

Minutes of Meeting
Durbin Crossing
Community Development District

The regular meeting of the Board of Supervisors of the Durbin Crossing Community Development District was held Monday, February 22, 2016 at 6:00 p.m. at the Durbin South Amenity Center, 145 South Durbin Parkway, Jacksonville, Florida.

Present and constituting a quorum were:

Peter E. Pollicino	Chairman
Tim Brownlee	Vice Chairman
Sarah Gabel Hall	Supervisor
Jason Harrah	Supervisor
Leonard Rucker	Supervisor

Also present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Roy Deary	Vesta/Amenity Services Group
Stephen Howell	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group
Bill Kinsey	Down to Earth
Anthony Sharp	D.R. Horton

The following is a summary of the minutes and actions taken at the February 22, 2016 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

Mr. Pollicino led the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:00 p.m.

THIRD ORDER OF BUSINESS

Audience Comments

Mr. Jurkow stated I want to talk about the Tollerton signage that I think is a big mistake. When this community was designed it had certain features; the north side put up signs and the south side didn't have signs and Tollerton is part of the south side communities. If you put signs on Tollerton then there is nothing to stop other people in this community to ask for signs as well. If you open the floodgates it opens it to anyone else in the community. It is not a \$3,000 expenditure it is a much bigger expenditure over time and I strongly suggest you vote it down.

FOURTH ORDER OF BUSINESS

Discussion/Consideration of Boardwalk Installation to the Durbin North Amenity Center

This item deferred until later in the meeting.

FIFTH ORDER OF BUSINESS

Consideration of Partial Release of Easement and Indemnification Agreement

Mr. Eckert stated I passed out to the board a redline version of the partial release of easement and indemnification agreement and it is what I sent to you by email earlier today. I received some comments back from the resident and the resident's legal counsel on some changes they wanted to the agreement. I made those changes but also made some that I felt were necessary to still protect the district while at the same time addressing their concerns and I'm comfortable with this. When I sent this out to the resident last week I asked for them to get back to me with any comments or approval and I have not heard back from them.

Ms. Mendes stated I approve.

Mr. Eckert stated we now have approval from the resident to the last form of the document and I would be happy to answer any questions that the board may have.

Mr. Rucker stated this is where you want to put a pool in the easement and you modified it and we were assured it wouldn't cause any problems in terms of being able to access it with major equipment.

Mr. Harrah stated we will still have access to the pond. It is just the pool that will be edging up on the easement.

Mr. Eckert stated we will actually be releasing the portion of our easement where the pool is going. Enforcing our easement rights would mean removing the pool if we had to and I don't think that was the intent. The intent is to release that easement, the engineer says currently

we have other access to get to that pond and do what we need to do. The one thing I would caution the board is your ability to do that dwindles the more of these you approve.

Mr. Brownlee stated I don't have an issue with this one but are we setting a precedent? Are we opening the door for additional folks to come in and ask the same thing up and down every pond we have in the community? If we have a slope failure in that area and need to get in there and do work and there is a pool, we have taken our easement away, how do we handle that?

Mr. Eckert stated you would have to work around it to the extent you can. If you couldn't then you would be in a situation where it would be an eminent domain situation to fix something if you had to fix it. To answer your first question is from a legal standpoint you are giving up a property right therefore, my opinion is you are not setting any legal precedent that can be applied against the district because you are voluntarily giving up a property right and I don't think anybody else can compel you to voluntarily give up a property right in their particular situation. From a board policy standpoint that is your call and you can have a policy to address these on a case-by-case basis. My understanding is that this lot was fairly limited in size and there were not a lot in the same situation so I think you have the ability to distinguish.

Mr. Rucker stated this says improvements, which is the pool plus certain other things that are not noted here. Is there going to be a retaining wall built there?

Ms. Mendes stated a retaining wall doesn't need to be built but should there be a retaining wall we will stay within that boundary.

On MOTION by Mr. Brownlee seconded by Mr. Pollicino with all in favor the partial release of easement and indemnification agreement between the district and Marcus I. Mendes and Carolyn Mendes of 1715 Pennan Place, St. Johns, Florida for the construction of improvements was approved.

SIXTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the January 18, 2016 Meeting**
- B. Balance Sheet as of December 31, 2015 and Statement of Revenues and Expenses for the Period Ending December 31, 2015**
- C. Assessment Receipt Schedule**
- D. Impact Fee Summary Report**
- E. Check Register**

On MOTION by Mr. Pollicino seconded by Mr. Brownlee with all in favor the consent agenda items were approved.

SEVENTH ORDER OF BUSINESS

Discussion of Possible Pond Bank Settlement/Erosion and Remedy at Baxterly Court

Mr. Howell stated I looked at it and the problem is when they planted the trees and shrubs they put in that particular area two oak trees on the slope and over time the ground has settled it had dropped the level of the root base of the oak trees. It is not an occurrence of erosion it is just from the ground settling over time and people walking around the perimeter. There is no obvious washout or movement of earth into the pond. I met with the lake management people and he said it is not an erosion issue.

Mr. Brownlee asked whose tree is it? Did the homeowner plant that on the bank?

Mr. Howell stated it is outside their fence I don't know when the fence was put in.

Mr. Brownlee stated but the trees are on our property. Is it worth having George and his group look at it from the slope standpoint?

Mr. deNagy stated George did go out and look at it and there is an email from him. He didn't have a major concern about it.

EIGHTH ORDER OF BUSINESS

Consideration of Conveyance of Unit 4 Tracts U, V and W

Mr. Eckert stated there are three tracts at issue and what I passed out to the board before the meeting is a copy of the plat that depicts those tracts and I highlighted on the first page the fact that Tract W is a stormwater management facility, Tract U is an open space and signage tract and Tract V is a park. This is all part of the process of cleaning up the parcels that need to be transferred from the developer to the community development district when a community is getting built out as contemplated at the time of platting. You have the deeds in your agenda package and you would just need a motion to accept those deeds.

Mr. Brownlee asked is there any downside to this?

Mr. Eckert responded the only downside would be that we would have to start maintaining it if we are not already maintaining it through an easement that we had. These are

fairly small tracts but we do need to make sure that they get on our landscape contract if they are not there already.

On MOTION by Mr. Pollicino seconded by Ms. Hall with all in favor the conveyance of Unit 4 Tracts U, V and W was accepted.

NINTH ORDER OF BUSINESS

Consideration of 8th Supplemental Indenture Series 2005A Bonds

Mr. Eckert stated this is one of the cleanup items we have. As the board is aware there was a substantial amount of the debt service reserve fund that was used dealing with the GMAC Parcel and some forbearances on some commercial parcels. When we were going through that we reduced our reserve requirement with bondholders' down to \$500,000. It was probably close to \$3 million in terms of what we had in there at the time. At this point in time we have a reserve requirement of \$500,000, which we changed so that we wouldn't keep getting hit by the auditors each year in terms of finding we weren't complying with something that the bondholders were totally controlling and that we had no ability to control that. We have a requirement of \$500,000 we have about \$1.2 million in there then we have about \$91,000 in deferred costs that are left. The way the bond documents work is whatever is in there above what the requirement is would first go to pay deferred costs, which we know we have to pay, second would go to redeem bonds. It is not really in the district's best interests to pay off those bonds early and the second issue is the bondholders probably don't want performing bonds to be paid off early because they invested for the long term. We are trying to work with the trustee to have a fix to adjust that reserve requirement up to the amount that we have in the reserve account now minus the amount of deferred costs. When we had conversations with the trustee this week they said they were still reconciling the proceeds from the GMAC sale and making sure all of that went into the right accounts and after that they are going to get back to us and let us know what the balance is.

I think it is important to understand when we are talking about changing the reserve account balances those are funds right now the district could never touch, we can't use them to replace a roof, they are there to make sure that if the bondholders don't receive their bond payments there is a source of funds for them to tap into. The original source of that reserve was not the residents and not the developer, it was the bondholders. When they sold the bonds they put money into that account to account for the fact that they might not get paid someday. What

you have in front of you is the 8th Supplemental Trust Indenture that is just in draft form but it allows us to go ahead and raise that reserve requirement. It is to our benefit to raise that reserve requirement if there is enough money in there because whatever money is in there we could use towards the refinancing of our bonds in the future. We have been hampered in our efforts to refinance bonds by the GMAC Parcel and some other things and we are fighting our way through that so now we want to try to make sure we are maximizing what we can use for refunding the bonds later on when the time is right. Interest rates have dropped and we are now at the point in time where we can probably look at refinancing those but the more money we have in that reserve account the better off we are in refinancing.

In an abundance of caution because we don't meet again until the end of March I would like to ask the board to approve this in substantial form and give the chairman the authority to execute it if we need to by March 15th and the new reserve requirement will be whatever is in the reserve account minus the amount of deferred costs.

Mr. Brownlee asked are there any additional deferred costs that you know about that might be in excess of \$90,000?

Mr. Eckert responded no and we have declared the project complete, fixed the amount of deferred costs. We paid about \$65,000 in deferred costs already and there is about \$91,000 remaining.

On MOTION by Mr. Rucker seconded by Mr. Brownlee with all in favor the 8th Supplemental Trust Indenture for the Series 2005A Bonds was approved in substantial form and the chairman was authorized to execute if needed by March 15th.

FOURTH ORDER OF BUSINESS

Discussion/Consideration of Boardwalk Installation to the Durbin North Amenity Center

Mr. deNagy stated item four is discussion/consideration of boardwalk installation to the Durbin North Amenity Center.

Mr. Sharp stated some of the questions that were raised last time was the cost to build it and it will cost about \$100,000 and that cost is ours and the maintenance is 100% ours. I will work with the legal department to place an easement over the entire thing. The homeowners association will take care of that. There was a question about lighting. It will have lighting for

safety. There was a question about the cameras at the amenity center being able to see that area. I guess you could probably equate it to somebody who is coming across and playing tennis or in the field so ultimately you have to use a slide card to get into your facility.

The board discussed the following issues: access card control on both ends of the boardwalk that works with the present system, ADA compliance, improvements to playground at the North Amenity Center, scheduled litter cleanup, security cameras. Mr. Sharp will incorporate everything the board requested into a draft agreement that will be provided to the board and staff for the next meeting.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney – Consideration of Extension Letter from Dream Finders

Mr. Eckert stated this is not an unplanned request for an extension of their approval period. We went through some lengthy contract negotiations with them and one of the things they wanted was if they couldn't get their government approvals in the short amount of time that we originally requested they wanted the ability to extend that date. It extends that period of the contract from April 21st to October 19th. I think the board's position on this has always been if the government decides they don't want it there we are fine with that so giving them the extra time when we did the contract didn't seem like too much of a headache. I wanted to update the board that we received that document.

B. Engineer

There being none, the next item followed.

C. Manager

Mr. deNagy stated I want to remind the board that we do have money in our budget for a reserve study update. Our original reserve study was done by Dreux Isaac & Associates I will get a bid from them and if it is okay with the board I would like get at least one or two more bids to have the reserve study updated.

After discussion of having an update to the reserve study being done in-house or by an outside firm and the frequency of updates, it was the direction of the board to put the update of the reserve study in the fiscal year 2017 budget.

Discussion of Pond Bank Access – Willow Winds

Mr. deNagy stated as you are aware we had pond access issues for our lake maintenance provider for Ponds 3 and 24. We had easements to both of those ponds and pond 3 we are fine we have the easement access from the two residents we talked with there. On pond 24 we have access from one resident the other is questioning moving their fence so that the lake maintenance people can get their boat back there to treat the pond. The pond is rather big and they have been treating the pond by using a backpack and walking, which is a lot to do.

Mr. Harrah asked is their fence on CDD property?

Mr. Eckert stated no, pond 24 has one access point that is a dedicated drainage and access easement on the plat and that is not adjacent to this landowner that we are talking about but in that easement there is also what looks like a communications box and the vendor we have for lake maintenance has said that is a significantly longer run for them to get to the pond and not as good of access. The other access the district has is actually through the easements that are established in the Durbin Crossing HOA covenants and the district has the ability to use the easement between those two lots to access the pond bank. In fact the easements created by the covenants came about four years before the plat.

District staff has been trying to talk to the resident there and let her know that we do have an easement right to use it and we would really like her to move her fence 7 ½ feet over. That resident has been resistant to that and I don't know if she is here today but she asked me to relay her concerns. One, she thought it was not reasonable for the district to want to use access through her property versus using the easement that was on the plat for another lot. Two, the front of the yard has the fence and there is one fence going back so you have a fence that basically connects two houses and one in the back and she had tied into the neighbor's fence. The neighbor has already removed their fence over to the 7 ½ feet like we have asked. She doesn't think it is fair for her to have to go and buy a fence also to run from front to back since she had the ability before to go ahead and tie into her neighbor's fence. Finally, she just asks the board to consider whether or not it is actually necessary to have a boat or a boat of that size to be able to maintain the lakes in order for us to have to use her property. I'm relaying those concerns to you. I think the district has the legal right to use that land for that purpose to access the pond and it would require her to move her fence 7 ½ feet over from where it's current location is. The

one that goes from the front of the lot to the back of the lot has been moved because that is her neighbor's fence so the one still standing is whatever her part was in the front and in the back.

Mr. Pollicino stated I think we approach in the most diplomatic way possible and reach a fair resolution but in the end we do need our access. We can't have our guys go around with a backpack, that is a huge pond and it is not what we budgeted for. Easements are there for a reason and we need them.

Mr. Brownlee asked why doesn't she want to move it? Does she think because it is there and she had approval?

Mr. Eckert stated I think she thought the issue was resolved with getting the HOA approval, but the HOA can't take away or add to the district's property rights. Let me talk to her and let her know that the district thinks they need access, they need access through this point and talk to her about where we go from there. She has been very reasonable to deal with.

D. General Manager - Report

Ms. Alfano reviewed her report in detail and the board took the following action based on information in the report and the presentations made by Ms. Alfano.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor the removal of the diseased palm tree at the entrances in the amount of \$6,360 was ratified.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor Phase 1 of the storage facility installation and the location was approved.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor an amount not to exceed \$3,700 was allocated for additional lifeguard hours due to the ability to have night swimming.

It was the consensus of the board to take no action on the issue of the Tollerton sign.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor an amount not to exceed \$3,400 was allocated to enhance the pool play feature with the proposed color change at the North Amenity Center.

E. Operations Manager – Report

Mr. Howell reviewed his report in detail and the board took the following action based on the information contained therein.

On MOTION by Mr. Harrah seconded by Mr. Pollicino with all in favor an amount not to exceed \$4,000 was allocated for mulch removal

ELEVENTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS Supervisor’s Requests and Audience Comments

Mr. Rucker stated at the North Amenity Center there are a lot of tables outside that don’t have umbrellas. It seems like every table with a center hole should have an umbrella.

Mr. Pollicino asked were they damaged and not replaced?

Mr. Deary stated we don’t know the answer but we will find out.

Mr. Pollicino stated can you do an email blast about the AT&T U-verse going in so the residents know what is going on?

Mr. Brownlee stated there was a card placed on the doors of all the homeowners that had the details of who to contact.

Mr. Eckert asked will you provide that to Margaret so she has the contact information?

Mr. Brownlee stated yes.

Ms. Alfano stated that will be great.

Mr. Rucker stated before I was appointed I had scheduled a vacation that I can’t cancel and wondered if the next meeting could be rescheduled.

Mr. Harrah stated get some dates and send it out to us.

Mr. deNagy stated I will get that out tomorrow to everybody.

Mr. Jurkow stated Margaret puts out a weekly email with events and things going on in the community. When we have an HOA board meeting could she put that date in there?

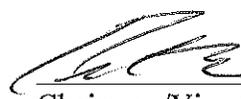
Mr. Pollicino stated absolutely.

THIRTEENTH ORDER OF BUSINESS **Next Scheduled Meeting – March 28, 2016 @ 6:00 p.m. at the Durbin South Amenity Center**

Mr. deNagy stated our next meeting is to be determined and we will let you know.

On MOTION by Mr. Brownlee seconded by Mr. Pollicino with all in favor the meeting adjourned at 8:25 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman