

MINUTES OF MEETING
PINE RIDGE PLANTATION COMMUNITY DEVELOPMENT DISTRICT

A regular meeting of the Board of Supervisors of the Pine Ridge Plantation Community Development District was held on Thursday, July 8, 2010 at 10:00 a.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 (by phone)

Also present were:

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

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 10:00 a.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the June 9, 2010 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 9, 2010 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Minutes of the June 9, 2010 Meeting were approved.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the June 16, 2010 Continued Meeting

Mr. Oliver stated included in your agenda package is a copy of the June 16, 2010 continued meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Minutes of the June 16, 2010 Continued Meeting were approved.

FOURTH ORDER OF BUSINESS**Discussion of FY11 Proposed Budget**

Mr. Oliver stated as you recall, you approved a proposed budget in June and set a public hearing for August 11, 2010. This is a chance to refine the budget before you send out mailed notice. When you approved the last budget it included a proposed increase in assessments from \$502 to \$626, which is net. Since that time you did realize a successful conclusion to the APF agreement and sale, so there are ample monies in the general fund. If you wanted to as a board, you could lower assessments to their current rate, below that or somewhere in between. The final decision will happen after the public hearing in August. The reason we bring that up today for discussion is if you do not increase assessments then you do not send out mailed notice to the landowners. If we don't send out mailed notice it would not be appropriate to raise assessments at the budget public hearing. I have included a budget in the agenda package that would include using carry forward surplus funds of about \$88,000, so you could keep those assessments level at the fiscal year 2010 rate.

Mr. Paullin asked how does Pine Ridge compare to some of the communities around the Jacksonville area, as far as assessments for the features we provide?

Mr. Oliver responded it is hard to do an apples to apples comparison because so much of it is based on the number of units in the community, so you have some Districts that are higher than your current assessment and some that are lower, for instance at Julington Creek Plantation and Oakleaf Plantation they have so many units that it really spreads the cost out. I think this is a very reasonable assessment rate for fiscal year 2010 and the one proposed for fiscal year 2011.

Mr. Blanton asked the total amount of money we brought in for the sale of the APF credits was approximately \$400,000?

Mr. Oliver responded it was \$550,000 less the \$82,500.

Mr. Blanton asked so this surplus is only carrying \$88,000 of that in fiscal year 2011?

Mr. Oliver responded that is correct. The rest would be on the balance sheet as a reserve but you could also take more carry forward surplus if you wanted to.

Mr. Ritter asked can you describe the budgetary process if we approve a budget that does not increase the operation and maintenance for this next fiscal year?

Mr. Oliver responded if the assessments are not increased that means you do not send mailed notice to the landowners telling them of a proposed increase in assessments. It is also a less costly notice if you do not raise assessments because you don't have to include a District map in the notice.

Mr. Ritter stated my suggestion as a board member would be to first and foremost to make sure that we have enough money to run the CDD for the next fiscal year and maybe even the following fiscal year and put a little cushion or carry forward reserve for the next fiscal year but at the same time provide an increase of not only services but maybe even some small amenity features that we could use the money for such. Also, lower their operation and maintenance obligations from what they were previously. I think we kind of have the surplus in the budget to do so. I'm not suggesting that we take the O&M to zero by any means. I don't think that would be fiscally or financially responsible but I do think that we can kind of achieve those three goals. I would be in favor of applying a larger chunk of that towards general operations and maintenance for the next fiscal year or two. I don't know how best to do that. I don't know if that is a budgetary thing where you applying more of that surplus to the budget and therefore get a smaller assessment per unit. I think that is what I'm suggesting.

Mr. Oliver stated you could do that. You could lower assessments by increasing carry forward surplus.

Mr. Ritter stated I think I would like to appropriate whatever our budget number was for the amenities that we approved a couple meetings ago. Then take the proceeds and use them for operations and maintenance and the other half apply them in the surplus for the next fiscal year.

Mr. Paullin asked why wouldn't we keep their assessments the same? People are accustomed to them and as long as we don't raise them they won't freak out.

Mr. Middleton asked what are you going to do with the money?

Mr. Paullin responded we talked about doing those increases to the amenities.

Mr. Middleton stated so if you are increasing their services you are going to have to increase the assessment.

Mr. Ritter stated if we would simply increase their services now because of an artificial influx of funds that are not going to happen on an ongoing basis. We use up that cash in the next two years but the residents are still expecting the same level of service, for example maybe we fully staff the pool everyday of the week for the next two years, then in year three you have a financial situation where we would be raising assessments anyways. My thought was by doing this in an economical slowdown, where everyone is struggling to pinch every penny they can. We want to save residents as much money as we can to get through this period and entice more landowners to buy homes. Builders could use this as a huge sales platform that our CDD assessments are lower than any other community and then maybe come back up to a more normalized CDD assessment in a couple years.

Mr. Middleton stated and still possibly take some of the money and build a playground.

Mr. Ritter stated yes.

Mr. Paullin asked is there anything in the budget set for replacement of things?

Mr. Oliver responded in the next few years you will start setting up capital reserve money for repairs and replacements.

Mr. Paullin stated when you start doing that is when your assessments are going to start increasing.

Mr. Middleton asked is this \$458,000 the proposed budget?

Mr. Oliver responded yes.

Mr. Middleton asked with the gas line sale and the APF credits how much money is that?

Mr. Oliver responded it is almost half a million.

Mr. Middleton stated if fiscal year 2011 and fiscal year 2012 budgets are the same we could reduce those in half and lower the assessments by half for two years or at least for one year lower them.

Mr. Ritter asked if I'm not mistaken we roughly have a million dollars in APF credit to sell?

Mr. Walters asked do you mean after the previous sale?

Mr. Ritter responded yes.

Mr. Walters stated yes. I believe there is around a million dollars.

Mr. Ritter stated ultimately we will sell those credits and we will get something for them and I think that would be a great place to start for any future reserves or capital improvements or repairs.

Mr. Oliver asked is there consensus among the board that you would like to at least leave the assessments level?

Mr. Middleton responded yes.

Mr. Ritter stated I think at a minimum we keep them level and then we have another meeting where we can get into the finer details.

Mr. Oliver stated yes. As long as we are all on the same page that we are not going to increase assessments then staff knows what to do for the noticing requirements.

Mr. Walters stated at this meeting we need a consensus direction from the board that we are not going to increase assessments.

Mr. Oliver stated based on what I have heard from the four supervisors we will not do mailed notice and we will do a published notice based on the fact that there is not an increase in assessments. Over the next 30 days we can confer individually and come up with what number you want to see on the budget.

Mr. Paullin asked so based on the proposed budget you are saying we would have to take \$65,000 out of the excess proceeds from the APF net?

Mr. Oliver responded we actually have included \$88,461 in carry forward surplus in the budget that you have in front of you.

Mr. Ritter asked what are the bigger line items on the budget that have increased from last year?

Mr. Oliver responded the two biggest are amenity management, so that we can actually have staffing on the ground and the other one would be the fulltime operations person, which was a contract that we approved late this fiscal year.

Mr. Ritter asked the amenity staffing was really the big one that was \$50,000 more than last year?

Mr. Oliver responded yes at \$40,000.

Mr. Ritter asked and that is just to keep someone at the amenity center all the time?

Mr. Oliver responded yes on a part time schedule. It will not only help the residents but to help with sales when realtors and potential buyers visit.

Mr. Middleton stated I see the landscape budget has gone up \$15,000, which is probably good.

Mr. Paullin asked is that for the amount of services we are getting or just the price increase?

Mr. Middleton responded services. We are going to have some more common areas coming online that are going to have to be maintained.

Mr. Oliver stated Chris and I spoke before the meeting and it would be appropriate as we go towards fiscal year 2011 to prepare a scope of services and get proposals from landscape companies, so we can get the price.

Mr. Blanton asked did we not have any maintenance reserves in fiscal year 2010?

Mr. Oliver responded we didn't use it but we budgeted for it.

Mr. Middleton asked what about lake maintenance?

Mr. Oliver responded yes. We will go ahead and get proposals. We will bring proposals to the board, along with landscape maintenance proposals.

Mr. Middleton asked so we budgeted for a lot of stuff in fiscal year 2010 but we didn't spend all of it?

Mr. Oliver responded correct.

Mr. Middleton asked can some of that extra money that we didn't spend be put towards the reserves going forward?

Mr. Oliver responded yes. We haven't collected it all yet. From a general fund position this District would be the envy of other Districts.

Mr. Church stated I don't know how much you are expected to grow but you might want to have more lifeguards out there and that might help with sales.

Mr. Oliver stated we can discuss that at the public hearing and also during the fiscal year you can modify that through a budget amendment process.

Mr. Paullin asked why did the proposed budget on pool maintenance and chemicals drop?

Mr. Oliver responded we are just halfway through the year. It is a contracted amount and I think it is \$1,100 a month but the pool chemicals are more of a variable amount. The pool chemicals came in lower than we had projected.

Mr. Paullin asked what is the cable under utilities?

Mr. Middleton responded I know we have internet in the office and I think we needed it for the alarm system.

Mr. Oliver asked are there televisions in the fitness center right now?

Mr. Middleton responded no.

FIFTH ORDER OF BUSINESS

Ratification of APF Agreement and Sale

Mr. Walters stated you have a copy of the executed agreement and a couple of letters. We are looking for ratification of those documents and all the actions taken. The agreement is a two function agreement and that starts with the formal assignment of credits and then the agreement on how the transaction will work. You will see in the beginning of the whereas clause it talks about the amounts of total credits that were initially granted between Sandhill and the County. There is a portion that assigns almost \$2.2M of credits to the District. The \$2.2M is in the rightful title of the District. Then the purchase and sale agreement portion of the transfer of \$1.4M of those credits to Taylor Morrison and the purchase price being \$550,000. There was some kind of closing requirements because Taylor wanted to make sure that the County was on board with this and that they were going to honor any sort of assignment from any party to them, so they could apply those against their requirements. As part of that we had to get a letter from the County, which essentially has the County acknowledging the transfers. The initial transfer was from Sandhill to the District and then a portion of those transferred from the District to Taylor Morrison. The terms of it we discussed and approved at the last meeting. This is the first time that the agreement has been before the board.

On MOTION by Mr. Paullin seconded by Mr. Middleton with all in favor the APF Purchase and Sale Agreement & the Conveyance of Credits to Taylor Morrison was ratified.

Mr. Walters stated the District has about \$800,000 in credits and moving forward we will have to make further decisions on what we want to do with that.

Mr. Ritter stated Bill Pyburn with the Alterra Group did a lot of the business work on this. I did a lot of the paperwork but he has a couple of other leads. They might not be interested this second but ultimately at some point during the time of the development of the

projects they will be interested, so I think we should probably continue to stay active in the marketing and sale. If the board is in agreement with it we can continue having those APF marketed and sold.

SIXTH ORDER OF BUSINESS

Discussion Regarding Declaring Series 2006B Project Complete

Mr. Walters stated there have been some discussions with Darrin Mossing and Mike Eckert. The way the deal was structured we think in order to only declare one project complete that we may need an amendment to the indenture. We are putting together a letter to the trustee, which they can circulate to the bondholders, particularly of the A bonds. The issue is that we have separate accounts set up for the As and the Bs; however, the construction account was a single account meaning all of the construction proceeds for both series were put into one account. The indenture doesn't provide for simply saying we want to declare just the B project complete or vice versa, so in order to facilitate that we have asked the trustee if they would agree to a small amendment to the indenture that would allow that. We are working with the trustee to get that taken care of.

Mr. Paullin asked would that be a simultaneous closing of both funds at one time?

Mr. Walters responded no. If we can get an indenture it would allow us to simply declare one project and in this case the B project complete then we can close that project out and the associated accounts. The problem is currently the indenture doesn't permit that because of the way the construction accounts are set up. We say the A project is complete but we know it's not in terms of portions in that A project, particularly future stormwater facilities.

Mr. Ritter asked we can't declare the A project complete until the stormwater facilities are installed? What do you need in terms of documentation to declare those complete?

Mr. Walters responded we need them to be complete.

Mr. Ritter asked do you need them to be complete or just to have someone on the hook that builds them?

Mr. Walters responded there may be ways to do that but the problem is that the general course of saying is when you have excess construction funds, so you have \$400,000 worth of work to do and you have \$1M in construction funds and you want to go ahead and finalize those but in order to that there are ways to say we have \$1M in funds and \$400,000 is going to be needed for the remainder of the project, so we are going to declare the project complete.

We would set aside the \$400,000 and finalize the assessments. In this case we don't have the ability to do that.

Mr. Middleton stated we don't have any funds left.

Mr. Walters stated right and project completion is more tied to assessments, so we can't finalize assessments based on an incomplete project when there are no funds.

Mr. Blanton stated but technically any project from an A bond standpoint could not be complete. The residents could eventually say we want to build another amenity center.

Mr. Walters stated right and that would be a new project. We said when we put the project out that the assessments are x amount based on a certain level of benefit and that benefit is provided by all these improvements.

Mr. Blanton asked would the bond company issue more bonds right now if we say we want to finish everything and get done?

Mr. Walters responded right now I would highly doubt it. The bond market is not real great right now. The remaining improvements will be built pursuant to the completion agreement.

Mr. Ritter asked what happens if the remaining improvements are eliminated?

Mr. Walters responded we would probably have to go back and evaluate the project and evaluate the benefit and perhaps essentially re-levy assessments based on that benefit.

Mr. Middleton stated some of the other ponds are interconnected and they are dependent on one another but I think the ponds remaining are independent of themselves.

Mr. Walters stated right but they are not independent of the stormwater needs that will be required when those areas are built. Meaning you can't develop 100 lots without stormwater.

Mr. Ritter asked is there any value to calling Oppenheimer on this issue?

Mr. Walters responded the trustee is going to have to call Oppenheimer, so they will be in this discussion.

Mr. Ritter stated I thought it was more of a cleanup item and it was costing the District money when you monitoring a B bond.

Mr. Walters stated I think it should be a fairly straight forward process in terms of once the trustee speaks to the bondholders I imagine everyone will be fine with it and close out that project.

SEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated if you recall on the whole gas pipeline easement issue we had sent a letter to the stormwater management district seeking assurances that in no way would release or amend to that permit or any of the easements cause a problem to the District essentially. The water management district provided those assurances. I think we are good to go on that. I will circulate the letter we received.

B. Manager

1. Proposed FY11 Meeting Schedule

Mr. Oliver stated included in your agenda package is a proposed fiscal year 2011 meeting schedule. It is a bi-monthly, like this year with meetings in October, December, February, April, June and August and also a landowners meeting is scheduled for November 10th. We will need to fill three seats at the landowners election and that will be based on one vote per lot, one vote per acre or one vote for a portion of an acre. Beginning in 2012 if there are 250 registered voters in the District we will begin the transition to general elections.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Meeting Schedule for Fiscal Year 2011 was approved as presented.

C. Engineer

1. Requisition Summary

a. Consideration of Requisition No. 381A

b. Consideration of Requisition No. 382A

Mr. Ma stated included in your agenda package is two requisitions. One is for Hopping Green & Sams related to construction issues in the amount of \$1,358.50. The other requisition

is for United Landscape in the amount of \$3,117 and it relates to some additional landscaping we did at the front entry.

Mr. Blanton asked there is no A bond monthly left, right?

Mr. Ma responded there is \$9,600 of A bond money.

Mr. Ritter asked as the District Engineer have you gone through every single bill that was paid out of the construction account for everything that was ever spent at Pine Ridge?

Mr. Ma responded yes. We do that every month.

Mr. Ritter asked but have you gone all the way back to when the funds were originally received by the District?

Mr. Ma responded I have not. I can do that.

Mr. Ritter stated we need to go through every single expense that is spent out of the A bond and B bond proceeds and make sure we know what each one of those expenses were and allocate them to whether they were As or Bs.

Mr. Ma stated internally my office keeps track of what is A and what is B. I know all the B bond requisitions that we paid out is for the B bond improvements. For the A bonds we have not gone back three or four years ago. We do it every month from the start of the CDD.

Mr. Oliver stated staff will go back and review all that and bring it to the next meeting. The \$3,117 payable to United Landscapes has been paid out of the general fund, so you should actually reimburse the general fund.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor Requisition Nos. 381A & 382A were approved.
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NINTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Middleton stated I got a refrigerator today and also tomorrow we should have a bulletin board. I'm getting some A frame signs that we will have to close the pool because there was thought that we might need to close the pool once a week. We actually figured out there were some issues with our feeder systems. The health inspector pointed out some good things to us and I think we have the chlorine feeder system up and running and we may not need to close the pool. Next week there will be some community builder signs installed.

Mr. Oliver stated I am not familiar with CDDs paying for advertising signs for builders. I am certainly fine with the CDD purchasing it and billing builders as they come in and want to be added to the sign. We can go ahead and move forward with it.

Mr. Middleton asked what if I have a problem collecting funds from the builders?

Mr. Oliver responded we can work through that.

Mr. Blanton asked will the bulletin board have a number where people can call with concerns?

Mr. Middleton responded I am going to put some email addresses and phone numbers up there. Have we been getting bills from the Sparkle cleaning company?

Mr. Oliver responded I believe they go directly to Patti.

Mr. Middleton stated I bumped her up to once a week. I will find out what is going on.

Mr. Paullin stated there was a complaint to one of the local builders that they walked into the men's room and caught the two lifeguards having sex. It was communicated through a homeowner.

Mr. Church asked who was the homeowner?

Mr. Paullin responded he didn't want to make his name well known.

Mr. Church stated then we can't file a complaint. I will investigate the allegation.

TENTH ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Financials:

A. Balance Sheet as of May 31, 2010 and Statement of Revenues & Expenditures for the Period Ending May 31, 2010

Mr. Oliver stated included in your agenda package are the financial reports as of May 31, 2010.

B. Treasury Report

Mr. Oliver stated included in your agenda package is a treasury report.

C. Approval of Check Register

Mr. Oliver stated included in your agenda package is a check register.

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Check Register was approved.

D. Assessment Receipts

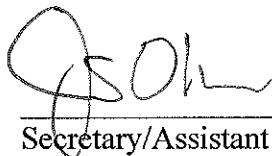
Mr. Oliver stated included in your agenda package is an assessment receipt schedule.

TWELFTH ORDER OF BUSINESS Next Scheduled Meeting – August 11, 2010

Mr. Oliver stated your next scheduled meeting is on August 11, 2010.

THIRTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Paullin seconded by Mr. Blanton with all in favor the Meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman