

MINUTES OF MEETING
ROLLING HILLS COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Wednesday, March 6, 2013 at 5:00 p.m. at the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043.

Present and constituting a quorum were:

Bev Dubis	Chairperson
Bill Tew	Vice Chairman
Rose Bock	Supervisor
Jody Smith	Supervisor

Also present were:

James Oliver	District Manager
Katie Buchanan	District Counsel
Keith Hadden	District Engineer
Courtney Hogge	Amenity Facility Manager
Rich Whetsel	Riverside Management Services
Jay Soriano	Riverside Management Services
Danielle Simpson	Riverside Management Services

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 5:00 p.m.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Appointment of New Supervisor to Fill the Unexpired Term (11/14)

Mr. Oliver stated as you may recall at a recent meeting, Roger Arrowsmith resigned his seat on the board, so it is time to fill that vacancy. I will ask for nominations to fill that vacancy.

On MOTION by Mr. Tew seconded by Ms. Dubis with all in favor to Appoint Mr. Jody Smith to Fill Seat No. 2 was approved.

B. Oath of Office for Newly Appointed Supervisor

Mr. Oliver administered an oath of office to Mr. Jody Smith.

Mr. Oliver stated we have resignations for the board to consider from Keith Jones and Beverly Dubis. I would ask the board to accept those two resignations.

On MOTION by Mr. Tew seconded by Ms. Bock with all in favor the Resignations from Ms. Beverly Dubis & Mr. Keith Jones were accepted.

Mr. Oliver stated on behalf of the District and GMS, I would like to express my appreciation to Bev Dubis and East West for all they have done for this community. As the economy hit many developments very hard, Bev and her colleagues worked diligently to ensure the community continued to operate its recreation facilities and were determined to look out for its residents. East West has been professional and of great assistance throughout this transition period. Other developments in similar situations experienced a much rockier transition, including some where amenities were shut down due to lack of funding. Many thanks to Bev, Roger, Steve, Matt and the rest of the East West team for building a great community and for their caring leadership.

Mr. Oliver stated now we have two vacancies on the board. Is there a nomination to fill Keith Jones vacancy?

On MOTION by Mr. Tew seconded by Ms. Bock with all in favor to Appoint Mr. Rocky Morris to Fill Seat No. 4 was approved.

Mr. Oliver stated Rocky Morris is not here tonight. He is willing to serve. We will swear him in before the next meeting, so he can count toward quorum. We can fill the fifth seat at a later meeting.

Ms. Buchanan stated as a supervisor, you are now an official of the public. You no longer have the ability to communicate with other board supervisors outside of a publicly noticed meeting about anything that may come before this board. You are subject to the Ethics Laws of the State of Florida. We have provided a copy of that to you, along with other documents for your information about Community Development Districts. Please contact Jim or me if you should have any questions. You probably want to sort all District documents separately from your personal records because from time to time you may get a public records

request and you want to be able to go to one place to get that information. Alternatively, you don't have to keep anything. Jim's office keeps everything. The same thing with emails. If you do receive emails related to the District, you may want to set up a different account.

Mr. Oliver asked would you like to accept or waive compensation?

Mr. Smith responded I waive compensation. I would like for it to go back to the community.

Mr. Oliver stated you will also need to file a Form 1, which is a Statement of Financial Disclosure with the Clay County Supervisor of Elections within 30 days of today's date. Bev had been serving as the Chair. It would now be appropriate to appoint someone to serve as the Chair. Bill has been serving as the Vice Chairman. Is the board comfortable with Bill serving as the Chairman now?

Ms. Bock responded yes.

Mr. Tew asked would you like to serve as the Vice Chairman?

Mr. Smith responded yes.

Mr. Oliver stated we will put this in the form of a resolution at the next meeting.

On MOTION by Mr. Tew seconded by Ms. Bock with all in favor to Appoint Mr. Tew as Chairman & Mr. Smith as Vice Chairman was approved.

THIRD ORDER OF BUSINESS

Approval of Minutes of the January 14, 2013 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the January 14, 2013 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the Minutes of the January 14, 2013 Meeting were approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2013-04 Ratifying Actions of the Board and Staff Taken in Connection to the Forbearance Agreement

Ms. Buchanan stated we have discussed the forbearance agreement multiple times over the last several meetings with the board. One thing to note is that it has been fully executed and completed, so the property has officially changed hands. The terms of the forbearance

agreement have not changed significantly from the last time I discussed it. What this resolution does is it essentially ratifies and confirms the final form of the forbearance agreement and also ratifies and authorizes any action that District staff, like Jim or myself or Bill Tew as Vice Chairman took in executing the forbearance agreement and finalizing its form.

On MOTION by Mr. Smith seconded by Mr. Tew with all in favor Resolution 2013-04 Ratifying Actions of the Board and Staff Taken in Connection to the Forbearance Agreement was approved.

FIFTH ORDER OF BUSINESS

Termination of Amenities Management Agreement with East West Management Company

Ms. Buchanan stated as everyone knows up until recently East West Management Company managed these facilities internally with an affiliate management company. Concurrent with the sale of the property, they have stepped back and are no longer doing so. What we are doing in this letter is just giving them notice that the management agreement is officially terminated immediately. It waives the management's termination rights. It verifies that the District owes no compensation to the management company and the management company owes no compensation to the District. There is a good faith provision, where each party agrees to take such actions as necessary to carry out the intent of the forbearance agreement. It asks that if the management company agrees and consents to the terms of this termination letter that they would just counter sign and return it to us. I have already run this by the management company and they are comfortable with the form and its contents, so upon our approval it will be effective immediately.

On MOTION by Mr. Tew seconded by Ms. Bock with all in favor the Termination of Amenities Management Agreement with East West Management Company was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Proposal from Riverside Management Services to Perform Field Management Services

Mr. Oliver stated you just terminated the agreement with East West for the management of the facilities. You will need to fill that gap by entering into an agreement with

another entity. We have a proposal from Riverside Management Services to perform field management services. In full disclosure, Riverside Management Services is an affiliate company of GMS. Many of the same people in ownership of GMS are also with Riverside. Several of those folks are with us tonight.

Mr. Whetsel stated I am Rich Whetsel. I am with Governmental Management Services and Riverside Management Services. I am the Director of Operations.

Mr. Jay Soriano stated I am Jay Soriano. I am Operations Manager for Oakleaf Plantation.

Mr. Oliver stated Jay also spent some time on the ground here at Rolling Hills several years ago when he was with East West, so he is familiar with this project.

Ms. Hogge stated I am Courtney Hogge with Governmental Management Services. I will be your Amenity Manager.

Ms. Simpson stated I am Danielle Simpson. I am with Riverside Management Services. I am the Operations Administrator.

Mr. Oliver stated we have had discussions with the new ownership, as well as their representatives. We talked about the needs on the grounds in the short term as we ramp up over the next several years to get to where it needs to be. We had to look forward to take care of maintenance issues immediately, as well as the operations here at the facility. You will notice in your agenda package there is a proposal that has been vetted. This is a schedule of the pricing that was to be included in that proposal. We have had discussions with the new ownership regarding the ability for the current budget and any contributions needed by the Developers to be able to fund this effort. In the short term, starting is on a part-time basis. Courtney has been working with GMS since 2006. She has worked in pretty much every facet of the operation. She is going to be able to be here on the ground and not only understand things from the amenity perspective but also the administrative functions of the CDD. She fields all types of issues in our office regarding assessments, paying off debt and budget questions. She will be a great asset here on the ground. She will be out here 24 hours a week initially and will probably divide that over three full days. We will schedule days that will best serve the community's needs. I am sure two or three years down the road, as home sales increase and your population grows, you will probably have a more robust staffing plan. Right now we have to work within the budget that we have. I think you will be very happy with the

results over time. This agreement also covers the contract operations and that is making sure that the grounds are kept up, the contractors are doing what they are supposed to do and provides oversight of any operations and maintenance issues that come up. Part of the contract is for lifeguard services. Initially those are for the summer months, while the children are out of school. I have spoken with Rich Whetsel and realize we may need to adjust some things with this, so that we can provide the type of service that we need within the budget that is available. We will probably have a lot more answers for you next month after we have spent more time on the ground.

Mr. Smith asked is the \$37,500 an operating budget that we have?

Mr. Oliver responded that is an annual number. That is for two things; for Courtney being on the ground 24 hours a week and also for Rich's operation staff being on the ground managing the contracts.

Mr. Smith asked so that is an all encompassing number?

Mr. Oliver responded correct. The other two components are pool maintenance services and that is at three times per week and janitorial services is initially two times per week.

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the Proposal from Riverside Management Services to Perform Field Management Services was approved.

Mr. Oliver stated also with us tonight is Keith Hadden, who is the District Engineer. He actually designed the development.

NINTH ORDER OF BUSINESS

Consideration of Proposals for Lake Maintenance Services

Mr. Oliver stated when we walked the property last Monday, we saw that the lakes were in pretty bad shape. The previous lake maintainer was no longer performing the services. In the meantime, Rich has reached out to three different vendors. We have received responses from two of them. We received one proposal from Future Horizons at \$370 a month but with a \$1,610 clean up fee. The other proposal that was received was from Lake Doctors at \$400 a month. We recommend Lake Doctors. They work with us on a lot of Districts. They are quick to respond. Although the services are once a month, they are called back when needed. We

recommend the board approve an agreement with the Lake Doctors and that would be the remainder of this fiscal year.

Mr. Smith asked is that \$400 per month?

Mr. Oliver responded yes. There are five lakes to service. The lakes are usually contracted on a square footage of the lakes. Their plan long term would be to come back next year and install triploid carp, which helps keep down a lot of the vegetation. We need to get the primary maintenance done before we introduce the triploid carp into the lakes.

On MOTION by Ms. Bock seconded by Mr. Smith with all in favor the Proposal from Lake Doctors to Perform Lake Maintenance Services was approved.

SIXTH ORDER OF BUSINESS

Construction Administration Issues

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Update on Operations & Maintenance

Mr. Oliver stated although, Riverside has officially been on the job for about three minutes now but unofficially, they were out here Monday. Rich has had staff out here several times last week evaluating the property and is still working on the approach to get things taken care of and prioritized. Courtney has been out here several times. She was involved with making sure a rental occurred Saturday night. As we talk about those things, we will need to take a good look at all of the policies here, see how we are doing things and how that meshes up with the policies. We will come back to the board and make some recommendations the of policy changes.

Mr. Smith stated when it comes to lawn and lawn maintenance and all things that encompasses, in the past I have seen that you should put all of those functions under one umbrella. You would have one company and one guy that manages everything that has to do with the grounds. I would suggest giving that function to Sullivan Lawncare, who has been doing an incredible job out here for the last couple of years. I would suggest that Sean Sullivan be the one point of contact to take care of everything like that, so Rich is not constantly trying to fill bids for every little nickel and dime job that has something to do with the grounds.

Mr. Oliver stated the norm at our Districts is that there is one landscape maintenance provider. Rich does have a meeting scheduled with Sean Sullivan, so they can talk about what

the current approach, as well as some other areas to be maintained. We will also have to look at the existing contracts and see what the termination clauses are. We will look at all of that and come back with a recommendation at a future meeting. I did pass out a report that Rich prepared. You will see these on a monthly basis in your agenda packages. In the past East West had their agenda package emailed to them. If you would rather us provide you with a hard copy then that would be fine.

Mr. Smith stated an emailed copy is fine.

Ms. Bock stated I would prefer getting one from you.

TENTH ORDER OF BUSINESS **Other Business**

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS **Staff Reports**

A. Attorney

Ms. Buchanan stated we probably need to take a look at the policies and rates and rules. I may be contacting some of you in between meetings to get your thoughts on them.

Ms. Bock asked don't we have to advertise those rates?

Ms. Buchanan responded yes. If we are going to change the rates then it takes a notice on 28 days and 29 days prior to the public hearing.

Ms. Bock asked is there someone here, who could tell us if what was in the policies were not being performed that way?

Mr. Oliver responded we can report that at the next meeting. We have seen some examples already. I will probably rely a lot on Jody for his input.

B. Engineer

Mr. Hadden stated I want to express to the residents here how excited I am with the new ownership group but that is not to speak badly of East West Partners. I have worked with them on developments back when they first started here 20 years ago at Eagle Harbor. They just fell on some tough financial situations. I have had almost daily contact with the new ownership group. They have great things planned for our here. I have been on this project from day one. It is a great piece of property. It is going to be a great development. The management group they have in place, I have worked with for years. They are top notch. I am excited that we have the new ownership group because they have great plans for Rolling Hills. They actually share the vision of what we all had the first time we walked on this property.

C. Manager

There being none, the next item followed.

D. Director of Aquatics & Recreation

There being none, the next item followed.

TWELFH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Ms. Karen Dunn stated I am the head coach for the Rolling Hills Swim Team. I used to be the maintenance person for the facility aquatics and the residents club. I would like to have Rolling Hills Swim Team continue on. We did scheduling last night. We do pay Rolling Hills to swim here. We continue to want to do that and in return I can check chemicals. I am a CPO. I am certified to check chemicals before we get in the water and I am willing to do that on days when the swim team is here if you all allow us to continue on.

Mr. Oliver asked have you had any issues with the swim team?

Mr. Smith responded no. Karen has done a great job and not only maintaining the facility for the swim team but she has done a lot of things with keeping the place presentable. She has done a lot of things outside of what she is required to do. I certainly have no issue with her continuing on with the swim team. We mentioned last year that we needed to make sure that after the swim meets were over that the people that were not residents leave. She did a great job with trying to police that.

Ms. Karen Dunn stated I have a schedule. We only scheduled three home meets, so we didn't get things too crazy out here.

Mr. Oliver stated we will contact you and we will work out an agreement over the next week or so.

On MOTION by Mr. Smith seconded by Ms. Bock with all in favor Preparation of an Agreement between the Rolling Hills Swim Team & the District was approved, subject to review & final execution by the Chairman/Vice Chairman.

Ms. Karen Dunn stated I am hosting a lifeguard class at Eagle Landing. We normally have at least 10 kids come to the class. I can turn over the kids to you that will be needing jobs.

Mr. Smith stated thank you for the opportunity to serve the community.

THIRTEENTH ORDER OF BUSINESS Financial Reports

A. Approval of Invoices

1. February 6, 2013
2. March 6, 2013

Mr. Oliver stated included in your agenda package are the invoices from February 6, 2013 and March 6, 2013.

On MOTION by Ms. Bock seconded by Mr. Tew with all in favor the Invoices were approved.

B. Balance Sheet & Income Statement

Mr. Oliver stated included in your agenda package is the balance sheet and income statement.

C. Construction Schedule

Mr. Oliver stated included in your agenda package is a construction schedule.

D. Assessment Receipt Schedule

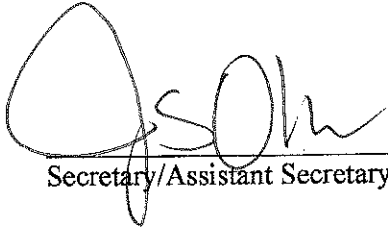
Mr. Oliver stated included in your agenda package is an assessment receipt schedule. The collections right now are at 35%.

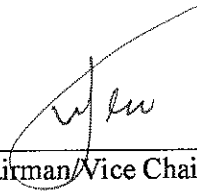
**FOURTEENTH ORDER OF BUSINESS Next Meeting Scheduled for April 3, 2013
@ 5:00 p.m. at Rolling Hills Amenity
Center, 3212 Bradley Creek Parkway,
Green Cove Springs, Florida 32043**

Mr. Oliver stated the next scheduled meeting is April 3, 2013 at 5:00 p.m. at this location.

FIFTEENTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Tew seconded by Mr. Smith with all in favor the Meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman