

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 7, 2019 at 2:00 p.m. at the Wyndham Bonnet Creek Resort, 9560 Via Encinas, Lake Buena Vista, Florida.

Present and constituting a quorum were:

Bob Gaul	Chairman
Randall Greene	Vice Chairman
Glen Winsor	Secretary
Ruth Perry	Treasurer by telephone
Herb Von Kluge	Assistant Secretary

Also Present were:

George Flint	District Manager
Jan Carpenter	District Counsel
Andrew d'Adesky	District Counsel
John Florio	District Engineer
Clayton Smith	Field Manager
Jim Nugent	DWMA, Inc.
Bob Amsterdam	The John Hardy Group
Justin Koegel	Whiting-Turner Contracting Company

The following is a summary of the minutes and actions taken at the November 7, 2019 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. Acceptance of Resignation of Dan Paris

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor Dan Paris' resignation was accepted.

B. Appointment of Individual to Fill the Board Vacancy with a Term Ending in November 2022

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor Herb Von Kluge was appointed to fill the unexpired term of office.

C. Administration of Oath of Office to Newly Appointed Supervisor

Mr. Flint being a notary public of the State of Florida administered the oath of office to Mr. Von Kluge.

Mr. Flint stated under the oath of office form is the form 1 statement of financial interests, a financial disclosure form required by the State and it has to be filed within 30 days of you taking office today with the Supervisor of Elections in the County in which you reside. They do track that so you should file it so that you have proof, either hand delivered, certified or email. We also provided a form 1F that needs to be filed when you leave the Board but we will send that to you at that time. As a Board Member you are entitled to compensation of \$200 per meeting and the other Board Members accept compensation. If you choose to accept it there is a W-4 and I-9 form that need to be filled out and come to my office.

Mr. d'Adesky stated all records of the District are public records and any emails, paperwork, documents that are distributed in association with the District's business is a public record. Any email you might send regardless of whether that comes from a private email or email controlled by the District might be subject to a public records request. We recommend you try to keep those separate if possible so they are accessible and make sure that any text messages are also accessible. You are also subject to the sunshine law, which means outside of the CDD meetings you can't speak to any of the other members of the Board about District business. You can talk about personal business but not District business off the record. If you have any questions ask us. We will send you a package of information electronically that goes over the sunshine law, but you can call myself or Jan at any time and we will walk you through those issues.

D. Consideration of Resolution 2020-02 Electing an Assistant Secretary

On MOTION by Mr. Greene seconded by Mr. Gaul with all in favor Resolution 2020-02 electing Herb Von Kluge as Assistant Secretary was approved.

FOURTH ORDER OF BUSINESS**Approval of the Minutes of the October 3, 2019 Meeting**

Mr. Flint stated Mr. Florio pointed out one correction we will make, we misspelled the name of the arbitrage rebate consultant.

On MOTION by Mr. Winsor seconded by Mr. Greene with all in favor the minutes of the October 3, 2019 meeting were approved as amended.

FIFTH ORDER OF BUSINESS**Presentation and Consideration of Agreement Regarding District Stormwater Impacts Related to Construction of Improvements at the Hilton Bonnet Creek**

Mr. Florio stated the Waldorf and Hilton are engaging in an expansion to add two new ballrooms, one on the west side of the facility for the Hilton and one on the east side for the Waldorf. The Waldorf project is in process from a permitting perspective. We asked the developer and contractor to come to the Board with a couple things. One, the water body they are working in is part of the master stormwater system that this Board is responsible for under the permits. That stormwater system discharges to a series of wetlands and canals owned by Disney and other things that are monitored pretty hard and regular. It is a concern of water quality that I have expressed as the District Engineer to the developer and his contractor. In addition, since the roadway is controlled by the District, the District is in a required position as we have done with the Marriott to at least review and approve the maintenance of traffic proposed for moving construction access in and out of the property during construction. They are here today to present some thoughts and ideas on how they want to approach the project for the Board to review and look at. There are a couple pieces of this puzzle, once they get your feedback and are ready to implement they are going to need to submit signed and sealed maintenance of traffic plans as did the Marriott for review here for your blessing and we send a courtesy copy to the county so they know what is going on.

The second would be what we have phrased at least an indemnity and hold harmless agreement related to potential impacts to the stormwater systems and our permitting on the property. Those are the two items that will come with closure, but I wanted you to understand what the approach is.

Mr. Koegel outlined the proposed hours of construction, with the Hilton being about a two-year project starting in February and that the Waldorf doesn't affect anyone except for the traffic patterns turning into the actual property. He then reviewed access to and from the property, temporary changes to the golf course, suggested that moving forward with the staging lane at the same time as construction would be ideal construction to be a driven pile system, which will create some noise, sheet piles along two edges, three months of heavy noise, May through July and they will have a full-time flag person to help control traffic.

Mr. Florio asked are we generally in agreement with the access location being the far lane on the west side of the Waldorf, which exists today as a driveway that doesn't require us to cut through berms. Unless there is great opposition to that we agree with that location. We came up with potentially doing a directional left out to keep those vehicles going. You heard a potential concern and conflict with the Wyndham across the street but generally, can I say we have consensus that the traffic plan is generally okay?

The Board was in agreement.

Mr. d'Adesky stated as a District we are concerned primarily with the stormwater. To be clear the motion will be related to general approval but also designating the authority to enter into an agreement and in this case the agreement is with the landowner and to the extent that the Hilton wishes to engage a contractor or sub-contractor to manage that contractual relationship that is Hilton's responsibility and their duty to do that. Approval of the agreement would be with Hilton. Our concern is always with the land.

Mr. Flint stated this motion is just regarding MOT, correct. We are not dealing with the stormwater issue.

Mr. Florio stated right.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the Access Management Plan as presented along with the potential use of the median, was approved and the Chairman was delegated authority to make the final decision.

Mr. Flint asked when are we going to deal with the stormwater issue?

Mr. Koegel stated we have the obligation to not exceed 29 MTUs with our construction, it will be monitored and vetted and we will have a formal plan that we have to submit to Orange County.

Mr. Amsterdam stated that will be part of your Orange County permitting process the District depending on how they view it may require a draft stormwater management plan.

Mr. Koegel stated we will have a stormwater management plan, it just takes my sub-contractor team to be on Board for that, they actually put that together with our help and it gets submitted.

Mr. Florio stated they are going to have a permit for themselves.

Mr. Flint stated we are protected by the regulatory entities but what if there is a violation that has an impact? We still need the hold harmless.

Mr. Florio stated if you have a payment and performance bond and you are added as an obligee it may cover you.

Mr. d'Adesky added if that is possible and we can work that.

Mr. Florio stated from a timing perspective he can get P&P on some number that is reasonable in a fraction of the time it would take to get a hold harmless indemnity agreement.

Mr. d'Adesky stated I'm still looking for the authority to enter into an agreement in the case that cannot be done to get a lead on that as much time as possible.

Mr. Koegel stated a performance bond is no problem.

Mr. Flint asked what is our leverage to get that done?

Mr. Florio stated you can condition approval of the access management based on them providing a performance and payment bond with dual obligations.

Mr. Amsterdam stated as representative of the owner we will approve the P&P.

Mr. d'Adesky stated we still have the conditional approval assuming that is going to get done and assuming that is option 1 we still have a conditional motion pending assignment of the P&P bond and review of the bond.

Mr. d'Adesky outlined a proposed motion.

Mr. Flint stated it will be a separate motion, but it is amending the first motion.

On MOTION by Mr. Gaul seconded by Mr. Greene with four in favor and Mr. Winsor abstaining due to a conflict of interest, approval to move forward with the plan as presented was granted subject to assignment of the P&P bond, naming Bonnet Creek Resort Community Development District as an additional obligee, that being the primary option, the secondary option in case that not being possible, having a separate hold harmless agreement executed, was approved (4-1).

Mr. Florio stated with your concurrence I am going to send them a set of plans for the staging lane and see if we can't get White-Turner to give us a realistic number.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated we are still in the same place regarding CIMMA access and they are completing the survey. Next is the irrigation easement we have been following up with and the last word was it was with local counsel for comments.

B. Engineer

Mr. Florio stated we will follow-up again with the Watertronics people, but the Board approved an emergency authorization to acquire the station, that is the biggest component. That purchase order has been reviewed technically and in legal's hands. The fallback position is we would have to put the station in the existing easement. The problem with that is to do that you don't have irrigation for as long as it takes to build and it is going to cost more. You have to take the existing pump station out of the way and offline to build the new station, which is why we chose the new location. We have to adjust the timing of certain irrigation around the project starting with Chelonia Parkway. The Board's decision was to do it off hours so everybody gets the water they need.

C. Manager

i. Consideration of Check Register

On MOTION by Mr. Greene seconded by Mr. Gaul with all in favor the check register was 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 stated we have the streetlight repaired and I do have a proposal for the next part of that. This proposal is a high end what we want to give the insurance company once we get it sorted out with the Florida Highway Patrol. This is what we are going to send to the insurance company; this is basically replacing all the plants. We could probably get away with around 50-75% of this as some of the plants have come back and will probably be salvageable. There is a lot of repair to landscape that needs to be done.

Mr. Flint stated you can approve a not to exceed amount and I would err on the side of replacing something if it has been damaged, whether it is going to come back or not is questionable and we would rather have new plants.

On MOTION by Mr. Winsor seconded by Mr. Gaul with all in favor the proposal from Yellowstone for Landscape Replacements, in the amount of \$3,822.50, was approved.

Mr. Smith reviewed the balance of the field manager's report.

Ms. Perry left the telephone conference at this time.

Mr. Florio stated Jan and I met again with Kate Caldwell and Counsel and after getting through the normal excuses they agreed to take yet another look at the survey information required to say okay, it's a mess. I was told that would take three weeks, three weeks is over. I emailed Kate got an answer an hour before I walked in this room that basically said we think both sides need to move but I think we are going to find a way to make it work. I'm not sure what that means and I will bring it back when I know.

The other thing I have is I know a little bit about the JW enough to know that I believe there is financing on it and normally with that type of construction project when you go into the project you take a bunch of codicils that say they will provide a certified as-built after

construction. The reason I'm bringing this up is we still haven't resolved the easement issues that are all over your project onto which you have constructed a bunch of stuff. I suggest we resolve whatever we need to resolve so that the developer doesn't get caught in a box. We need to deal with those.

The Crosby Island Marsh Trail, our caretaker who was living on that property has passed away. Herb knew of him and was out on property and has some ideas about maintenance that we will get together and talk about but as far as the trail easement with the trail service is concerned I think we have lost interest based on the developer being concerned on the credits and codicils included in the agreement, etc. The only question I ask is should we tell them? After considering this again we are sorry we are not interested. I will be happy to do that. I just don't know what you want to do.

Mr. Gaul stated that was a good deal with the caregiver, he cut the grass.

Mr. Von Kluge stated we will get into that. There is other stuff involved. The developer/general partner and the environmental consultants are looking at negative aspects of the trail and at the moment we are not interested in having that occur on this site. We will have bullet points from our environmental consultant because there is also an impact to the CDD.

Mr. Flint stated on the issue of the caretaker, we need to amend the agreement regarding the caretaker. We also need to terminate a hunting lease that is out there. My preference would be if staff can get with Herb first, we can draft the documents then we would be prepared with Herb to present that at the next meeting. We haven't had a chance to fully go through the issues and I would rather have the documents drafted and not get hung up on some issues.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Other Business

There being none,

On MOTION by Mr. Greene seconded by Mr. Winsor with all in favor the meeting adjourned at 3:21 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman