

**Continuation of Minutes From The
Special Membership Meeting of March 31, 2007
Reconvened June 23, 2007
University Place Neighborhood Association**

The special meeting of the membership was reconvened on the date, time and at the place set forth when the March 31, 2007 meeting was continued. Proof of Notice was accomplished by the Secretary who signed an Affidavit and placed it in the official association record book. The Proof of Notice of the meeting was mailed to all homeowners on March 5, 2007 and timely notice was provided of the continuance.

1. Call to Order: Ron Oliver, Board President, called the reconvened special meeting to order on June 23, 2007 at 10:15 a.m. and announced that a quorum was present. Sixty three households were represented at the meeting supplemented by proxies. (In total, 78 percent of the 403 households submitted proxies some of which attended the meeting.)
2. Ron then introduced Board Members Jan Hicks, Terry Williams and Jean Gregory, noting that Board Member Ric Romanoff was out of town. Ron also introduced Richard Wilbur, Legal Committee Chairman, and our Association Attorney, Chad McClenathen.
3. This meeting being a continuation of the March 31, 2007 meeting, there were no minutes to approve.
4. Ron advised the members that a water settlement agreement between the Developers and University Place was executed on Friday, June 22, 2007 at 4:30 pm. Ron stated that most of the board members were very happy with the agreement and felt they had done a very credible job for the community.
5. Ron said he would only be able to give a little information today but would be able to give more information at the November meeting [the annual meeting]. Ron then referred the membership to the overview handout he provided.
6. Ron said the HOA would have exclusive ownership rights to the water and that each homeowner would save a minimum of \$288 a year as a result of the agreement. This amounts to a total savings of over three million dollars over the remaining 19 years of the contract and taking into consideration the residual value of the water at the end of 19 years, the savings comes to about 4 million dollars.
7. Turning the microphone over to Richard for his comments Richard said he thought it was a good deal also. He reminded the membership that the HOA was turned over to us with no reserves, our cash having been depleted, that we were paying 15 to 20 times for water compared to the people at Lakewood Ranch, 15 to 20 times what the County sold a similar product for and we faced an extremely difficult challenge but we were getting back \$5.00 or \$6.00 for every dollar we are paying for the water Richard again stated he thought it was a good deal but expressed a concern (that he would speak about later) over how the Board has chosen to finance the buyout. Richard said he preferred taking a loan with Northern Trust that we could pay off at anytime rather than go through another six months with the Developer completely in control over every move we make with people that are difficult to work with. While

Richard prefers the Northern Trust loan he said there are reasons why the Board might struggle through to get advantages but said he would wait until we got control of the CDD and then refinance the bonds. Even though we are tied up with Mr. Neal for another six months, we have the right under the agreement to pay Mr. Neal at any point if we decide to and that is a big advantage to us.

8. Ron then turned his attention to the next item on the overview handout - inspections of HOA and CDD property - and said that several professional companies had been hired to inspect all of the properties within the HOA and the CDD. Ron stated that UPJV (the Developers) initially wanted to get all of the inspections completed and resolved before the agreement was signed but that was not possible due to the enormous amount of work to be done so while the CDD inspections continued the HOA inspections were completed and finalized between the two parties. A brief overview of the Capital Replacement Studies of the HOA and CDD physical structures was explained to the membership. The HOA Board and the CDD Board hired The Reserve Advisors Group and the CDD Study was completed two weeks ago. The Study identifies the remaining life of each structure, when each structure will need to be replaced and how much money we will need to replace each structure. For example, roads need replacing between 15 and 20 years at an estimated cost of 4 million dollars but fortunately all roads do not wear out at the same time. There are no funds in the CDD budget for reserves.
9. On the advice of our water law firm, one of the best in the state, we have applied for a small water use permit from SWFWMD. Working with Scott Laidlaw, former official in the Water Use Department at SWFWMD, we anticipate approval within the next 30-60 days.
10. Concerning the HOA and CDD inspection repairs and the "Jeanne List", Ron said that Mr. Neal has agreed to fix 25 of the 26 defects identified in the Kraus report relative to both pool structures and the guard house. With regard to other inspections including the stormwater facilities and the roads, Ron said there have been solutions and agreements in this regard and he thinks we are doing well. The Jeanne List (consisting mainly of items Mr. Neal left undone at turnover), will be completed at Mr. Neal's expense.
11. Ron said the agreement calls for a refinance of the existing bonds totaling 2.6 million dollars. We will be adding 1.25 million dollars to that figure to pay Mr. Neal 425 thousand dollars and we will pay for the cost of refinancing with some of the \$1.25 million. Ron said the Board was considering ways to fund the HOA and the CDD reserves and in this regard are thinking about selling the HOA's Central Irrigation System (CIS) to the CDD and using part of the \$1.25 million to pay for it. The proceeds from the sale of the CIS would be placed in the HOA reserves and the remainder of the \$1.25 million would be placed in the CDD reserves (currently at zero). Ron said based on one million dollars of new money (he does not yet have the figures based on \$1.25 million) the most a homeowner would pay is \$50 more a year - very little money compared to the benefit according to Ron. Ron pointed out that the agreement does not obligate us to refinance the bonds to pay Mr. Neal should there be a decision to pay him without refinancing.
12. Mr. Neal is considering an early turnover of the CDD and wants the HOA to pay half the charges of an audit. There has been no decision by the HOA on this matter.

13. Ron concluded his remarks and asked the Board if they had anything they wanted to say. Jean Gregory told the assembled group that on Thursday afternoon she voted for the agreement but changed her vote to no on Friday as a result of Mr. Neal and his lawyer unilaterally making last minute changes to very specific language we had agreed to the day before and then telling us to take it or leave it. This happened after agreeing on Thursday morning that there would be no more changes to the agreement. Jean said she had prepared a two page statement that she had planned to read explaining why she voted no but rather than take the time to read it she would attach it to the minutes and the homeowners could read it at their leisure if they chose to read it.

14. Richard spoke next, explaining that he recommends severing all connections Mr. Neal has with the HOA by paying Mr. Neal the \$425,000 now from a pre-approved loan we have with Northern Trust. The HOA can prepay the loan without penalty when the CDD is turned over (Mr. Neal wants to turn it over as soon as possible) and then refinance the bonds ourselves. Mr. Neal, his bond lawyer (who will charge us \$50,000 to certify the new bonds) and Mr. Neal's aggressively partisan lawyer who wrote the Stormwater agreement and was not a reliable partner in developing our agreement this week, will be in total control of the refinancing. Actions they took suggest to them that the bonds should go through a judicial revalidation proceeding at a cost of \$15,000 to \$20,000 to us. If we takeover the CDD and refinance ourselves we do not need to revalidate - Richard called it "going through a judicial carwash"- and we can save the \$15,000 to \$20,000 as well as get our own lawyers for as much as \$15,000 less than the ones representing Mr. Neal. There are still outstanding CDD issues and Mr. Neal can use his complete control of the CDD refinancing to leverage those issues. Richard feels that trust has been difficult to build and maintain and that experience suggests that the sooner we are in complete control the better off we will be.

Later on in the discussion, Mr. Neal addressed the tax-exempt status of the bonds and stated that "allegations" had been made about improper procedure that required revalidation to "get the tooth paste back in the tube." He said that if the bonds were ruled taxable, they would be immediately due and payable by each of the homeowners. Richard said our obligations to pay are fixed payments per year through 2032. He also said that he had made truthful arguments on our behalf based on the public record showing any ownership Mr. Neal had in the water was held in constructive trust for the homeowners through the CDD. Richard said he had no toothpaste to put back in any tube.

15. Ron asked for questions from the floor and there were several pertaining to the items discussed at the meeting. After responding to all questions, Ron then asked for a motion to table the motion to initiate a lawsuit against the Developers. The motion was made and seconded and was approved by a show of hands.

16. The meeting adjourned at 11:45 after a proper motion.

Submitted by: _____ Date Approved: _____
Jean Gregory, Secretary/Treasurer