

**MINUTES OF MEETING**

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**HERITAGE PLANTATION  
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of Heritage Plantation Community Development District was held on **Wednesday, March 12, 2014 at 9:00 a.m. (CST)** at the office of Pelican Real Estate, 5210 South Ferdon Boulevard, Crestview, FL 32536.

Present and constituting a quorum:

Louis Weltman	<b>Board Supervisor, Chairman</b>
Doug Turner	<b>Board Supervisor, Vice Chairman</b>
William A. Bailey	<b>Board Supervisor, Assistant Secretary</b>
Richard Bennett	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Debi Anderson	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
Ron Lewis	<b>District Counsel, Bearden, Lewis &amp; Thomas, LLP</b> <i>(via speakerphone)</i>
George Taylor	<b>Trustee Counsel, Burr &amp; Forman, LLP</b> <i>(via speakerphone)</i>
Marc Solomen	<b>Trustee Counsel, Burr &amp; Forman, LLP</b> <i>(via speakerphone)</i>
Brian Rich	<b>Developers Counsel, Berger Singerman, LLP</b> <i>(via speakerphone)</i>
Audience	

**FIRST ORDER OF BUSINESS**

**Call to Order**

Ms. Anderson called the meeting to order and read roll call. Mr. Weltman, Mr. Bailey, and Mr. Bennett submitted Form 8B Memorandums of Voting Conflict for County, Municipal, and Other Local Public Officials.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There were no audience comments.

**THIRD ORDER OF BUSINESS**

**Consideration of Board Supervisor  
Replacement**

Mr. Weltman asked that the item be tabled until the next meeting given that not all of the interested candidates are in attendance.

On a Motion by Mr. Bailey, seconded by Mr. Turner, with all in favor, the Board tabled the consideration of appointing a replacement supervisor for the Heritage Plantation Community Development District.

**FOURTH ORDER OF BUSINESS**

**Consideration of Minutes of the Board of  
Supervisors' Meetings Held on February  
20, 2014**

On a Motion by Mr. Turner, seconded by Mr. Bailey, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on February 20, 2014 for the Heritage Plantation Community Development District.

**FIFTH ORDER OF BUSINESS**

**Discussion Regarding Filing Motion of  
Relief from Automatic Stay**

Mr. Solomon, attorney for the Indenture Trustee, stated his case for relief of the automatic stay explaining that the initial request was made in September of 2011 with subsequent requests occurring in May and June of 2012, and he feels it would be appropriate to take action at this time. He stated that there is basis in bankruptcy codes for the stay, given the lack of equity in the property at issue and lack of adequate protection. Mr. Solomon opined that the property is not necessary for the reorganization. He quoted from the prior minutes of a District meeting and debtor's schedules to make his point on the matter of property depreciation and lack of equity.

A lengthy discussion ensued regarding opposing opinions on the need for the relief of the stay to occur and what is in the best interest of the District. It was stated that whether the District agrees to the Trustees request and it is affirmed or the Developer proceeds with the reorganizational plan and it is confirmed, the District ends up with the property—it is really a matter of timing. Mr. Taylor argued that agreeing to file the motion for relief of stay would enable the bondholders to find a developer to come in and finish the project and the Board has a fiduciary and legal obligation to do so. He indicated that the Trustee has made a business decision that the current developer may not be the best entity to complete the project, since it has done nothing to improve the situation over the past 33 months. Mr. Weltman agreed that the Board does have a fiduciary duty to the District; however disagreed on what resolution best benefits all the parties. He stated the District has requested funding from the Trustee to maintain the property and address the issues mentioned by Mr. Solomon, but to date no funding has been forthcoming.

Mr. Weltman noted that the current developer has ample funding available to complete the project, but finding builders willing to purchase the property and start building again hinges on the control of waste water being in the hands of the District and the reorganizational plan provides for this. Both District Counsel and Developer's Counsel questioned the need to approve the motion at this time and whether it is in anyone's best interest to simply speed up the process. Mr. Rich stated that the Developer would strongly oppose any motion seeking relief from the stay.

Audience comments were entertained on the matter with residents expressing a desire for conditions to improve in the community. They questioned why the Trustee would be willing to fund legal costs of filing the motion for relief of stay but aren't willing to cut the grass. They opined that the current developer should be allowed to proceed as they are aware of the situation and have a vested interest in the project.

Mr. Bailey noted the apparent impasse on the topic and recommended that the Board vote against filing the motion and further discussion ensued. Mr. Lewis clarified the verbiage of the motion and Mr. Bailey confirmed that said verbiage was accurate.

On a Motion by Mr. Bailey, seconded by Mr. Bennett, with all in favor, the Board decided against filing a motion with the Bankruptcy Court seeking relief from the Automatic Stay for the Heritage Plantation Community Development District.

**SIXTH ORDER OF BUSINESS**

**Discussion Regarding Authorizing  
Chairman to Negotiate and Execute an  
Agreement with SCDC Relative to  
Secured and Unsecured Claims and the  
Reorganization Plan**

Mr. Weltman stated that the Board had been provided with a summary document as to the treatment plan and history of the CDD project. He noted that a minor revision regarding the date on which he and Mr. Turner joined the Board, would be made to the document outlining the history of the District.

*(Mr. Rich left the meeting at 9:55 a.m. CST)*

Mr. Bailey indicated that he felt there were some missing details in the summary and sought and received confirmation that changes could be made to the document going forward. Mr. Weltman explained that bankruptcy codes allow the debtor to make changes right up to the final hearing and the Chairman would be able to approach Developer's Counsel and request revisions as the Board felt necessary throughout the process. He provided a brief overview of the process involved in obtaining confirmation of the reorganizational plan.

*(A brief recess was taken at 10:01 with the meeting reconvening at 10:05 with all those in attendance at the onset of the meeting still in attendance with the exception of Mr. Rich.)*

Discussion was held regarding whether there is a need to establish a special purpose entity (SPE) to manage the 240 lots that will eventually come to the District, details that need to be worked out regarding the recreational complex that was part of the original development plan and the condition of the water reclamation plant at the time it gets transferred to the District, as well as the District's fiduciary duty to not only maximize the value of the property for the bondholders, but also to ensure that residents are not unduly burdened as part of the plan. Concerns were expressed regarding where the funds are to construct the recreational complex and whether or not an audit should be performed on how the \$12,000,000 in bond proceeds was spent. Ms. Anderson explained that requisitions for payment of bond proceeds were signed off on by the District Engineer and the Chairman as being completed before being sent to the Trustee for payment.

On a Motion by Mr. Bailey, seconded by Mr. Turner, with all in favor, the Board authorized the Chairman without limitation, to negotiate and execute an Agreement with Southeastern Consulting & Development Co., Inc. ("SCDC") and the other proponents consistent with the treatment of the District's unsecured and secured claims against SCDC in connection with SCDC's Plan of Reorganization, including but not limited to the assumption of obligations, as well as the conveyance of assets from SCDC and the other proponents to the District for the Heritage Plantation Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Supervisor Requests and Audience Comments**

Mr. Weltman informed the Board of a couple of items that will need to be discussed at its next meeting as part of the reorganizational process. The first being the need to schedule a public hearing to hear public comments on the District's purchase of the waste water plant, and the second being to approve the third amendment to the SCDC agreement with the County which coincides with the Disclosure Statement. He stated that he will be working with Rizzetta and Company on these matters, as well as preparing the documents to request the release of the \$108,000 being held by the Trustee. Mr. Weltman stated that if denied, the District would be looking at what options exist to procure the funds needed to maintain the District.

Mr. Weltman asked if there were any further comments from the audience, District Counsel, or Trustees Counsel. There were none.

**EIGHTH ORDER OF BUSINESS**

**Adjournment**

On a Motion by Mr. Bennett, seconded by Mr. Bailey, with all in favor, the Board adjourned the meeting at 10:20 a.m. CST, for the Heritage Plantation Community Development District.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman

# FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME <b>BAILEY William Arthur</b>	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE
MAILING ADDRESS <b>6420 Amanda Court</b>	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input checked="" type="checkbox"/> OTHER LOCAL AGENCY
CITY COUNTY <b>Crestview Okaloosa</b>	NAME OF POLITICAL SUBDIVISION: <b>Heritage Plantation Comm. Dev. District</b>
DATE ON WHICH VOTE OCCURRED <b>3/12/14</b>	MY POSITION IS: <input type="checkbox"/> ELECTIVE <input checked="" type="checkbox"/> APPOINTEE

## WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies equally to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing the reverse side and filing the form.

## INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which inures to his or her special private gain or loss. Each elected or appointed local officer also is prohibited from knowingly voting on a measure which inures to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent organization or subsidiary of a corporate principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

\* \* \* \* \*

### ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

\* \* \* \* \*

### APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you otherwise may participate in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

**IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:**

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on other side)

**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, William A. Bailey, hereby disclose that on 1/17/14 - 2/21/14, 20 14:

(a) A measure came or will come before my agency which (check one)

- inured to my special private gain or loss;
  - inured to the special gain or loss of my business associate, \_\_\_\_\_;
  - inured to the special gain or loss of my relative, \_\_\_\_\_;
  - inured to the special gain or loss of \_\_\_\_\_, by whom I am retained; or
  - inured to the special gain or loss of \_\_\_\_\_, which is the parent organization or subsidiary of a principal which has retained me.
- } NONE

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Assisted Developer/Home Owner Association in obtaining lawn Maintenance Proposals for Heritage Plantation. Prepared <sup>unsolicited</sup> document for developer outlining various maintenance issues at Heritage. No <sup>PERSONAL</sup> special gain or loss will be received by this activity nor was one intended or promised by Developer.

3/12/14  
Date Filed

William A. Bailey  
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.



**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

**IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:**

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, \_\_\_\_\_, hereby disclose that on \_\_\_\_\_, 20 \_\_\_\_\_:

**(a) A measure came or will come before my agency which (check one)**

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, \_\_\_\_\_;
- inured to the special gain or loss of my relative, \_\_\_\_\_;
- inured to the special gain or loss of \_\_\_\_\_, by whom I am retained; or
- inured to the special gain or loss of \_\_\_\_\_, which is the parent organization or subsidiary of a principal which has retained me.

**(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:**

Date Filed

3/12/14

Signature

*Richard L. Bennett*

**NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.**





**APPOINTED OFFICERS (continued)**

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

**DISCLOSURE OF LOCAL OFFICER'S INTEREST**

I, LOUIS S WELTMAN, hereby disclose that on MARCH 12, 2014:

(a) A measure came or will come before my agency which (check one)

- inured to my special private gain or loss;
- inured to the special gain or loss of my business associate, \_\_\_\_\_;
- inured to the special gain or loss of my relative, \_\_\_\_\_;
- inured to the special gain or loss of \_\_\_\_\_, by whom I am retained; or
- inured to the special gain or loss of \_\_\_\_\_, which is the parent organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

NOTES IN CONNECTION WITH INDENTURE TRUSTEE'S REQUEST TO FOR THE DISTRICT TO SEEK RELIEF FROM THE STAY IMPOSED ON THE FORECLOSURE PROCEEDINGS INITIATED BY THE DISTRICT AGAINST THE DEVELOPER; AND

NOTES IN CONNECTION WITH THE DEVELOPER'S PLAN OF RE-ORGANIZATION; AND ANY OTHER MATTERS UNDERTAKEN BY THE BOARD ON THIS DATE

March 12, 2014  
Date Filed

[Signature]  
Signature

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.