

ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, October 7, 2015 at 6:00 p.m. in the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043.

Present and constituting a quorum were:

Bill Tew	Chairman
Jody Smith	Vice Chairman
Rose Bock	Supervisor
Kurt von der Osten	Supervisor
Stephen Grossman	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel (by telephone)
Keith Hadden	District Engineer
Freddie Oca	Amenity Center Manager
Brian Stephens	Riverside Management Services

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the August 5,
2015 Meeting**

Mr. Oliver stated the next item is approval of the minutes of the August 5, 2015 meeting.

On MOTION by Mr. Tew seconded by Mr. Grossman with all in favor the minutes of the August 5, 2015 meeting were approved.
--

FOURTH ORDER OF BUSINESS

Actions Related to Bond Restructuring

Mr. Oliver stated we are having a public hearing on October 22, 2015 at 1:15 p.m. on the restructuring that primarily affects the lands that are undeveloped at this point.

Ms. Buchanan stated the landowner that owns the property that will have an increase in their assessment, which is solely CBCP Rolling Hills, they own the unplatted land in Phase 2B and 3 has received the mailed notice we sent to them and that is the start of our assessment process. They received it September 22nd and we anticipate having an assessment hearing on October 22nd that would be where the public has the opportunity to come and raise any objection they have. However, we have been working with CBCP and Brett Sealy, the district's former underwriter and who is now functioning as someone who is helping us exchange the bonds and finalizing the numbers. Basically, to summarize the deal again for the members of the board the resident lots will have no impact from this restructuring. The lots that are completed and owned by residents that will not be impacted by this restructuring, however, the unplatted lands will have an adjustment to their assessments and that will also include the B Bonds. We are still finalizing numbers the goal would be that we bring back to you an assessment methodology that identifies the structure of the deal in full on the 22nd so you should have time to review that prior to the actual meeting.

Mr. Oliver stated in front of you a copy of the assessment methodology report that you approved at the last meeting as we made changes on the record to it. This is just a copy for your records. Because of the information that Katie just provided regarding bond in exchange that is going to change significantly so you already have something that is obsolete but at the last meeting we said we would get a copy of that to you.

Also in light of the recent changes several months ago the board approved a restructuring agreement with MBS Capital Markets to serve as the underwriter that was approved in substantial form, there is still some negotiating going on between the underwriter and CBC Capital. That has since been discarded and there is a new agreement and although the district approved it, it is funded by the developer, they are the ones funding this restructuring process. Rather than being based on a percentage of the bonds issued, which is usually between 1 ½% and 2% this is actually a flat fee for all services in the amount of \$100,000 but again that is being paid directly from the developer to the underwriter. Because of the fact that this affects bonds that are issued by the district it would require board approval.

Ms. Buchanan stated the one other difference is that the prior agreement related to Brett actually marketing the bonds and selling them to new people that is no longer his plan, his objective now and his task from the district is solely to help us structure the exchange, we are not selling our bonds, there is no expectation of a sale of the bonds in the near future there is just an exchange from the current bondholder to the current bondholder. Basically his role is changing.

Mr. Oliver stated two other points I want to make is the restructuring does not affect any of the current landowners, their assessments stay the same but what it does holistically for the entire district is put the community on a better financial footing for future growth.

On MOTION by Mr. Smith seconded by Mr. Tew with all in favor the proposal was approved.

FIFTH ORDER OF BUSINESS

Ratification of Clay High School Swim Team Agreement

This item was tabled.

SIXTH ORDER OF BUSINESS

Consideration of Renewal Letter from Riverside Management Services

Mr. Oliver stated the next item is consideration of renewal letter from Riverside Management Services. What you have in your agenda packet is a list of services that are currently provided, amenity manager, operations manager, pool service, janitorial service and lifeguards and it shows the proposed fee for 2016, which is exactly as was budgeted. If this is approved Katie will draft the appropriate agreement or addendum to the contract.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the proposal from Riverside Management Services was approved and district counsel was authorized to prepare the appropriate document for execution.

SEVENTH ORDER OF BUSINESS

Discussion of Process to be Designated as Golf Cart Community

Mr. Oliver stated the next item is discussion of process to be designated as a golf cart community. Jody and I had this discussion a few times and we wanted to put this on the agenda. It is a long process and also in the loop with this is the county engineer but the main thing we wanted to make clear to the board is that we are looking to have this as a CDD initiated process,

HOA initiated process or even a group of individuals, Clay County has a broad range of options. I do have a copy of the process and the engineer with briefly go through that for you.

Mr. Hadden stated Clay County has an established procedure for any community that wants to be designated as a golf cart allowed community. They want to make sure that the roads are proper width and proper lighting and these kinds of things. You have to have 51% of the people who live there sign off that they want it. Rolling Hills is a little unique in that it is not a golf course community. The biggest thing is the ongoing construction and how many people live here and have golf carts and how much construction is going on. I would assume most of the golf cart use is going to be after hours when the construction is finished but it is something I want to bring to your attention that it is a small vehicle and that is an issue that as a resident you want to be concerned with. There is a process we can go through, there are some things I would have to do as far as traffic counts, the county wants to know how many cars are on the road today, how many we anticipate in the near future with the construction and how much is resident versus pass through. The roads we designed are big enough, the classification, you don't have a major thoroughfare going through the community so people come in and go out the same way so that is a positive from a golf cart standpoint. You have to post signs, the golf carts have to be inspected and have headlights and tail lights for after dark use. I have gone through this on a couple of other communities that I work with and the biggest problem with golf carts on the road is always kids. As long as the community understands that going in then hopefully the residents are more mindful of that. In order for the request to be reviewed a minimum of 51% of the property owners along said roads must be in favor of the designation.

Mr. Smith stated a lot of residents have talked to me about this and we have a lot of residents with golf carts and we have a lot of residents who want to buy golf carts. I want to do this the right way so that all the residents can use the golf carts and not have to worry about any push back or getting into trouble or us doing anything wrong out here because we are using golf carts. People use golf carts a lot out here and last weekend a police officer had someone in a golf cart pulled over on a sidewalk near Wynn Dixie because people use their golf carts to go to the store from time to time. I want to make sure we do the right thing. If residents want a golf cart I want them to be able to have a golf cart but I want to make sure that we do it the right way.

Mr. Oliver stated one thing I want to point out again and it actually says it at the top of this document from Clay County is that it doesn't have to be driven by the CDD, it doesn't have

to be driven by the HOA, an individual or group of individuals can make this request. Probably if it were done at the ground level with a group of residents trying to pursue it you need to find out if you have the support for it before you go too far down that road. Even if you have an engineering study done, which there would be some cost to that, it is not for sure that the county when they weigh this engineer's report with the 51% or more of people that want to do it, how well do golf carts mesh with the current safety concerns with construction traffic, speeding and those kinds of things. It is not a sure thing that check all the blocks and you are going to get it approved by the county, but it is worth having this discussion. This discussion can go out to the community and we can find out who wants to champion this. It doesn't necessarily have to be the CDD.

Mr. Smith stated I wanted to start the discussion that is the main thing.

Mr. Hadden stated you can pass a petition around the neighborhood or have it on the website and see what the response is because you are going to have to have 51% no matter who sponsors it. Once you know you have that then you can pursue doing all the road signs and that kind of stuff.

Mr. Oliver stated it is something that we did not budget for in FY 2016.

Mr. Smith asked would that be something that Freddie could put out in an email?

Mr. Oliver stated I don't know if you are willing to be the point of contact not as the CDD vice chairman but as a concerned resident, as long as he can funnel that towards someone but you can get with him to designate someone to be a point of contact and at least you could determine what type of community interest there is.

There are some other traffic safety issues we will need to look into and I was looking at some of the traffic calming studies they had in Clay County in terms of increasing or decreasing speed limits, these are things that can be done also, not directly related to the golf cart concerns but related to the traffic concerns we talked about the last couple meetings and I will pass these out to the board. These things can also be initiated by individuals not necessarily a formal group like the HOA or CDD. It is a start to address what we can but so much of this stuff is not actually under the authority of the CDD.

EIGHTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Hadden stated LGI is starting new construction out here, they submitted for building permits, they are excited and I think you are going to see a lot of growth out here.

C. Manager

Mr. Oliver stated we are having a public hearing for the bond restructuring exchange that Katie spoke about earlier and that is October 22, 2015 at 1:00 p.m. It is open to the public, it was a matter of getting schedules together so we could have the public hearing. That is just for the restructuring and mailed notice went out to the property owner that is affected by this but any member of the public can come and make public comment. We don't anticipate having anything else on that agenda. Our next regular meeting is going to be December 2, 2015 and there could be a meeting held sometime between those two dates if needed for the restructuring.

D. Operations/Amenity Manager

Mr. Oca gave an overview of his report, copy of which was included as part to the agenda package.

TENTH ORDER OF BUSINESS

Supervisors Requests

Mr. Smith stated I don't know if LGI has talked about this or whether this is something they have to request before we have this conversation but now that they have decided to build their first plat of homes in the very back of the neighborhood that means that large piece of CDD property along that lake in the back now is going to get passed by a lot of new residents on a daily basis. Is this something we need to take a look at because that piece of property is not irrigated and it is going to have to be sodded. Do we have to wait until LGI to asks us to do that or is that something we need to look at doing? Sooner or later someone is going to ask if we are

going to maintain that. It may be nine months down the road until there are residents living in that area but it is a conversation worth having.

The second concern and from a board member's perspective, I understand budgets and I understand the developer is doing everything he can for the neighborhood. I also understand that this development is unique in the fact that we get things backwards here, this amenity center was built long before it would normally be built in a neighborhood like this and it costs a lot of money to maintain this as well as all the other CDD property. That being said I want to voice a concern on behalf of the residents especially residents in the back there are a lot of kids out here now the only playground for the kids to play on is inside the fence at the amenity center. There is a designated piece of property in the back where there is supposed to be a park and a playground that still hasn't been developed. I am going to renew my request that if we can do something to move in that direction and I don't care if it is just landscaping that piece of property and sodding it just so the kids have a clean piece of grass to play on where they can play football or soccer, whatever. If we don't have the money to do the playground and do all the peripheral landscaping of a park that is fine but can we level it, clear it and put some sod down and at least cut it so the kids will have a place on that end of the development to play. I got a call this week from a resident that is irritated because kids are playing in that particular area and digging it up and they don't like the way that looks. Kids need a place to play and absent a playground they are going to find a place to play and that is a popular area.

Mr. Oliver stated for both those areas you discussed the common areas along the roadway as well as the park area I have spoken with Brian Stephens and he has about 20 years of landscape maintenance experience and he is going to prepare some cost estimates for irrigating and sodding those areas with the type of sod that would bear that type of traffic and he will make that available to the developer. We simply don't have money in the district's account to pay these kinds of things, but we will pass these concerns on to the developer, we talked pretty frequently about this approach and also find out what their plans and timelines are for both the common areas and that park area for some type of improvements. I will say that this restructuring we are going through should provide some long-term relief so that we can have a better footing for some of these types of projects, but first is taking care of critical financing business. I want to remind everyone in the room the new developers came in to a really bad situation. We gave them some proforma projections of what it would cost to operate the district

and they funded it well beyond that because in the past management didn't necessarily maintain facilities very well due to financial issues. We have run into some of those situations. We are working with the developers very closely and I will make those points clear to them.

ELEVENTH ORDER OF BUSINESS Audience Comments

Mr. Haynes stated golf carts aren't an issue with me my issue is the safety side of it. How do we restrict kids jumping on the golf carts and ripping around the neighborhood and hitting somebody or hitting somebody's car?

Mr. Oliver stated Rose Bock is former chairperson at St. Johns Golf & Country Club, a golf cart community. That is a common issue and if this is eventually a golf cart community, it is going to take parental oversight. People are going to have to report things going wrong and it is going to have to be tied to amenity center privileges. If you are misusing a golf cart, your privileges could be suspended here, at least for actions that happen on common areas or at the amenity center. You bring up a good point and it is going to be something that has to be worked through if we get to that point of the designation.

Ms. Bock stated as a homeowner I have followed kids home driving a golf cart and when they pulled into the house I got out too and went to the door and talked to the mother who had no idea the kid was gone with the golf cart. It starts at home and if you have parents who just leave the golf cart sitting around I don't know what you do about the and the county doesn't provide for it either. There are other communities like Cimarron they bring the cops in and they give tickets and they write them for running through stop signs, parents driving with open containers, the same laws in St. Johns County apply to golf carts and people just drive along with a beer. It unleashes something on your community that you just can't begin to tell people about so there is a lot to think about.

Ms. Nance stated on the golf cart issue I heard something about signs. Who would be paying for those? Is it a CDD thing that will be what we end up paying for as residents?

Mr. Oliver responded there is a sign requirement and that is a good question. We are just having the opening discussion on that but there are sign requirements and someone would have to pay for it.

Ms. Nance stated I also heard that golf carts would have to be inspected. Who is responsible for that We talk about having a speeding problem in this neighborhood with cars so it is the whole issue and do we even want to go down that road.

Mr. Randal stated we have issues with vandalism and I have talked to Freddie and I want to know what we can do about getting some surveillance cameras because Freddie is not here all the time, a lot of times the building is empty and as a law enforcement officer we get here and have no evidence to see who did it and surveillance cameras help a lot. I know this is ongoing in the community that kids come up here and get into trouble and cause damage and there is no way to prove it is them.

Mr. Smith asked if someone comes in this building at 3:00 a.m. when does the alarm come on?

Mr. Oca responded they can't come in after 11:00 p.m.

Mr. Smith stated any time somebody uses that security card to get access to this building there is a record of that, there is a electronic record of that.

Mr. Randal stated I sat there with Freddie when the officer came to make the report and there were eight people that came in between the time the chair was not damaged until the time that we noticed it. That is eight people but we don't have hard evidence to prove who actually did it. That is where a surveillance camera comes into play. That was probably \$300 worth of damage that some kid just came in and destroyed the property.

Mr. Oliver stated oftentimes in CDD meetings we try to not talk too much publicly about security matters. We have cameras in most of the other districts. The price has gone down tremendously for these. We will pursue that and we even had our own staff successfully install those at Azalea Ridge. We caught some kids playing beer pong at the pool, throwing furniture in the pool and got restitution from the parents. We will find a way to make that happen.

Mr. Rozario asked for those residents who do have golf carts from now until that conversation takes place what is the status?

Mr. Oliver responded it is against the law.

Mr. Randal stated it is against the law to ride them on the streets or the sidewalks but I haven't said anything to anybody. At this point we have a couple abusing it so if I start cracking down on them or law enforcement starts cracking down on them then everybody is going to feel the pain.

Mr. Oliver stated this isn't something the CDD is trying to enforce.

Mr. Smith stated I asked the question on behalf of all the residents. I'm not in favor one way or the other because I don't own one.

A resident asked what if they are street legal?

Mr. Randal stated if they are street legal they have to have a rear view mirror, driver's side mirror, headlights, taillights, and a Florida State tag. That makes it street legal and you can have it on the road.

TWELFTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

Mr. Oliver stated you have the financials through August 31st. The fiscal year ended September 30th so this month we will start the process for the fiscal year 2015 audit.

B. Assessment Receipt Schedule

Mr. Oliver stated you have the assessment receipt schedule and you can see we are fully collected.

C. Approval of Invoices

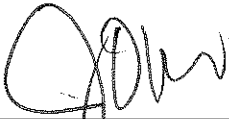
Mr. Oliver stated the next item is approval of the invoices.

On MOTION by Mr. Grossman seconded by Ms. Bock with all in favor the invoices were approved.

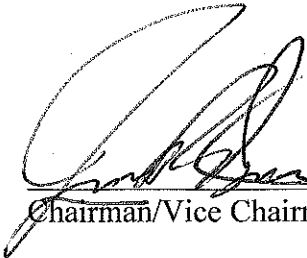
THIRTEENTH ORDER OF BUSINESS Next Meeting Scheduled for December 2, 2015 @ 6:00 p.m. at Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043

Mr. Oliver stated the next regular meeting is December 2, 2015 at 6:00 p.m. at this location, but we are going to have a meeting and public hearing on October 22, 2015 at 1:00 p.m.

On MOTION by Mr. Smith seconded by Mr. Tew with all in favor the meeting adjourned at 6:38 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman