

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 regular meeting of the Board of Supervisors of the K-Bar Ranch Community Development District was held on **Friday, June 23, 2006 at 9:05 a.m.** at the conference room of Rizzetta & Company, Inc., located at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614.

Present and constituting a quorum:

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| Tonja Stewart | Board Supervisor, Assistant Secretary |
| Jamie Goodman | Board Supervisor, Assistant Secretary |
| Marc Mobley | Board Supervisor, Assistant Secretary |

Also present were:

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| Nils Hallberg | District Manager, Rizzetta & Company, Inc. |
| David Hedger | Financial Advisor, Rizzetta & Company, Inc. |
| Gina Grimes | District Counsel, Hill, Ward, & Henderson, P.A. |
| Dayne Piercefield | District Engineer, WilsonMiller, Inc. |
| Kenneth Artin | Bond Counsel, Bryant, Miller & Olive, PA <i>(via speakerphone)</i> |

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 May 19, 2006**

Mr. Hallberg stated that the next item on the agenda was the consideration of the minutes of the Board of Supervisors' meetings on May 19, 2006. Mr. Hallberg asked if there were any additions, deletions, or corrections to the minutes. Hearing none, he asked for a motion to approve.

On Motion by Ms. Stewart seconded by Ms. Goodman, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting held on May 19, 2006 for K-Bar Ranch Community Development District.

THIRD ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for June**

Mr. Hallberg stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for June. Mr. Hallberg briefly reviewed the expenditures paid during the period of May 1-31, 2006 totaling \$8,846.62. He asked if there were any questions regarding any of the expenditures. 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 the Operation and Maintenance Expenditures for June totaling \$8,846.62 for K-Bar Ranch Community Development District.

FOURTH ORDER OF BUSINESS

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

Mr. Hallberg stated that the next item on the agenda was the presentation of the Final Master Special Assessment Allocation Report. Mr. Hedger distributed the Final Master Special Assessment Allocation Report, stating that last month the Board started the assessment process by declaring special assessments and setting the date for a public hearing. He explained that since that time the landowners were notified of the public hearing and an advertisement was placed in the local paper to notify the general public. Mr. Hedger stated that the Final Master Special Assessment Allocation Report sets the maximum assessment levels for the bond issuance.

Mr. Hedger briefly reviewed the tables, stating that Table I reflects the product types for the District as being 78 townhomes and 521 single family homes. He stated that Table II breaks down the infrastructure costs of \$24,422,516 and Table III provides the financing information for the long term bond should all the construction funds be funded with one bond issuance. Mr. Hedger stated that he used an interest rate of 6.1%, and 3 years of capitalized interest and added the funds required for the debt service fund, the underwriter's discount and cost of issuance to arrive at a par amount of \$33,800,000. Mr. Hedger explained that this par amount is used to determine the annual assessment fee and then 6% is added to this number to cover the early payment discount and collection costs for a total annual assessment of \$2,697,680. He briefly reviewed Table IV, which reflects the assessment levels by product type. Mr. Hedger stated that the final page is the assessment roll by folio number. He explained that the assessments will be collected by acreage until lots are platted and sold, at which time the debt will be collected by product type.

Mr. Hedger stated that the improvements provide special benefits to the District, which include, but are not limited to, added use, added enjoyment, increased access and increased property values. He asked if there were any questions. Mr. Mobley stated that the District plans to do two bond issuances. He asked if the property will only be encumbered by the amount of the first issuance at the time those bonds are sold. Mr. Hedger stated that at the time the bonds are issued a supplemental report will be generated that includes the details and assessment levels based on the actual terms of the sale. He stated that the property will only be assessed for the actual bonds issued.

A brief discussion ensued regarding what rates are currently. A question was raised regarding what the EAU is based on. Mr. Hedger stated that it is usually based on the number of feet of frontage for each property. Ms. Grimes raised a question regarding whether the construction costs were based on the revised Engineer's Report. Mr. Hedger verified that they were. A brief discussion ensued regarding the issue size of the bonds and the discrepancy between Mr. Hedger's report that states \$33,800,000 and the resolution that states \$30,000,000. It was decided that this would not matter. Mr. Hedger stated that the \$30,000,000 refers to the par amount and not the construction costs. Mr. Artin stated that this resolution refers to this bond issuance and another resolution will be approved at the time of a second issuance.

With no further comments being heard, Mr. Hallberg asked for a motion to approve the Final Master Special Assessment Allocation Report.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved the Final Master Special Assessment Allocation Report (as presented) for K-Bar Ranch Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2006-38, Bond Award

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-38, the Bond Award. He read the resolution into the record. Mr. Artin stated that this resolution authorizes Banc of America to enter into the market to sell the bonds and approves a series of attachments; a form of the Bond Purchase Agreement, the Preliminary Offering Memorandum, a Negotiated Sale Agreement and the Supplemental Trust Indenture. He stated that the Negotiated Sale Agreement authorizes the Chairman to approve the sale based on the parameters set forth in the agreement. Mr. Mobley asked for clarification on how the process will go. Mr. Artin stated that once the Offering Memorandum is completed, it will go to print and then Banc of America Securities will meet with investors. He stated that following these meetings, preliminary pricing information will be brought back to the Chairman for further discussion on how much money can be generated at the preliminary figures and how much will be issued in both long and short term bonds. Mr. Artin explained that based on this conversation an agreement will be reached with the investors and if the Chairman agrees to the terms, the actual sale will follow.

Mr. Hallberg asked if there were any further questions. With no further comments being heard, Mr. Hallberg asked for a motion to approve Resolution 2006-38 and associated documents. Mr. Artin stated that the documents are being approved in substantial form. Ms. Grimes stated that the Resolution provides for the option to revise the associated documents if needed.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved Resolution 2006-38, Approving the Bond Award with a Not-to-Exceed amount of \$30,000,000 and associated documents (in substantial form) for K-Bar Ranch Community Development District.

SIXTH ORDER OF BUSINESS

Public Hearing on Special Assessments

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

On Motion by Ms. Stewart, seconded by Mr. Mobley, with all in favor, the Board opened the public hearing on Special Assessments for K-Bar Ranch Community Development District.

Ms. Grimes stated that at the last meeting the Board adopted a resolution stating the Boards intention to levy special assessments. She stated that the Board also approved a resolution setting the public hearing to consider that resolution. Ms. Grimes stated that today is that public hearing to levy and impose the special assessments. She stated that the legal advertisements and notices to individual landowners were done as required. The purpose of the public hearing today is to hear comments from the property owners and any members of the general public. Ms. Grimes stated that this resolution does three things; it identifies the improvements (Engineer's Report) included in exhibit A, it adopts the Final Master Special Assessment Allocation Report, and adopts the assessment plat containing the folio numbers to which the lien will be attached with the maximum assessment levels. Ms. Grimes stated that both the Engineer's Report and the Master Assessment Allocation Report have been revised since the resolution declaring assessments was approved and the revised versions are included in Resolution 2006-39.

Mr. Hallberg stated that there are no members of the public in attendance that were not already present at the onset of the meeting. He asked for a motion to close the public hearing on Special Assessments.

On Motion by Ms. Goodman, seconded by Ms. Stewart, with all in favor, the Board closed the public hearing on Special Assessments for K-Bar Ranch Community Development District.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2006-39,
Approving Special Assessments**

Mr. Hallberg stated that the next item on the agenda was the consideration of Resolution 2006-39, Approving Special Assessments. He read the resolution into the record and asked if there were any questions. Hearing none, Mr. Hallberg asked for a motion to approve.

On Motion by Mr. Mobley, seconded by Ms. Goodman, with all in favor, the Board approved Resolution 2006-39, Approving Special Assessments for K-Bar Ranch Community Development District.

EIGHTH ORDER OF BUSINESS

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

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

On Motion by Ms. Goodman, seconded by Mr. Mobley, 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 stated that there are still some revisions that she would like to see made to the resolution. She explained that this resolution authorizes the District to use the tax payer's office to collect the assessments. Mr. Mobley inquired if this is the resolution that the District missed the deadline for anyway. Ms. Grimes clarified that The District has missed the deadline to be placed on the tax roll for this tax year, but will be on it next year. Following a brief discussion, it was decided to continue the hearing until the next regular meeting. Mr. Hallberg asked for a motion to continue the public hearing until 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.

On Motion by Mr. Goodman, seconded by Mr. Mobley, with all in favor, the Board continued the public hearing on the Uniform Method of Collection until 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.

A brief discussion ensued regarding when the Board should meet as an equalization Board. Ms. Grimes explained that this is a statutory requirement and can be done at the time that the size of the bond issuance has been set. A brief discussion ensued. In reviewing Resolution 2006-39 it was noted that language contained in the resolution refers to the equalization Board meeting on the same day as it was approved.

Ms. Grimes asked that Mr. Hallberg open the equalization hearing at this time. Mr. Hallberg asked if there were any comments regarding the assessment levels and the way the allocations were determined. There were none. Mr. Hallberg closed the equalization hearing.

Mr. Mobley inquired about the process for processing requisitions. Mr. Hallberg recommended that a workshop be set up to explain the process. He recommended that the contractor be invited to the meeting.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
No report.

B. District Engineer
Mr. Piercefield stated that the purpose of the Engineer's Report is to describe the infrastructure that will be financed and acquired by the District. He stated that the first requisition will be the acquisition of the improvements that have already been made. Mr. Piercefield stated that the fact that there have been improvements made will have a positive impact on the rates.

Mr. Artin confirmed that this was accurate. He inquired if land was going to be acquired with proceeds from the bonds. Ms. Grimes stated that land would be acquired with proceeds from the bonds. Mr. Artin stated that the legal description, surveys, title work, deeds and bill of sale must be provided for this transaction. A brief discussion ensued regarding whether an appraisal would need to be obtained, but no decision was made.

Mr. Piercefield stated that he will need the costs for the improvements minus the zoning related expenses to process the acquisition requisition. He stated that the Engineer's Report also provides an overview of the location for the project and who will be responsible for maintaining the improvements once completed.

(Mr. Artin left the meeting.)

Ms. Grimes inquired if a discussion needs to be held regarding the street lighting district for the first 78 townhomes and the first 160 single family homes. It was noted that the District is being set up as a special street lighting district and the public hearing for those assessments was held by the city on June 22, 2006.

A brief discussion ensued regarding whether the District can assign the contracts to the District. Ms. Grimes stated that she will research this issue for the Board.

- C. District Manager
No report.

TENTH 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.

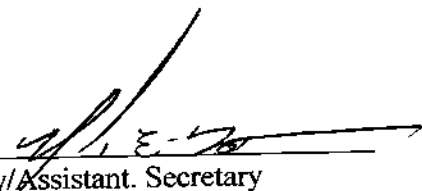
Mr. Hallberg asked if there were any Supervisor requests. There were none.

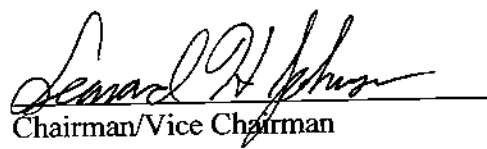
ELEVENTH ORDER OF BUSINESS

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 Ms. Goodman, with all in favor, the Board adjourned the Board of Supervisors' meeting at 10:10 a.m. for K-Bar Ranch Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman