

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 **Monday, July 21, 2014 at 9:20 a.m. (CDT)** at the office of Pelican Real Estate, 5210 South Ferdon Boulevard, Crestview, FL 32536.

Present and constituting a quorum:

Louis Weltman	Board Supervisor, Chairman <i>(via speakerphone)</i>
William A. Bailey	Board Supervisor, Assistant Secretary
Richard Bennett	Board Supervisor, Assistant Secretary
Gary Paulzak	Board Supervisor, Assistant Secretary

Also present were:

Debi Anderson	District Manager, Rizzetta & Company, Inc.
Ron Lewis	District Counsel, Bearden, Lewis & Thomas, LLP <i>(via speakerphone)</i>
George Taylor	Trustee Counsel, Burr & Forman, LLP <i>(via speakerphone)</i>
Marc Soloman	Trustee Counsel, Burr & Forman, LLP <i>(via speakerphone)</i>
Roy Roane	Board Counsel Appointed by RSUI Insurance <i>(via speakerphone)</i>
Nina Trawick	Court Reporter
Mr. & Mrs. Joe Young	Resident's of Heritage Plantation
Nancy Shue	Resident of Heritage Plantation

FIRST ORDER OF BUSINESS

Call to Order

Ms. Anderson called the meeting to order and read roll call.

SECOND ORDER OF BUSINESS

Audience Comments

There were no audience comments put forward at this time.

THIRD ORDER OF BUSINESS

**Review of Procedure to Set the Meeting
Dates of the District Board and Setting
Meeting Agendas**

Ms. Anderson reviewed the process for setting the annual meeting schedule, which is done by resolution typically at the last meeting of the fiscal year and for holding special meetings to address items that come up in between regular meetings. She explained that there are statutory requirements relative to advertising meetings and limiting discussion of District matters by Board Supervisors outside of advertised meetings.

Ms. Anderson confirmed that agenda items are determined by the needs of the District, with many items such as approval of minutes and expenses, consideration of proposals, etc. being standard and driven by the management company as needed. However, Board Supervisors and District Counsel generally provide input into matters that need be addressed. She explained that a tentative agenda is distributed to the Board and Staff 14 days prior to the meeting, primarily for the purpose of allowing feedback on the agenda before it is finalized.

FOURTH ORDER OF BUSINESS

**Ratification of Revised Minutes of the
Board of Supervisors' Meeting on May
16, 2014**

Ms. Anderson reviewed the changes to the minutes and asked that the Board approve the revised minutes.

On a Motion by Mr. Bailey, seconded by Mr. Bennett, with all in favor, the Board approved the revised minutes of the Board of Supervisors' Meeting held on May 16, 2014 for the Heritage Plantation Community Development District.

FIFTH ORDER OF BUSINESS

**Consideration of Minutes of the Board of
Supervisors' Meeting on June 13, 2014**

On a Motion by Mr. Bennett, seconded by Mr. Bailey, with all in favor, the Board approved the minutes of the Board of Supervisors' Meeting held on June 13, 2014 for the Heritage Plantation Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Board Supervisor
Replacement**

Ms. Anderson stated that at the last meeting the Board accepted the resignation of Mr. Turner of his seat (#3) that expires in November of 2016. She asked if there were any nominations for a replacement supervisor. A discussion ensued wherein Mr. Joe Young, who was considering being nominated for appointment as a Board Supervisor, explained that for assorted reasons he was withdrawing from any nomination to the Board of Supervisors. Hearing

no other nominations, Ms. Anderson stated that all of the associated agenda items would be tabled until such time as the Board is ready to appoint a replacement Supervisor.

SEVENTH ORDER OF BUSINESS

**Discussion of Supervisors Regarding
the Indenture Trustee's Motion for
Relief from Stay in the Chapter 11
Proceedings of Louis S. Weltman**

Mr. Weltman opened the floor up for comments regarding the Indenture Trustee's Motion for Relief from Stay in the Chapter 11 Proceedings of Mr. Weltman. He summarized the motion stating that the plaintiffs are seeking to have a Trustee appointed to take control of the District because they feel that the District did not appropriately respond to their request for Relief from the Stay. Mr. Weltman stated that he does not understand the need for the cost of a lawsuit, as the current reorganization plan ultimately provides the same results in less time. Mr. Lewis clarified that technically under said plan the lots would go to a trust on behalf of the District, not the bondholders. However, they do get a share of the proceeds on the sale of those lots.

Landowner, Mr. Young, expressed concern that certain parties, such as the Tax Collector, will not receive compensation if the Southeastern Consulting & Development Co., Inc. transfers the property to the District (Trust) under its Plan of Reorganization. Mr. Weltman explained that the Tax Collector and assessment liens are co-equal in dignity and, as such, each will receive a share of the proceeds from the sale of the lots as determined by an independent Trustee.

Board members in attendance at the meeting expressed their disagreement with statements included in the motion for Relief from Stay inferring that the Board members are essentially puppets for Mr. Weltman doing whatever he asks of them to do. They all emphasized that all of the decisions that they have made on behalf of the District were made based on what was felt to be in the best interest of the District, and there is no personal gain involved.

Mr. Bennett spoke regarding other statements included in the motion that he felt were incorrect relative to the District's failure to provide any adequate protection payments, the failure to use District's insurance policy to make some of the repairs, etc. Ms. Anderson confirmed that the District has not had funding to purchase property or liability insurance for several years. A brief discussion ensued regarding the lack of funding for insurance, the adequate protection payments, or for legal costs and the refusal of the bond Trustee to release any funds to meet these expenses.

i. Review of Affidavit of Kathy Broecker, Representative of U.S. Bank

Mr. Weltman stated the he responded to the motion, noting that Ms. Broecker does not have the first hand knowledge required to provide an affidavit and therefore it was ingenuous of her to provide an affidavit on the matter.

ii. **Review of Engagement Letter of General Counsel and /or Defense Counsel to Represent the District and the Supervisors in Connection with the Motion:**

A brief discussion ensued regarding the need for the District to hire Counsel to represent them in this matter, the timing of the need to respond to the motions that have been filed, and where the funding would be procured for District Counsel and the Supervisors' Counsel. Mr. Weltman provided a brief synopsis of his history with Mr. Lewis and assured the Board that there is no conflict of interest as Mr. Lewis' firm is not and will not be representing him on any personal matters until such time as this matter is resolved. Mr. Bennett confirmed that Mr. Weltman had disclosed his prior involvement with Mr. Lewis at the time that he recommended his firm be hired as District Counsel. It was noted that Mr. Roane was hired and is being paid by RSUI under the District's Director and Officers Liability policy. It was further noted that District Counsel is aware that beyond the initial \$10,000 retainer fee that will be funded with a loan, it may have to wait for additional payment. Mr. Weltman explained that repayment of the loan will be included in a future Operations and Maintenance budget and assessed to the property owners at that time.

On a Motion by Mr. Bennett, seconded by Mr. Paulzak, with all in favor, the Board approved the Engagement Letter from Lewis & Thomas, LLP to provide legal services on behalf of the District in conjunction with the Motion for Relief from Stay in the Chapter 11 Proceedings of Louis S. Weltman for the Heritage Plantation Community Development District.

A request was made that the Board be provided with a copy of the responses that were filed so they can provide comments prior to the hearing scheduled for July 23, 2014. It was noted that the responses had to be filed prior to this meeting.

On a Motion by Mr. Bennett, seconded by Mr. Bailey, with all in favor, the Board ratified the filing of the responses to the motion by the District's Legal Counsel and the Supervisors' Counsel for the Heritage Plantation Community Development District.

EIGHTH ORDER OF BUSINESS

**Discussion of Supervisors of the
Objections to the "Disclosure Statement"
Filed in Connection with the Chapter 11
Proceedings of Southeastern Consulting
& Development Co., Inc.**

Mr. Lewis provided a brief overview of the processes involved in this phase of the Chapter 11 Proceedings. Mr. Weltman asked if there were any questions on the various objections that were filed. There were none.

NINTH ORDER OF BUSINESS

Reconsideration re Seeking Relief from Stay in Connection with the Foreclosure Sale on the 240 lots at Heritage Plantation that are Owned by Southeastern Consulting and Development Company

Mr. Weltman recommended that the Board move to seek relief from the stay, noting that even though this is not the best way to proceed in his opinion, it is apparent that Trustee's Counsel is of a different opinion and is determined to address the matter of the 240 lots owned by Southeastern Consulting & Development Co., Inc. utilizing this format. He stated that he is unsure of why the bondholders are not going after the other 57 lots or why they are insisting on taking an approach that does not offer any guarantees of court approval, requires the additional steps as outlined, and incurs costs for the District which it does not have the funding to pay. He stated, however, he agrees with the trustee's request any stated he will vote to proceed in the desired approach by the bondholders. A brief discussion ensued regarding the end goal being the same regardless of which method is used, which is to seek resolution of the 240 lots currently owned by Southeastern Consulting & Development Co., Inc. Comment was sought from Trustee's Counsel on the matter, who stated that the relief of stay is what they have been requesting for almost three years now and the Board's decision on this matter will not impact any actions that have been or may be initiated against the District or the Board. The following Board action was taken:

On a Motion by Mr. Weltman, seconded by Mr. Bennett, with all in favor, the Board of Supervisors authorized District Counsel to proceed with seeking Relief from the Stay in connection with the foreclosure sale on the 240 lots at Heritage Plantation that are owned by Southeastern Consulting & Development Co., Inc., subject to obtaining funding to do so for the Heritage Plantation Community Development District.

TENTH ORDER OF BUSINESS

Reconsideration of the Vote of Supervisors in connection with the SCDC Settlement Agreement and the 3rd Amendment to the Development Agreement whereby the Board Authorized the Chairman and/or Counsel for the District, Subject to the Confirmation of the Plan of Re-Organization of Southeastern Consulting & Development Co., Inc., but Otherwise Without Limitation or Further Ratification

A brief discussion ensued regarding the impact the previous motion has on this item, which essentially eliminates the need for the Plan of Reorganization at this time. Therefore, the recommendation was to table this item.

ELEVENTH ORDER OF BUSINESS

Authorization of the Chairman to execute the Loan Documents to Raise Funds Pursuant to Statue 190.015 to pay Lewis & Thomas, P.A. to Defend the District in Connection with the Motion for Relief from the Stay

On a Motion by Mr. Bailey, seconded by Mr. Bennett, with all in favor, the Board of Supervisors authorized the Chairman to execute the loan documents as discussed for the Heritage Plantation Community Development District.

Ms. Anderson reminded the Board that the next regular meeting is scheduled for August 21, 2014 and includes the public hearing on the budget.

Ms. Anderson responded to a request from Trustee's Counsel that they be provided with the call-in information prior to each meeting. Ms. Anderson noted that the number has not changed over the past six years and it is not generally provided without solicitation. She stated that she would ask Staff to include it with the meeting agenda.

TWELFTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Bennett, seconded by Mr. Weltman, with all in favor, the Board adjourned the meeting at 10:30 a.m. CDT 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 WELTMAN, LOUIS SOLOMON	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE BOARD OF SUPERVISORS
MAILING ADDRESS 9164 SANDERSON COURT	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: <input type="checkbox"/> CITY <input checked="" type="checkbox"/> COUNTY <input type="checkbox"/> OTHER LOCAL AGENCY
CITY COUNTY BOYNTON BEACH, PALM BEACH	NAME OF POLITICAL SUBDIVISION: HERITAGE PLANTATION COMM DEV DISTRICT
DATE ON WHICH VOTE OCCURRED JULY 21, 2014	MY POSITION IS: <input checked="" type="checkbox"/> ELECTIVE <input type="checkbox"/> APPOINTIVE

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, LOUIS S WELTMAN, hereby disclose that on JULY 21, 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:

SEE MEETING AGENDA; ANY AND ALL ITEMS UPON WHICH A VOTE WAS/IS TAKEN

July 21, 2014
Date Filed

Louis S Weltman
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.