A. **CALL TO ORDER**

District Manager Jason Pierman called the January 26, 2012, Regular Board Meeting of the Venetian Community Development District to order at 11:00 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

B. **PROOF OF PUBLICATION**

Mr. Pierman presented proof of publication that notice of the Regular Board Meeting was published in the *Sarasota Herald Tribune* on October 4, 2011, as part of the District’s Fiscal Year 2011/2012 Regular Meeting Schedule, as legally required.

C. **ESTABLISH QUORUM**

Mr. Pierman determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisors Charles “Mike” Craychee, John Milano and Marshall Turner constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Jason Pierman, Michael Rosen and Peter Pimentel (via telephone) of Special District Services, Inc.; General Counsel David Persson and Larry Hankin of Hankin, Persson, Davis, McLenathan & Darnell; Engineer Rick Schappacher of Schappacher Engineering & Surveying; Tom Greene of Raymond James; and Casey Grigsby of Castle Management.

Also present were: See Sign-In Sheet

Mr. Pierman introduced Michael Rosen, and explained that Mr. Rosen had recently been hired by SDS to open a West Coast office. He further explained that Mr. Rosen will eventually take over management of the Venetian CDD. Mr. Rosen provided a brief introduction, highlighting his background.

D. **ADDITIONS OF DELETIONS TO THE AGENDA**

There were no additions or deletions to the agenda.

E. **COMMENTS FROM THE PUBLIC FOR ITEMS NOT ON THE AGENDA**

There were no comments from the public.

F. **APPROVAL OF MINUTES**

Mr. Pierman presented the minutes of the December 15, 2011, Regular Board Meeting and January 12, 2012, Continued Board Meeting and asked if there were any corrections.

Mr. Jasper noted that page seven should state “net present value” instead of “LOI”.

A motion was made by Mr. Turner, seconded by Mr. Milano and unanimously passed approving the December 15, 2011, Regular Board Meeting and January 12, 2012, Continued Board Meeting Minutes, as amended.

G. OLD BUSINESS
   1. Discussion Regarding Irrigation Water

Mr. Jasper explained that he had met with Mr. Schappacher, Mr. Barber, Mr. Miles and SWFWMD. He further explained that SWFWMD was happy with the reduction in water usage and would not levy fines. SWFWMD also indicated that they would like to meet again to possibly increase the District’s well water allotment, potentially by up to 100,000 gallons, because of the lack of gray water availability.

H. NEW BUSINESS
   1. Consider Venetian River Club Purchase and Sale Agreement

Mr. Persson thanked Mr. Jasper for his work on the Purchase and Sale agreement and provided a brief history of the negotiations that had taken place. He noted that there were still issues to address and encouraged the Board to move as quickly as possible to resolve the issues so that things can move forward, recommending that Mr. Jasper meet with Mr. Hankin or Mr. Cohen and WCI to come to closure with an agreement. Mr. Persson explained that by passing the resolutions today would enable things to keep moving as negotiations continued; noting that the agreement could be considered at a continued meeting on February 3rd.

Mr. Jasper expressed his willingness to meet with District counsel and WCI, but clarified that he would not accept the agreement himself; rather, it would be brought to the Board for consideration. Mr. Jasper further explained the remaining major issues as he saw them: 1) How to handle the management contract, in terms of transitioning to a fiscal year, and the funding lull between October and December; 2) Deficit funding, and; 3) Section 9.20 of the River Club Declaration, which provides a formula for the River Club to be transferred to the POA. Mr. Jasper explained that bond counsel is concerned with the existence of a fixed price for a future buy-back. Mr. Persson agreed, stating that there cannot be a special entitlement. The Board also agreed that WCI’s ability, currently in the agreement, to not allow extensions to the closing schedule, was an issue, and must be addressed.

Mr. Greene explained the option of bifurcating the bond issue, where constructed lots would receive a rating and vacant lots would be unrated. He explained that the rated bonds would receive a lower rate
than the unrated bonds, which would result in differing debt payments. The other option was to sell all of the bonds unrated, which would result in equal, but higher debt for everyone. Mr. Greene stated that the drawback with the bifurcated option is that new owners would have a higher debt assessment, but that they would work to include an early call date, at which time the bonds would be combined and restructured for equal debt payments.

A discussion ensued regarding other issues that could pop up, including the possibility that the bonds may not receive a rating, and the variability of bond rates. It was also confirmed that WCI would pay the debt on the vacant lots. Further discussion ensued regarding the need for a public meeting to inform the community of the deal.

2. Consider Resolution No. 2012-01 – Authorizing the Issuance of Bonds, Ratifying the Master Trust Indenture; Confirming the Appointment of the Trustee, Registrar & Paying Agent

Mr. Pierman presented Resolution No. 2012-01, entitled:

RESOLUTION NO. 2012-01

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $7,000,000 VENETIAN COMMUNITY DEVELOPMENT DISTRICT CAPITAL IMPROVEMENT REVENUE BONDS, IN ONE OR MORE SERIES; RATIFYING THE MASTER TRUST INDENTURE, DATED AS OF DECEMBER 1, 2002; CONFIRMING THE APPOINTMENT OF THE TRUSTEE, REGISTRAR AND PAYING AGENT FOR THE BONDS; AUTHORIZING THE COMMENCEMENT OF VALIDATION PROCEEDINGS RELATING TO THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

Mr. Greene noted that $7 million gives wiggle room for the financing, but that the amount is expected to be closer to $6,285,000.

A motion was made by Mr. Craychee, seconded by Mr. Jones and unanimously passed to approve Resolution No. 2012-01, as presented.

3. Consider Resolution No. 2012-02 – Declaring Special Assessments

Mr. Pierman presented Resolution No. 2012-02, entitled:

RESOLUTION 2012-02
A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT DECLARING SPECIAL ASSESSMENTS; INDICATING THE LOCATION, NATURE AND ESTIMATED COST OF THOSE IMPROVEMENTS WHOSE COST IS TO BE DEFRAVED BY THE SPECIAL ASSESSMENTS; PROVIDING THE PORTION OF THE ESTIMATED COST OF THE IMPROVEMENTS TO BE DEFRAVED BY THE SPECIAL ASSESSMENT; PROVIDING THE MANNER IN WHICH SUCH SPECIAL ASSESSMENTS SHALL BE MADE; PROVIDING WHEN SUCH SPECIAL ASSESSMENTS SHALL BE MADE; DESIGNATING LANDS UPON WHICH THE SPECIAL ASSESSMENTS SHALL BE LEVIED; PROVIDING FOR AN ASSESSMENT PLAT; ADOPTING A PRELIMINARY ASSESSMENT ROLL; PROVIDING FOR A PUBLIC HEARING TO CONSIDER THE ADVISABILITY AND PROPIETY OF SAID ASSESSMENTS AND THE RELATED IMPROVEMENTS; PROVIDING FOR NOTICE OF SAID PUBLIC HEARING; PROVIDING FOR PUBLICATION OF THIS RESOLUTION.

Mr. Pierman explained that there were changes on page 2 of the resolution: Item 3 should read $5,500,000; and item 4 should read “up to $7,000,000” instead of “approximately”.

A motion was made by Mr. Turner, seconded by Mr. Craychee and unanimously passed to approve Resolution No. 2012-02, as amended.

4. Consider Resolution No. 2012-03 – Setting a Public Hearing for the Purpose of Imposing a Special Assessment

Mr. Pierman presented Resolution No. 2012-03, entitled:

RESOLUTION 2012-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT SETTING A PUBLIC HEARING TO BE HELD ON MARCH 19, 2012, AT 1:30 P.M., AT THE VENETIAN RIVER CLUB, 502 VENETO BOULEVARD, NORTH VENICE 34275, FOR THE PURPOSE OF HEARING PUBLIC COMMENT ON IMPOSING A SPECIAL ASSESSMENT ON CERTAIN PROPERTY WITHIN THE DISTRICT GENERALLY DESCRIBED AS THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT IN ACCORDANCE WITH CHAPTERS 170 AND 190, FLORIDA STATUTES.
Mr. Pierman noted that the Public Hearing would be held at 1:30 p.m. on March 19, 2012.

A motion was made by Mr. Turner, seconded by Mr. Jones and unanimously passed to approve Resolution No. 2012-03, as presented.

5. Consider Revised Engineer’s Report

Mr. Schappacher distributed a final draft of the Engineer’s Report, stating that he obtained his final numbers of units sold from Mr. Barber. A discussion ensued regarding the language within the report and the inference that the golf club is built with bond funds. After a brief discussion, Mr. Schappacher explained that the tables clarified it, but he would discuss with Mr. Cohen to find out if further clarification was necessary.

A discussion ensued regarding the sharing of employees between the River Club and the Golf Clubhouse. Mr. Jasper agreed that the topic would be addressed in their negotiations.

Mr. Schappacher further noted that new ADA requirements go into effect on March 15th and that there may be a requirement for pool lifts and other fitness center items, which he estimated would cost more than $10,000.

A motion was made by Mr. Turner, seconded by Mr. Craychee and unanimously passed to accept the Revised Engineer’s Report, subject to legal review.

6. Consider Revised Methodology Report

Mr. Pimentel provided an overview of the methodology, noting that page 2 would be changed to read 7.03 acres. He further explained that, because the River Club was constructed for all 1381 units within the District, they are all subject to the debt assessment. However, because only current residents actively use and contribute to the wear and tear of the facility, vacant lots would not be subject to the O&M assessment. Mr. Pimentel further stated that vacant lots would also be subject to a portion of any additional costs associated with owning the River Club, such as legal or administrative costs. The methodology sets a maximum debt assessment of $450.06 as a worst-case scenario, but there will be a supplemental report once the numbers are finalized.

A motion was made by Mr. Milano, seconded by Mr. Craychee and unanimously passed to adopt the Revised Methodology Report, as amended.

7. Consider Resolution No. 2012-04 – Requesting the Passage of an Ordinance Amending the District’s Boundaries

Mr. Pierman presented Resolution No. 2012-04, entitled:
RESOLUTION 2012-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE VENETIAN COMMUNITY DEVELOPMENT DISTRICT DIRECTING THE CHAIRMAN AND ALL DISTRICT STAFF TO FILE A PETITION WITH THE CITY OF VENICE, FLORIDA, REQUESTING THE PASSAGE OF AN ORDINANCE AMENDING THE DISTRICT’S BOUNDARIES AND AUTHORIZING SUCH OTHER ACTIONS AS ARE NECESSARY IN FURTHERANCE OF THE BOUNDARY AMENDMENT PROCESS; AND PROVIDING AN EFFECTIVE DATE.

Mr. Pierman noted that the number of acres had been changed to 7.03.

A motion was made by Mr. Turner, seconded by Mr. Craychee and unanimously passed to approve Resolution No. 2012-04, as amended.

Mr. Jones reminded the Board that they still needed to create a Rule setting an amenity fee for use of the River Club. Mr. Craychee noted that the “walk away” clause needed to be deleted.

8. Discussion Regarding Fly Casting Seminar

It was discussed that a fly casting instructor offered to conduct a fly casting seminar for residents within the District, and needed land or a pond at which he could hold the session. Mr. Jones noted that because of past fishing issues, he did not feel that a pond would be appropriate, and asked if it could be conducted on a vacant piece of land. Following a brief discussion concerning liability, the Board declined to take action on the request, and suggested that WCI be asked.

9. Discussion Regarding Real Estate Open Houses/Front Gate Procedures

Mr. Craychee stated that he had received a complaint from a realtor regarding the gate’s willingness to distribute informational material. Ms. Grigsby stated that their rules say that realtors must notify the gate within 48 hours before an event. Mr. Craychee noted that the District’s rules do not address realtor notice, and that they must be allowed to access the community. It was noted that if realtors do not give 48 hours’ notice, then gate officers would not be able to direct people to open houses.

10. Discussion Regarding Changing Future Meeting Dates and Times

A motion was made by Mr. Craychee, seconded by Mr. Milano and unanimously passed to change the meeting time to the third Monday at 1:30 p.m., beginning in March.

I. ENGINEERING
VENETIAN COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD MEETING
JANUARY 26, 2012

1. Update on Stop Sign Installation on Padova Way

Mr. Schappacher explained that the stop signs had been installed, and that there was a $400 minimum fee to paint stop bars, so they repainted bars at the entrance and Martellago. Ms. Grigsby noted that the crosswalks and stop bars are wearing out, and that it would be approximately $8,000 to repaint all of them. A discussion ensued regarding the need to repaint all of the stop bars now or to wait, knowing that the roads would need to be repaved within the next several years. Mr. Schappacher recommended repainting a few each year, as needed.

2. Update Regarding Venetian Lake Bank Restoration

Mr. Schappacher stated that all of the areas were complete, noting that the lake on Cipriani was orange due to lake levels. He further stated that Lake 40 tests showed nothing abnormal when testing for reasons for the fish kill. Mr. Jones recommended that the Board wait to accept conveyance of Lake 40 until the fish kill is resolved.

3. Engineering Updates

Mr. Schappacher noted that he had no further updates.

J. ADMINISTRATIVE MATTERS

There were no administrative matters.

K. BOARD MEMBER COMMENTS

Mr. Craychee noted that SDS was providing the deposit for the Laurel Road fencing project, and that the project was ready to begin.

L. RECESS

A motion was made by Mr. Jasper, seconded by Mr. Craychee and unanimously passed recess the Regular Board Meeting and to reconvene on February 3, 2012, at 1:30 p.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.
RECONVENE

District Manager Jason Pierman reconvened the January 26, 2012, Regular Board Meeting of the Venetian Community Development District on February 3, 2012, at 1:33 p.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

A. ESTABLISH QUORUM

Mr. Pierman determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisors Charles “Mike” Craychee, John Milano and Marshall Turner constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Jason Pierman, Michael Rosen and Peter Pimentel (via telephone) of Special District Services, Inc.; General Counsel Andy Cohen of Hankin, Persson, Davis, McClenathan & Darnell; Engineer Rick Schappacher of Schappacher Engineering & Surveying; Richard Barber of WCI; and Casey Grigsby of Castle Management.

Also present were: See Sign-In Sheet

1. Continued Discussion Regarding the River Club Purchase

Mr. Cohen outlined the two goals for the meeting: provide an update on the WCI meeting and increase the validation numbers. Mr. Jasper reviewed his handout and provided updates. He stated that the “nuclear option” had been taken out, and that they agreed to a $50,000 increase in the purchase price for each month the closing was delayed, up to three months. Mr. Cohen noted that court delays do not waive the $50,000 increases; only delays that WCI cause.

Mr. Jasper also explained that deficit spending item was now a revenue item of $100,000, rather than a “not to exceed” amount, for the time during which WCI managed the River Club. He further stated that the River Club’s year would be changed to coincide with the District’s Fiscal Year, which shortens the management contract by a few months. The debt assessment would be included on the tax roll, as previously outlined in the methodology. Mr. Jasper explained that WCI would pay their obligation at closing and refund the Base Amenity Fee, which would go toward the first bond payment, the remainder of which would be funded through one month of capitalized interest. Delinquencies will be allocated depending on to whom they are owed: a 5/12 or 7/12 split.

Mr. Jasper further explained that WCI had agreed to bifurcate the bond issuance, and that they have ten days to approve the purchase and sale agreement once the District approves it. Mr. Cohen noted that we are still assuming the high assessment to ensure there is room for variables.
Mr. Cohen explained that the Master Association language must be deleted from their documents, and that WCI has decided that ridding the language must go to residents for a vote. The purchase agreement will be contingent upon the eradication of said language from the Master Association documents. Mr. Cohen further explained that WCI would need 1/3 attendance and a majority vote to pass the alteration. A discussion concerning the possibility of holding a community meeting ensued, with the consensus being to work with WCI to ensure the meetings are properly aligned.

Mr. Cohen stated that the plan would be to recess this meeting again and bring back a contract for signature during the week of February 13th. He noted, however, that due to the automatic $50,000 increase being in place, it was in order to increase the validation amount to $7.5 million. Mr. Cohen explained that because this was still technically the same meeting at which the motion was made, a motion to reconsider could alter the resolutions.

A motion was made by Mr. Turner, seconded by Mr. Craychee, and unanimously passed to reconsider Resolution 2012-01 with the increase amount of $7.5 million.

A motion was made by Mr. Craychee, seconded by Mr. Turner, and unanimously passed to reconsider Resolution 2012-02 with the increase amount of $7.5 million.

A motion was made by Mr. Turner, seconded by Mr. Craychee, and unanimously passed adopt the revised methodology, dated February 3, 2012, with the maximum debt assessment of $462.39.

Mr. Jones asked about Lake 40, noting that a resident insisted that the contour of the lake was incorrect, and that the depth of the lake may be contributing to the fish kills. WCI agreed to survey the lake depth.

Mr. Jones also noted that he did not feel that the Laurel Road berm was sufficient, and that the fence along the berm should be delayed until the issue is resolved.

Mr. Jasper noted that there were two large items coming up: due diligence of the River Club and the management contract with WCI. He suggested that the Board designate members to take on each item. Mr. Jones agreed to work on the management contract, and Mr. Milano agreed to work on the due diligence.

Mr. Schappacher noted that Lake 32 was in need of repair to its overflow structure, noting that TriCounty had agreed to do the work for $1,140. Following a brief discussion regarding the maintenance contract with the POA, it was determined that this would fall under the POA's responsibility.

A motion was made by Mr. Jasper, seconded by Mr. Milano, and unanimously passed to approve that the work be done in accordance with the maintenance agreement.
B. RECESS

A motion was made by Mr. Jones, seconded by Mr. Milano and unanimously passed recess the Regular Board Meeting and to reconvene on February 14, 2012, at 9:15 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

RECONVENE

District Manager Mike Rosen reconvened the January 26, 2012, Regular Board Meeting of the Venetian Community Development District on February 14, 2012, at 9:15 a.m. in the Venetian River Club located at 502 Veneto Boulevard, North Venice, Florida 34275.

A. ESTABLISH QUORUM

Mr. Rosen determined that the attendance of Chairman Tom Jones, Vice Chairman Jerry Jasper and Supervisors Charles “Mike” Craychee, and Marshall Turner constituted a quorum and it was in order to proceed with the meeting.

Also in attendance were: District Managers Jason Pierman (via telephone) and Michael Rosen of Special District Services, Inc.; General Counsel Andy Cohen of Hankin, Persson, Davis, McClanathan & Darnell; Engineer Rick Schappacher of Schappacher Engineering & Surveying; Richard Barber of WCI; and Casey Grigsby of Castle Management.

Also present were: See Sign-In Sheet

1. Continued Discussion Regarding the River Club Purchase

Prior to the discussion taking place, a motion was made by Mr. Craychee, seconded by Mr. Jones, and unanimously passed to accept the resignation of Mr. John Milano from the Venetian CDD Board of Supervisors.

Mr. Cohen began the discussion with a brief overview of the negotiations with WCI and their attorneys, explaining the timing involved regarding the Due Diligence period of 45 days (working days) which starts the day of the signing (Effective Date) and that the Agreement was ready to be signed today. Mr. Cohen stated that the Petition to Expand the District and the Petition to Validate the Bonds have been filed. The Bond Validation Hearing is scheduled for April 5, 2012, at the Sarasota County Court facility at 10:30 am before Judge Titus.

Mr. Cohen also stated that WCI has changed their thinking on the $100,000 deficit guarantee, and that it is again a “not-to-exceed” amount, but that WCI understands that the Board is savvy enough to create a budget that would take advantage of the deficit funding.
Mr. Cohen stated that there are two agreements that are to become part of the Purchase Agreement that are still being drafted and must become part of the Purchase Agreement prior to the end of the 45 day due diligence period: the Management Agreement and the Deficit Funding Agreement. Mr. Cohen also stated that WCI’s attorneys said they would cooperate in the disposition of the club’s liquor license, which will be up to the discretion of the CDD Board; Gray Robinson’s attorney has an expertise in liquor license issues per Mr. Cohen.

Mr. Jasper commented on the Purchase Agreement negotiations and the upcoming negotiations on the Management Agreement and the current disposition of the Deficit Funding Agreement. Mr. Jasper fielded questions from the audience regarding how the Deficit Funding agreement and the $100,000 cap that WCI has agreed with works and each party’s obligations; he made it clear that the CDD Board approves all budgets, not WCI.

A discussion regarding the unit count of 1381 and how that is managed over the years with relation to lot sizes possibly changing was clarified by Mr. Cohen; at intermittent times, a “true-up” of lot counts will take place and assessment adjustments will be made based on the current count. As an example: WCI could take 200 small lots and make 100 large lots, the assessments would then be trued-up based on the new count and the assessment methodology.

Mr. Jones asked the audience if there were any additional questions and/or comments; Mr. Marshall Happer was recognized and given the floor to list several items he had questions about. Mr. Cohen and Mr. Happer discussed at length eight items on a list authored by Mr. Happer. The questions centered on the River Club Covenants and recommended amendments to the Declarants; deleting the Master Association Option to purchase; the Base Amenity fee; replacement reserves; payments by WCI for unsold lots; amendments to section 9.12 and other revisions that may be necessary to reflect the ownership of the River Club.

Following the discussion, Mr. Jones questioned Mr. Happer as to whether he would recommend that the Board move forward with an affirmative vote today. Mr. Happer answered that there are details to be worked out, but we should move forward.

Mr. Cohen reviewed the Exhibits to the Purchase Agreement as requested by Mr. Craychee. Mr. Jones requested that the CDD budget be re-sent to Supervisors. Mr. Pierman noted that it is available on the District’s website.

Mr. Craychee reiterated that the $100,000 revenue guarantee was no longer acceptable to WCI, and that it was again a “not-to-exceed” amount. Mr. Jones stated that he was okay executing the agreement, understanding that there may yet be room for negotiations on the matter.

A motion was made by Mr. Craychee, seconded by Mr. Turner, and unanimously passed to execute the Purchase and Sales Agreement with WCI, subject to the liquor license change.
Mr. Jones recommended that the Board set a date for an Informational Session, at which the purchase can be discussed and explained to residents. He further recommended that it be held prior to the WCI POA meeting. Following a discussion on dates, the Board agreed to hold the Informational Session on March 5th at 6:00 p.m.

Mr. Jasper agreed to contact Mr. Hankin for possible inspectors for the River Club. He stated that they must also review the finances and contracts currently belonging to the River Club. Mr. Craychee and Mr. Milano would be dealing with the physical inspections.

B. ADJOURN

There being no further business to come before the Board, a motion was made by Mr. Jones, seconded by Mr. Craychee, and unanimously passed to adjourn the Regular Board Meeting at 12:28 p.m.