

ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, January 7, 2015 at 6:03 p.m. in the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043.

Present and constituting a quorum were:

Jody Smith	Vice Chairperson
Rose Bock	Supervisor
Kurt von der Osten	Supervisor
Stephen Grossman	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
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 6:03 p.m.

SECOND ORDER OF BUSINESS

Affidavit of Publication

Mr. Oliver stated we noticed in the Clay Today this CDD meeting as well as the audit committee meeting that we just completed.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the November 5, 2014 Meeting

Mr. Oliver stated the next item is approval of the minutes of the November 5, 2014 meeting. Are there any corrections to those minutes? There is a small error on the list of attendees of the last meeting that will be corrected to reflect: Joseph Landen of Lapis Advisers.

On MOTION by Mr. Smith seconded by Mr. Grossman with all in favor the minutes of the November 5, 2014 meeting were approved as amended.

FIFTH ORDER OF BUSINESS

Acceptance of Minutes of the November 5, 2014 Landowners' Meeting

Mr. Oliver stated the next item is acceptance of the minutes of the November 5, 2014 landowners meeting.

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor the minutes of the November 5, 2014 landowners' meeting were accepted.

Mr. Oliver stated at that landowners' meeting as reflected in the minutes at the last meeting we actually took the action to canvass the results of that election. Two of the supervisors who weren't there but were elected were Rose Bock and Stephen Grossman and they were sworn into office before the meeting.

SIXTH ORDER OF BUSINESS

Consideration of Actions Related to Extension of the Bond Restructuring Agreement and Bond Refunding

Mr. Oliver stated the next item is consideration of actions related to extension of bond restructuring agreement and bond refunding.

Ms. Buchanan stated two years ago we undertook a process by which the developer worked out with the holders of the bonds an extension on the payment due date for the district's payment to the bondholders. What has happened is that growth is a little slower than they expected and they have now come to the district and requested that we on behalf of the developer submit an amendment to the forbearance agreement, which would extend the term from February 1st to the November 1st payment date. The forbearance agreement removed the responsibility of the district to foreclose on the property because assessments weren't paid and now we are extending that authority to not foreclose through November 1st. The bondholders are working with the developer and would expect district staff to participate as well in trying to restructure the debt to make it a littler easier to get paid. This is not uncommon and it is something that has

happened in the industry and probably much of the board has had experience with it. What they are doing is using this time to try to figure out whether they can refinance similar to the way we would refinance a mortgage. The resolution in front of you summarizes that we were in forbearance and then authorizes district staff to take necessary actions to assist with the restructuring I just described. There is also a first amendment to the forbearance agreement that you have. The recitals go through the facts that we did have a forbearance agreement, recovery was a little slower than we anticipated and there is also a request for additional time to conduct good faith negotiations with the holders of the bonds. There is really only one change and you will see that towards the bottom of page 2, instead of expiring two years from the date of forbearance agreement, which will be February 1st it would now expire on or about November 1, 2015.

Mr. Smith asked why was that date picked? Is there an anticipation of something or is that just a standard length of extension?

Ms. Buchanan responded the November date was picked because they want to come up with a solution that incorporates the district's November payment to the bondholders. There are some tax implications as well, you can have a two year forbearance agreement under the tax code but if you extend it much further than that you have to have some sort of justification and that would include the good faith negotiations that we have so we tried to keep it as condensed as possible instead of doing a broad extension.

That is a summary and I don't have any details on the structure of the refinancing that is anticipated. I would expect the bondholders and the developer are going to find an underwriter that is creative and experienced because they really want to have someone in place who can help them get the finances in order to make sure there is still money flowing into the district, the bondholders are happy, the residents are happy, the developer is happy so they are going to put a lot of effort into making sure they have a good team in place to get the deal done. I think they will come back to you with a request for a specific underwriter probably at the next meeting. They are going to do an interview process and we can participate but frankly, I think it is better if they bear the expense themselves rather than the district.

The resolution I ask that you approve and the amendment in substantial form. We have not yet provided it to the bondholders or the trustee and they may have some revisions they

would like to make to the document. We tried to keep it as simple as possible to keep negotiations and expenses down at this point.

On MOTION by Mr. von der Osten seconded by Mr. Smith all in favor Resolution 2015-03 was approved.

On MOTION by Ms. Bock seconded by Mr. Grossman with all in favor the first amendment to the forbearance agreement was approved in substantial form.

SEVENTH ORDER OF BUSINESS Update on Operations & Maintenance

Mr. Oca gave an overview of the operations and maintenance report, copy of which was provided to the board.

Mr. Smith stated at the last meeting we talked about the entrance light and it is still not lit up. Is there a problem?

Mr. Stephens responded they replaced the bulb and it worked for a while and then it went out.

Mr. Oliver stated we will get that done.

EIGHTH ORDER OF BUSINESS Report of Audit Committee

Mr. Oliver stated the audit committee met earlier this evening and approved criteria so we can start the audit process. I will ask the board for direction for staff to issue an RFP and bring back proposals to the audit committee.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor staff was authorized to issue the RFP for audit services.

NINTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Hadden stated we are ongoing with the road maintenance, the county owns the roads and when there is a sinkhole they come out and put cold mix into it, which makes it passable. They are not fixing the problem but putting a band-aid on it. Rich from American had sent Jim and myself an email and said we have to do something and I responded that it is not ours to do they need to put pressure on the county. That was four months ago and they haven't had any more luck than we had. We physically could not go in there and fix that, it is not ours to touch even if wanted to. They know it needs to be done but it is a matter of funding. There is a sinkhole in the back that we are going to fix ourselves because that is still under our purview.

C. Manager

Mr. Oliver stated we talked about security at the last meeting and we have entered into an agreement with the Clay County Sheriff's Office for off duty deputies to do random patrols in the neighborhood. They send us detailed reports. They are operating on a random schedule so that don't establish a pattern and people don't know when they will be here. I'm working closely with the vice chair behind the scenes on that matter. When the developer's representative is out here Wednesday we will have him work with Kurt to show him those areas that are undeveloped but need some maintenance so they can be part of the solution.

ELEVENTH ORDER OF BUSINESS Supervisors Requests

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS Audience Comments

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Approval of Invoices

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

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

B. Balance Sheet & Income Statement

Mr. Oliver stated the next item is the balance sheet and statement of revenues and expenditures for the general fund as well as the debt service fund. These are as of the end of November, which is the second month of the fiscal year. These will be audited at the end of the fiscal year by the audit firm this audit committee and board selects.


C. Assessment Receipt Schedule

Mr. Oliver stated next is the assessment receipt schedule. It is still very early in the process to have any significant news on collections.

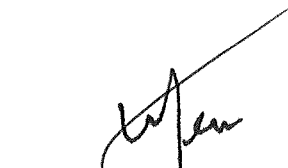
**FOURTEENTH ORDER OF BUSINESS Next Meeting Scheduled for February 4, 2015
@ 6:00 p.m. at Rolling Hills Amenity Center,
3212 Bradley Creek Parkway, Green Cove
Springs, Florida 32043**

Mr. Oliver stated the next meeting is February 4, 2015 at 6:00 p.m. at this location. That may be moved depending on if we have new business I will confer with the chair or vice chair and determine whether or not we need to have that meeting.

On MOTION by Mr. Smith seconded by Mr. von der Osten with all in favor the meeting adjourned at 6:33 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman