QUANTUM PARK OVERLAY DEPENDENT DISTRICT

1. WHAT IS THE QUANTUM PARK OVERLAY DEPENDENT DISTRICT ("QPODD" or "District"))

The QPODD is a Florida Dependent Special District[1] created that created in 2005 by the City Commission at the request of the Quantum Community Development District ("CDD").

2. HOW WAS IT CREATED

The City Commission adopted Ordinance 2005-061.

3. WHY WAS IT CREATED

In its petition to create the QPODD the asserted that the QPODD would allow commercial and industrial property owners to have representation as the CDD transitioned from an industrial and commercial park to a mixed use development inclusive of residential. The City Commission accepted that justification when it approved the CDD petition.

4. WHAT ARE THE DISTRICT'S FUNTIONS

To operate and maintain the public infrastructure previously owned by the CDD. In 2005 the infrastructure included roadways, water bodies, and related storm water drainage facilities.

5. WHO IS ON THE DISTRICT BOARD

When the District was created the City Commission appointed Eugene Gerlica, Robert S. Pike, Al Slaman, Thomas McGillicuddy and Igor Olenicoff. The current Board is: Al Salaman, Desha Pencheff, Cynthia Benson and Charles Kanter.

6. CAN BOARD MEMBERS BE REMOVED

The City Commission can remove board members.

7. WHAT IS THE PROCESS FOR FILLING VACANCIES

Vacancies are filled by the remaining members of the Board.

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[1] (2) "Dependent special district" means a special district that meets <u>at least one</u> of the following criteria:(a) The membership of its governing body is identical to that of the governing body of a single county or a single municipality.(b) All members of its governing body are appointed by the governing body of a single county or a single municipality.(c) During their unexpired terms, members of the special district's governing body are subject to removal at will by the governing body of a single county or a single municipality.(d) The district has a budget that requires approval through an affirmative vote or can be vetoed by the governing body of a single county or a single municipality.

By contrast, an "Independent special district" means a special district that is not a dependent special district as defined in subsection (2).

Fla. Stat. Ann. § 189.012 (West)

8. CAN THE DISTRICT BE ABOLISHED
Yes. The City can dissolve the QPODD by adoption of an ordinance.

9. IF THE DISTRICT IS ABOLISHED WHO PERFORMS THE FUNCTIONS OF THE DISTRICT
The City or a successor Board or entity created by the City.

10. WHAT WILL IT COST FOR THE CITY TO PERFORM THE FUNCTIONS OF THE DISTRICT
    See Staff analysis

11. DOES THE CITY HAVE THE EXPERTISE TO PERFORM THOSE FUNCTIONS
    Yes.

12. HOW CAN THE CITY COVER THE COSTS
    By use of general funds or by establishment of a special assessment.

13. WHAT PROCESS MUST BE FOLLOWED TO ABOLISH THE BOARD
    Adoption of an ordinance.

14. CAN THE DISTRICT CHALLENGE THE CITY'S DECISION TO ABOLISH THE DISTRICT
    That is possible.

15. WHAT WOULD BE THE COST OF DEFENDING SUCH A CHALLENGE
    Unknown until scope of claims can be determined.

16. IS THE DISTRICT A PARTY TO PENDING LITIGATION
    Yes. See Summary.

QUANTUM CASES SUMMARY

Plaintiff	Defendant	Case No.	Date Filed	Description of case
Secured Holdings Inc.	Quantum Park Overlay Dependent District	50-2015-CA-011695-XXXX-MB	10/16/15	Bert J Harris Property Protect Act case.
Secured Holdings Inc.	Quantum Park Overlay Dependent District; Eugene Gerlica; **City of Boynton Beach**	50-2016-CA-005668-XXXX-MB	05/19/16	Case claims illegal use of Olen's property by having a pathway/walkway constructed across it. County against City seeks withdrawal of permit.
Olen Properties Corp; Secured Holdings Inc.	Heather Rintoul; Quantum Park Overlay Dependent District; Desha Pencheff; Al Slaman; Cynthia Benson; Quantum Park Property Owners Association, Inc; Eugene Gerlica; Douglas MacDonald; Fiorenzo Bresolin	50-2015-CA-001721-XXXX-MB	02/12/15	This case is brought against the District, individual Board Members and the POA claiming there is a taking of property owned by Olen because of the procedure used in approving permits. Two counts against the District have been dismissed. Two remain.
Olen Properties Corp; Quantum Lake Villas II Corp.; Secured Holdings Inc; Villas at Quantum Lakes Inc.	**City of Boynton Beach;** all industrial, commercial and residential property owners	50-2013-CA-7694-XXXX-MB	04/26/13	Case brought to determine POA voting rights. The District and the City are included in this matter. Most activity has been with regard to allegations of wrongdoing against board members in control of POA.