

MINUTES OF MEETING
REUNION WEST COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Reunion West Community Development District was held Thursday, November 11, 2010 at 3:14 p.m. at the Heritage Crossing Community Center, 7715 Heritage Crossing Way, Reunion, Florida.

Present and constituting a quorum were:

John Gray	Chairman
David Burman	Vice Chairman
Marty Pawlikowski	Assistant Secretary
Lee Beekman	Assistant Secretary
Duane Owen	Assistant Secretary

Also present were:

George Flint	District Manager
Colt Little	District Counsel
Steve Boyd	District Engineer
Jason Showe	Assistant District Manager
Alan Scheerer	Operations Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office to Newly Elected Supervisors

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to the newly elected supervisors.

B. Consideration of Resolution 2011-01 Canvassing and Certifying the Results of the Landowners' Election

Mr. Flint stated the next item is consideration of Resolution 2011-01 canvassing and certifying the results of the landowners' election. That resolution is in your agenda packet and it

would reflect John Gray with 200 votes for a four-year term, Marty Pawlikowski with 200 votes for a four-year term and Lee Beekman with 190 votes for a two-year term.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor Resolution 2011-01 was approved.

C. Election of Officers

D. Consideration of Resolution 2011-02 Electing Officers

Mr. Flint stated we have Resolution 2011-02, which elects officers. The Board is required after each election to consider officers for the District. We can take the seats individually or as a slate. Currently Mr. Gray is Chairman, there is no Vice Chairman, Mr. Pawlikowski, Mr. Beekman and Mr. Owen are Assistant Secretaries, Ariel Lovera is Treasurer and George Flint is Secretary.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor Resolution 2011-02 was approved with the following slate of officers: Mr. Gray Chairman, David Burman Vice Chairman, Ariel Lovera Treasurer, George Flint Secretary, Mr. Beekman, Mr. Owen and Mr. Pawlikowski Assistant Secretaries.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the October 14, 2010 Board of Supervisors Meeting and Acceptance of the Minutes of the October 14, 2010 Audit Committee Meeting

Mr. Flint stated the next item is approval of the minutes from your October 14, 2010 Board meeting and October 14, 2010 Audit Committee meeting. Are there any additions, deletions or corrections to those?

There not being any,

On MOTION by Mr. Pawlikowski seconded by Mr. Gray with all in favor the minutes of the October 14, 2010 Board of Supervisors meeting were approved and the minutes of the October 14, 2010 Audit Committee meeting were accepted.

FOURTH ORDER OF BUSINESS

Consideration of Default Expenditure Requisitions

Mr. Flint stated the next item is consideration of default expenditure requisitions. We have requisition no. 48 and requisition no. 49 they are both to Latham Shaker Edam & Beaudine, 48 is in the amount of \$1,817.95 and 49 is in the amount of \$1,740.35.

On MOTION by Mr. Pawlikowski seconded by Mr. Gray with all in favor default expenditure requisitions 48 and 49 were approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Little stated I want to reiterate what I said earlier about the Fourth Quarter foreclosure suit that they are still in the discovery phase. Wachovia has requested an inordinate amount of discovery in this lawsuit and unfortunately the docket is pretty jammed up. We are moving as quickly as the court will let us, however, there are pretty complicated issues with respect to these assessments and things like that and Wachovia is being pretty obstinate about it. We are moving as quickly as possible but we don't control the docket nor the pace of litigation but we are continuing to press the issue and I will bring back any further information when we have it.

Mr. Glasser asked do you have any idea of the timeframe, 6 years 9 years?

Mr. Little responded I'm going to say no I don't have any idea but there is no way it would last 6 years, that is unheard of. It is not unusual at all for this to have gone on for a year in a suit this size with this many players involved and the complication of the assessments versus the traditional loans on the property, etc. That is not uncommon especially as I said the backup on the foreclosure docket.

Mr. Glasser asked what do you expect?

Mr. Little stated I can't speculate as to that. I am not the judge I don't set the calendar in the case. If they try to set a hearing and he says no because his calendar is full I can't dictate to the judge how he sets his trial calendar and things like that. I am hopeful that it will be resolved in a matter of months but I'm not going to sit here and tell you that it will be because I can't control that.

Mr. Searles asked have there been any other foreclosures by CDDs around Florida to get any kind of sense?

Mr. Little responded most of them that we are dealing with now are kind of in the same boat in the sense that we may have initiated them months ago but they are not resolved yet either. This isn't uncommon. We have foreclosures in a lot of districts and they are extremely slow process in no small part because foreclosing CDD assessments while normal under the statute is not something the courts have seen a lot of. It is a little bit new for them too. When you combine that with the fact that they have thousands upon thousands of foreclosures to deal with it complicates the matter substantially. As Mr. Searles pointed out this has been the same case in every district we have they are slow. We are frustrated as well but all we can do is what the judge tells us to do and continue to proceed.

Mr. Gray asked they put aside \$100,000 we are at \$80,000 should we knock on their door now rather than wait?

Mr. Flint responded the \$100,000 is really not necessarily applicable anymore. That \$100,000 budget was set prior to the District actually being in default. When the Board approved an amendment to the indenture and created a default expenditure account and set up the \$100,000 budget the District was not in default at that point. Once the District actually went into default the Trustee has control of the trust funds and they think the designation of a budget is not necessary. They control the money.

Mr. Gray asked will they continue to fund?

Mr. Little stated I can't imagine they would stop now.

Mr. Flint stated we are going to keep sending them invoices and when they stop paying they are going to have to explain to the vendor why they are not getting paid.

Mr. Little stated they have come this far I'm sure they are going to pursue it to the bitter end.

Mr. Flint stated hopefully they would give us a heads up before they turn the spigot off. The problem is we are not going to be able to get a commitment from them. They are in control of the money and they are going to reserve the right to pay what they want to pay.

B. Engineer

i. Consideration of Requisitions

Mr. Boyd stated all we have are four capital requisitions, 621 through 625 and these are for District Engineer services including our annual review of facilities and O&M budget services from June through September and the total amount is \$2,346.

On MOTION by Mr. Pawlikowski seconded by Mr. Gray with all in favor requisitions 621 through 625 were approved.

C. Manager

i. Approval of Check Register

Mr. Flint stated we have the check register which was provided to you in your agenda packet. For the general fund checks 497 through 504 in the amount of \$51,199.75 and the payroll in the amount of \$738.80. The detailed register is behind the summary. If there are any questions I will be happy to answer those if not I ask for a motion to approve the check register.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

Mr. Flint stated we have the unaudited financial statements through September 30th. There is no action required by the Board but if you have any questions I will try to answer those for you.

iii. Status of Direct Bill Assessments

SIXTH ORDER OF BUSINESS

Other Business

Mr. Gray stated Colt I think you told me but just so it is on the record and even though it is not really us but the developer is working to get us a title for that donation that was made.

Mr. Little stated we received the title work back just a couple days ago.

Mr. Flint stated that is in Reunion East but that is all right.

Mr. Little stated the issue is that the areas over which the conservation easement was granted don't match up exactly with the conservation areas so there is some overlap. There is both some loss to that area where there was encroachment by development and there is some

gain where there wasn't development that occurred that was supposed to. The boundaries have shifted a little bit so prior to the District accepting those parcels we need to have the developer work with the water management district and with Fish & Wildlife to make sure those are cleaned up and those conveyances are made to square up those boundary lines so they are congruent before we take title to those parcels. I have been in contact with some of the developer representatives to talk about that process and what needs to occur prior to the District's acceptance but as I said we just got all the survey material in and the title a couple days ago, survey prior but it is in process it is just going to be kind of slow especially since we are dealing with Fish & Wildlife we have to get their permission to do all this and they have to accept the true up of the boundary lines. That may take a while on their end. Once that is completed the real estate part is relatively simple. The issue will be with Fish & Wildlife.

Mr. Gray stated I think the easement is granted to the South Florida Water Management District as well and changes to that legal description will require the governing board to approve it.

Mr. Little stated you are right. It is moving along it is just slow especially when we are dealing with Fish & Wildlife and the water management district to get them to agree to these very minor shifts, we are talking about less than an acre and tenths of an acre in most cases where there has been some encroachment. Once that gets cleaned up then we can take conveyance from the developer.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Audience Comments

Mr. Glasser stated the earlier comments I made about dropped agendas appear to apply equally to Reunion West as they do to Reunion East and my recollection from the last meeting is that I inquired about the desert like appearance of the West side particularly along the public areas where there are no trees and no bushes and so on. Can you give me an update as to what has transpired since I raised those last month?

Mr. Flint responded I don't have an update on that at this point.

Mr. Glasser asked can we have an update for the next meeting?

Mr. Flint stated the issue is that there is no capital or landscape budget in the bond funds to install landscaping in the areas you are talking about to the extent the District owns them. I think the issue is that some of those areas are undeveloped or not as developed as other areas therefore, the landscape plan has not been installed. The District doesn't have funds set aside to be able to install landscaping in those areas. I'm not sure what the update would be.

Mr. Glasser asked the update is that you are not going to do anything about it or that you are going to do something about it? It is very simple. I have made suggestions previously that there is water and adequate landscape material on 532 which will probably die again this winter if it is not dealt with properly and it is a question of selectively taking some of that and replanting it.

Mr. Flint stated the response to that is it costs more to move plants that it does to install new landscaping so I'm not sure that is a viable option. If we had free labor that could do that, that might be an option but the cost of relocating is about equal to installing new on that. I don't know if the Board has any suggestion as far as how you want to direct staff to handle that issue going forward.

Mr. Pawlikowski stated I think you are right when you said the areas of landscaping are not within the budgets of the CDD but they are part of development occurring at the time that occurs the landscaping will be installed. The only option to be able to move forward with landscaping in there is to raise assessments to get money to put the landscaping in. If we do that then we make homeowners even more upset because we raised the assessments and then in addition to raising the assessments our landscaping costs go up because you now have more landscape area to maintain. I think at this time it is in the best interests, it may not look right it may not look as beautiful as the other side but until development occurs that is when the landscaping will occur and this Board can't do anything about it.

Mr. Glasser stated there have been over 300 sales of homes in Reunion in this year people are being told that the landscaping will be coming. If there is no landscape to come I think the buyers need to be told and the people who are buying will stop being hoodwinked into believing that the West side is going to look as nice as the East side.

Mr. Searles stated I know it is not being directed to me but I do know about the real estate here. There have been about 300 sales or contracts year to date at Reunion. Probably 30 of those came from the inside sales, the guys I know and hired to sell property. The remainder has

come through however many coop agents and other brokerages around Orlando. Of all the transaction information I have ever heard, I never heard an agent saying landscape is coming. If they are saying that it is an odd thing to say to somebody but if they are saying that I don't know that we have the ability to control what coop brokers are using as puffery to sell product. I can assure you that whatever agents I have had direct contact with and not only the three or four agents that I hired here but the six or seven who have sold at least 50% of the remainder of the 250+ units I don't think any of them would have said that. I think it is just tough to control what people are saying. The reality is you cross over the bridge from East to West everything on the left hand side as you go towards the back gate is undeveloped. To put in landscaping it wasn't even particularly smart for me to pave that cart path all that is going to get pulled out when true development goes into those pieces of ground. To spend money on grass and irrigation and plants and concrete sidewalks when you have trucks and paving equipment and construction crews that is good after bad.

Mr. Glasser stated there are areas on the West side where there are no homes to be bought. There are areas between sidewalk and road, which is going to be like that for all time, particularly next to the lake.

Mr. Searles stated that is the only spot that I can think about on the West side that could probably stand to have anything done but it is grass.

Mr. Glasser stated that is not the issue of grass because if you look at that grass it is 85% weed and a little bit of grass because there is no irrigation so it gets brown and withers and dies and then it comes to life somewhere around July and then goes dead around November again. Half a dozen trees we aren't asking for an orchard we are asking for half a dozen trees at incremental distances to give us a break and around that mailbox next to the tent which is absolutely devoid of any plants we are asking for half a dozen trees there too.

Mr. Searles stated they are not going to be paying for it. Maybe you and I need to meet outside to go look at it because literally the only area I can think of that could possibly take landscaping where it is just not complete and a total waste of money is that area you're talking about.

Mr. Glasser stated I will be very happy to meet with you and discuss it.

A resident stated for a long time the members have been told the reasons why we are not going to activate our horse stables is because we cannot cut trails from the horse stables out to

the preserve area because there is an endangered species in that area. Can someone tell me what that endangered species is?

Mr. Pawlikowski stated sand skink and gopher tortoises but the big one is sand skink.

Mr. Boyd stated they normally stay right under the surface but sometimes you can see where their tracks are.

A resident asked is anybody tracking, will this be for other endangered species? At some point will we be able to move the stuff that is stored in our horse stables out and put horses in there and cut trails?

Mr. Burman stated I don't know if it is a short term or long term issue with sand skinks.

Mr. Pawlikowski stated it is a permanent issue because what has happened is that as part of getting the permits from Fish & Game to develop the property the conservation easement we talked about earlier that covers the property go into perpetuity.

Mr. Burman stated the sand skink is a federal issue and probably the people who are in charge of this program couldn't identify them. It seems like every four months they change personnel. Unfortunately it is in the regulations and it is an endangered species so we have to jump through the hoops to protect it. It is not right but while we have this mindset of protecting salamanders and water moccasins and everything else we are bound by federal regulations.

A resident asked is it fair to say that this condition existed long, long ago and for whatever reason it was overlooked in the zeal to develop the property and to have this vision of a equestrian adventure it was unfortunately overlooked?

Mr. Little stated I don't know if that is true. I can't speak for the development of the property but I will say that it is possible that at the time they were envisioning the layout of the property they didn't know there was going to be a condition in that conservation easement that said oh by the way you can't cut trails through here.

A resident stated I don't know that they would go forward with a plan like that unless they felt fairly confident that they were able to negotiate the problem or the problem wasn't there at the time or what have you. If it is real it sounds like something that is going to be there from now until doomsday.

Mr. Glasser asked can I ask that this information gets published so people become aware of it and the matter then doesn't raise its ugly head?

A resident stated it is certainly included in the minutes. I have lived here for five years now and could never quite understand what the endangered species was. Now I know it is a lizard and possibly others. That takes me back to the horse stables. Are we going to maintain the horse stables and put trash in it and use it for storage or whatever and then the homeowners continue to pay for that when really ultimately you are not going to be able to use it. It seems to me that it is something that we need to be discussing in these meetings maybe not at this meeting but at a future meeting.

I have another thing I would like to ask and that is amenities that we have in Reunion that we pay CDD dues for and I'm told that the pizza delivery girl can come and use them anybody in the world can come in and use our amenities. In Celebration and we lived there for just one year we had a key where you could enter into pool areas and I was wondering if the Board has considered installing those to some of our amenities so that we can allow the amenities to be used almost exclusively by the people who pay for them?

Mr. Little stated there are a couple issues there. My firm is also District Counsel for Celebration and I don't go to those meetings I'm not familiar with it entirely but I'm almost certain that the District does not own any of the pools there. Those are POA or CROA. They are not subject to the same type of regulations and restrictions that the CDD owned property is because it is privately owned whereas amenity facilities that are owned by the District are technically public, they were built with public money since we are a governmental entity. That being said if eventually it becomes enough of an issue that you were having an onslaught or were being invaded by outsiders the statutes and regulations allow us to charge a user fee so that someone who doesn't pay assessments like you do should fairly be charged some type of fee to use the facilities. Sometimes going through that process actually draws more attention it almost serves as an invitation for people to come in. We can't stop anyone from coming in now that is obvious they are public facilities. We can't keep anyone from using our roads or other public amenities but if it becomes enough of an issue we can go through a pretty detailed process to set up a rate structure to charge people for those amenities. We would have an annual user fee or something and they can join and pay an annual user fee.

Mr. Flint stated it is an annual fee and it puts them on parity with someone who lives here as far as the financial burden they would have to pay to be able to use the facilities. There is not necessarily an administration associated with doing that unless you had an onslaught of people

who wanted to pay the fee. If we did something like that you could end up having the key fob or the swipe card process in place and that wouldn't be a problem. There is an administrative fee with doing that part of it. Setting up the non-resident user fee would be a precursor to putting any sort of access card or that sort of thing on the facilities. It is doable and we have done it in a lot of other communities. It is just not something you want to do unless you really get to the point where it is not just rumor it is actually something that is actually going on.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor the meeting adjourned at 3:47 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman