

MINUTES OF MEETING
BONNET CREEK RESORT
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bonnet Creek Resort Community Development District was held Thursday, November 1, 2018 at 2:03 p.m. at the Wyndham Bonnet Creek Resort, 9560 Via Encinas, Lake Buena Vista, Florida.

Present and constituting a quorum were:

Peter Kacheris	Chairman
Bob Gaul	Vice Chairman
Dan Paris	Secretary
Ruth Perry	Treasurer
Randall Greene	Assistant Treasurer

Also Present were:

George Flint	District Manager
Andrew d'Adesky	District Counsel
John Florio	District Engineer
Alan Scheerer	Field Manager
Clayton Smith	GMS

The following is a summary of the minutes and actions taken at the November 1, 2018 meeting and a copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office of Newly Elected Board Members

Mr. Flint being a notary public of the State of Florida administered the oaths of office to Mr. Kacheris, Mr. Paris and Ms. Perry.

B. Consideration of Resolution 2019-01 Canvassing and Certifying the Results of the Landowners' Election

On MOTION by Mr. Paris seconded by Ms. Perry with all in favor Resolution 2019-01 reflecting 200 votes for Mr. Kacheris, 200 votes for Mr. Paris and 199 votes for Ms. Perry and indicating four-year terms of office for Mr. Kacheris and Mr. Paris and a two-year term of office for Ms. Perry was approved.

C. Consideration of Resolution 2019-02 Electing Officers

Mr. Flint stated after each election the Board needs to reconsider officers. Currently Mr. Kacheris is Chairman, Mr. Gaul is Vice Chairman, Mr. Paris is Secretary, Ms. Perry is Treasurer and Mr. Greene is Assistant Treasurer, I am Assistant Secretary and the District Accountant, Ariel Lovera, is Assistant Treasurer. We can handle each office individually or you can consider a slate of officers.

On MOTION by Mr. Gaul seconded by Mr. Paris with all in favor Resolution 2019-02 was approved reflecting the current slate of officers.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the September 6, 2018 Meeting

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the minutes of the September 6, 2018 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Consideration of Chelonia Parkway Landscaping Enhancement Proposal Options with Yellowstone Landscape (2)

Mr. Smith stated these proposals are for the section of grasses on the right of Chelonia Boulevard as you come towards the Wyndham.

Mr. Flint stated there are two proposals, one to replace the dead grasses with grasses and the other is to sod it with Bahia. From our perspective replacing Muhly Grass is preferable because it shields the native area behind it. The only question is whether that area is too wet for it to survive. Yellowstone has said that it will and our feeling is if we replace it and it dies it is on Yellowstone and at that point we can require them to replace it with Bahia. I think we should try it with the grasses. We will make sure that Yellowstone agrees to a one-year warranty on the material and installation.

On MOTION by Mr. Kacheris seconded by Mr. Gaul with all in favor the proposal from Yellowstone to remove dead grasses and replace with Muhly Grass in the amount of \$3,510 was approved.

SIXTH ORDER OF BUSINESS**Consideration of Irrigation Pond Maintenance Proposal with Solitude Lake Management**

Mr. Flint stated rather than looking at the Solitude and Aquatic Weed Control proposals we put a table together and this table represents our recommendation. The current contractor is Aquatic Weed Control and they maintain two ponds in Bonnet Creek, one next to the maintenance building and one is the irrigation pond on the golf course. They also maintain the wetlands for Bonnet Creek and Crosby Island mitigation area. Our recommendation going forward is that Aquatic Weed Control continue to do the wetlands for the District and the environmental consultant's recommendation is that we stay with them because of their knowledge and history with the property. To have consistency on the golf course, have Solitude maintain the irrigation pond that way you have the same lake maintenance contractor who is doing all the other ponds, they are there and will treat that pond two times a month versus one, which is consistent with the other golf course ponds.

SEVENTH ORDER OF BUSINESS**Consideration of Bonnet Creek Resort Pond and Wetland Maintenance Proposal with Aquatic Weed Control, Inc.**

Mr. Flint stated the other piece of this is the wetland maintenance for both Bonnet Creek and Crosby Island. The Aquatic Weed Control for Bonnet Creek is 12 times a year currently it is \$1,644 a month, BDA is recommending it can be reduced to 9 times a year at the same monthly price that is about a \$5,000 savings.

EIGHTH ORDER OF BUSINESS**Consideration of Crosby Island Marsh Wetland Maintenance Proposal with Aquatic Weed Control, Inc.**

Mr. Flint stated on Crosby Island Marsh they are recommending a reduction from four times a year to three times a year and the per unit cost has gone down by about \$280 and that goes from \$11,120 to \$7,500. I'm comfortable with this based on Penny's recommendations. They feel that level of treatment is adequate to continue to maintain them in their current state.

On MOTION by Mr. Paris seconded by Ms. Perry with all in favor staff's recommendations as reflected on the summary for items 6, 7 and 8 were approved.

NINTH ORDER OF BUSINESS

Ratification of Four-Way Stop Installation Striping and Signage Proposal with Fausnight Stripe & Line, Inc.

Mr. Flint stated there was a request that a four-way stop be installed on Chelonia and the entrance to the Hilton, Waldorf and Wyndham and we had a study prepared that recommended that happen and Orange County signed off on that. We got a proposal from Fausnight that is slightly different from what was in the agenda package, but the cost is pretty close to the same as what is in the agenda. There was a concern with installing new stop signs about people knowing there is a stop sign there. The question is do we install stop sign ahead signs leading up to the stop signs on Chelonia, in downtown Orlando they put red flag on top of the signs temporarily. We asked Fausnight to provide a proposal to include temporary stop ahead signs and also those flags. This proposal includes the installation of the signs as well as the stop ahead sign and the flags. The reason it is a little cheaper than what was in the agenda and includes those additional signs is because there were two existing poles they are going to reuse.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the proposal from Fausnight for four-way stop installation, striping and signage in the amount of \$3,060 was ratified.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated the only thing we have been working on is the Walt Disney deal, in terms of their Counsel's comments to our agreement, we reconciled most of those. The agreement has changed over time from swapping our land and our current existing sign for money and land to swapping it for money and easement. Because of that change from land to land, to land to easement we had to clear that with our bond folks, Greenberg Traurig. He signed off on it conceptually subject to John signing a certificate that they were of approximate equivalent benefit to the District to satisfy our bond indenture and make sure we don't get into trouble under the indenture or securities law. That was handled and there was a sign-off subject to that execution. I know John has to get more details in terms of the actual legal descriptions to

toss into the agreements, we can finalize it, get it signed by Disney and get it done. In terms of how it looks it is pretty much ready to go.

Mr. Kacheris asked why did they want that change?

Mr. d'Adesky stated they wanted to own the land.

Mr. Florio stated they were trying to have us swap for a parcel of land east of our existing right of way that would have done nothing for us but give us another piece of property to maintain that we don't have any use for. Our issue is visibility to our new signs so we created the idea of the triangle, that creates an open view into the new signage from Buena Vista Drive and the interchange. Instead of swapping fee for fee we will be giving them fee for the right of way they need but we will be taking back an easement that gives us the right to enter upon, build, construct, operate and maintain, etc.

B. Engineer

Mr. Florio stated we bid the project again with a list of contractors that Reedy Creek had given us as suggestions. We invited five bidders and received two bids, one from R.C. Stevens and one from Don Bell Signs. Don Bell Signs was the apparent low bidder at \$722,000 for the sign, the landscape and irrigation, grading and demolition meaning, replace what is there, leave the existing roadway system where it is. Do not change the pavers, do not change any of that stuff now because Disney did not build the ultimate project so there is an island that is going to be later and other things that are going to move but they said they would give us permission to build the sign now if we want to build the sign now.

I met with the low bidder and his team and we talked about several things. I wanted to review the contract with him and make sure there were no issues and the only thing they brought up was a little reluctance for a \$500 a day liquidated damage clause. I told them I had not seen their schedule and didn't know how to react to that and when I saw their schedule we would talk about it. They provided a very rough outlined schedule and depending on when we tell them to start their time frames are going to vary. Right now they are looking at five to six months from start to finish the project, which is the signage. That is probably exaggerated because I let them make the first volley.

We went back to Reedy Creek about where we are issues-wise and as you will remember we had lots of issues still on the table one of which was we were negotiating for two additional off-site wayfinding signs, which we have never internally been able to get our arms around

where we want them put. I got together with Canin and said we know there is a new interchange going on Osceola Parkway at Victory Way and I want to look at what opportunities may be down there for signage in addition to what we have now. We have five signs today and they are represented on the handout. I'm looking for consensus.

It was the consensus of the Board to use the handout as an attachment to the agreement.

Mr. Florio stated the low bidder does a lot of the on-property Reedy Creek and Disney signs and I have offered to Paul to replace all the sign panels offsite that we discussed replacing in the past. I told him let's hold off on it for now let's get square with our main sign and deal with the others another time. I also asked them how long they would be willing to hold their prices. We recognize that this will still take some time to get done but I want to at least give them the notice of award and I can work the language in that letter with Andrew and Jan and we can hold the notice to proceed until we get a little closer with Reedy Creek. They initially said they would hold their prices for 90 days, which is reasonable for us to get feedback from them. I think if I gave them notice of award in a week or so they would probably say okay we will hold them and when we get ready to give notice to proceed we can work that out as we get there.

Back to the agreement. We were always intending on adding all of our bills up to date and putting that into the settlement number. How this is looking is we are going to sign an agreement with Reedy Creek, they are going to cut us a check and we are on our own. We have to design, permit and build the sign completely ourselves, they will look at it once in a while and that is pretty much it. To that point I'm trying to put together a budget of what we have spent to date, what we think we are going to spend with Canin for observation of construction and permitting and to complete the PD land use plan amendment that is getting processed now with the County and we are going to add the two numbers together and put that in the blank to try to get a big check. They are either going to agree to a price now with a kicker at the end or they are going to give us enough money to cover the contingency and everything else now. At the end of the day we are probably looking at \$800,000 or \$900,000.

Mr. Paris stated I'm a firm believer in having a penalty clause for time delays.

Mr. Florio stated I didn't suggest that we were going to waive the \$500. There was \$110,000 difference in the first and second bidder and I wouldn't want to use that as liquidated but there is a lot of money there that we can solve some problems with.

While we are buttoning up the agreement with Reedy Creek and getting it back in front of them, we are going to hand them what we believe are all the exhibits, all the attachments, all the legal descriptions and everything else and say here it is send me a check.

We got permission to submit a preliminary copy of our PD Land Use Plan and Master Sign Plan to the two most involved reviewers at the County. I got unbelievably good feedback from them and they redlined the plan and gave it back to me on how they want it submitted so the County can approve our master sign plan. Our entry sign meets no Orange County code and they can't figure out how to calculate because we don't have any Orange County road frontage. We are negotiating to a good sign answer, I have to go through the process, it is a County process, we have to have it done before we can submit our building permits. We will go through Reedy Creek, get the building packages put together from Canin. Back to the comment about them not having built what was intended. This drawing that is red cross hatched is what is today green and will someday be road. Since we are going to go ahead with this project ahead of them finishing their project I'm going to have Canin assume we are going to sod these areas so they are clean and pretty and match everything but develop what I will call a disposable irrigation link so that when they want to build the road all they have to do is either close a valve or cap a line and not touch us.

Mr. Gaul stated you are going to put the sign where it is going to go forever. That road is going to be further in. Is the sign for a good long time going to be so far in that it is not useable?

Mr. Florio stated it is only going to be about 3 feet further in than it is today but the difference is we are going to have these triangles opened all the way back to past the backside of the sign that we don't have today so it is going to be more visible. We will have to get back an easement from them for the nose of the median because we are close to the nose and they wanted the nose and we are going back and forth on the nose.

Mr. Kacheris stated you have done a good job on this and I would say continue as quick as we can and get this done because who knows who is going to be in charge tomorrow.

Mr. Paris asked when does the projected approval timing and start, the first of the year?

Mr. Florio responded probably February/March. For the taxi staging lane, the County approved the preliminary subdivision plan modification, the permit applications are set up for your signature and we will be submitting those. They are asking that it be submitted as a building permit. We are looking to submit that the weekend after Thanksgiving.

The nature trail and CIMMA preserve I got another call from Orange County EPD they want to know if we are interested in that. We met in the field with them a year ago and we never closed the loop on our interest.

Mr. Kacheris asked do we have any desire to do any of that?

Mr. Florio responded yes. We have a desire to give them permission to fix our berm and put a fence around the entire property and put people on it if they want but as long as they fix our berm I don't care what they do.

Mr. Paris stated I see no problem with it if the agreement has all the indemnifications necessary.

Mr. Florio stated they first sent us a government agency agreement and we read it and said this isn't even close. Then they sent a private landowner agreement thinking we would get closer. I suggest you take what you like out of both and make one but give me something to send back.

Mr. d'Adesky stated the specific trails program, individuals who agree to this are treated as volunteers under the state's sovereign immunity so they are covered partially under the state's sovereign immunity and also certain protections and limitations. That being said, we still have a basic duty if we know of a dangerous condition to correct it. Alligators don't count, wild boars don't count but if there is a pit or something there we have to fill it.

Mr. Florio stated our idea was if they were to fence both sides of the berm they would be the maintenance entity.

Mr. Paris stated I think the fence is a big plus, fixing the berm is huge and then if they maintain it in the future.

Mr. Florio stated they recognize they are going to have to spend some money to get this berm repaired. Right now at best it is a mowed twice a year berm that you can barely pass through. If they are going to put people on it they are going to have to have somebody come out to look at it, clean it and stabilize it and sod it and build a trail and put the fences up and all that. To my way of thinking if they are willing to do all that for free, let them have it.

Mr. d'Adesky stated if you direct me to do it I will do it under John's review to make sure it has all the provisions we need in terms of the infrastructure we are looking for. I'm hearing berm maintenance, fence.

Mr. Florio stated to the best of my knowledge we still have not received the deed for our access to Crosby Island Marsh and I haven't heard anything from Lennar in months.

Mr. d'Adesky stated we have contacted them multiple times. We can send them another letter and get on the phone with their Counsel. There is an issue regarding the paving and being over about 6".

Mr. Florio stated they built the driveway on someone else's property and I suggested they get it cut off or repaired so we are not on someone else's property.

C. Manager

i. Consideration of Check Registers

On MOTION by Mr. Paris seconded by Mr. Greene with all in favor the check registers were approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Field Manager's Report

Mr. Smith gave an overview of the Field Manager's report, copy of which was included in the agenda package.

ELEVENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

Other Business

There being none,

On MOTION by Mr. Kacheris seconded by Mr. Greene with all in favor the meeting adjourned at 3:06 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman