A. CALL TO ORDER

District Manager Jason Pierman called the Regular Board Meeting of April 23, 2012, of the Venetian Community Development District to order at 1:30 p.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 February 24, 2012, as legally required.

C. ESTABLISH QUORUM

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

Also in attendance were: District Manager Jason Pierman of Special District Services, Inc.; and General Counsel Andy Cohen of Hankin, Persson, Davis, McClanathan & Darnell; and Casey Grigsby of Castle Management.

Also present were those indicated on the attached Meeting Sign-In Sheets.

D. ADDITIONS OR 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 for items not on the agenda.

F. OLD BUSINESS

There were no Old Business items to come before the Board.

G. NEW BUSINESS
   1. Discussion Regarding Response to Asset Sale and Purchase Agreement

Mr. Jones welcomed the residents and explained that the sale is an as-is purchase, and that WCI is giving the District $100,000 per year for the next three years. He stressed that residents would still have to pay for the repairs to the River Club, regardless of who owns it. He further stated that the District has met sixteen times to discuss the River Club purchase.
Mr. Craychee provided an update on the reports and inspections: mold, kitchen, ADA, site inspections. He stated that the largest issue is the roof, which has been recommended to be replaced because the tile is no longer available. However, he found a roofer who has 300 tiles which can be used to repair, rather than replace, the roof. They are awaiting an estimate for the repair. Mr. Craychee presented the options to pay for the repairs: assess everyone, use WCI deficit funding money, or increase the bond issuance, which would be about $8 per lot.

Mr. Jones then opened the floor for resident questions. Residents expressed concern over the size of the facility, noting that it is not large enough to accommodate the community, and over the way WCI approached a small group of residents about the deal. Mr. Jones noted that everything that the Board has done has been in public, and much of it has been posted online.

A resident questioned why two Board Members voted against the management agreement at the last meeting. Mr. Craychee and Mr. Snyder both confirmed that the only reason they voted against the agreement was because of the limitation on the reserve, and that it was not a vote against WCI as a manager.

Mr. Shea, part of the team formed by the POA, stated that the District should own it, not WCI, because residents will have control. He also noted that the appraisals done on cash flow made it a slam dunk. Another resident noted that if they don’t purchase it, someone else might and residents would have no control.

Mr. Phillips noted that the management contract was disclosed at the first meeting and was always a part of the deal. He also noted that the appraisals were done before any agreement, and that the original vote included more people than are here today, so there should not be a revote.

Several residents stated that the inspection reports are not as bad as they look, and that the cost to rectify the issues found in the reports should be under the estimated $120,000.

Mr. Ritter noted that the declaration from 2004 in the POA documents states that the sale would be “as-is”, and stated that the Board’s credentials are impeccable and that they did a great job representing the residents.

A question was raised regarding the audited financials for the River Club. Mr. Ferry explained that the River Club is not audited separately, but rather as a part of WCI, which is audited annually by Ernst and Young.

Several other residents voiced their support for the Board and for the purchase of the River Club.

Mr. Pierman asked the Board if anyone wished to make a motion to terminate the purchase contract. Board consensus was that they did not wish to terminate.
A motion was made by Mr. Craychee, seconded by Mr. Jones, and unanimously passed to reaffirm the deal and continue with the purchase process.

Mr. Snyder stated that he feels better about increasing the bond amount for the items that live the life of the bond. Mr. Reagan explained that only capital items can be included in the bond issue, which limits them to the roof repair. He further explained that the engineer would need to include it in his report, and that they could reduce it before the bonds are priced.

A motion was made by Mr. Jasper, seconded by Mr. Jones, and unanimously passed to authorize additional capital expenses of up to $125,000 and to authorize the District Engineer to alter his report to include the roof.

Mr. Reagan reminded the Board that a small portion of the bonds will be taxable.

A motion was made by Mr. Jasper, seconded by Mr. Turner, and unanimously passed to have the District Engineer obtain an elevation certificate, for a cost not to exceed $250.

A motion was made by Mr. Craychee, seconded by Mr. Turner, and unanimously passed to authorize a termite inspection, for a cost not to exceed $1,000.

H. ENGINEERING
   1. Engineering Updates

There were no Engineering Updates.

I. ADMINISTRATIVE MATTERS

There were no Administrative Matters to come before the Board.

J. BOARD MEMBER COMMENTS

There were no comments from Members of the Board.

K. ADJOURN

There being no further business to come before the Board, a motion was made by Mr. Craychee, seconded by Mr. Turner and unanimously passed to recess the Regular Board Meeting at 3:10 p.m. and continue on April 30, 2012, at 9:00 a.m., only if the roof estimate comes in higher than expected. If the roof estimate is as expected, the meeting will be cancelled.
VENETIAN COMMUNITY DEVELOPMENT DISTRICT
REGULAR BOARD MEETING
APRIL 23, 2012

[Signatures]

Secretary/Assistant Secretary

Chair/Vice-Chair