

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 10, 2011 at 2:30 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
Alan Scheerer	Operations Manager
Several Residents	

**Attorney-Client Session**

**1. Roll Call**

The meeting was called to order at 2:00 p.m.

**2. Attorney-Client Session**

Attorney/client session took place and a court reporter took minutes of this attorney/client session

**3. Adjournment**

The attorney/client session was adjourned and the regular business meeting was reconvened.

**Board of Supervisors Meeting**

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the reconvened meeting to order. The Board just had an attorney/client session and the Board is reconvening.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the October 13, 2011 Meeting**

Mr. Flint stated the next item is approval of the minutes of the October 13, 2011 meeting. Are there any additions, deletions or corrections to the minutes?

There not being any,

On MOTION by Mr. Pawlikowski seconded by Mr. Owen with all in favor the minutes of the October 13, 2011 meeting were approved as presented.

**THIRD ORDER OF BUSINESS**

**Consideration of Default Expenditure Requisitions**

Mr. Flint stated the next item is consideration of default expenditure requisitions. We have requisition 83 for Latham Shuker for \$174.80, requisition 84 for Latham Shuker in the amount of \$686.60 and requisition 85 in the amount of \$686.60. These requisitions will be submitted to the trustee for payment out of the bond funds as part of the foreclosure action.

On MOTION by Mr. Pawlikowski seconded by Mr. Beekman with all in favor requisitions 83, 84 and 85 were approved.

**FOURTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

**i. Status of Pending Foreclosure Actions**

Mr. Little stated just to update you on the foreclosure matters obviously for the public's benefit we just had a closed session to discuss the ongoing litigation between the District and Fourth Quarter Properties, the two Fourth Quarter entities owning property in Reunion West and as I stated at the last meeting and the reason for this closed session today was because the parties are involved in settlement negotiations. Those are still ongoing but it appears this will be settling sometime in the relatively near future at least that is what we are all hopeful of. I will keep you updated on that as things transpire.

With respect to the Ginn Reunion Borrower suits I told you at the last meeting that we had been served with a request for production. We responded to that in due course and also are working on setting a time with their counsel to provide District records at a mutually agreeable time and place so they can actually inspect the records rather than us trying to make copies and provide them with quite a few documents. The request was rather broad and we objected to it in some respects because of the broad and maybe over burdensome nature of some of the document request but the District does maintain public records as you know so what we are planning on doing is just having them come to George's office once my office has removed any attorney/client privileged documents from the public records they will be free to peruse the records at their leisure and make copies of anything they want. They actually asked for just about everything since the inception of the District. We are going to let them go through the records as they see fit. That is where we are on that we are working on a date to get that set up for their inspection of the records then we will see if they decide to request any depositions of any Board members or other parties involved in the District. If they do not then we will continue down the track of trying to file a motion for summary judgment. We are still in the discovery phase of that litigation and it could go on for quite some time depending on how much discovery Ginn Reunion Borrower's counsel decides to initiate or pursue and we will have to do our best to respond and eventually if they do not continue to ask for more discovery and don't set any depositions we will request a case management conference with the judge to try to set some deadlines for closing discovery and moving towards setting a trial and that usually spurs the process on. It is not an infinite amount of time but it could be quite some time before discovery is wrapped up and we are hopeful that if it starts to drag then we will probably move to put some deadlines in place through a case management conference and try to encourage the parties to move this along as quickly as possible.

Mr. Pawlikowski asked can you put a date as to when you think the discovery process might become over burdensome?

Mr. Little responded if we can agree on a date in the next three weeks that they will come to George's office to go through all the records once we have had a chance to ensure there is nothing of a sensitive nature in there that is attorney/client privilege or relates to ongoing litigation it really then depends on whether or not opposing counsel wants to set depositions of any individuals. If he doesn't and they have a month or two to review all their discovery

production, documents they pulled from George's records and nothing transpires at that point we would request to have the court set a deadline to close the discovery process. It is somewhat driven by how intensive opposing counsel wants the discovery process to be but if it just languishes indefinitely then we can actually request the court draw that to a close.

Mr. Greenstein asked can you clarify for us and for the record what the impact of the settlement is going to be procedurally? What does the settlement do for the CDD relative to the Fourth Quarter Properties suit so people don't misinterpret it as meaning it is going to yield immediate monetary results?

Mr. Little stated I hesitate to even open that can of worms and start discussing what potential ramifications of a potential settlement might be because I don't want to prejudice the ongoing negotiations and any terms that may change between now and when that is finalized. I'm not in charge of those negotiations they could change abruptly from what I know them to be today so I hate to put any representations on the record as to what circumstances might arise from that settlement.

Mr. Greenstein stated then I will make a statement and you tell me if it is correct or not.

Mr. Little stated I can't do that.

Mr. Greenstein stated at the last meeting and it is in the minutes I asked the question was the settlement just allows the CDD to pursue the foreclosure action without interference against Fourth Quarter Properties, we would not anticipate any other direct effect.

Mr. Little stated currently Wells Fargo is a defendant in the foreclosure action, if they withdrew from that foreclosure action that is beneficial for the District. That is a general statement that I can easily say will be beneficial to the District if a defendant withdrew their defense to a foreclosure action.

Mr. Greenstein stated litigation would continue against Fourth Quarter Properties.

Mr. Little stated correct.

Mr. Flint stated any approval of a settlement agreement will be made in a public meeting so at this point as a result of the attorney/client meeting the Board is not in a position to actually approve and have that agreement to become public but once from a legal perspective they are ready then that will be something they vote on in a public meeting and the terms of that agreement will become public at that point. We are hoping that will be fairly soon.

**B. Engineer**

There not being any, the next item followed.

**C. Manager****i. CDD Action Items**

Mr. Flint stated we have the streetlights for Grand Traverse Parkway and in a prior Board meeting Alan presented two different options to the Board for that street lighting and I volunteered to approach the trustee and bondholders to see if they would pay the upfront capital cost of that. I have spoken with Trustee's Counsel and provided them with the proposal and also a map indicating the general vicinity of where the lights are proposed to be. He was optimistic that they would be able to fund that, however, he has not gotten an answer back from the bondholders themselves. It looks positive that they will be able to assist in the funding of that approximate \$33,000 upfront capital cost. Those additional 15 streetlights would become part of the streetlight lease payments that the District pays ongoing but that upfront capital cost we are hoping they will be funding out of the previous construction money that was available. I will let you know how that progresses but it looks hopeful but I don't have a final answer at this point.

**ii. Approval of Check Register**

Mr. Flint stated next is approval of the check register for the General Fund checks 574 through 580 in the amount \$19,293.05 and payroll in the amount of \$943.50. The detailed register is behind the summary. If there are any questions I will try to answer them and 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.
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**iii. Balance Sheet and Income Statement**

Mr. Flint stated you also have the unaudited financial statements through September 30, 2011. There is no action required by the Board on these but if you have any questions I will try to answer them.

**iv. Status of Direct Bill Assessments**

Mr. Flint stated we provided a status of the direct assessment collections, which have not changed. This is for the current fiscal year and you can see that Ginn Reunion Borrower and Fourth Quarter have not paid the amount that was due on November 1.

**FIFTH ORDER OF BUSINESS**

**Other Business**

There not being any, the next item followed.

**SIXTH ORDER OF BUSINESS**

**Supervisors Requests**

There not being any, the next item followed.

**SEVENTH ORDER OF BUSINESS**

**Audience Comments**

Mr. Glasser stated thank you for pursuing the issue of Grand Traverse streetlights. I'm pleased to know there is a possible positive result coming our way.

I want to refer to the document, special assessment receipts, and the questions are the same for East and West. The discounts and penalties I assume that this is related to people who pay their accounts on time.

Mr. Flint responded the discounts and penalties shows the gross assessment and then it shows if someone pays their tax bill in November they get a 4% discount, if they pay it in December they get a 3% discount, if they pay it in January they get a 2% discount and if they pay it in February they get a 1% discount. That gets netted out of what gets remitted back to the District so it would show up in that discount. There is really not a penalty it is more of a discount. Commissions paid is also netted out of what gets remitted back to the District, the tax collector and property appraiser charge a fee for collecting it on the tax bill. You take the gross and take out the discounts and the commissions paid to the county and the net is what we end up receiving then that is allocated between debt and O&M.

Mr. Glasser asked on the commissions is that a statutory figure that they charge or is that a figure that can be negotiated?

Mr. Flint responded there is authority in the statutes but there is also an agreement that the District enters into. Different counties operate differently, some require that agreement to be approved annually, some get approved and roll over each year but in the agreements both the property appraiser and tax collector specify what we are to pay them. The statutes give them

authority up to a certain dollar amount to charge us. In order for us to use the tax bill the Board has to enter into that agreement with them. This is under what their statutory authority is but it is pursuant to that agreement.

Mr. Little stated I have districts in other counties where both the tax collector and the property appraiser charge 2% and it is actually 4% in those districts.

Mr. Flint stated then you have to gross up by 8% instead of 6%.

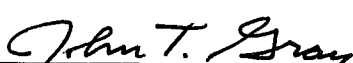
Mr. Little stated as George mentioned allowing the District's assessments to be placed on the tax bill is obviously a huge benefit for the District because of the collection authority of the county to use the tax certificate process to hopefully collect assessments and get the District paid even if the owner is delinquent they have the authority to sell a tax certificate. Whereas our only recourse if we direct bill would be to enter a foreclosure just like we have done with Fourth Quarter and Ginn Reunion Borrower.

Mr. Flint stated we have the cost of sending out the notices and the collection rate as you can see by the experience any HOA is having with their collection rate on direct bill versus our ability to place it on the tax bill.

Mr. Little stated the documents related to the issuance of the bonds require the District to place platted lots on the tax roll as soon as possible and to collect using the uniform method rather than through the direct bill method. It is a requirement of the District.

On MOTION by Mr. Pawlikowski seconded by Mr. Burman with all in favor the meeting adjourned at 2:47 p.m.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman