

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**K-BAR RANCH
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of the K-Bar Ranch Community Development District was held on **Friday, May 19, 2006 at 9:05 a.m.** at the offices of Mobley Housing Group, located at 4014 Gunn Highway, Suite 250, Tampa, Florida 33624.

Present and constituting a quorum:

Leonard Johnson	Board Supervisor, Chairman <i>(via speakerphone)</i>
Tim Hohl	Board Supervisor, Vice Chairman
Tonja Stewart	Board Supervisor, Assistant Secretary
Jamie Goodman	Board Supervisor, Assistant Secretary
Marc Mobley	Board Supervisor, Assistant Secretary

Also present were:

Nils Hallberg	District Manager, Rizzetta & Company, Inc.
David Hedger	Financial Advisor, Rizzetta & Company, Inc.
Gina Grimes	District Counsel, Hill, Ward, & Henderson, P.A.
John Kessler	Investment Banker, Banc of America Securities

FIRST ORDER OF BUSINESS

Call to Order

Mr. Hallberg called the meeting to order and performed roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes of the Board of Supervisors' Meetings on April 5, 2006

Mr. Hallberg stated that the next item on the agenda was the consideration of the minutes of the Board of Supervisors' meetings on April 5, 2006. Mr. Hallberg asked if there were any additions, deletions, or corrections to the minutes. Ms. Grimes stated that on page 4, paragraph three, the minute's reference filing plats with Hillsborough County and it should be the City of Tampa. Mr. Mobley stated that Mobley Homes of Florida, LLC needs to be changed to Mobley Homes Florida, LLC throughout the minutes. With no further comments being heard, Mr. Hallberg asked for a motion to approve.

On Motion by Mr. Johnson seconded by Mr. Mobley, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting held on April 5, 2006 (as amended) for K-Bar Ranch Community Development District.

THIRD ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for April and
May**

Mr. Hallberg stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for April and May. Mr. Hallberg stated that there were no expenditures listed on the April report for the period of March 1-31, 2006. He asked for a motion to approve.

On Motion by Mr. Johnson, seconded by Ms. Goodman, with all in favor, the Board approved the Operation and Maintenance Expenditures for April reflecting that there were no expenditures for that period for K-Bar Ranch Community Development District.

Mr. Hallberg briefly reviewed the May expenditures for the period of April 1-30, totaling \$15,519.58. He asked if there were any questions. Mr. Johnson stated that legal Counsel's name needs to be corrected on the report; it should read Henderson. Mr. Hallberg asked for a motion to approve.

On Motion by Mr. Johnson, seconded by Mr. Hohl, with all in favor, the Board approved the Operation and Maintenance Expenditures for May (totaling \$15,519.58) for K-Bar Ranch Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration for Compensation for
Board Members**

Mr. Hallberg stated that the next item on the agenda was the consideration of adopting a policy regarding compensation of Board Members for attending Board meetings. He explained that Florida Statute does allow for Board Members to be compensated up to \$4,800 a year and it is up to the Board whether to accept or waive this compensation. Following a brief discussion, it was decided to waive compensation for Board meeting attendance.

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board waived compensation for Board meeting attendance for K-Bar Ranch Community Development District.

FIFTH ORDER OF BUSINESS

**Public Hearing on Fiscal Year 2005/2006
Final Operating Budget**

Mr. Hallberg stated that the next item on the agenda was the public hearing on the Fiscal Year 2005/2006 Final Operating Budget. He asked for a motion to open the public hearing.

On Motion by Mr. Mobley, seconded by Mr. Johnson, with all in favor, the Board opened the public hearing on the Fiscal Year 2005/2006 Final Budget for K-Bar Ranch Community Development District.

Mr. Hallberg distributed revised copies of the budget and the Developer Funding Agreement. He asked if there were any questions regarding the Fiscal Year 2005/2006 budget. A brief discussion ensued regarding how the Engineering fees were allocated. With no further comments being heard, Mr. Hallberg asked for a motion to close the public hearing

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board closed the public hearing on the Fiscal Year 2005/2006 Final Budget for K-Bar Ranch Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2006-30,
Adopting Fiscal Year 2005/2006 Final
Budget**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-30, Adopting Fiscal Year 2005/2006 Final Budget totaling \$109,350. He briefly reviewed the resolution for the Board and asked if there were any questions. Ms. Grimes inquired whether the revisions to the Developer Funding Agreement she had requested were made. Mr. Hallberg stated that they were and that was the reason for the revised resolution. He asked for a motion to approve.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved Resolution 2006-30, Adopting Fiscal Year 2005/2006 Final Budget (totaling \$109,350) for K-Bar Ranch Community Development District.

SEVENTH ORDER OF BUSINESS

**Public Hearing on the Uniform Method of
Collection**

Mr. Hallberg stated that the next item on the agenda was the public hearing on the Uniform Method of Collection. He asked for a motion to open the public hearing.

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board opened the public hearing on the Uniform Method of Collection for K-Bar Ranch Community Development District.

Ms. Grimes recommended that the public hearing be continued as there are revisions that she would like to make to the resolution. Following a brief discussion, Mr. Hallberg asked for a motion to continue the public hearing until June 23, 2006, at 9:00 a.m. at the conference room of Rizzetta & Company, Inc., located at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614.

On Motion by Mr. Mobley, seconded by Mr. Johnson, with all in favor, the Board continued the public hearing on the Uniform Method of Collection until June 23, 2006, at 9:00 a.m. at the conference room of Rizzetta & Company, Inc., located at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614 for K-Bar Ranch Community Development District.

EIGHTH ORDER OF BUSINESS

Public Hearing on the Rules of Procedure

Mr. Hallberg stated that the next item on the agenda was the public hearing on the Rules of Procedure. He asked for a motion to open the public hearing.

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board opened the public hearing on the Rules of Procedure for K-Bar Ranch Community Development District.

Ms. Grimes stated that she requested minor revisions be made to the Rules of Procedure. Mr. Hallberg stated that they were made and distributed the revised copies to the Board. He briefly reviewed the Rules of Procedure, which outline the statutory references and guidelines that the District is required to follow. He explained that it stipulates how meetings are noticed, how contracts are awarded and various bid processes. A brief discussion ensued regarding the procedures for bidding contracts and the acquisition of improvements.

Mr. Hallberg asked if there was any further discussion. Hearing none, he asked for a motion to close the public hearing.

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board closed the public hearing on the Rules of Procedure for K-Bar Ranch Community Development District.

NINTH ORDER OF BUSINESS

**Consideration of Resolution 2006-34,
Adopting Rules of Procedure**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-34, Adopting the Rules of Procedure. He briefly reviewed the resolution for the Board and asked if there were any questions. Hearing none, Mr. Hallberg asked for a motion to approve.

On Motion by Ms. Goodman, seconded by Mr. Mobley, with all in favor, the Board approved Resolution 2006-34, Adopting the Rules of Procedure for K-Bar Ranch Community Development District.

TENTH ORDER OF BUSINESS

Presentation of Revised Engineer's Report

Mr. Hallberg stated that the next item on the agenda was the presentation of a revised Engineer's Report. It was stated that the Engineer's Report was approved on January 6, 2006. A brief discussion ensued regarding issuing a supplemental report at a later date. Mr. Hedger stated that should costs increase, the District will need to go through another assessment process. He recommended that if the Board feels there is a chance that costs may increase, it would be better to continue this meeting until the report can be revised. He explained that the Board can start the process today and cancel the public hearing if costs increase. A brief discussion ensued regarding what is considered eligible costs. Ms. Grimes reminded the Board that the District did not petition the city for recreational facilities and the Engineer's Report includes costs for this item. It was stated that the Engineer's Report does include a contingency amount to cover additional costs, but no amount for inflation.

A question was raised regarding whether the District could issue additional assessments on the last phase should it be necessary. Mr. Hedger stated that this is possible.

Ms. Grimes stated that she would like to see the Engineer's Report revised removing the recreational facility. Following a brief discussion, it was decided to leave the recreational facility in the report and add a footnote that it is upon approval of the local government.

ELEVENTH ORDER OF BUSINESS

**Presentation of Preliminary Master
Special Assessment Allocation Report**

Mr. Hedger reviewed the assessment process for the Board, stating that today the Board will adopt the resolution declaring Special Assessments which incorporates the Preliminary Master Special Assessment Allocation Report. He explained that the Board will set a date, time and place for holding the public hearing on special assessments and authorize Staff to prepare and submit the required notifications. He explained that during the public hearing, the Board will act as a Board of equalization and set the assessments for the District.

Mr. Hedger stated that he understands that the plan of finance is not quite settled yet, but his report is based on the costs, provided by the engineer of \$25,037,560, that were adopted by the Board in January. He explained that as Financial Advisor, he took these costs and used conservative figures (maximum amounts) to determine the amount of money the Board would need to issue bonds to cover the construction costs, issuance costs, capital interest payments and debt service fees if they issue long term bonds today. Mr. Hedger stated that he used an interest rate of 6.1%, and the current interest rate is between 5.5 % and 5.75% in determining the par amount of the bonds. He stated that he also included 3 years of capitalized interest, which is normally based on 12 to 18 months. Mr. Hedger stated that this par amount of \$34,655,000 is used to determine the annual assessment fee and then 6% is added to this number to cover the collection costs for a total annual assessment of \$2,765,920. He briefly reviewed the EAU factor that was used to determine the maximum assessment level by product type. Mr. Hedger asked if there were any questions.

Ms. Grimes asked for verification of assessment levels. Mr. Hedger explained that the maximum amounts. He stated that they looked at the benefit by product type and spread the costs accordingly.

Mr. Hallberg asked for a motion to approve the Preliminary Master Special Assessment Allocation Report as presented.

<p>On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board approved the Preliminary Master Special Assessment Allocation Report (as presented) for K-Bar Ranch Community Development District.</p>
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TWELFTH ORDER OF BUSINESS

**Consideration of Resolution 2006-35,
Declaring Special Assessments**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-35, Declaring Special Assessments. Ms. Grimes distributed revised copies of Resolution 2006-35, stating that this resolution combines the Engineer's Report with the Preliminary Master Special Assessment Allocation Report and the assessment plat as Exhibit "C", which is required to be included with this resolution by statute. She explained that the resolution states the Board's intent to levy special assessments and once adopted will be published in the local paper as part of the notification process set forth in Florida Statutes. Ms. Grimes stated that it will become the topic of the public hearing that the Board will subsequently set. She briefly reviewed the resolution for the Board. Mr. Hallberg asked if there were any questions. Ms. Grimes stated that Exhibit "C" phase 6 needs to be left separate from Phase 1 as it is listed that way on the Engineer's Report. With no further comments being heard, he asked for a motion to approve.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved Resolution 2006-35, Declaring Special Assessments for K-Bar Ranch Community Development District.

THIRTEENTH ORDER OF BUSINESS

**Consideration of Resolution 2006-36,
Setting the Public Hearing on Special
Assessments**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-36, Setting the Public Hearing on Special Assessments. Ms. Grimes distributed revised copies of the resolution. Mr. Hallberg recommended that the public hearing be held at the regular meeting on June 23, 2006 at 9:00 a.m. Ms. Grimes asked if this allowed sufficient time to get the notifications out. Mr. Hallberg stated that Staff could get them out on time. A brief discussion ensued regarding moving the meeting to the office of Rizzetta & Company, Inc. conference room, located at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614.

Mr. Hallberg read the resolution into the record and asked if there were any questions. Hearing none, he asked for a motion to approve.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved Resolution 2006-36, Setting the Public Hearing on Special Assessments for June 23, 2006 at 9:00 a.m. at the Rizzetta & Company, Inc. Conference Room, located at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614 for K-Bar Ranch Community Development District.

It was stated that it would be necessary to advertise the change in location for the June meeting.

FOURTEENTH ORDER OF BUSINESS

**Presentation of Fiscal Year 2006/2006
Proposed Budget**

Mr. Hallberg stated that the next item on the agenda was the presentation of the Fiscal Year 2006/2007 Proposed Budget. He distributed copies of the proposed budget stating that the Board will be moving from a basic budget into a construction budget. Mr. Hallberg stated the total budget of \$264,050 includes Supervisor fees of \$12,000 as the Board had not made a determination on whether to waive compensation yet. He explained that this line item and others can be modified at a later date.

Mr. Hedger stated that in order for the Board to adopt a budget it must approve a proposed budget which starts the 60-day mandatory waiting period before the final budget can be approved following a public hearing. This allows time for revisions to be made, but the final budget cannot increase once the proposed budget has been filed with the City of Tampa.

Mr. Hallberg explained that many of the costs included in the budget are based on costs from Districts of similar size and by calculating landscape and pond maintenance expenses based on known costs from other Districts and multiplied by the areas within K- Bar Ranch. He stated that deductions were made in these areas based on when in the year the landscape will be in place. Mr. Hallberg stated that the budget includes \$15,000 for unexpected contingencies. He asked if there were any questions. Ms. Grimes clarified that the budget template provides a comparison of the Fiscal Year 2005/2006 budget and the Fiscal Year 2006/2007 proposed budget.

FIFTEENTH ORDER OF BUSINESS

**Consideration of Resolution 2006-37,
Adopting Fiscal Year 2006/2007 Proposed
Budget and Setting the Date, Time and
Place for the Public hearing**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-37. Adopting the Fiscal Year 2006/2007 Proposed Budget and setting the date, time and place for the public hearing. He recommended that the public hearing be held on July 28, 2006 during the regularly scheduled meeting. Mr. Hallberg explained that the sixty-day point falls on July 18, 2006, so the District would be in compliance with statutory requirements if it were to decide to hold the public hearing on July 28, 2006. Ms. Grimes noted that the resolution should read filed with the "City of Tampa" and not Hillsborough County.

Mr. Hallberg read the resolution into the record and asked if there were any further comments or questions. Hearing none, he asked for a motion to approve Resolution 2006-37.

On Motion by Ms. Goodman, seconded by Mr. Mobley, with all in favor, the Board approved Resolution 2006-37, Adopting the Fiscal Year 2006/2007 Proposed Budget totaling \$154,700 and setting the Public Hearing for July 28, 2006 at 9:00 a.m. at the offices of Mobley Housing Group, located at 4014 Gunn Highway, Suite 250, Tampa, Florida 33624 for K-Bar Ranch Community Development District.

SIXTEENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
No report.

- B. District Engineer
Not present.

C. District Manager

Mr. Hedger asked the Board if they want to have further discussion on the financing for the Districts. A brief discussion ensued regarding the costs and scope of the project and the funding needs of the District. Mr. Hedger clarified the costs that are eligible to be funded by issuing bonds and what costs would require other financing. He explained how the A & B bonds are determined and recommended that the Board consider utilizing "B" bonds rather than "A" bonds for this financing. A discussion was held regarding the status of permitting for the District.

SEVENTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Mr. Hallberg stated that the next item on the agenda was Supervisor requests and audience comments. He noted that there were no audience members in attendance other than individuals identified at the beginning of the meeting.

Mr. Hallberg asked if there were any Supervisor requests. There were none.

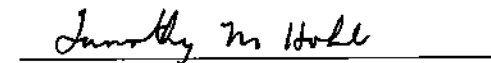
EIGHTEENTH ORDER OF BUSINESS

Adjournment

Mr. Hallberg stated that there were no other agenda items to come before the Board. He asked for a motion to adjourn.

On Motion by Mr. Mobley, seconded by Mr. Hohl, with all in favor, the Board adjourned the Board of Supervisors' meeting at 10:40 a.m. for K-Bar Ranch Community Development District.


Secretary/Assistant Secretary


VICE- Chairman/Vice Chairman