC, upon terms acceptable to and approved by LCEFA legal counsel. No further formal action or approvals of the LCEFA will be required to effectuate this authorization unless requested by LCEFA counsel.

No other actions were taken at the meeting. The meeting adjourned at 11:10 am.