MINUTES OF MEETING
RIVER HALL
COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the River Hall Community Development District held a Regular Meeting on November 7, 2019, at 3:30 p.m., at the River Hall Town Hall Center, 3089 River Hall Parkway, Alva, Florida 33920.

Present were:

Joseph E. Metcalfe III	Chair
Ken Mitchell	Vice Chair
Paul D. Asfour	Assistant Secretary
Michael Morash	Assistant Secretary
Robert Stark	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Craig Wrathell	President & Partner
Cleo Adams	Assistant Regional Manager
Jason Olson	Assistant Regional Manager
Dan Cox	District Counsel
Charlie Krebs	District Engineer
Carl Barraco	Barraco & Associates
Donna Feldman	Counsel for GreenPointe Holdings
Chris Dowaliby	Fire Chief
Roger Thornberry	Resident
Joe Lundquist	Resident
Joe Dominic	Resident

FIRST ORDER OF BUSINESS **Call to Order/Roll Call**

Mr. Adams called the meeting to order at 3:30 p.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS **Public Comments (3 minutes per speaker)**

Mr. Roger Thornberry, a resident, asked if the District Manager and District Counsel had a contractual agreement with GreenPointe Holdings (GreenPointe) and would receive funds if the District proceeded with the bond issue proposal. If so, he voiced his opinion that any further action should be suspended until independent, outside counsel could be obtained, as he felt that it was a conflict of interest. Mr. Cox sated he had no arrangement with GreenPointe. Mr. Adams stated Management had no arrangement with GreenPointe but Management would receive fees for this type of issuance, as outlined within the agreement with the District.

Mr. Asfour stated Mr. Thornberry's question needed clarification in that he was asking whether Management and District Counsel would be compensated if the District proceeded with this bond issue. In the event of a bond issue, the agreement stated, Management would be paid $25,000; unaware if Mr. Cox would receive compensation, Mr. Asfour read from Mr. Cox's email response, as follows:

> "My fee for issue as Counsel Opinion is $10,000 plus .05% of all amounts over $1 million. This if the formula used by U.S.D.A. Rural Development for Calculation of Issuer's Counsel Fees for Bonds they insure."

Mr. Asfour surmised that District Counsel would receive $55,000 on a $10 million bond issue, comprised of $10,000 for the first $1 million plus .05% of $9 million and the payments would come from the bond proceeds, if bonds are issued. He felt that there was a conflict of interest. Mr. Cox stated that his services were to provide a legal opinion, not the pros and cons of whether to issue bonds. Each bond has an Issuer's Counsel, who reviews the documents, on the District's behalf, and writes an opinion letter; those fees are based on formulas; the USDA Rural Development formula was used to calculate that fee, which was considered reasonable.

Mr. Thornberry asked how the Board could expect District Counsel and District Management to provide impartial advice about whether this bond would be beneficial to the residents paying the bonds if they have a monetary incentive to proceed with the issuance. Regarding his advice to the Board, Mr. Cox stated his advice was that what the Board was doing was making a legislative decision, which the Courts review on the basis of whether the decision is rational and whether it is fair and reasonable and whether it is justified. The Board has great latitude in reaching a decision, as long as it has a rational basis for it, and that it is not arbitrary or capricious. It is a subjective, legal standing and the lowest level of scrutiny that judges apply when reviewing actions by a governmental entity.

Mr. Asfour recalled objecting to Mr. Cox's advice at the last meeting and that he asked the Board to obtain a second opinion when told it would be considered arbitrary and capricious if the Board speculated on several factors, such as the possibility of the economy taking a downturn, the reputation of the Developer, etc., in their decision making process. Mr. Cox explained that speculation is based on information not in the record. Mr. Asfour stated he would place it in the record.

Relative to his fee if the bond is issued, Mr. Cox explained the services he provides, which is to confirm to the bond purchaser that the bond is valid; the same as Bond Counsel's

opinion would confirm that all tax laws were followed. Mr. Asfour stated the issue was not the fee. Mr. Cox stated the Board was questioning whether his fee was influencing his advice to the Board, which he found offensive. He stated that, in the last twenty-one years, he has never been told he was acting contrary to his responsibility to his clients. Mr. Asfour expressed his opinion that, being a new board from when they were hired, District Management and District Counsel should have disclosed this information up front rather than having to be asked, regardless of whether that information was included in their engagement letters.

Mr. Craig Wrathell, President and Partner of Wrathell, Hunt and Associates, LLC (WHA), stated District Management has and always would be open and honest and never try to hide any information. The information was included in WHA's original agreement and was presented when hired through the formal Request for Proposals (RFP) process four years ago. He intentionally attended the last meeting, in person, to make certain the Board understood, in detail, the Assessment Methodology Report covering the payoff of the A2 bonds, capitalized interest and debt service reserves, instead of delegating it to someone else. He attended other meetings with the Chair to go over and answer questions. From WHA's perspective, these fees are below market compared to the fees WHA normally receives in bond deals.

Mr. Stark voiced his opinion that these discussions were more about credibility and openness, instead of the value of the fee. He recalled the incident last year where District Management diligently worked about five to six months on the withdrawal of the development area to form a new CDD but never told the Board. He felt that it was a conflict when District Management was working to withdraw lands under this Board's governance without notifying the Board, which he felt was a credibility issue. Mr. Wrathell stated Management played an observer's role and that the Developer's Counsel took the lead with regard to withdrawing property from the District. Mr. Asfour stated District Management wrote a Report and contended that District Management was not just a bystander and, when told the land was within the District's boundaries, Mr. Adams' response was that it was not but it was and Mr. Adams told him he did not think it was important to mention that he was working with GreenPointe on the formation of the CDD. Everyone but the Board knew someone was working on behalf of GreenPointe, which should have been full disclosure. Regarding Mr. Wrathell meeting with the Chair to discuss the questions a few Board Members submitted to Landowner's Counsel, he read Mr. Metcalfe's email, as follows:

"In your Board package the Section titled Questions and Concerns for CDD 2019 Bonds was submitted to Chuck Adams by me as an attachment to an email. Chuck and others found them of sufficient interest to ask me to sit down and discuss these prior to the meeting, to not only answer said questions but also answer any additional questions I might have after hearing the answers. I agreed to sit down with the understanding that the questions would be sent to you in the package for your review prior to the meeting and open for you to pursue answers at the meeting. On Wednesday October 30th I met with Chuck Adams, Craig Wrathell, Dan Cox by phone, Carl Barraco and Donna Feldman, Counsel for the Landowner. I found the meeting to be educational for me and also a forum to express my dissatisfaction with the past board meeting. Based on the letter by Feldman in our Board package I would have to say she heard my concerns and has dramatically changed their proposal. I agreed to this meeting to help move this bond issue forward and not to try to gain some advantage position within the Board."

Mr. Asfour believed Staff should have urged Mr. Metcalfe not to meet independently and to have questions addressed at the meeting with all Board Members in attendance.

Mr. Stark asked to reposition agenda items to avoid deferring items and to suspend public comments until Fire Chief Dowaliby makes his presentation.

On MOTION by Mr. Stark and seconded by Mr. Asfour, with all in favor, addressing the Seventh, Eighth, Ninth and Tenth Orders of Business, between the Third and Fourth Orders of Business, was approved.

Mr. Joe Lundquist, a resident, objected to suspending public comments as he was leaving soon. He concurred with Mr. Asfour's opinion that Mr. Metcalf should not have held a meeting without the rest of the Board present.

THIRD ORDER OF BUSINESS **Presentation: Activities Surrounding Manning and Construction of New Fire House and the River Hall Community *[Fire Chief Chris Dowaliby, Fort Myers Shores Fire Department]***

Fire Chief Chris Dowaliby, of the Fort Myers Shores Fire Department, distributed his business card and invited anyone with concerns or questions about the Fire Department to visit him at the fire house. He detailed his extensive experience and knowledge of the community, historical data about the community, including its existing facilities, services and future construction projects in the surrounding area that would increase the population by 2025. He discussed millage, fund reserves, having no debt service, and the funding needed to warrant constructing a new fire house, which would require additional staff, and the ability to run a paramedic service to provide various levels of services that do not currently exist. Construction of a new station was on hold until there are sufficient funds to keep it staffed and running.

Mr. Joe Dominic, a resident, asked Chief Dowaliby's opinion of whether the fire station, with its present services, can cover the community safely and efficiently with all the new construction or if the River Hall community is unsafe. Chief Dowaliby stated that, through the automatic mutual aid host initiative, engines from Tyson or Alva would respond, if the entire Fort Myers Shores fire station was out on calls and unable to respond. River Hall is outside the five minute response window, which was why they requested another station in 2004.

Discussion ensued regarding whether the County should assess the Developer for each lot to raise sufficient funds to construct the facility, impact fees, whether the new bridge being constructed out of Hampton Lakes might be included as part of the automatic mutual aid protocol and whether a millage increase would allow the County to build, equip and man a new station. Chief Dowaliby would give a PowerPoint presentation at the next meeting.

This item was deferred to the next meeting.

On MOTION by Mr. Stark and seconded by Mr. Asfour, with all in favor, amending the prior motion to address the Seventh, Eighth, Ninth and Tenth Orders of Business, between the Third and Fourth Orders of Business to include the Sixth Order of Business, was approved.

- **Consideration of Resolution 2020-04, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; and Providing for an Effective Date**

  This item, previously the Sixth Order of Business, was presented out of order.

Mr. Adams presented Resolution 2020-04. The budget amendment was necessary to prevent a finding in the audit.

On MOTION by Mr. Morash and seconded by Mr. Mitchell, with all in favor, Resolution 2020-04, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; and Providing for an Effective Date, was adopted.

- **Update: Perimeter Access Control Initiatives**

  This item, previously the Seventh Order of Business, was presented out of order.

  - **Consideration of Morrison Equipment Quote**

  Mrs. Adams presented the Morrison Equipment proposal for an industrial gate.

  Mr. Morash suggested changing the location of the proposed gate to the corner of the Portico property and the actual boundary of Hampton Lakes, which would not require the purchase of a barrier fence. Mr. Krebs stated he was waiting for a second proposal from MAJ and agreed with the location change. This expense was approved and would be booked to the construction fund to prevent deferring this to the next meeting.

On MOTION by Mr. Morash and seconded by Mr. Mitchell, with all in favor, relocating the gate to the corner of the Portico property and actual boundary of Hampton Lakes, rather than the original location, was approved.

On MOTION by Mr. Morash and seconded by Mr. Mitchell, with all in favor, authorizing District Staff to award the contract to the lowest bidder, for the installation of an industrial gate, in a not-to-exceed amount of $20,430, was approved.

- **Update: SR 80 Waterline Drainage Issue**

  This item, previously the Eighth Order of Business, was presented out of order.

  There was no update.

- **Acceptance of Unaudited Financial Statements as of September 30, 2019**

  This item, previously the Ninth Order of Business, was presented out of order.

  Mr. Adams presented the Unaudited Financial Statements as of September 30, 2019. The financials were accepted.

- **Approval of October 3, 2019 Regular Meeting Minutes**

  This item, previously the Tenth Order of Business, was presented out of order.

Mr. Adams presented the October 3, 2019 Regular Meeting Minutes. The following changes were made:

Line 218: Change "its rights" to "the bond proposal"

Line 275: Delete "Supervisor Mitchell would attend via telephone."

Mr. Mitchell stated that he was having difficulty hearing the meeting via telephone; as a result, a high-tech speaker system that works with cell phones would be purchased.

On MOTION by Mr. Morash and seconded by Mr. Mitchell, with all in favor, the October 3, 2019 Regular Meeting Minutes, as amended, were approved.

- **Public Comments Continued Resumed (3 minutes per speaker)**

There being no further public comments, the next item followed.

FOURTH ORDER OF BUSINESS **Presentation: RH Venture Revised Request to Issue Bonds**

Ms. Donna Feldman, of GreenPointe, presented the memorandum reflecting the modified request of RH Venture II, LLC and RH Venture III, LLC (collectively, RH Venture) to petition the CDD Board to issue bonds to finance infrastructure on the lands that they own. The memorandum addresses the Supervisors' comments and questions from the last meeting. She highlighted the following regarding the request for a bond issuance:

- Requests issuing bonds on 332, 50' lots, referred to as Assessment Area 3, anticipated as the next phase of Hampton Lakes in the site plan currently being reviewed by the County.
- Parcel C, Parcel Z and the commercial property were eliminated from the original request. Assessment Area 4, future lands east of the 332 lots, would not be created at this time.

Ms. Feldman stated that the Assessment Methodology Report would be comprised of a single assessment, instead of multi-layered, and the Bond Purchase Contract, Supplemental Bond Trust Indenture and Preliminary Limited Offering Memorandum (PLOM) would be presented in December but provided for review prior to the next meeting.

FIFTH ORDER OF BUSINESS **Review and Discussion of Bond Related Questions Submitted by Board Members Following Prior Meeting**

Ms. Feldman highlighted details about the proposed bonds in response to the questions raised at the last meeting and in written comments received from Board Members:

- Capitalized Interest/Reserve Fund Accounts: Both are required. The term of capitalized interest account would be one year. The reserve account would be used only in cases of delinquency. The Bond Underwriter and the bond purchasers would negotiate the terms and determine the amounts required for each account.
- Completion and Funding Agreement: An existing Agreement prepared by Mr. Cox was used as a sample of the type of agreement that would be entered into with this bond issuance; it allows utilizing some of the existing construction account funds to complete improvements.
- A simplified supplemental Engineer's Report describing the new bond issuance would be presented, at the next meeting, along with the other documents.

Mr. Asfour read the 4th line sentence, of Section 3C, on Page 3 of the Infrastructure Improvements Funding, Construction and Acquisition Agreement. Ms. Feldman confirmed that, if the money does not finish the project, the District would not be obligated to fund the project; rather, the Landowner would fund completion of the new project.

- Concerns over the enforceability of the Agreement. The bankruptcy court discharged the 2005 Completion and Funding Agreement when RH Venture elected not to assume it when, through a bidding process, it entered into the 2010 Purchase Agreement for the remainder of River Hall project. The Agreements are enforceable and bind the party who enters into them. If sold, the buyer would assume the obligation or the owner would still be responsible; the only exception to this would be bankruptcy.
- True-up Agreement: The Landowner would pay the District the difference between platted, developed, sold lots and undeveloped lots.
- Collateral Assignment: This document was initiated after the recession, as a failsafe, whereby, the Developer assigns as collateral to the District all the permits, plans and approvals associated with the project for which the bonds were issued. If, by chance, the District forecloses on its Operations & Maintenance (O&M) lien or the bondholders direct the District to foreclose on the Principal and Interest (P&I) lien, another entity can come in and finish the development because they have the body of permit rights associated with the bonds.

Mr. Morash asked if residents would be affected if the Developer stopped paying the P&I on the bonds. Ms. Feldman replied no, they are not responsible for those P&I payments, nor would they lose their property. The lien securing the P&I assessments is only on the 332

lots owned by the Landowner. If the P&I were not paid, first the reserves would be used to make the payments and, once exhausted, the next direction is stated in the Trust Indenture.

THE FOLOWING SECTION WAS TRANSCRIBED VERBATIM AT MR. ASFOUR'S REQUEST

Mr. Asfour: I got a question about what Mike just brought up and I think to extend that a little further, if there was a bankruptcy, if there was a problem me saying that the residents would not have to pay anything, the Board would not have to pay anything, but I think what is being overlooked is that during the recession, that CDDs were in financial straits and the residents did suffer as a result of that because O&M was not paid, etc., so they were not able to get the services. So to say that you are not going to be affected, I think is not quite accurate, if something happens, because it has happened in the past. That is what happened with CDDs; it is well documented. I believe Chuck and Dan have represented CDDs that have had problems with that so, to clarify, as far as directly, can they come after us to get the bond payments, no, but indirectly could we suffer because we are not getting the services as a result of the bankruptcy, the answer is yes. But let me go ahead, you brought something up that was interesting and I was trying to find this document and I could not. I am looking at the contract for sale that you reference and it says here "CDD developer obligations" and I read this into the record last month:

> "Buyer acknowledges the Sellers in its capacity as Developer entered into those certain agreements and commitments identified as Exhibit F, attached hereto pertaining to the establishment, operation of the CDD and the issuance of the CDD bonds, collectively the CDD Developer Agreements. At closing Seller shall assume and then assign the buyer and buyer shall assume from Sellers those CDD Developer Agreements which are included in the assumed obligations. Such assignment and assumption shall be included in one or more of the assignment and Assumption Agreements."

Now of course that Appendix F lists the Completion Agreement and what you are telling me is that the CDD Developer Obligations, which is in the contract, what you are saying is that at a later time the purchaser decided not to abide by this is that the Assignment and Assumption Agreement you are referring to.

Ms. Feldman: No, I am referring to...I believe you are reviewing Section 3b or 7b.

Mr. Asfour: 7b.

Ms. Feldman: Correct, so the term assumed agreements, which is capitalized in that paragraph, I believe that is defined, I believe you need to go back to Section 3b in which that term is defined.

Mr. Asfour: Assumed obligation means what? Do you have it there? I do not have it fully.

Ms. Feldman: I do not have the agreement. I read it before I came here, at home. If you go back to Section 3b, it talks about a process whereby the buyer reviewed various agreements, including the CDD developer agreements, to determine what the buyer would assume and what the buyer decided it would assume became the capitalized assumed agreements or assumed obligations. That is the process.

Mr. Asfour: Why is this paragraph in here if it does not apply?

Ms. Feldman: It does apply. Let me say it again.

Mr. Asfour: Okay I will go back and read 3b to see what assumed obligations is.

Ms. Feldman: It says that…the paragraph you are reading says that the buyer will assume those CDD developer agreements, which are capital assumed agreements. Right?

Mr. Asfour: It does not say capitalized assumed, it says assumed obligations. It is not capitalized.

Mr. Adams: Did the statements not capitalize?

Mr. Asfour: Those CDD developer agreements, which are included in the assumed obligations, A is capitalized. O is capitalized but not the entire thing.

Ms. Feldman: Correct, assume obligations is the term. That term is defined in Section 3b.

Mr. Asfour: 3b, okay, I will look that up but, again, this seems like it would conflict with that particular section but I will read it again, just to make sure I understand it.

Ms. Feldman: Okay.

Mr. Asfour: I will address this again at bit later.

SUMMARY TRANSCRIPTION RESUMED

A Board Member asked Ms. Feldman to clarify where the funds would come from if there was a failure and the CDD was the full bondholder.

Ms. Feldman gave an overview of the Bond Indenture, which states that, if the bondholder is causing the foreclosure, the Trustee would use the trust accounts to pay the P&I assessments. The CDD would not be required to come up with the funds or pursue the

assessments on behalf of the bondholders. The bondholder, District Counsel, Bond Counsel and Trustee Counsel would determine the best course of action of whether to foreclose or not.

Mr. Wrathell stated the debt service reserve was created for the purposes of missed payments on the bonds and, as a result of the recession, the bondholders, knowing they would have to pay for the foreclosure, kept a large amount of funds in the accounts instead of depleting the accounts to make payments, which was typical.

Mr. Asfour asked, if the assumed obligations were to complete the infrastructure, who was going to complete the infrastructure, if it was not going to be Ms. Feldman's client. Ms. Feldman stated the Completion Agreement was not an assumed obligation. Mr. Asfour contended that, if Ms. Feldman's client was not assuming the Completion Agreement, then it means they are not going to complete the infrastructure. Ms. Feldman stated that the original infrastructure was not going up, the buyer restructured the bonds and any connection with the restructuring then entered into a new agreement and prepared the path to do what they are doing right now. There is no new Infrastructure Agreement but the plan was to restructure the bonds, which was completed in 2011, wait for the market to come back, sell out the lots sitting on the books that are already platted and developed before doing anymore work and then get ready to start developing again. Once they were ready to commence development they would enter into a new Infrastructure Agreement. With this bond issuance, another Infrastructure Agreement would be entered into. Mr. Asfour read the last sentence of Paragraph 2 on Page 2 of the Infrastructure Improvements Funding Construction and Acquisition Agreement and voiced his opinion that, based on the verbiage, Ms. Feldman's client was not guaranteeing to finish any infrastructure. Ms. Feldman replied affirmatively and stated her client was not guaranteeing to complete the old infrastructure; however, in the new agreement, as to that infrastructure, her client would guarantee, as it is typical with a new bond issuance.

Mr. Asfour believed that, at the last meeting, Ms. Feldman stated they negotiated out of the Completion Agreement. Ms. Feldman stated, at the last meeting, she was trying to clarify that her client did not assume the old Infrastructure Agreement but entered into a new agreement to do some of the work that was set up long before her client was involved. They did not guarantee they would complete the work; rather, they said they would do the work as they go and request disbursements as the work is completed. When the new bonds are issued for a new community, her client would execute a new and separate Completion Agreement,

which states that, if there are not enough bond proceeds to complete that improvement project, her client would complete it and pay for it. The only thing that would prevent completion would be bankruptcy. She provided historical data about the project that commenced in 2004 and 2005 and continued through 2007 and identified who the original developers were, which included LandMar Group and its parent companies, Crescent Resources, which ultimately went bankrupt. She noted Mr. Ed Burr was involved with that entity but was removed from the entity and the project in 2007 when other investors, which she listed, came into Crescent Resources. In 2009, Crescent Resources put all their entities throughout the country into bankruptcy and choose to put a few projects, River Hall being one, on the bid block. In 2010, Mr. Burr, through the entity GreenPointe, bid on the project and purchased it through that entity. In 2011, RH Venture restructured the bonds so they were no longer in default. In 2011, the A1 bonds covered the resident lots and the A2 bonds covered the undeveloped land. RH Venture paid $8 million in P&I to keep these bonds current and $2.5 million in O&M expenses assessments have been paid and are current to date. In 2014, they recapitalized and brought in their current venture partner, all while selling the lots; whereby, all 50' lots in Hampton Lakes were now sold and ready to develop. The point of providing this history was to explain that the group who put this project into bankruptcy was no longer involved; the group now had nothing to do with the bankruptcy except to purchase this project and seek to salvage it. The bonds to be issued now are assigned to undeveloped lands and are not within any Homeowners Association (HOA). The Declaration of Covenants was initiated once the project started and the initial area was subject to it, which typically is the first area that is platted; however, any future areas may or may not be added to the Declaration.

Ms. Feldman provided the recorded Declaration of Covenants and the Exhibits for Hampton Lakes that are subject to the two HOA Declarations and nothing else. The initial Declaration described the lands, 294.72 acres for the Phase 1 Hampton Lakes plat, and the 2006 recorded Supplemental Declaration described the lands, 296.62 acres that adds the Phase 2 plat for Hampton Lakes. All documents were recorded and could be obtained online from the County Clerk's office. The River Hall Country Club was included in the Phase 1 plat. Once the 332 lots are platted and added to Hampton Lakes, another Supplement would be recorded with the County; beyond that, her client has no plans for east of that area and were not asking for bonds to be issued on that land. If and when they know, they would present a request.

Mr. Asfour recalled the District filed a claim in the bankruptcy court using the Completion Agreement between Hawk's Haven to demonstrate it was entitled to about $9 million in funds from the bankruptcy and Mr. Barraco also submitted to the court a list of incomplete infrastructure improvements at the time of the bankruptcy that justified why the District was entitled to the money. He believed that the draft Settlement documents he was provided stated GreenPointe was responsible for completing the infrastructure and contended that his documents differed from the court documents Mr. Cox had, which stated the settlement eliminated any obligation on the part of GreenPointe to complete the infrastructure. Mr. Asfour's position was for GreenPointe to finish the original infrastructure that was submitted to the bankruptcy court before requesting any additional bonds.

Mr. Asfour motioned to defer any bond issue request until the Landowner completes the uncompleted infrastructure, as detailed in the document prepared by the District Engineer and submitted to the Bankruptcy Court in 2014, as part of the claim the CDD had against the previous developer. Mr. Stark seconded the motion. Mr. Morash gave historical data about the District receiving funds from the bankruptcy and the Developer-controlled Board not awarding the contract to complete the improvements before it turned into a resident-controlled Board. He felt that, for the sake of the community and property values, they should consider getting the project completed. He did not agree with Mr. Asfour's approach.

A Board Member asked if there was a binding obligation for someone to complete the infrastructure in the future. Mr. Asfour replied no and stated the bond issue is debt on the CDD and wanted a commitment from the Landowner to finish what he believed they committed to in the Agreement, since, in his opinion, the Landowner does not need these funds to complete the infrastructure and was only requesting it as a business decision.

A Board Member wanted to obtain a second opinion since Mr. Asfour and Mr. Cox had bankruptcy documents with different verbiage, he. Mr. Cox asked if he wanted a first opinion before pursuing a second. The Board Member stated he was asking for independent counsel.

Mr. Asfour reread his motion and withdrew it.

Mr. Mitchell motioned to pursue a second opinion on the 2014 bankruptcy court filings.

A Board Member stated he heard there was nothing in writing about what occurred in court or the $2 million. Mr. Cox stated there was a lot of documentation in the file but those hearings are not typically transcribed. They could not to change the document filed in court.

Mr. Mitchell withdrew his motion.

Mr. Asfour reinstated his earlier motion. The motion died due to lack of a second.

Mr. Wrathell asked the Board to clearly articulate the areas of concern and provide direction so the Methodology Report can be prepared correctly. Mr. Metcalfe listed items he wanted addressed, such as that there is no indication that the District is paying off existing bonds; there was no wording in the Bond Authorization implying that the CDD is responsible for the bonds and to have the Engineer's Report address the details of the road exit to ensure the District is not creating a trespass problem. Mr. Cox stated the District is obligated to consent to what special assessments they are trying to collect.

Mr. Metcalfe asked Mr. Barraco to revise items in Attachment B1, requesting that security is provided for the whole community, which includes all the roads and canals and not just optional security of a gate for the bridge intersection at Hampton Lakes and to comment about the cost of constructing the bridge decreasing significantly and to provide the individual construction costs for each street to ensure funds are assigned and used for each project.

Mr. Barraco confirmed that a gate would be installed at the entrance and one beyond the gate to prevent motorcycles from accessing the area; the cost difference of the bridge was due to shoring up details with the Zoning Department and did not include the cost of a gate.

SIXTH ORDER OF BUSINESS **Consideration of Resolution 2020-04, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2018 and Ending September 30, 2019; and Providing for an Effective Date**

This item was presented following the Third Order of Business.

SEVENTH ORDER OF BUSINESS **Update: Perimeter Access Control Initiatives**

This item was presented following the Third Order of Business.

EIGHTH ORDER OF BUSINESS **Update: SR 80 Waterline Drainage Issue**

This item was presented following the Third Order of Business.

NINTH ORDER OF BUSINESS **Acceptance of Unaudited Financial Statements as of September 30, 2019**

This item was presented following the Third Order of Business.

TENTH ORDER OF BUSINESS **Approval of October 3, 2019 Regular Meeting Minutes**

This item was presented following the Third Order of Business.

ELEVENTH ORDER OF BUSINESS **Staff Reports**

A. District Counsel: *Daniel H. Cox, P.A.*

There being no report, the next item followed.

B. District Engineer: *Hole Montes*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

There being no report, the next item followed.

D. Operations Manager: *Wrathell, Hunt and Associates, LLC*

There being no report, the next item followed.

- **NEXT MEETING DATE: December 5, 2019 at 3:30 p.m.**
  - **QUORUM CHECK**

The next meeting would be held December 5, 2019 at 3:30 p.m.

TWELFTH ORDER OF BUSINESS **Public Comments: Non-Agenda Items *(3 minutes per speaker)***

There being no public comments, the next item followed.

THIRTEENTH ORDER OF BUSINESS **Supervisors' Comments/Requests**

There being no Supervisor's Comments/Request, the next item followed.

FOURTEENTH ORDER OF BUSINESS **Adjournment**

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Metcalfe and seconded by Mr. Morash, with all in favor, the meeting adjourned at 6:20 p.m.

Secretary/~~Assistant Secretary~~

Chair/~~Vice Chair~~