

MINUTES OF MEETING
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

The continued meeting of June 9, 2010 of the Board of Supervisors of the Pine Ridge Plantation Community Development District was reconvened on Wednesday, June 16, 2010 at 2:00 p.m. at Ryland Homes, 1845 Town Center Boulevard, Suite 200, Orange Park, Florida 32003.

Present and constituting a quorum were:

Brad Paullin	Vice Chairman
Chris Middleton	Supervisor
John Blanton	Supervisor
Levi Ritter	Supervisor

Also present were:

James Oliver	District Manager
Jason Walters	District Counsel (by phone)
Peter Ma	District Engineer (by phone)

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 2:00 p.m.

SECOND ORDER OF BUSINESS

Discussion of APF Credits

Mr. Oliver stated we continued the meeting to continue our discussion of APF credits. We were talking about the process of selling those credits to benefit the District, as well as what the sales commission agreement would be.

Mr. Ritter stated between last meeting and this meeting I have been able to do a significant amount of work getting the County and the letters. I haven't sent them to Jason yet because I just received them this morning. I do have the letter called for by the purchaser in that agreement. As far as I know, the purchaser is still ready and willing to do the transaction. I have given some of the documents to Jason to review on behalf of the CDD.

Mr. Walters stated I don't know what documents are before the board today or what they have seen but in essence, the heart of the documentary stuff is the purchase and sale agreement. The purchase and sale agreement calls for some documents to be provided by the County, which is the letter that Levi was referencing and another opinion from District Counsel

regarding the entitlement to certain credits and so forth. Those are the heart of the documentary stuff. I think it needs a little work at this point. We talked about the terms of the deal last time and I think in terms of purposes of this meeting I think the best way to go would to again spell out the terms of the transaction. If the board is comfortable then we can approve the terms of the arrangement and then move forward in terms of documenting it. I would like to have one last special meeting on this issue before we close to have all the documents before the board and make sure everyone is comfortable.

Mr. Ritter asked did you get the letter from the County?

Mr. Walters responded I did.

Mr. Ritter asked does it look okay?

Mr. Walters responded it looks good in terms of what the agreement calls for, so I think the County is certainly on board with this whole concept. There are a few things I would like to look at and probably revise regarding the purchase and sale agreement.

Mr. Ritter stated the business terms that Jason is referencing are \$1.375M of impact fee credits pursuant to a fair share agreement between Sandhill and the County and will be sold to the buyer for the gross amount of \$550,000. The closing is to occur within 10 days of the buyer getting a letter from the County in substantially the same form as this. I think this satisfies the letter and some of the other legal documents that Jason was referencing.

Mr. Walters stated the letter from the County, the opinion from District Counsel and assignment of the credits.

Mr. Ritter stated there is no formal assignment between Sandhill and the CDD, so Sandhill will have to assign those to the CDD, so the CDD can actually get the compensation for the credits. They say they will probably close within 10 days but I think once they receive all this stuff they will probably close immediately. Timing is of the essence for them. I have been in touch with their counsel since the last meeting and she was curious to know when we can close.

Mr. Walters stated those are the business terms of the sale. I know we had discussion last week about making sure everyone was comfortable with those terms. I turn the discussion back over the board because I know John and Brad had some questions last time.

Mr. Paullin stated at this point and time we are fine with going forward with the plan and the terms mentioned.

Mr. Ritter stated I also did some due diligence because I was concerned after I heard your concerns last week to make sure that I didn't miss anything. I actually learned from the District Engineer that there are other Developers with significant amounts of these credits that could potentially impair the value of these. I wasn't even aware of that. I feel somewhat confident that this is as much money as we can get today. I would like to point out that the \$550,000 is the gross amount. There will be a few costs. I'm sure Jason will have some costs in the transaction but other than that there are no document stamps or deed stamps that have to be paid.

Mr. Walters asked, "Jim, in terms of the 40% do you have any opinion on that?"

Mr. Oliver responded I spoke with Jim Perry today and he manages some Districts who are also sitting on these credits and he was quite impressed with \$.40 on the dollar. We feel very good about this.

Mr. Walters stated it sounds like we are all comfortable with the business terms and if that is the case we would look for a motion to approve the sale of \$1.375M in APF credits for a gross sales price of \$550,000, subject to finalizing a formal agreement in consultation with counsel.

Mr. Oliver asked is there anyway we can authorize someone on the board to execute that agreement and ratify it at the next meeting after your review?

Mr. Walters responded we can, as long as the board is comfortable with that arrangement. If the board wants to see the final documents then I want them to see those final documents. If they are comfortable with authorizing the Vice Chair in consultation with District Counsel to execute those documents once finalized then that is fine.

On MOTION by Mr. Ritter seconded by Mr. Middleton with all in favor the Sale of \$1.375M in APF Credits for a Gross Sales Price of \$550,000 was approved, subject to finalizing a formal agreement with Vice Chairman & District Counsel.
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Mr. Walters stated I will try to have all my comments that we will need to send back to the counsel for later tonight or tomorrow morning, so we can get all those things moving.

Mr. Ritter asked do you have her contact information?

Mr. Walters responded I do. "Levi, I know you have been working with them primarily, do you think she will care if I deal directly with her or should I continue to work through you?"

Mr. Ritter responded maybe for the first conversation we can get on a conference call but after that I would rather you two to hash it out. We need to talk about the payment to the Alterra Group. I want to hear the board's discussion on that.

Mr. Walters stated the second piece is commission was discussed over a month ago, so we bring that back to the board as part of a compensation portion of this deal.

Mr. Paullin asked I would like to know from Jim and Jason if they have guidance on other situations where you have seen these been paid and whether or not 15% is a reasonable percentage?

Mr. Oliver responded I have never been involved in anything like that.

Mr. Walters responded the closest deal I found to this is kind of a mixed deal. There were two components; one was processing of transfer credits that were going to residents of a District, which were already entitled to it and that was based on a flat fee. Then there was a component, which was going to be the marketing and sale of the excess credits. At the time when the initial discussion was going on we were looking at 15%; however, looking back through the records the deal kind of fell through because Clay County put a moratorium on certain fees and it wasn't feasible at the time to market those. What is reasonable action is dictated by the realities and terms of the transaction.

Mr. Blanton asked what changed your mind that you felt that 15% was more justifiable, since the discussion where it was 10%?

Mr. Middleton responded it is not really me that is what the Alterra Group had requested. I don't know that we, as a board, ever approved 10%. I know there was some initial talk at the board meeting a month ago and 10% was thrown out. The Alterra Group thought that was reasonable for the time and effort that went into it.

Mr. Paullin stated I'm okay with 15%.

Mr. Walters stated I would just ask both Levi and Chris to acknowledge their conflict on the record that they are employed by the Alterra Group.

Mr. Ritter stated we recognize that and abstain from the vote.

On MOTION by Mr. Paullin seconded by Mr. Blanton with Mr. Middleton & Mr. Ritter abstaining from the vote to approve a 15% broker's compensation to the Alterra Group motion was approved 2-0.

THIRD ORDER OF BUSINESS

Next Scheduled Meeting – August 11, 2010

Mr. Oliver stated this will affect the budget. Let's have the July meeting, so we can fine tune the budget and also wrap up any loose ends with this. Three weeks from now is July 7th, does that work with everyone's calendars? If there is an assessment increase there is mailed notice that goes out that requires to be sent out 20 days prior to the public hearing. If there is not an assessment increase mailed notice doesn't go out. Do you have a feeling on which way you are leaning?

Mr. Ritter responded we need to discuss the budget first.

Mr. Oliver stated we can just go forward with the mailed notice as it is and then fine tune the budget anyways. If resident's call in reaction to the notice we can let know it has been changed and the proposed increase is not likely to be as large.

Mr. Walters stated I think that is a safe way to go. We can't miss those notice deadlines, so if we can go ahead and provide the notice then we can also send out a clarifying letter afterwards if need be.

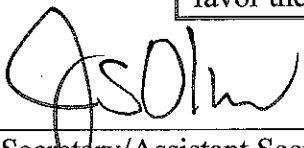
Mr. Paullin asked how about 10:00 a.m. on July 8th?

Mr. Oliver responded that works for me. We will notice a meeting for July 8th at 10:00 a.m.


FOURTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Ritter seconded by Mr. Middleton with all in favor the Meeting was adjourned.



 Secretary/Assistant Secretary



 Chairman/Vice Chairman