

**MINUTES OF MEETING
STEVENS PLANTATION
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Stevens Plantation Community Development District was held on Thursday, February 6, 2014 at 6:00 P.M. at City Hall, 1300 Ninth Street, St. Cloud, Florida.

Present and constituting a quorum were:

Rebecca Fernandez	Vice Chair
Terence Connors	Assistant Secretary
Gary W. Clegg	Assistant Secretary
Daryl D. Greenwood	Assistant Secretary

Also present were:

Gary L. Moyer	Moyer Management Group, Inc.
Daniel Mantzaris	De Beaubien, Knight, Simmons, Mantzaris
Brian Smith	Field Manager
Jim Endicott	Landcare Specialists
Residents	

The following is a summary of the minutes and actions taken at the February 6, 2014 Stevens Plantation Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Call to Order

Mr. Moyer called the meeting to order at 6:00 P.M.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the December 3, 2013 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the December 3, 2013 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Ms. Fernandez seconded by Mr. Connors with all in favor the minutes of the December 3, 2013 meeting were approved.

FIFTH ORDER OF BUSINESS

Resident Owner Association Report

- Ms. Greenwood reported:
 - They have put out a second newsletter and appreciate the article Mr. Moyer wrote regarding CDD's. They look forward to him continuing to educate the residents.
 - The residents received letters regarding the Series 2003B assessments and they would have liked the opportunity to forewarn the residents of the letters.
 - The residents would like to talk about signage and other items regarding landscaping.

SIXTH ORDER OF BUSINESS

District Manager's Report

A. Approval of Financials - December

Mr. Moyer reviewed the December financials, which were included in the agenda package and are available for public review.

- They have collected 54% of the non-ad valorem assessments.
- Ms. Greenwood inquired why they have not collected more of the assessments.
- Mr. Moyer responded they are due at the end of March and there are discounts if you pay before that.

B. Check Registers and Invoices

Mr. Moyer reviewed the invoices for the period the November 1, 2013 to December 31, 2013, which were included in the agenda package and available for public review.

- Ms. Greenwood asked are we paying for the streetlights because we put in special lighting?
- Mr. Moyer responded yes.

On MOTION by Ms. Greenwood seconded by Mr. Connors with all in favor the invoices for the period the November 1, 2013 to December 31, 2013 in the amount of \$326,728.15 were approved.

C. Acceptance of the FY 2013 Audit

Mr. Moyer highlighted the following regarding the Audit, which was prepared by Carr, Riggs & Ingram, LLC.:

- On Page 2, under the Independent Auditor's Report, the Auditor provided a clean audit opinion as the financial records the STS Accounting Department turned over to the Auditor as of September 30, 2013, fairly represented the financial position of the District.
- Letters to the Board from the Auditor were included at the end of the report. On Page 25, under Internal Control Over Financial Reporting, the Auditor did not identify any deficiencies in internal control they consider to be material weaknesses, as defined in the Audit.
- Under Compliance and Other Matters, the Auditor addresses the bond default.
- The Management Letter on Page 27 abides by the rules of the Auditor General. No recommendations were made by the Auditor.
- According to Page 28, the District technically is in a state of financial emergency as defined in Section 218.503(1) and are recommending the District takes steps to address it. Again this is due to the bond default.
- Mr. Clegg asked what steps should we be taking?
- Mr. Moyer responded we have notified the people who have the outstanding 2003B Bond that were not paid at the time they acquired their property. There is a lien and collection of those funds will be pursued. The bonds should have been paid off at the time title was transferred and there may be a claim against the title companies. The individual property owners should consider and pursue, at least call the title company and find out why the recorded documents which identified the lien on their property was not addressed at the time they closed on their property.
- The District levies non-ad valorem assessments that have to have a specific benefit to the properties that are served by our infrastructure. Our ability to raise money to pay off bonds is very limited and is limited to the special assessments.
- Ms. Fernandez stated this was a process issue three years ago when this Board met with the city and we were supposed to have special meetings in regard to the bonds and how we were going to handle them at that time. I repetitively asked about it and whether it was swept aside or nothing was addressed, it has now become a major issue.

- Mr. Moyer stated the intent at that time was to work with the Dependent Special District (DSD) to see if we could restructure the bonds and that was an ongoing effort.
- Mr. Mantzaris stated it is still part of the ongoing effort to work on renegotiating the bonds. If you will recall we came back to this Board and the DSD and asked you to retain the services of Bond Counsel to work with the bondholders on these particular bonds. It was before the default date which was coming up. It was during the review process it was determined one reason for some of the bonds not being paid on their due date was because of these transactions that had occurred with regard to particular individual owners. At the time we came to you we were not aware that there were individual property owners that were still showing assessments associated with the B Bonds; we thought most of the assessments were on the DSD side.
- Ms. Fernandez noted the question she asked repeatedly was are the homeowners going to be held accountable and would their homes be foreclosed on and the answer was no.

On MOTION by Mr. Clegg seconded by Ms. Greenwood with all in favor the Fiscal Year 2013 Audit prepared by Carr, Riggs and Ingram, LLC was accepted and staff was authorized to file said Audit with the appropriate State agencies.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

- Ms. Greenwood asked how the liens were placed against the Parcel ID's and if all the liens were actually placed.
 - Mr. Mantzaris responded they were part of the public hearing process in 2003 well before anything was built there. They were recorded as a matter of record, there are resolutions that create the assessments, they are consents to the assessments and were all filed before the property was developed.
 - As best as we can determine there were many transactions that were handled exactly as the assessment process and bonding process intended it.
 - What we are working on is an informational document to include documents that we can provide to those who need that information so they can determine what they need to do and how they can get this taken care of. This Board,

other than assuring the community someone is trying to get them the information they need, really does not have the authority to do much of anything to deal with it.

- The letter was sent since individuals need to know about this and get it taken care of. There are a couple of things which play out in this - this issue has come more to the forefront when the B Bonds went into default. A large portion of the B Bonds is in default based on property that is owned by the DSD. The DSD which is currently under contract and hope to close on by the end of this year. A good a portion of those funds in those transactions will go to payoff a good portion of the overall B Bonds. We feel this will calm the concerns of the bondholders with the recovery of their investment.
- Ms. Greenwood stated what I have been able to figure out - the property at the Murphy's Corner at the retail area in Stevens Plantation, the 16-acre piece, part of that was reportedly under contract as of last May.
 - Mr. Mantzaris stated the buyer never agreed to the terms.
- Ms. Greenwood stated the \$6 million for the 140-acre north piece will be closing February 28th.
 - Mr. Mantzaris stated the DSD is being asked to renegotiate by the buyers so it is not closing February 28th.
- Ms. Greenwood addressed the 24+ acres to the Oaks School partners for a charter school.
 - Mr. Mantzaris stated 10.5 acres of that we are extremely confident will close on February 28th. The other 13.5 acres is under contract to close at the beginning of 2015.
 - Ms. Fernandez noted it is her understanding if the north part goes through it would be paid in three payments.
 - Mr. Mantzaris stated the one closing got divided into three separate closing.
- Ms. Greenwood asked with that in mind how much are we out with the list?
 - Mr. Mantzaris responded remember those dollars will not go to payoff any of the liens on the properties. It will pay the B Bond assessments on those properties.
 - Discussion continued on the B Bonds and properties being sold by the DSD.

- Discussion followed on better and more communication with the DSD.
- Discussion followed on helping the homeowners owing the B Bonds to understand and get the right information and sources so they can figure out what happened in their transaction and go back to the individual companies.
- Ms. Greenwood addressed the holding of the payment for the A Bonds until the B Bonds are paid; who will pay the additional interest accruing on the A Bonds?
 - Mr. Mantzaris responded there is a reserve fund within the bond process that contains money for interest. To the extent that fund gets exhausted then it will have to come through the future assessment process associated with the individual properties.
 - They have clearly tried to explain to everybody associated with the transaction that they felt the bondholders instructing the Trustee to the detriment of the CDD and the DSD on the issue. They have been working with the bondholders to try to get them to be responsive.
- Ms. Greenwood asked what is the worse case scenario?
 - Mr. Mantzaris responded the bondholders elect to enforce the liens on the unpaid B Bonds.
 - Discussion followed on homeowners reviewing their purchase/closing documents with regard to the B Bonds.
 - Mr. Mantzaris noted they have been contacted by numerous title companies who are asking questions that they should have asked a long time ago.
- Ms. Greenwood addressed the properties listed in the 2003B Bonds specifically the one for International Cloud Investments at 3514 Sanctuary Drive which is the townhouses. She pulled the Warranty Deed because Sanctuary Drive is not part of the CDD. Ms. Greenwood further addressed the Warranty Deed and inquired why the parcel ID would be a part of this.
 - Mr. Mantzaris noted if Ms. Greenwood will provide him the parcel ID and he will look into it.
- Ms. Greenwood addressed her disappointment with the DSD in the stewardship of the monies and the impact it will have on the community.
- Discussion followed on the default of 2003 B Bonds and the DSD.

B. Engineer

There not being any, the next item followed.

C. Field Manager

i. Field Maintenance Report

Mr. Smith provided the Monthly Highlight Report for December, 2013 through January, 2014, which was included in the agenda package and available in the District Office for public review during normal business hours.

Ms. Fernandez noted at the last meeting she requested the preserves areas be cleaned up and trimmed back.

Mr. Clegg noted the area along where you are planting the row of streetscape trees. The woods are about two foot from the sidewalk in some places.

It was noted this section was trimmed yesterday.

Ms. Fernandez noted along West New Nolte on the Canoe Creek side by the Grove and also on the Verandah Lakes side those homes are getting flooded from the berm.

Mr. Smith stated we had this problem before and the problem was where the lots were graded. We cut a swale on one property trying to move the water out but our property ends at the toe of the slope. We are going to have the same problem on the other side in the Estates because their fences are right at the bottom of our slope.

Discussion followed on speaking with the homeowners for permission to put in a shallow swale or French drains.

Ms. Fernandez noted the doggie pots are still an issue.

Mr. Smith noted he had someone clean all of the doggie pots earlier this week. We will have to get on a program of twice a week.

Ms. Fernandez asked are the trees going to be tied down.

Mr. Endicott responded yes, they are all in and the next phase is to tie them down.

Ms. Fernandez has noticed a lot of air pockets around the trees.

Mr. Endicott noted this is from the watering process and will be filled in when they stake the trees. They will also make adjustments to the trees which were planted too high or too low at that time.

Ms. Greenwood stated there is mistletoe growing in the trees on Nolte.

Mr. Endicott stated he is going to start removing it and there will also be some Crepe Myrtle pruning.

Ms. Fernandez stated in your report it states you removed the bushes in front of the fountain and replaced with sod but I noticed them putting in plants today.

Mr. Smith stated between the reports and today we had frost. When I called to get the sod he said it was only 10% green and I did not think we wanted to put that in because it will look dead. I spoke with him today and he said it is about 50% green and we have probably two weeks before it is looking healthy and green again, provided we do not have another frost.

Ms. Fernandez asked can we get a report on how much we spent on the fountain and replacing the pump?

Mr. Smith responded today we fixed the air relief valve on the top. I can get you the prices on what we have spent on it and used for maintenance.

Mr. Connors noted the lights on the fountain were going on and off.

Mr. Smith noted they are being checked today.

ii. Landscape Report & Landscape Proposal

Mr. Smith addressed the proposals presented at the last meeting noting he would like to move ahead with them if possible. The entryways need refreshing and they need to start cleaning them up.

Ms. Greenwood stated we have something going on as well for the individual pods which may delay what you want to do. Verandah Lakes has a sign that is non-conforming to the city's signage as well as the rest of the pods and the Association was asked about changing the signage. Mr. Moyer can you explain why the CDD cannot help with this problem? We take care of the planting beds so why can we not take care of the signs as well?

Mr. Moyer responded no doubt they originally were part of the overall improvement plan for Stevens Plantation and the District did not pay for them and the builder installed those and turned the ownership over to the HOA.

Mr. Mantzaris stated all of the signage for the individual areas was done by the respective developers but with regard to ownership I do not know if they were dedicated. I will put it on my list.

Ms. Fernandez asked is there a reason why we cannot acquire maintaining the signs and improving them?

Mr. Mantzaris responded probably not but it may require some changing to the structure of ownership and some further action by this Board.

Mr. Smith stated the total of doing them all is \$3,300. We could pull Verandah for now and move ahead with the remainder of the improvements for the other communities.

Mr. Connor asked is there any kind of deal on taking the one out and doing the other three?

Mr. Smith responded for this proposal the Board can direct me to move ahead with the other entryways and I will bring back a proposal for Verandah at a later date.

Mr. Connor stated it will not cost extra if it is done by itself.

Mr. Endicott stated no. The caveat is whatever you put in with the sign may change the requirements for the plant material.

Mr. Smith stated I also have a sod proposal. He noted anywhere they have St. Augustine they have to replace it occasionally.

Discussion followed on the sod removal and replacements.

On MOTION by Ms. Fernandez seconded by Ms. Greenwood with all in favor, the Landcare Specialists proposals for landscaping the entrances and for sod removal replacement was approved.
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Mr. Smith noted he would like to start working on pressure washing the sidewalks.

Ms. Greenwood asked what is the process to start implementation for the CDD to accept the sign?

Mr. Moyer responded the simplest thing would be to determine our need to do it and secondly would be to have someone prepare a bill of sale for the sign so it can transfer, if in fact it is owned by the HOA or ROA, the ownership to the CDD.

Mr. Mantzaris stated we can find that out by doing a title search or do the best we can by reviewing the documents.

Ms. Greenwood stated it has always been a gray area.

iii. Aquatic Weed Control Report

Mr. Smith provided the Monthly Highlight Report, which was included in the agenda package and available in the District Office for public review during normal business hours.

EIGHTH ORDER OF BUSINESS

There not being any, the next item followed.

Other Business

NINTH ORDER OF BUSINESS

There not being any, the next item followed.

Supervisor Requests

TENTH ORDER OF BUSINESS

Audience Comments

- Mr. Richard Greenwood, President of ROA, addressed the following:
 - When did any of them know the bonds were not paid by the individual lot owners? *Mr. Mantzaris responded I cannot give you an exact date. We only became aware of it when we went through the process of deciding how we were going to deal with the bondholders on the pending default dates. What I can tell you for sure is when we were dealing with it we, the CDD, Bond Counsel, staff, my office, Mr. Moyer, learned this issue was out there probably within the last nine months maybe one year. We were planning on addressing the issue as easily as we could with the residents that were involved and individual property owners. It was only September of last year that the bondholders told the CDD that they had to send out invoice notices to the individuals. Before that Bond Counsel was working with and negotiating with them and they were not being so responsive but what they did do in September was tell us to send the invoices. They actually wanted the invoices sent at higher amount than what was in the letters and we told them we would not do that and were sending them at the amount that should have been paid at the beginning.*
 - The DSD set up the bonds and placed a lien on the property and when the homeowner bought the property and at the disbursement of the proceeds the title company was to pay the bonds as they were to pay everything else at the closing. Is that correct? *Mr. Mantzaris responded the last part is. These bonds were special assessment bonds setup by the CDD in 2003; they were not setup by the DSD. The DSD is subject to them like every other property owner. We are working on a document that will provide information with regard to these issues.*
 - Were the A Bonds also for infrastructure? *Mr. Mantzaris responded yes.*
 - Additional bonds were issued for additional infrastructure? *Mr. Mantzaris responded the total bonds for all the infrastructure required to develop Stevens Plantation were*

divided into two bonds, the A Bonds and the B Bonds. They were not additional bonds they were just done in two series.

- Discussion continued on the bonds, the DSD and the CDD.
- Mr. Greenwood noted the fountains do not look like they are ever clean. *Mr. Smith stated we are using a strong rubbing compound to get the calcium buildup off. We are cleaning them twice a year but the only way to get rid of it would be to clean them on a regular basis.*
- A question was raised on how much of the \$9 million bond is owed by the residents. *Mr. Mantzaris responded I do not have that information but I can get it.*
- Can the fountain be put on a timer so it does not run 24/7? *Mr. Smith responded if it is acceptable to the Board it can be.*
- Ms. Monica Cantrell addressed the following:
 - She thinks it is odd they would first send the letters stating if not paid they would foreclose and now they are compiling information to help them understand it.
 - She requested for the HOA a list of the estoppels sent.
 - She noted she has gone through hundreds of pages of documents that created the bonds. They are having trouble finding the language that when the property was sold to the developer that upon selling of the land the B Bonds were to be collected. The city sold the land to the developers why were the bonds not collected then.
 - Liens were recorded on the 516 acre parcel but it cannot be found where it explicitly states that liens in an amount were placed on lots on any homeowner individually and recorded on the short-term bond. A record was found for the long-term bond. If the lien was not adequately recorded it brings into question whether or not they can be foreclosed on. She is requesting whatever document, the book and the page number that states the 2003B Bond is to be collected at the end of the 10-year period and this amount of money is being attached to every lot in this amount.
 - She noted she does not know where the number came from and discussion followed on accrued interest. *Mr. Mantzaris noted he said the bondholders told them they believe the amount owed them is larger than what was contained in the letters based on their calculations of what was owed and on the payment dates they were supposed to be paid. The bond covenants required that the time Certificate of Occupancy was*

issued these amounts were to be paid. It is his understanding the amounts were calculated back to the dates in conjunction with the CO for the houses.

- Ms. Cantrell noted she would like an answer to why the developers were not forced to pay the bonds. *Ms. Greenwood responded the way the contracts were negotiated with the developers for the north area the developer is paying off the B Bond and this was not the case with the developers for Stevens Plantation. Once the CO was issued it was to be the occupant/buyer.*
- Mr. Mantzaris addressed the covenants with regard to the builders release amount which stated this amount was to be paid at the time of closing.
- Ms. Cantrell noted there is a huge distrust on the part of many constituents within the District. It is very difficult to understand how something of this magnitude went unmonitored and went unnoticed that hundreds of \$100,000's were not being paid to the CDD. To her it falls upon the company which is tasked with collecting our bonds and draws great concern that things were not being provided the oversight necessary to ensure these types of things did not happen.
- Ms. Cantrell disagrees with the audit statement that they found no gross mismanagement on the part of the financial institutions associated with the CDD. She does not see how they are being financially responsible as a CDD or the managing entity who is tasked with overseeing the collections of the assessments. She recognizes they need to be paid and are a debt that is owed and levied against the CDD but to be where they are now is inexcusable.
- Mr. Ralph Canady addressed the following:
 - He agrees due diligence was not done on behalf of making sure the builders paid this at the settlement. How is it that Park Square Homes was able to do all but five and get them recorded. If 19 title companies are coming to the attorney to say where is it recorded, he has spoken with Severn Trent Services - Alice Carlson, Rosemary Tschinkel and was told it was an obscure filing and Ms. Carlson said she can understand why the title companies cannot find it. If I have somebody coming to me to say I owe you money - show me the proof. Please show us the proof where that specific lot owes that specific amount of money. I was told 87 letters went out totaling \$2.86 million.
 - Is a copy of the audit available to the public? *Mr. Moyer responded it will be online.*

- The question again is where it is specifically recorded showing that amount for that lot so we can help our title companies.
- Maybe the payment was made and someone forgot to record it on the CDD's behalf.
- Mr. Canady stated you are looking for \$20,000 to \$30,000 from residents prove the debt. *Mr. Moyer stated I do not mean to argue or jump into this but I want everybody to understand - when bonds are sold, we the issuer, record in the public record a document called Consent to Jurisdiction of Special Assessments. It is OR2391 on page 78 - Declaration of Consent to Jurisdiction of Stevens Plantation Community Development District Imposition of Special Assessments. The actual document that establishes the lien is Stevens Plantation Lien Book and when a title company finds something like this they are obligated to call the Stevens Plantation CDD and determine the amount of the outstanding assessment. They are provided that information is an estoppel letter. If a title company decides they do not have to call or they missed this then there is no way for the financial people to know that. These are private transactions between two parties in which the District is not involved. This document puts them on record that the title company needs to check with Stevens Plantation. The title company will also call the city to find out what the outstanding water balance is and will put that on the closing statement. Mr. Mantzaris will make this a part of the material we make available to everybody but that is your answer to the question.*
- With the April 1 date approaching I know are you working to get the information out but the longer you take the less time residents have to get it resolved.
- A resident (Jorge) addressed the signage on The Grove noting one side of the lighting is out and the color of the lenses is different, one is yellow and one is white. *Mr. Smith stated I will take care of it.*
 - The resident addressed a developer planning to build something adjacent to The Grove and the school. He asked if they will have information to provide the residents and if they would be paying part of the CDD bond.
 - He noted today they were expecting answers and accurate information regarding the outstanding bonds and there is no information. He is disappointed and frustrated with meetings like this.

- *Ms. Greenwood addressed the development of the north part of the land noting the developer attended the meeting as a courtesy to the HOA to try to help them understand the development. He did listen to the concerns of the Stevens Plantation community and did make changes to his development based on the concerns. With regard to this meeting although we sit here representing we have not been engaged in any of this discussion; it has taken place between the DSD, the city, and Severn Trent who administers the CDD. I apologize that we do not have more answers. We asked them to do this a little differently as we wanted to be able to let the residents know there was something that had arisen and we wanted to prepare everyone for the letter coming but given whatever it did not occur that way.*
- *Ms. Fernandez stated we are trying to do our due diligence to let everyone know what is going on and is why the signs are out there and trying to be proactive. We are homeowners just like you and prior to us we cannot speak for their actions or the way they did business; we can only try to move forward and make it more informed for the homeowners.*
- The resident stated we appreciate that someone is taking action and being proactive and trying to communicate information to everybody that is involved. But to me something so important like this is a serious matter if a person does not make the payment they are going to lose the house because we do not have the information together at the right time and it caused this mess.
- Discussion followed on Park Square Builders and the title company.
- A resident (Hector) of The Grove addressed receiving the letter regarding the assessments due. It does not matter whose fault it is somebody has to answer for it. Why would you come after the homeowner instead of the title company as the one responsible to pay? A lot of us will get legal help.
- The resident addressed the maintenance of the community noting he has sent email about the ditch, they came out cut the area once and he has not seen them again. *Mr. Smith noted when the landscape map was compiled there may have been some corners missed. If it somewhere the CDD is supposed to be maintaining and it is not on the contractors map as an area he is responsible for there is a good chance it is not being maintained but it does not mean the CDD will not maintain it. He will look at the area and if it is owned by the CDD he will let the contractor know to cut it.*

- The resident addressed the condition of the roadway because it looks like a puzzle with the patches. *Mr. Moyer noted that is the city or the county.*
- Ms. Greenwood addressed Stevens Plantation being built on hardpan and it does not drain well and everything runs off. When they originally did the improvements the grading was not done correctly to adjust for the hardpan and the same for the streets. They did not put proper drainage under the streets to collect the water so consequently we have water that bubbles up under the pavement and has caused the cracks. Her understanding is the county is responsible for New Nolte and the city is responsible for the pods [internal roads].
 - Discussion continued on the roadways.
- Mr. Mantzaris noted he appreciated the discussion; he took a lot of notes and will get information back to people. In somewhat of a defense on behalf of the staff involved in this issue - it needs to be said that the overwhelming vast majority of the properties do not have the issues that these 70 some pieces of property do have, that is why the rest of the community is not as concerned about this issue because in their transactions whoever handled their transaction handled it the right way and they do not have the issue. Now, it is great for them but it does not give anybody any comfort but it does show staff was doing what they were supposed to do and were issuing estoppel letters and people were paying the builders release monies out of the closings and they were going toward the right source in the vast overwhelming majority, in 400+ transactions.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Clegg seconded by Ms. Greenwood with all in favor, the meeting was adjourned.
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Gary L. Moyer
Secretary

Rebecca Fernandez
Vice Chair