

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 27, 2017 at 6:12 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
Debbie Driscoll	Supervisor

Also present were:

Dave deNagy	District Manager
Mike Eckert	District Counsel
Clark Gates	District Counsel
Scott Clark	Clark & Albaugh, LLP
Stephen Howell	Vesta/Amenity Services Group
Dan Fagen	Vesta/Amenity Services Group
Margaret Alfano	Vesta/Amenity Services Group
Daniel Laughlin	GMS
Sete Zare	MBS Capital Markets, LLC by telephone
Nick Powell	Dream Finders Homes
Batey McGraw	Dream Finders Homes

The following is a summary of the discussions and actions taken at the February 27, 2017 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Pledge of Allegiance

SECOND ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:12 p.m.

THIRD ORDER OF BUSINESS

Audience Comments

Mr. Jurkow stated I would like to talk about easements on the agenda.

Mr. Pollicino stated you will have an opportunity to speak on that item when it comes up.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution of Appreciation
No. 2017-04 in Honor of Girl Scout Troop
421's Service to the Community**

Mr. Pollicino stated the girl scouts had the idea of changing a 90° curb to more of a slope so that kids could ride their bikes more safely to school. The main part of the resolution reads, the Board of Supervisors individually and on behalf of the district extends its sincere gratitude for the devotion of time and leadership of Girl Scout Troop 421 and for fulfilling the Girl Scout Mission by looking for ways to improve the district and their community as a whole. Now, therefore, be it resolved that the Board of Supervisors thanks and commends Girl Scout Troop 421 for their service and commitment to the District and the community.

FIFTH ORDER OF BUSINESS

Matters Related to the Series 2017 Bond Refunding

Mr. deNagy stated item five is matters related to the Series 2017 bond refunding. Resolution 2017-05 is finalizing the assessments based on our refunding. There is also a copy of the assessment methodology included.

Ms. Zare stated we were successful in pricing the Series 2017 Bonds to realize savings for the district. In general, there has been a lot of volatility in the market and we caught the market in a moment of stability and also ahead of the fed to potentially increase the rates in March. I'm very proud of our team for getting it done and to realize the savings that the board set for 6%. Overall the district realized 10.56% in debt service reduction, the second slide shows true interest rate savings of 6.27% but overall the true savings to the residents will be 10.5% and you will realize about \$211 of annual debt service savings.

Mr. Pollicino stated we are extremely pleased to see the fruits of our labor pay off in terms of real dollars back to the residents. Thank you for getting this done.

Ms. Zare stated we had a great team and I appreciate everyone's efforts. Everybody will see this on their tax bill coming up in November.

Mr. Rucker stated as I understand, this chart represents a savings from refunding the bonds. The assessment process is a separate process. Has that been voted on yet?

Mr. deNagy stated we are going to do that next.

Mr. Rucker asked when you do the assessments, is that going to look slightly different than this?

Mr. deNagy stated no, you will see the assessment methodology with the same numbers.

Ms. Zare left the telephone conference call at this time.

Mr. deNagy stated we have a resolution that will finalize the assessments based on the refunding that we just spoke about, Resolution 2017-05.

Mr. Gates stated before the board is the resolution setting forth the specific terms of the 2017 A Series refunding bonds. It will set the terms, pursuant to the authority under Chapter 170, 190 and 197, Florida Statutes, and previously adopted assessment resolutions. It adopts a supplemental assessment methodology and confirms that it is consistent with the existing master assessment methodology. It also reaffirms the existing engineer's report and supplemental engineer's report, confirms the maximum assessment lien for the Series 2017 A Refunding Bonds and it lays out the allocation of assessments securing the Series 2017 Refunding Bonds. Contained in here is the assessment methodology, which Dave handed out to everybody, and it is consistent with the master assessment methodology and it will update the improvement lien book. The other provisions are administrative in nature.

On MOTION by Mr. Harrah seconded by Mr. Brownlee with all in favor Resolution 2017-05 was approved.

Mr. deNagy stated there is one more topic related to the refunding we would like to discuss and I would like to turn the meeting over to Scott Clark, whom we have engaged to look into an issue with U.S. Bank.

Mr. Clark stated I want to talk about what I have looked at in the last month since the meeting. You asked me to take a look at the documents and I have looked at a lot of things and I passed something out that has a couple of critical documents. You may have seen these before but this is the heart of the case. I'm going to go back a little in history because I don't know how long each of you has served on the board and if you know all the history. There was a piece of property in the district that went into default in the payment of its assessments going back to 2009. There are a number of procedures that districts and their bondholders and their bond trustees do when properties go into default. Essentially, it is the job of the district to enforce that

default and try to recover the assessments so it can be paid to the bondholders. In this case, there was some litigation that was started, there were county tax delinquencies, but ultimately the property was acquired by the district/bond trustee as collateral for the unpaid assessments because ultimately if the assessments aren't paid then the property stands as the collateral. When that happened, it was placed into a separate entity, which is called a special purpose entity or SPE, and the trustees and districts typically use those to try to facilitate the sale of property that has been delinquent and the recovery of the assessments so that the bonds can be paid. In this case, the SPE marketed the property and ultimately was able to enter into an arrangement with D.R. Horton to buy the property. As is often the case with properties that came online that were assessed before the real estate crash, the value of the property at sale was not enough to pay all of the delinquent assessments and the accrued interest. Nevertheless the bondholders wanted to do the deal and a deal was structured and it was documented partly with what you have in front of you. The way the deal was done is that D.R. Horton would be allowed to pay less than the value of the property arguably to pay from closing proceeds a portion of the delinquent bond debt to assume going forward another portion of the bond debt and that left them \$1,185,000 in interest. The real estate deal didn't work for anybody with that interest being paid and at the time the closing was being put together the district, through your counsel and through your manager, put together an estoppel letter, which is the second and third pages of your attachment. The estoppel letter sought to verify that at closing the bond trustee with the approval of the bondholders would forgive that \$1,185,000 in interest and that was put into the estoppel letter and then your counsel Mr. Eckert wisely sought direction from the bond trustee's counsel, Greenberg Traurig, saying why don't you confirm that this was the deal that we are getting a forgiveness of the delinquent interest on the bonds by sending us a letter and authorizing us to send the closing agent a letter saying you don't have to collect this delinquency and that happened. Mr. Aponte at Greenberg Traurig sent the letter saying that you are authorized to send the estoppel letter and to reflect the forgiveness of that \$1,185,000 of interest. As a result of that the property closed and the district lost its ability to recover that interest against the property owner because the assumption was that it didn't have to be collected. Sometime right at this time that the letter was sent it appears that the bond trustee took approximately that amount, a little short of \$1.2 million from another one of the bond funds and went ahead and paid it over to the bondholders. That was not a proper action in my view and it was contrary to what had been agreed in writing. I think the issues are

pretty clear and they are pretty well documented here. The attorney for the trustee and the trustee we think were clearly operating with the consent and approval of the bondholders and they agreed to this deal. Whether accidentally or otherwise the money was paid over anyway. When the district went to begin the process of the refunding that you have just been talking about suddenly the numbers didn't match, there was \$1.2 million in the payoff being quoted that the district didn't believe that it owed and shouldn't have owed. That process I understand has delayed your refunding, the delay in the refunding has cost you money because interest rates took a sharp turn upward last fall and it is also costing in effect your residents the \$1,185,000 that now has to be paid off when it shouldn't have been paid off. You asked me at the last meeting to look at this and come forward with my recommendation.

My recommendation is this, I believe you have a strong case that you should proceed against the bond trustee and perhaps ultimately the bondholders as well who the trustee will likely bring into the action and force them to pay back the money that they shouldn't have taken. I also believe if they elect to go to court and make you spend money to resolve this and you should hire an expert to calculate the value of the interest rate loss, which I have not calculated because I went to law school instead of taking math classes but I believe it is quite substantial. What I would like the board to do tonight is to authorize my firm to institute litigation against U.S. Bank trustee over this matter to recover the \$1.2 million and any other damages you are entitled to. I would begin since there is a refunding happening that is closing in a couple weeks there may be a window of opportunity if they would like to do the right thing. I propose tonight that I begin by writing the trustee's counsel, Mr. Warren Bloom, a letter saying the board has elected to proceed with litigation to collect all of its damages but if you will pay the \$1,185,000 or essentially withhold it from the payoff of the bonds before the bond deal closes then we will just accept that and forget about any additional damages. But if it goes beyond that then the district will be seeking any and all damages to which it is entitled. I believe your case is strong it is my recommendation that you proceed with this.

Mr. Pollicino stated I concur with counsel's recommendation to proceed with litigation. This does not fall into the category of throwing good money after bad. I think this is justified and litigation is the only way to get U.S. Bank to take this seriously.

Mr. Harrah asked financially how does this work for us? I understand there is an opportunity to recoup your fees or whatever eventually if we go to that extent but as far as paying them now what are we suggesting for that?

Mr. deNagy stated we would have to draw money from the general fund.

Mr. Harrah asked do we have an estimate or how does that work for his fees?

Mr. Pollicino stated we need to consider at this point moving forward with litigation.

Mr. Clark stated let me explain one dynamic and I meant to do this and I neglected to. It is very unusual that we talk about active litigation in a setting like this. The sunshine law has a provision that we refer to as a shade meeting where you can meet privately with your attorney and district manager to discuss what is going on with the case, talk about strategy, talk about expenses and things like that. Unfortunately, we can't do that until a lawsuit has actually been filed and it is a disadvantage to us and it is awkward because we are on the public record that our opponents can read. For that reason we can have a shade meeting in the near future I will make myself available and we will do that and I will answer every question that you have, I'm a little reluctant to do it in this setting.

On MOTION by Mr. Pollicino seconded by Mr. Brownlee with all in favor special counsel, Scott Clark, was authorized to proceed with litigation against U.S. Bank.

Mr. Clark left the meeting at this time.

SIXTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the January 23, 2017 Meeting**
- B. Balance Sheet and Statement of Revenues and Expenses**
- C. Assessment Receipt Schedule**
- D. Impact Fee Summary Report**
- E. Check Register**

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

SEVENTH ORDER OF BUSINESS

Consideration of Approval of Dream Finders Plat

Mr. deNagy stated item seven is consideration of approval of a plat for Dream Finders Homes and a copy of the plat is included in the agenda.

Mr. McGraw stated we bought a parcel in the back of a neighborhood called Silver Run Golf and Country Club and decided to access that parcel off of what is called Hartwell Bay Road where the fire department is located across from Publix on County Road 210. It is a county road as it comes off of County Road 210 and ends at the fire station. There is a 125 foot swath of land that is owned by three different parties that runs up to the north eventually to the parcel we are developing. That swath of land has an easement over it that allows any of those three property owners to develop a road there and to turn that over to the county to make that a public road to access the eventual development. We were the first one of the three parties to decide to build the road, covered the cost to do that and at the end of the day we will be the one to dedicate it to the county via plat. As one of those three property owners Durbin Crossing CDD must join in that plat. What Nick put together for you in the package is the nuts and bolts of how that works. We would like the CDD to sign off on the plat dedicating that piece of land to the county. We are dedicating our piece to the county, the retail guys are dedicating their piece to the county and you will be dedicating your piece to the county in the plat.

Mr. Pollicino asked Mike can you tell us what if anything we are giving up in exchange?

Mr. Gates stated we have gone back over the property records and looked back in the chain of title and it is as described, the district is the subsequent owner of a piece of property that was subject to a right of way easement agreement and obligates the district or at that point whoever owned the property to facilitate whatever is needed to develop the road. The easement agreement requires the roadway to be conveyed to the county. In our review of the property records and also in the nature of developing the area, we recommend the board consent to the plat and appoint the chairman to execute the plat where indicated.

Mr. Eckert stated to clear on what Mr. Gates said, the easement agreement that we are subject to says we are going to do this.

On MOTION by Mr. Pollicino seconded by Ms. Hall with all in favor consent to the Preserve at St. Johns Plat was approved and the chairman was authorized to execute the plat.

EIGHTH ORDER OF BUSINESS

**Consideration of Accepting Dedication of
Certain Mail Kiosks**

Mr. Gates stated included in the agenda is a request received from Rick Wood. Included is a picture of what the mail kiosks look like, they are located throughout the neighborhood. The issue we are having is they are within the county's right of way and we don't have any record of whether or not they were properly permitted or if they were potentially exempt from permits. We have reached out to Mr. Wood several times last Friday and this morning and we haven't heard back yet. Ultimately, we would be looking for the board to table this until the next meeting until we can confirm that what the board is taking is properly there. They are already existing, they are in place they appear to be in fairly good shape and the board would be undertaking the long term maintenance of those if in so many years they need to be repainted or something of that nature.

Mr. Eckert stated the district already has a couple of the bigger ones.

This item tabled to the next meeting.

NINTH ORDER OF BUSINESS

**Consideration of Policy Regarding District
Easements**

Mr. deNagy stated the policy for fences in district easements is included in the agenda package and I also provided a copy of the map that shows the routinely used CDD easements throughout the district.

Mr. Eckert stated this is the issue that we have talked about at a few meetings and we had written a letter trying to express the district's policy in terms of how we would handle requests for fences in easements that we get from the HOA. We thought we had a policy that was clear. There was additional discussion and concern expressed by the HOA on that so what we tried to put in writing is a specific policy rather than a letter format to set forth what the district's policy is. I don't want to read this verbatim but there are a couple paragraphs that I think we need to talk about.

First of all, the CDD and HOA are completely separate entities we have different roles and we have different functions. One of the roles that the HOA has is for approving improvements in the community as well as approving fences. That is not something that the covenants and restrictions give the district the ability to approve or disapprove. Therefore, the policy includes that the district shouldn't exercise control over the HOA's approval procedures

for fences regardless of whether it is in or easement or not. The basis for the advice I'm giving you on that is the covenants don't give you that right, state law doesn't give you that right to say no you shall not do this here. Basically, when you have an easement over somebody's property you both have property rights and you cannot act in a way that violates the other person's property rights. Because you are a government, if you are telling people how they can and can't use their property and you are wrong you can get sued for that and you can be forced to pay damages. Where do the damages come from? They come from assessments you place on residents. The whole basis for this policy that we have suggested is to eliminate lawsuits from the district overstepping its bounds in terms of what authority it has and doesn't have.

What we said is the district does not and should not exercise control over the HOA's approval procedures for fences. Consequently, the district will neither approve nor disapprove requests for fences to be constructed in district easements over private lots. We have the right to use the easement for its intended purpose but we don't have the right to dictate to somebody how they use their property if it isn't interfering with our rights.

The next paragraph states, if the HOA chooses to permit a fence in an easement, the district expects the fence will not interfere with the district's exercise of its easement rights. If there is a fence that is interfering we will try to give reasonable notice to the resident that they need to move or relocate the fence so we can use the easement. A typical thing we have had in other communities is we have to do pond bank work and there is a fence too close to the pond bank and they have to move the fence back we do the work then they can move the fence back to where it was before.

The expense for removing and replacement is the property owner's responsibility and again the reason being they are interfering with our use of the easement right and we need to use it and it is their expense to do that.

In order to try to help residents understand what easements we use on a routine basis, we asked staff to develop a map, which is the map that was provided to you that Steve will have on hand so when people want to put a fence in an easement it would be helpful for them to understand the easements that we typically use and really where that helps is in the placement of gates and things of that nature. Again, my advice, which is based on the district not getting sued and paying judgments from people's assessments, is don't get in the business of approving or disapproving of fences, that is the responsibility of the HOA.

Mr. Pollicino stated this is not a Durbin Crossing issue, the policy you are recommending is consistent with other communities with similar issues so we are not doing anything inconsistent with what other communities do.

Mr. Eckert stated I don't represent every community but in every one that I represent this is how we deal with this issue. In Turnbull Creek for example, we just did over \$1 million of pond restoration and we went to all the people and said you have to move your fence back because we have the pond bank issue. We didn't approve or disapprove those fences, they moved their fences, we did the pond bank work and they moved them back.

Mr. Jurkow stated let's be clear that the policy is the same as it has always been until that 21 November letter, that is what created the problem. There was never a problem until that letter came out. That letter specifically said after weighing its options the board has adopted a policy, that is a new policy, wherein the board declines to grant consent to any encroachment including but not limited to a fence, landscaping or other structure in the district easement. Don't even put a bush in the easement that is what you were saying. That was a change in your policy. If you had not written this letter there would never have been an issue. What you are putting out here is another document that is okay but you have to rescind this letter. You have to send another letter to the HOA that says you rescind the 21 November letter if you don't do that this letter is still out there it is still a legal document it is still direction from the CDD to the HOA. The CDD owns the easement property and the HOA will conform to whatever you want but if you are going to leave this letter out there then we are not going to take the liability of allowing fences on easements. Is your objection to sending this out as a letter?

Mr. Eckert stated I think what we are going to do is send a letter to the HOA saying this is the district's policy.

Mr. Jurkow asked so you are going to send that to us as a letter?

Mr. Eckert responded yes.

Mr. Jurkow stated okay. Let's go through it. First of all the first paragraph and second paragraph, it is not the function of the CDD to tell the HOA how to grant approval on easements. It is not your job. It is in the covenants we know how to do it. The third paragraph is fine, the fourth paragraph is fine, the fifth paragraph I would add a sentence at the end that says the district manager will further coordinate with the HOA, ACC, on a case by case basis as necessary to verify that the CDD map is up to date. That way every time we get a request from a

resident for a fence on an easement we can verify that map we have is up to date. We will send an email to Dave, Dave can check it with Steve and come back and say we are not using the easement or we are using the easement and then we can maybe recommend to the homeowner that they put a double gate up or if you really feel that a fence is no good then we won't grant it. We will go along with what you want.

Mr. Eckert stated that is exactly why you don't want that.

Ms. Driscoll stated that kind of negates what we were discussing. What you just said was to get approval or recommendation and we are trying to stay away from the board being involved.

Mr. Jurkow stated all I want you to say is we are not using the easement or we are using the easement. I don't want to tell a resident to put a fence on an easement and then Steve comes back next week and says you got to get that fence out of the way.

Mr. Pollicino stated he could say that, that is the whole point. Any time you put a fence on any easement you run the risk of having to move it.

Mr. Jurkow stated you don't have to do it in the dark. If you are using the easement that day then we will tell them you can't put a fence on the easement. There is no need to tell a gentleman he can put a fence on his easement when you are actually using the easement. You have to say this letter hereby rescinds the CDD's letter of November 21 and put it in there as closure. If you don't do that then the gentleman that lives on Burghead Way isn't going to get a fence.

Mr. Turner stated the HOA said until this matter is resolved with letters or something I can't proceed. Before I bought the house I knew I was going to fence the house. I didn't realize there was an issue. My neighbor also has a 15 foot easement and he has a fence along the property line with vegetation, agriculture. I talked to Dave before the last meeting and I told him as well as Steve that I understand that you need access to get to the ponds I'm not here to block that. I also understand if there is ever work that needs to be done to the pond it is my ultimate responsibility to take that off but I'm willing to put in a double gate, whatever you need me to do to put in a john boat or whatever it is you need me to do I will put that in. What I don't want to do is put in and leave a 15 foot dead zone between my neighbor and me and still be responsible to cut the grass that doesn't make any sense to me. I'm trying to do this the right way I'm trying to hear both sides but ultimately I have to put up a fence. I have a 2 ½ year old and a little dog

and that is a pond and I can't utilize my beautiful backyard the way I want to because there is a pond back there. There are alligators in there. I don't feel safe back there with my 2 ½ year old or my little dog. It is more about is it my property or is it your property.

Mr. Pedraza stated I recently moved here and put in a request for a fence so the first thing we thought when we moved to our house was I want to enjoy my backyard with my 2 year old daughter and I received the response that a fence is not allowed right now I wondered why the builder didn't mention anything about that at any moment they need to come and need access to your property. If I had known that before buying the house I would not buy the house. The builder needs to say there are houses on the pond and they need to access the property. Nobody said that to me. We need to work together. I don't want to spend money on a fence and two months from now you say we need to get to the pond take out the fence. I spend money now and two months from now I have to spend money again and six months when you need to come again I have to spend money again. This does not make sense to me.

Ms. Hall stated I need a little clarification on this because I'm really confused. I thought an easement was like an area between two homes and you can still fence you just can't fence in the easement. You can put up fences right? You are saying no fences at all?

Mr. Eckert stated the easement is a right that the district has to use property owned by somebody else. The district has a right to access and use that. If a person wants to put up a fence and it is not in the easement area then that can never really interfere with our property rights because it is not within our easement.

Ms. Hall stated then they just have to fence on the inside of the easement.

Mr. Eckert stated correct but what I have said the district shouldn't do, is the district shouldn't over exercise its easement rights by saying you can never do this or never do that. That is not really the district's role. The HOA is charged with approving fences and we have said that is your role it is not the district's role. So people want to put up fences in easements that is their right as long as it doesn't interfere with our use. If it is an easement that we use every five years, well every five years they are going to have to move their fence. If it is an easement that we use every month, which is what the map is designed to show. The map does not depict all district easements but just the easements that are used often. If the HOA is going to approve a fence in one of those areas, then perhaps a gate might be appropriate so that we can easily get in and out of that area or people could not build a fence in those easements and then

we can frequently use them as well. Just understand that right now if somebody is building a fence and it is not encroaching in our easement that is none of our business whatsoever at all ever. If it is in our easement it becomes our business only if we need to use our easement and we can't.

Ms. Kemp stated if I understand correctly if this is adopted then we are all kind of on the same page and we can build fences in easements we just need that letter rescinded. If we adopt this can we get that letter rescinded so the homeowners are out of the way? Just an illustration to Sarah's point about easements, this is an overhead of my property where we have a 10 foot easement along the back this fence runs right through it. If we are going with this I'm happy I just want that letter rescinded.

Mr. Pollicino stated in a conversation with Mike he said from a legal perspective there is no need to rescind the prior letter this supersedes any and all correspondence that occurred before.

Mr. Jurkow stated that is not correct.

Mr. Pollicino stated I'm listening to counsel, on the advice of counsel if we adopt this tonight it supersedes all prior correspondence. Is that right?

Mr. Eckert stated yes. What everybody needs to understand and everybody is ignoring the posture of why the first letter was written in November. There were fences going up in this community that never came to the CDD for approval. At some point, we got a letter from the HOA saying will you consent or approve of this fence. Then we had the discussion do we really want to get into the business of consenting to stuff being in the easement and the answer is no we don't want to get into that business. That letter has been, I think, mischaracterized in terms of it saying that we prohibit anybody from doing this because that is not what that letter says, that is not what the conversation was at the board meeting that we had, and it was never the intent. This policy crystallizes that we are not getting in the business of approving or disapproving of fences. When we write that letter and when you do your motion you can say we adopt this policy and this policy hereby supersedes any prior policies or letters that the board has issued on this instance. I am not recommending that you rescind that I think that is an extremely rigid and not called for position of the HOA.

Mr. Pollicino moved to adopt the policy and that will supersede any prior policies or letter that the board has issued on this instance.

Mr. Jurkow stated I think that is really shortsighted. Now that letter that says the gentleman on Burghead Way can't have a fence.

Mr. Pollicino stated we just publicly said he is okay.

Ms. Hall stated he can put the fence up but if we have to access it he has to move it. That is the risk you take.

Mr. Pollicino stated as far as the CDD is concerned you can put up your fence and if we need to access it you have to take it down or put in double gates.

A resident stated I knew that last time I was here. I need someone to tell Best Fence Company that he is okay and let him go do his business. I have been waiting three months.

Mr. Pollicino stated as soon as the HOA sends you that letter you are good to go.

Mr. Jurkow asked why can't you say this is your new policy and hereby overrides all previous policies.

Mr. Eckert stated that is what I just said it supersedes it.

Mr. Jurkow stated say it in a letter. Why can't you say it in a letter?

Mr. Eckert stated it is in his motion it is going to be in the letter that we write that the motion of the board was that this policy supersedes any prior letter that is exactly what we said.

Ms. Driscoll seconded the motion.

Mr. Jerrells stated basically we have an outstanding HOA job out for approval that got rejected based on this November 21st letter that is not an issue now. Going forward the fence company can say based on this new policy you can get your fence.

Mr. Eckert stated that is up to the HOA board it is not this district's decision.

A resident stated I just moved in December so I never received a letter I actually came about this through next door. I have a 2 year old, a six week old I have a road on the side of my property so putting up fences is obviously a priority to me. I have seen something referencing this 12 ½ feet from the easement. Does this sort of push that completely aside or was there never any consideration to the November letter?

Mr. Eckert stated that is an HOA issue it is not the district talking about 12 feet. Again, our policy is we are not getting involved in approving or disapproving fences that is the HOA. If whatever you put in there whether it is landscaping or fence or whatever interferes with our easement rights, we will contact you and ask you to move them. If it is an emergency and we have to get back there then we will probably be tearing it down and telling you to pay the cost to put it back up.

A resident stated so someone knows what easements need to be accessed?

Mr. Eckert stated the district has had its staff come up with a map that shows in red the easements that the district routinely uses. It is not a map of all easements the district has. It is solely intended to help people understand these are the ones that we typically use they may be more suitable for gates but again that is between you and the HOA.

Mr. Harrah stated that means that any given time the district may have to use any of the areas located in red to access property. I am on one of the red ones and it was in my survey when I bought the house and I knew there was an easement that may have to be accessed. It was clear to me when I signed my mortgage.

On voice vote with all in favor the motion passed.

Mr. Jurkow stated so that letter will be sent in the near future.

Mr. Eckert stated the letter will be sent in the near future.

TENTH ORDER OF BUSINESS Acceptance of Audit Committee Recommendation

Mr. deNagy stated we had our audit committee meeting just prior to the regular board meeting and we are looking for the board to accept the audit committee recommendation to proceed with the audit RFP and for proposals to be brought back to the board for consideration at our April meeting.

On MOTION by Mr. Harrah seconded by Mr. Pollicino with all in favor the recommendation of the audit committee was accepted and staff authorized to issue the RFP for audit services.

ELEVENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

Mr. Eckert stated I would like the board to consider continuing the meeting in progress to March 13, 2017 in case we have any last minute financing issues come up. We are scheduled to close on the bonds on March 15th and if we had a meeting out there in case something came up I would appreciate that.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. deNagy stated we met with Charlie Shepherd on the capital reserve study and I expect to have that report in the next week or so. Steve, Margaret and I will go through and review and have it back to the board at our March meeting.

D. General Manager - Report

Ms. Alfano reviewed her report after which the following action was taken.

On MOTION by Mr. Harrah seconded by Mr. Pollicino with all in favor the previous motion made to approve the swing structure at the south playground in an amount not to exceed \$2,700 was rescinded and an amount not to exceed \$3,200 was approved for the swing structure.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor staff was authorized to proceed with the purchase and installation of three roofed structures, one for the north amenity center and two for the south amenity center areas in an amount not to exceed \$60,000.

Mr. Eckert left the meeting during this item.

E. Operations Manager - Report

Mr. Howell gave an overview of the field operation manager's report after which the following action was taken.

On MOTION by Mr. Pollicino seconded by Mr. Harrah with all in favor staff was authorized to proceed with landscaping the foot and bike path at the top of the hill between North Durbin Parkway and the North amenity field to help in erosion control in the amount of \$2,200.

On MOTION by Mr. Harrah seconded by Mr. Brownlee with all in favor staff was authorized to proceed with the wildflower planting project on the right of the inbound side of North Durbin near Veterans Parkway in the amount of \$1,200.

On MOTION by Mr. Harrah seconded by Mr. Pollicino with all in favor staff was authorized to proceed with painting the metal portion of the slide at the South Amenity Center in the amount of \$3,200.

TWELFTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

Mr. Harrah stated for the residents who have not been to a board meeting the fence issue is completely blown out of proportion and our policy is very clear and I believe some members of the HOA misconstrued the way that was written. That is not the way this board operates.

FOURTEENTH ORDER OF BUSINESS Next Scheduled Meeting – March 27, 2017 @ 6:00 p.m. at the Durbin South Amenity Center

Mr. deNagy stated the next scheduled meeting will be March 27, 2017 at 6:00 p.m. in the same location.

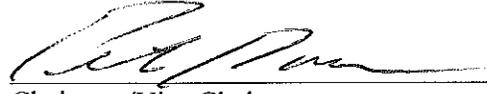
On MOTION by Mr. Brownlee seconded by Mr. Harrah with all in favor the meeting was continued to March 13, 2017 at 6:00 p.m. in the same location.

February 27, 2017

Durbin Crossing CDD



Secretary/Assistant Secretary



Chairman/Vice Chairman