

**Lake Ashton
Community Development District
&
Lake Ashton II
Community Development District
Joint Meeting**

September 27, 2019

Lake Ashton
Community Development District
&
Lake Ashton II
Community Development District

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September 20, 2019

Board of Supervisors
Lake Ashton Community Development District
Lake Ashton II Community Development District

Dear Board Members:

The joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District will be held on September 27, 2019 at 11:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, FL 33859. Following is the advance agenda:

1. Roll Call and Pledge of Allegiance
2. Approval of Meeting Agenda
3. Public Comments on Specific Items on the Agenda (*speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting*)
4. Approval of the Minutes from the July 19, 2019 and July 26, 2019 Meetings
5. Public Hearing on Joint Amenity Rules for Lake Ashton CDD
 - A. Motion to Open the Public Hearing
 - B. Public Comment and Discussion
 - C. Consideration of **Resolution #2019-09** for Lake Ashton CDD
 - D. Consideration of **Resolution #2019-15** for Lake Ashton II CDD
 - E. Motion to Close the Public Hearing
6. Discussion Regarding New District Websites and Options for Additional Services
7. Supervisors Requests and General Public Comments
8. Adjournment

**MINUTES OF MEETING
LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
AND
LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT**

A joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District was held on July 19, 2019 at 9:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum:

Mike Costello
Borden Deane
Bob Plummer
Murray Zacharia
Bob Ference

Lake Ashton CDD Chairman
Lake Ashton CDD Vice Chairman
Lake Ashton CDD Assistant Secretary
Lake Ashton CDD Assistant Secretary
Lake Ashton CDD Assistant Secretary (by phone)

Doug Robertson
James Mecsics
Stanley Williams
Carla Wright
Bob Zelazny

Lake Ashton II CDD Chairman
Lake Ashton II CDD Vice Chairman
Lake Ashton II CDD Assistant Secretary
Lake Ashton II CDD Assistant Secretary
Lake Ashton II CDD Assistant Secretary

Also present:

Jillian Burns
Jan Carpenter
Andrew d'Adesky
Sarah Sandy
Jason Merritt
Alan Rayl
Christine Wells
Mary Bosman
Justin Kuehn
Numerous residents

District Manager
Lake Ashton CDD District Counsel
Lake Ashton CDD District Counsel
Lake Ashton II CDD District Counsel
Lake Ashton II CDD District Counsel
Lake Ashton II CDD District Engineer
Lake Ashton CDD Community Director
Lake Ashton II CDD Community Director
Hampton Golf

Please note that due to a lot of background noise and conversations portions of the meeting cannot be transcribed verbatim where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll and the pledge of allegiance was recited.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Ms. Burns: Okay. Next is Approval of Meeting Agenda. Do we have a motion to approve from Lake Ashton CDD?

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the meeting agenda was approved by the Lake Ashton CDD Board.

Ms. Burns: Do we have a motion to approve from Lake Ashton II CDD?

On MOTION by Mr. Mecsecs seconded by Mr. Robertson with all in favor the meeting agenda was approved by the Lake Ashton II CDD Board.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda

(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Board action)

Ms. Burns: Up next is the public comments. I have a few here, so if you want to go ahead and step up to the microphone, George Rogers?

Mr. Rogers: I am a resident and attorney, and I want to make sure everyone is on the same page as with their fiduciary obligations on behalf of all of the Board members to the homeowners to do due diligence. I understand the Boards were waiting for this report and I downloaded it last night and don't think it goes with the due diligence that is required. The first thing is the report talks about the amount. What is the market value of the golf course? As far as I know there really is no market for it. I know there are a glutton of golf courses around the nation that are available and when we were first talking about buying the golf course the numbers were a lot lower. The bottom line is we are now talking about spending half a million dollars to buy a golf course amenity that is losing over \$300,000 to \$400,000 a year. I think the residents are entitled to receive a complete explanation or something in writing that explains how the number was arrived at. It may exist somewhere that I am not aware of, but then the major point I saw from this report is that the examples they come up with, you need to hire a good sales staff to market memberships and bring up this shortfall in the long run for the operating expenses. We also obviously need to have a professional staff hired to manage the course so we can cut costs. The final thing is they came up with budget numbers, showed increased

revenues and decreased costs from this management, but those numbers have no backing and no explanation. What disturbed me about the report is that the subtext is it is going to have to be opened up to the general public for memberships to make things work. I think some of the homeowners would be quite concerned about bringing in certain people through the gates. We need to do due diligence to find out who we are selling to.

Ms. Burns: Next will be Richard Sutherland and after that John Velebir.

Mr. Sutherland: Good morning. My wife and I moved 3,073 from California to here because of the amenities. There are a lot of other places we could have located to, but the clubhouses and the golf courses are essential to the value here. They are the selling point and we have to keep them in place to keep the home values in place. The club I had been part of in California brought in some people outside the gates to be members, and that increased the membership and revenues for the club, and I don't know what your final solution will be, but it is important that we keep the golf courses open and well-maintained. Thank you.

Mr. Velebir: From my perspective, the real question has never been should we purchase the golf courses or not. I think we should try to. The question in my mind has always been can we afford to own and operate them. Today, supposedly we are supposed to get an answer to that question. In looking at the report, right away I see a couple things that aren't right. On the cover page, the amount given ignores the \$410,000 bond we have to pay, so it is really more like \$800,000 plus a couple hundred grand for closing costs. Then, the other thing, it says the seller did not let us see the 2019 books, so how are we doing on operations and expenses if the seller refuses to open the books? We do have a one page operating budget, which is very light on details. I have a couple questions about it. This wasn't in the budget, but it was under capital improvements, and they laid out a little table of capital improvements, totaling \$1,781,500. Where are we going to get the money for that? Is that going to be another special assessment? Even our other report from NGF said \$675,000 in capital improvements. Where is that money coming from? When they were doing the expenses, they didn't even include property taxes. I have heard that when the CDD owns this, there won't be any property taxes. Well, I happened to be at a meeting with Marcia Faux, who is the Polk County Tax Assessor, and I asked her specifically about this, and she said as long as the golf course

or the Eagle's Nest lets anyone from the general public in, it is not restricted to residents only, you will pay taxes. That is \$165,000 a year. I don't see that anywhere in this budget.

Ms. Burns: I just want to state for the record that Supervisor Zacharia has joined us so just want to make sure that is reflected in the minutes. Welcome, Murray. Up next we have Brenda VanSickle and after that will be Tom Scali.

Ms. VanSickle: One of the things that came up is that there was a \$14 million judgment against one of the companies that Lake Ashton and Lake Ashton II golf courses were listed with. I wanted to know if this is relevant and is it something to be concerned about? It turns out that supposedly the copy was given to Andrew and then it just disappeared. That concerned me because this is a controversial topic. We need to know. I think we need honest and transparent information coming out because people out here need to know the truth and what this is going to cost. The report we just got, one of my concerns from the beginning is that elevator ADA compliant? Is it even working? Half the time it is not. A lot of things have not come up yet, but most of all, I want things to be honest and open. An email went to Stan and the attorney, I talked to him before Monday Morning Coffee, and I got a response on Tuesday afternoon. Thank you very much, I appreciate that. That is the way things are supposed to operate.

Ms. Burns: Tom Scali. After Tom will be Don Brushaben.

Mr. Scali: I would just like to ask the Boards' permission to ask that after the presentation, the residents be allowed to ask questions after the Boards ask their questions. I think it is important that we have the opportunity to ask those questions. Secondly, financials, nothing has come out financially. It is a year and a half, and we don't have any idea what it's going to cost the residents. Lastly, membership growth, there has been a lot of talk about how to increase the membership, but I have seen no plan, no action items. Maybe they are there, but they are not visible, so I would like to propose something, people over 75 years of age, if they are limited to playing three times a week, there will be a \$1,000 reduction rather than the full price. Those types of things will encourage additional memberships and keep senior citizens who can't play seven days a week to continue playing. You must provide financial information to the residents now. It is too late because the taxes are coming out soon, and we don't want special assessments. We want to know what it is going to cost us now. Thank you.

Ms. Burns: Don Brushaben and the last one after that will be Danny Krueger.

Mr. Brushaben: I am a little confused. If the community buys the golf course and now if we want to play, we have to pay for it? That is like buying a car, and having to pay for it to use it. That makes absolutely no sense. If we buy the golf course, it should be useable for everyone in the community. Right now anybody who looks to buy the golf course is going to run, not walk away. All of the golf courses around here are in jeopardy, but we want to buy it? I say wait. We will get it eventually. Then we can take care of it.

Mr. Krueger: First of all, I want to say, I am not opposed to owning the golf course, but it occurs to me being simple-minded, that if the golf course is losing money each year, then the value of the golf course at this point and time, not considering anything else, is approximately negative \$187,000. So, whoever owns this losing proposition ought to be paying us to take it off his hands. From everything I have heard so far from all of the meetings I have been to, it seems like the purchase of the golf course is a foregone conclusion and decision before all of the evidence is in. I want some assurance that that is not the case, and that you are really looking at all of the numbers. To me, that one number is enough to say we ought to be waiting for them to offer to take it off their hands.

Ms. Burns: That is all of the speaker sheets I have so we can move on.

FOURTH ORDER OF BUSINESS

Approval of the Minutes from the Joint Meeting held on May 24, 2019

Ms. Burns: Item #4, Approval of the Minutes from the Joint Meeting held on May 24, 2019. Any changes or comments?

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the minutes from the joint meeting held May 24, 2019 were approved by the Lake Ashton CDD Board.

Ms. Burns: Do we have a motion from Lake Ashton II?

On MOTION by Mr. Robertson seconded by Mr. Mecsecs with all in favor the minutes from the joint meeting held May 24, 2019 were approved by the Lake Ashton II CDD Board.

FIFTH ORDER OF BUSINESS

Status Update from District Staff

Ms. Burns: Next, before we get to our report from Hampton Golf, I wanted to just give a brief update from staff on where we are in the due diligence period. We had an

initial 45 day financial review, which is the period we are under now. The items we have done so far is we have the report from Hampton Golf, which will be presented today. The peer review from Billy Casper is due to the Districts on Wednesday, so that is when we expect to be able to circulate that to everybody. We also had a ADA inspection performed of the clubhouse, and the next due diligence period, should the Boards decide to go forward is when we would do the property survey, building inspections, updated title, as well as the environmental studies. So, that is where we are now, the first 45 day financial due diligence period, which is currently up July 29th, which is not this coming Monday, but the next one. Any questions from the Boards before we turn things over to Hampton to give their report, or anything that Jan, Sarah, or Andrew want to add?

Ms. Carpenter: Yes, will just add one thing because it came from the public. We are not a part of the second due diligence period. We will need a judgment search. Those are done professionally. They are fairly expensive, but they do the whole process, county, state, liens on all of the amenities, and that is where they will pick up a judgment and lien. It is the most efficient way to have a professionally done one. You want to do that during the second phase to make sure everything has been filed and that you definitely want to move forward so we don't pay that expense now if we don't need to.

Ms. Burns: Thank you. If there are no other questions or additions, Justin from Hampton Golf is here. I will let him introduce himself.

Mr. Williams: Is the District Manager going to give the presentation about what the costs are? An estimate of what the surveys and those other things Jan just talked about?

Ms. Burns: We can do that. Do we want to let Hampton give their report first, then do it after?

Mr. Williams: That is fine as long as we are going to do it.

Ms. Burns: Yes. Let's let Hampton give their report, then address any questions with them, and then we can go into any other items the Board wants after that.

SIXTH ORDER OF BUSINESS

Report and Presentation from Hampton Golf

Mr. Kuehn: Good morning. Justin Kuehn from the company Hampton Golf, based in Jacksonville, Florida. We had the opportunity to spend three days on the property and analyze what was provided by the current owner and I will share with you a little bit about

the information we received so we can bring you a brief narrative as to what sort of inspection we were able to provide. Outlined in this page, which is page 14 of our report, we identified a few items. The comment that was made earlier that they didn't have the 2019 books, that is not the case. We did have the year-to-date 2019 financials. The club did not have a budget, so that is what we have been working off of. We have been looking at actuals from 2018 and year-to-date 2019 financials. They were not what we would consider to be effective financials, so a lot of estimates have been made. In the information we provided to you, the financial assumptions were not just based off of ideas and might have been based on acreage and clubs we manage that have similar operational structures and we were able to pull back some of those numbers and bring those into this facility. So, there is some basis and foundation on what we provided to you based on other facilities. We understand the potential and goal of the Districts is to break even. That is, we believe accessible, but not necessarily in the first years, and I will say years based on the financials. We have identified that the club currently has a significant lack of consistent oversight. The management is not done with a lens that says this is providing the customer experience and the value we are looking for to continue to increase membership and to continue to increase usage. Revenues are based on membership and usage. We want to provide increases in both of those to increase revenue. I am giving you a summary because I don't want to put you to sleep by PowerPoint. That is not my goal here. Rather than do that, I can stop and we get to specific questions that you might have is fine, too. The maintenance of the golf course is important. Product provides opportunity. If the product is not in line with the expectations, we will see membership decrease, usage go down, and ultimately we will see larger losses. There are opportunities to remove what you currently have in your operational structure because there a margin baked into what your current maintenance company has. There are opportunities there from a savings perspective, but at the same time, we suggest that you find a management firm to manage this facility as you go through with getting this purchase done because of liabilities. Liability is an enormous matter. The efficiencies of the management company that has done things like this in the past, with that being said, you can go through the operating plan, and we did go through a property observational program, which is what we call a POP. What we do with a POP is really

just say does this product speak to the eye of the consumer, and are there opportunities for improvements? This is a comprehensive and very detailed specific program that we have all of our facilities go through. The golf course is in good shape. It is not exceptional, but it is in good shape. From where it was two years ago, it has come a long way. So, kudos to IGM for what they have been able to accomplish in getting some of the detail work done, but we are critical in our industry about the turf long-term and what that means to the overall expense, and specifically where you have your greens at this time. We have some concerns about the longevity of that. You have grass that would be considered antiquated in today's industry. It has begun to mutate. The strands used on this golf course are bigger. They are mutating and will eventually become Bermuda, and if that takes place the greens will be unacceptable to what we consider to be a good product. The capital expense that we put in there, a greens renovation opportunity in there. Outside of that, the restrooms were fully cleaned and stocked. The cart paths were well-maintained. There aren't any cracks. Most of the bunkers were well-defined and taken care of. That is oversight, and sometimes we get detail-oriented. Outside of that, the grass is in relatively good shape. The fairways are in good shape. We did not go under the surface, but we did spend some time taking a look at what would be the visible issues the pumps can have. The fuel tanks are above ground and seem okay. The maintenance facility is suitable, but the maintenance equipment potentially needs some work. When I say that, I mean years from now. Right now, within the next two years, most of it is acceptable to do the jobs that need to be done. The practice facilities need some work. This comes down to the current operations and different perspectives. The range itself, there wasn't attention to detail, which goes back to the operation. There are big opportunities for improvements there. The golf shop has some very kind and friendly staff. What we have identified in the operations is that very simply there is well-above considered acceptable labor percentages in the departments we have. We have clarity and can see what is happening in the golf shop and in the food and beverage areas. It is about 20% higher than what we consider acceptable, and actually that is probably modest. The opportunity to reduce that is identified in a few things. One, the sharing of gross profit. That is not normal. They are sharing of gross profits with some of the individuals who work in the facility. Online tee times are booked nowadays so that

is something that needs to be addressed because you don't have online tee reservations currently. So, somebody has to call the pro shop and your labor percentage continues to increase. Also, people are buying elsewhere. We have higher margins and higher expenses, and over 200 SKUs. At Blue Sky Golf Club, a facility in Jacksonville that we manage, we reduced our SKUs and increased our profit margin by almost 70%. There are big opportunities there. Looking at Eagle's Nest, we are unclear why the cost of goods sold is so high. We have 60.5% for food and 48.7% for alcohol. We average somewhere around 43% or 44% for food and in the 20's for alcohol. That is concerning in a sense that we have documented elevated labor percentages. It is important to understand that and when we look at the financials, we see more opportunities. We need to get down to 41% for food and 34% for alcohol. That is still high, but we understand we have a consumer base that expects a certain price point and certain level of attention. We can get there, but we need further understanding as to why we are at 61% and 49%. Sysco writes the menus specifically to the costs of goods sold. There must be either a significant amount of spoilage or other things taking place, so that will have to be investigated, but it is relatively easy to execute. As for capital improvements, there are three points. First is to replace netting around the maintenance facility. When you put up one golf hole, which I believe is #16, there is a safety concern that needs to be reconciled with the maintenance team. There is no netting there. That is going to be somewhere in the neighborhood of around \$12,000. Maintenance equipment is in good operating order, but it will need to be updated in the future. Also, if we were to update maintenance equipment, I would lean towards a lease package. We like that simply because we beat this stuff up, and you have a lot of mileage on your maintenance equipment. When that mileage takes place, your usage goes up, so we typically see that lease packages are a better alternative comparatively. The last item is a renovation of both golf courses. There are many ways to renovate greens. We do not feel you need a renovation in some areas. The bunkers look good, the drainage is good, and the fairways are healthy, but the greens will require at some point a renovation. We recommend a no-till method. We just renovated a golf course in Ocala, we did a USGA greens renovation that cost \$3 million. We are not there. What we have with a no-till method is we are simply pulling out the old turf, making sure the old turf in the root system that can potentially interfere with new turf

and we would have an intrusion of old turf goes away. We pull all of that up, spray it down, and that would cost \$500,000 per golf course. You can probably get that number down a little bit, but right now that doesn't make sense. That is years from now, not this upcoming year, but maybe in a few. A lot of this has to be looked at. What will the turf look like a year from now? I don't have that view, but I can tell you the courses that are being done right now look good. Not great, but good, and you probably have three to four years of healthy turf left. On the clubhouse, there are not a lot of significant capital improvements needed. You do have a new roof, you do have a new AC, and you do have a new walk-in cooler. The interiors could be refreshed if that was something that was important for the experience of the members and their invited guests. There are some opportunities for aesthetic improvements. We are overly detailed in making sure that when we look at a property we are seeing everything a customer could possibly see. These are just a few items we saw, but nothing that would cause a significant amount of concern. There are some opportunities for improvements, though. One of the biggest opportunities we did identify was the usage of space. We put this in the report just to give you an idea of what could be. Let me kind of describe it to you. What could be of this space here, and with the golf shop, which is a fairly unprofitable piece of space, when we get to the financials, you are going to see that while the golf shop is where you check in and it is a social center, it also loses money. If you go by square footage in comparison to other pieces of property around, the Eagle's Nest doesn't make financial sense. When we think about renovations, we think about the future of the club and utilizing space differently goes a long way. The downstairs as a golf shop could easily be transformed into more of a social center, bar, grill, utilizing that space more efficiently. That comes with investment and execution, but we put that in as an idea. These are some spaces we have worked on recently. You can see what we have done, enhancing the spaces for our consumers, members, and guests to use. So, these are just some examples to take a look at. Our capital improvement plan is based over a period of four years and starting in fiscal year 2020 there are some opportunities to move some numbers around. The equipment replacement of \$150,000, if we went into a lease package, that would move into the operating budget and goes away, so that number should not scare you. It depends on what route you want to go as far as owning maintenance equipment or leasing

maintenance equipment. That \$150,000 could also be moved to another year. The point-of-sale and computer systems are necessary, as well as directional signage. Here is where we get to the other investments, which are the greens renovations. There is probably a significant amount of capital needed when you take over. Owning a golf course will eventually cost money. Just like with this building you have to replace the roof, you have to redo the pool, the tennis courts, etc. Same with the golf course. There are expenses that will take place. You do have some talented individuals on staff, but an operations manager is necessary, somebody who is onsite everyday managing the experience and managing the employees to make sure they are executing properly. It is constant consistency to make sure the customer feels it is a wonderful experience we are selling them. People participate in a club because of the experiences the club provides, no matter what it is, each person has a different experience, and it is important to note that the programs the club provides to our customers need to keep the consumers coming back. What we have seen here is that there is huge opportunity to program this club in a way that makes people want to use it one more time per month. That is what our goal is. We have 360 members, somewhere in the neighborhood of 500 total participating members. If we can bring them back one more time a month, how much revenue is that? That is big. Our goal should be to find things that don't take place at a golf club or food and beverage outlet and plug them in. Little things like a food and wine tasting by every tee box. Fantasy football, whiskey and cigar nights, food tastings. All of these things that have people come back one more time ties to the foundation and value. That is what we are trying to accomplish. How do we receive value and how do we increase that received value, which decreases perceived prices, and increases usage. Another thing we are missing here is a club website and search engine optimization. We have an amazing club here. The passion we found being on the grounds while we were, I wish I could recognize all of the facilities we manage, but you want to celebrate them digitally so that other people who are considering buying in this community and this is a major goal. This is your digital billboard for those who are considering this property and social media. This is almost nonexistent right now, but it is really a major conduit to our outside community. Social media is the voice to the outside community and it is also the voice to the people who are living in this community and don't participate in the club. We want to show them

all of the fun things that are taking place at the club. It is very important because it goes overlooked many times with many of the clubs we are in because it doesn't make an immediate financial impact on the financials, but it does when you invest. The rest is pretty much self-explanatory, but I will go into the operational budget. We did see the financials, and I don't think the operator has a 2019 budget. If they do, we didn't get to see it. That doesn't matter because we can look at what the year-to-date financials are to figure it out. Not a big deal. We did have the 2018 financials, but let me be very specific with you that they were not specific. That is an issue because we don't have the ability to pull back and say can we reduce this by 10% to 15% or do we need to increase it by that? The increase in membership sales to the remaining sales, we have big opportunity for revenue growth. The dues are officially low because it includes your cart. That is cool and up to you if you want to keep it that way, but competitively speaking, we are low. That is good thing. When people are shopping in different communities, and as new retirees are shopping, and we all know how they shop, that is taking place. In 2019, the loss is expected to be around \$356,000 for the year. That is compared to the \$357,000 in 2017. In 2020 it is going to be significantly better. Through a little bit of adjustments, the club will see a slight increase of \$60,000. That slight increase and savings in other departments gets the loss down to \$113,000. If a management firm walked in here and swung and missed, that is what you would get it to. The savings are greater than what we have identified, but let me just give you an example, we manage a club in Poinciana called Stonegate Golf Club at Solivita. It is 180 acres. We are 160 acres so we are 20 acres less and the maintenance budget is \$60,000 less in Stonegate and we oversee it. Our maintenance budget is artificially high here, and it can be reduced. It is mostly because we have margins for what we have at IGM, and that is okay because they are doing a good job, but we can get that number further down with some attention to details. This number continues to improve as we go forward based on growth. So, if we have some events, reduce some expenses and labor, we can get to that \$100,000. The number reduces in 2021 to \$11,000 and in 2022 to \$2,000 with us making money in 2023. That can be easily flipped around with a few operational adjustments, but this is quite honest and real. Our operational budget would be in much more detail if we had more detail, so it is a little difficult to provide that not knowing some of the expenses, but just to

show you a little bit about where we are as far as pricing goes, Lake Wales Country Club is at \$5,150 and this is the most like Lake Ashton. Country Club of Winter Haven is \$5,400. This does not include the cart. That is \$22 per player. That is all I have so what would you like to do now, Jillian?

Ms. Burns: Take questions from the Board?

Mr. Costello: What will it cost to clean up the ponds? They let them go and they are in really bad shape.

Mr. Kuehn: Are they part of the golf course or HOA or CDD?

Mr. Costello: The golf course.

Mr. Kuehn: How many are there?

Ms. Bosman: Quite a few.

Mr. Kuehn: The pumps are fine. They are pulling quality water, so that means the vegetation on top of them is processing it. That is pond maintenance. If we were to add another \$15,000 maintenance for them I would be surprised because I personally didn't see a lot of need for managing the ponds associated with water usage. The ones that are aesthetically displeasing, that is not a significant expense. That is a monthly fee to an aquatics company that would be part of the maintenance budget.

Mr. Costello: You mentioned quite a few things about the Eagle's Nest. There are gaps in the balcony and they put pavers in on the second floor. The weight of that seems to be quite substantial.

Mr. Kuehn: Structural engineering is not my strength. I would have to defer that to someone else, but I believe we had a question about the elevator, as well?

Ms. Sandy: A building inspection would be done during the second half of the inspection period.

Ms. Carpenter: And if we have title, any open liens, permits, etc., are things we should be able to pick up during the due diligence.

Mr. Williams: I have a couple concerns. I think you mentioned that you didn't look at the irrigation in depth and the pumps, but just from your experience, it was noted that the tubing underground normally lasts 15 to 20 years and needs to be replaced. It was installed in 2002 on the east side so it is over the time we would be considering replacing or doing something with that? I am hoping not, but I am asking you, and if that is the

case, what would be the kind of costs we would be looking at for replacing or repairing something like that?

Mr. Kuehn: Irrigation can last a lot longer than what the anticipated lifetime is if it is put in properly, submerged and doesn't have a lot of cart traffic or maintenance equipment traffic, pipes won't break.

Mr. Williams: I have already seen them replacing some of them.

Mr. Kuehn: The good thing is you can sectionalize what sort of improvements you can make. Typically when we start seeing a lot of heads broken, or we see a lot of leaks in certain areas, that means they are coming to the end of their lifespan. We didn't see that nor when we spoke to the maintenance team did we see issues. You are asking what the expense would be, you are looking at 14 miles of tubing here, so that is not what you need to do. My suggestion would be to handle them as they come. You don't do the whole thing at once.

Mr. Williams: Then would you add something to the budget to prepare for that?

Mr. Kuehn: No. A lot of that is already in the project. This is your overall maintenance budget we were able to take what we have here and compare it to what we have in similar facilities. We anticipate things breaking, though.

Mr. Williams: Separate question, I haven't seen any numbers on how many annual memberships we have, how many seasonal memberships, etc. I assume we asked for that information, but I didn't see any of that. Do you have any of that?

Mr. Kuehn: Yes, we have all of that on-hand.

Mr. Williams: Why didn't we go through that? I'd think that would be important to know and share with us. In the previous report between 2016 and 2017, the annual membership went down by \$87,000 and the seasonal went up by \$25,000 and there was an overall revenue loss between 2016 and 2017 of \$62,000. The numbers you showed going forward appear that costs of membership went up every year since 2016, so it appears the revenue numbers I see here basically don't show any new members going up.

Mr. Kuehn: This is the budget that if things go wrong, this is what you will get, meaning if things don't go great. Most clubs, if they are not increasing dues at a minimum, they are behind. My job to tell you if things go wrong, this is where you will be. Does that make sense?

Mr. Zelazny: This is your proposed budget for 2020?

Mr. Kuehn: This is for golf course maintenance.

Mr. Zelazny: But this is your interpretation of the budget because you don't have any information from the current operator?

Mr. Kuehn: Yes.

Mr. Williams: What is a management company comes in and changes everything? If we stick with current management, current IGM contract, we would continue to see the deficit that would be here?

Mr. Kuehn: IGM manages your golf course maintenance only. That is a revenue versus expense discussion, but we just talked to IGM. We feel there is opportunity to increase the number of staff you have on the golf course, reduce their take on maintenance, increase the number of staff, and keep your budget roughly the same with where you are currently so you have more hands on deck. Typically that means more detail work done. I can't really answer your question more specifically, but you are probably going to see the same expense, though you would get more out of the expense is where I am going if you take the maintenance in-house.

Mr. Robertson: At one point in your report you suggest that we have a management company, but now you are talking about doing that in-house?

Mr. Kuehn: We are talking overall management company. IGM just does your maintenance. If you don't have a management company and you have to manage it yourself, that is fine. You will have maintenance in-house, but when we talked about a professional management company, we talked about it being a full comprehensive management. That is management of your IT, accounting, etc. These are things you have to take into account for when you take on a facility. All of that has costs. That is where a management company would come in.

Mr. Robertson: That is my point. When you talk about it being in-house, you are not addressing those administrative expenses at all.

Mr. Kuehn: They are related to your budget, though.

Mr. Costello: On page 19 you had written new EZ-Go carts were purchased. We were under the impression that they were leased. Are they leased or purchased?

Mr. Kuehn: The expense was moved through and owned from what we were told.

Mr. Williams: Do you know what the conversion rate is after the free memberships are completed, how many signed up afterwards and how many didn't?

Mr. Kuehn: I don't have that information specifically. We don't manage any facilities where we give memberships away. We understand that is part of the sales process here, but I will tell you that we see on average about 28% of the community adopting club membership.

Mr. Williams: There is the complimentary memberships, and also the number of volunteers who work at the golf course. They are resident volunteers. As they start to go away, from a professional standpoint, is that something a professional organization would manage or need volunteers for?

Mr. Kuehn: I am probably not going to have a lot of fans after this comment, but volunteers are not good. We don't use them because the liability is enormous. When you purchase this facility, put them on payroll. If a volunteer gets hurt, that is not good, so we don't have any volunteers in our portfolio. They are simply put on the payroll.

Mr. Deane: In your report, you are not including the cost of the golf course, the cost of the bonds, the costs of tax, the cost of insurance. Is that correct?

Mr. Kuehn: The costs of the purchase were not included.

Mr. Williams: Pages 16 and 17 talk about the rental rate for the maintenance building being \$10, plus taxes, plus related expenses. What are related expenses? According to our purchase and sale agreement, it is \$10. Is it \$10 plus real estate taxes as related expenses?

Ms. Carpenter: It depends on what is on the tax bill, if there is just tax, sometimes they add other assessments, like I know they were trying to put stormwater assessments and things like that at one point.

Mr. Williams: So, it is more than \$10 a year?

Ms. Carpenter: We haven't gotten that far, but we know the overall tax bill is \$165 or something like that.

Mr. Mecsics: Our agreement was \$10 a year. We didn't talk about taxes. If I rent from somebody for \$10 a year, I don't care what the cost is to them, it is \$10 to me.

Ms. Carpenter: For the maintenance building. I thought you were asking for the overall taxes. Sorry. Maintenance building has a \$10 lease. That is correct.

Mr. Williams: So where did you get that statement from?

Ms. Carpenter: He is probably looking at the operational issue of sweeping up or cleaning up the property. I think we are going to have to clean it and keep it in order. When you lease a property, you have to make sure it is operational and safe.

Mr. Williams: This is just another example of not getting information we need from the seller about things that are going on.

Mr. Mecsics: Mr. Costello and I sat down with the owners and they said \$10 a year. Now assuming things, that is an assumption each Board makes, but according to what he and I agreed to with the seller, it is \$10 more a year.

Ms. Sandy: And the letter of intent that I believe we executed did provide that the lease would cover and the seller would cover the operational expenses.

Mr. Merritt: The landlord is responsible for the maintenance of the building and all of the associated operating costs.

Mr. Costello: I think we would like to know if it is plus.

Mr. Williams: That sure would be nice. We talked about aesthetics. How does that impact us bringing in more people?

Mr. Kuehn: Personally I don't. There are many ways to repurpose the clubhouse that may make more sense and see more usage.

Mr. Williams: I was just wondering if it meant bringing in more people from the outside and how it would affect us.

Mr. Kuehn: That would be up to you as the Boards to say how is this going to impact our structure. It is just put in there as suggestions.

Mr. Williams: I have gone to Eagle's Nest and according to your report there are 15 employees. I don't think that is true and it leads me to believe the information you are getting from the seller is not relevant.

Mr. Deane: I looked into a lot of this because I ran a restaurant for 35 years. The numbers he gave, if you will excuse the expression, I believe are all b.s. He has a business that is losing money and he is putting everything he can in there to take that loss in his other corporations to enhance his tax position on his other businesses because that is what business men do. Mr. Maxwell is a businessman, so let's be real, the numbers we got, I don't think mean anything. The only number that was important to me

was the membership numbers and only got two years of membership numbers. During that year we had 72 people who came off the free membership from one year to the next, but the membership went down, which means to me the residents are not supporting this golf course. Someone mentioned the fact that look at all of the groups that leave here, well I have talked to some of them, and they have said they will never come back and play here again. They think the course is too short, they would rather play a regulation-sized course, and for what they are paying outside of here, the financial savings to them isn't immense. I think we are barking up the wrong tree. That is my opinion.

Mr. Williams: If it is going up \$500 a year, I am gone.

Mr. Deane: That is why the memberships are dropping every year. It is not going to increase and the losses are going to be greater. What really disappointed me is all of the numbers that were not included in the report that we got.

Mr. Zelazny: My question is relevant to the District attorneys. Borden and Stan presented a list of due diligence requirements, and someone else provided another set, which we provided to you, and now I am sitting here and haven't seen one of those documents. It is not enough for you to tell me that he pays his staff of the Eagle's Nest "X" amount of money. I want to see where the money goes and who gets paid. That is the due diligence that we want to find out, if these numbers are correct. That is what we asked. Borden and Stan did a great job in putting all of this together and seeing the myriad of due diligence requirements that we all agreed to and were going to get. The lawyers are now telling me we are well into our due diligence phase because we got everything, but I am saying, I, being one of the two who were supposed to oversee the collection of this data and review it, I have not seen one document.

Ms. Sandy: Let me clarify a couple things. One, we have received the due diligence items that were provided in the purchase and sale agreement, or we have electronically received them. I think we spoke to each of you and said if there were certain documents you wanted to see we could make those available. Generally we were going to let the consultants review the documents and provide a report to everybody rather than circulating all of the documents we have received.

Mr. d'Adesky: And as documents come in, we distributed them. The moment a piece comes in, I am forwarding it over to Borden and Jim.

Mr. Zelazny: Then I will ask Borden and Jim to brief me on those documents they have received. I have not seen any of them and I am sure that everybody is here to hear what the numbers are. The due diligence phase isn't supposed to start until the last document is presented.

Ms. Burns: Do we have any more questions for Justin, anything for Hampton at this time, or are we comfortable with his report and questions and then the Boards can have discussion? If there isn't anything else for Justin maybe we want to turn him loose?

Mr. Costello: No, he shouldn't leave until we are done with this meeting as far as I am concerned.

Mr. Williams: We got this information and presentation Wednesday night or Thursday night, which means we only had a day to go over this. Now all of the sudden the due diligence is almost over. This whole process is crazy.

Mr. Costello: Honestly, Stan, this report doesn't give us much more than the last one. Most of it is just common knowledge. We really haven't gotten anywhere and I am sure Hampton Golf had problems dealing with the seller because he doesn't want to give us any information. We are kind of blindfolded with most things with this.

Ms. Carpenter: Under the contract we got a considerable amount of information. It takes time to get the information to give it to Hampton Golf. We don't have the peer review report yet, which will help give additional assurances to make sure we didn't miss something because of the lack of experience in golf course operations. We don't have that report yet, so it may be something the Boards decide we need to hold this meeting over until that report comes in to give everyone time to review this information.

Mr. Costello: Don't take what I am saying out of context. Hampton Golf was probably handcuffed a little bit due to the fact that we didn't get the information on financials for 2019. Did you get anything?

Mr. Kuehn: Yes, we got information on the payroll today. So you all understand, too, all of the financials are consolidated for this facility. They are on one page, and they are very difficult to digest. To give you an idea, our budgets are usually somewhere around 30 pages. Theirs was one. The details weren't there. Yes, you are right, it is hard to understand and determine what operating system to apply these to do some diagnoses and see what is happening with these financials.

Mr. Costello: You are not receiving the information you need to move forward to give us an honest look at what is going on?

Mr. Kuehn: With the information we requested, and we do this extraordinarily thoroughly, payroll, reports, what employee expenses are by employee, we pull back a lot of different things, but I can tell you with the information the seller has, I think we got everything we possibly could. We squeezed them pretty good, but again, going back, what I told you earlier is that the information we put in here from our perspective from a budget standpoint has a lot more to do with like facilities then what we actually got.

Mr. Costello: But you didn't get a budget, right?

Mr. Kuehn: We did not get a budget. I don't think he has a budget. To be honest with you, I would much rather see the YTD and I can go from there.

Ms. Carpenter: And not taking any position one way or the other, in a commercial transaction, that is why we ask for due diligence because you don't know when you are buying what is out there. It may have run by a management company that gave very thorough payroll and everything else, but we knew we were getting probably a not very complete look, so I think that is why Hampton Golf, if the Boards decide to hire a professional company to look at the operations to give you an idea of what it would take to run, as well as peer review from another group so you have several opinions.

Ms. Sandy: And just to address the timing aspect, we set this meeting 30 days out from the effective date of the purchase and sale agreement. Hampton Golf had 30 days to complete their consultant report. We wanted to go ahead and have this meeting so we could get the information out there and discuss it, see what other questions Board members might have, and like Jan suggested, maybe continue the meeting to another date so we can have time to digest the information, as well as get the Billy Casper report.

Mr. Costello: The only thing I am saying is without you being able to see a budget, I don't like that we are working with so many unknown expenses that could come up. Jim, you were there when we talked to them and he told us in the beginning point-blank, best of luck looking for any information.

Mr. Mecsics: We recognized that there were things within their corporate structure outside the golf course that they told us we weren't going to have access to. Quite frankly, from a personal liability standpoint, I don't want to know whatever they do with other

business because that is their business. What we want to see is what is related to the golf course. The other due diligence that was passed on and as long as that information is there we can go through it, but the important part is that when we sat down with them and talked about it, he warned us there were going to be a lot of things tied back to them that we cannot access or control. What I want to know is what the operating costs are and how it works. Will there be other things that pop up? I am sure there will be.

Mr. Costello: No matter how big your budget is, you are always going to have unknowns come up.

Mr. Mecsics: Yes, and as it was said before, we have to do the best fiduciary responsibility we can for the community.

Mr. Costello: Them not having a budget, I understand you had to create what you felt would be appropriate, but I am still worried about unknowns.

Mr. Robertson: My question for Hampton is when you set this up, you used your own percentages of what it should be. You constructed a budget based on what you know how to prepare to manage a golf course. Is that correct?

Mr. Kuehn: Correct.

Mr. Robertson: You came up with a budget that says this operation can be breakeven operation if professionally managed correctly?

Mr. Kuehn: Correct.

Mr. Robertson: So, regardless of whatever has happened in the past, if you were running it in the future, you could run this profitably?

Mr. Kuehn: Correct.

Mr. Robertson: Thank you.

Mr. Zelazny: My issue is not with Hampton Golf and what they did. I think the bottom line is as Doug said, if managed properly, based on revenue coming in, etc., the golf course should be able to be breakeven financially. My question is, from a perspective in representing the people here, I want to know where the money for this budget, being that he said he didn't have a budget, where do the expenses go. If he is putting expenses to this golf course to another entity, that is his issue and that brings down operational costs to us. I want to proceed with going forward to get the information, but I am not willing to stand up and say purchase the golf course until such time we know what it will

actually cost to run this golf course and maintain it. There is no information to say how much money has been spent in the last five years, no documentation. You have indicated our equipment is aging, but there is no information about the money that has been spent on that equipment.

Mr. Kuehn: We have that information.

Mr. Zelazny: Then I need to get that information so I can make an informed decision on what we want to do. That is my problem. I asked for the IGM contract and the first response I got was we don't have one, we do it on a month-to-month basis. Then, I got the IGM contract late last night, but there is no statement or anything associated with what they are required to do, so how do I make a judgment that that is good contract? Those are the kinds of things I want as a Board member, and I expect in the due diligence phase to be able to review it, digest it, and vote on it.

Mr. Costello: I feel the same way you do.

Mr. Mecsecs: Can we put all of the documents Mr. Zelazny just mentioned and anything else into a dropbox so we can all review them? I would recommend we do that, so we can all do our homework and review it.

Ms. Carpenter: As you may recall, this contract was broken into two different due diligence periods, and this first one is solely from a financial perspective so the Board can decide if you don't think we can run it financially feasible or if for any other reason we cancel the contract, there is a due diligence period where we do the surveys, inspections, engineering, and if we find problems, we can negotiate with the seller. This report is pointing out some things, for example the above ground tank. That might be something we might want to increase our environmental report to look at those issues. There may be other things to look at, that may be costs, but this part is purely financial so you can make a decision to move forward, or decide you do not want to do this.

Mr. Williams: Is somebody going to do a presentation on the estimated costs for the rest of the due diligence phase one? What is it going to cost for surveys and estimates for titles and all of the documentation that staff is working on?

Ms. Carpenter: We have the costs for the surveys and environmental work. I think Jill was asked to put together some attorney fees and costs.

Mr. Deane: We have some of that information, but not all of it.

Mr. Mecsics: I want to see a consolidated list of what all these costs are. I don't want something to be handed to me when I come to the meeting. I want to see it so I can go back and make sure that I verify that they are correct.

Ms. Burns: I put that together.

Ms. Sandy: I think we have a couple for phase two of the inspection. We have gotten proposals for things, but not finalized the costs for those, I think we have talked about it before, the survey is probably one of the bigger pieces. We have proposals ranging from \$40,000 to \$60,000. The building inspection was around \$5,800. Those are the amounts I recall.

Ms. Carpenter: Environmental I think we were in the \$3,000 to \$5,000 range, possibly up to \$10,000 when other things were added. We don't have the costs on the construction yet, but the engineers were looking at the reports and we asked for some rough numbers on what it will take to make the facility ADA compliant. Hopefully we will get all of that information soon.

Mr. Williams: So, what I am hearing is somebody is going to put together one consolidated report that has all of that information and email it to us sometime soon?

Ms. Burns: Yes.

Mr. d'Adesky: If that is the direction, Jill can do that, but I don't think she was previously directed to do that.

Ms. Burns: Right. What we will do is take the estimated figures that Sarah just mentioned for the second round, understanding those are not contracts we have entered into at this point, but we can provide those estimates, as well.

Ms. Carpenter: We will pull any proposals we have and give you the best guess estimates on the things we don't know.

Mr. Deane: This all has to be finished by the 29th? In order to go ahead, before we go ahead, this decision has to be made by the 29th, correct?

Ms. Sandy: The open inspection period to terminate the contract for any reason is currently needing to be done by July 29th.

Mr. Williams: Right now where I am is that somewhere before next Friday, we need to put together a full budget that shows all of the information as to what it looks like as far as what all of the outgoing costs are going to be, not only just the operational, but

we have also talked about what the assessment is going to be, and if there is going to be one to our residents.

Mr. Costello: If we are going to do that, I would think it would be a good time right now for the two Boards to appoint the people who are going to sit on the committee for the golf course.

Mr. Deane: We have no decision about purchasing it yet, so why do we need to appoint a Board of Directors?

Mr. Costello: Worst case scenario is we walk away from all of it.

Mr. Zelazny: I appreciate our two negotiators who are working with staff to figure out what due diligence requirements we have put forward that have not been met and why they haven't been met. That is most important so we can make a decision.

Mr. Williams: They haven't been met because he said he isn't going to give us any more information and therefore, I think the decision has been made from my perspective.

Ms. Sandy: The due diligence items that were outlined in the purchase and sale agreement that the Boards saw, the seller has represented to us that they have provided everything that is in there and on that list.

Mr. Zelazny: I am not getting that impression when you talk to the representative from Hampton. He said he is giving generalizations, not specifics.

Ms. Sandy: I think the reason for that is because he is saying it doesn't exist.

Mr. Kuehn: There are a lot of items on the list, we can certainly generate that. When we ask for certain items, if you look at the purchase and sale agreement, the due diligence list is there. There are some where the response was we have none.

Mr. Zelazny: We need to have the information to make a decision. Then we can go back and negotiate the price in terms of buying the golf course if he can't provide us with adequate information by which we can base the decision to buy and operate the golf club, then maybe it is time to say it is not a good deal.

Mr. d'Adesky: Then you would have to terminate the purchase and sale agreement and renegotiate. That is the only option available at this point.

Mr. Robertson: We are missing perspective on this. The first price is \$393 per household if we were to decide to buy it upfront. The cost to run it based on Hampton Golf's professional opinion is \$57 a year per household for the first five years and nothing

for after that. The cost of the process of buying it is \$121. So, when people talk about thousands and thousands of dollars, right now the hard facts that we have right now is under \$400 per household to purchase the land and the property, and it is \$57 a year to operate it based on Hampton's professional recommendations and the costs of going through the due diligence is \$121. Let's put those record points in place. There are lots of things to be worried about and frustrated with, but Hampton has given us a good number to go with, and all of these numbers add up to well under \$1,000 a household. Hampton has already said they can run this golf course for \$57 assessment per household over the next five years, and after that there would be no assessment, and the purchase price is under \$400 per household to buy it. You have someone professionally here who is saying this can be done, so I have no reason to question it.

Mr. Deane: I have facts where residents of this development are not supporting the golf course. I am not talking about the audience. I am talking about the membership.

Mr. Robertson: The facts say, if you listen to what he is saying, we were asked what the overall cost of this is, and rather than scaring everybody that it is thousands of dollars, and I have heard a lot of people say they are going to leave this community rather than buy this golf course, so they are going to spend \$15,000 to leave the community because they are scared. Why don't we just give them real facts? The purchase price is under \$400. If we decide to make an assessment rather than try to pay for it all at one time, it will be \$400. Hampton's professional opinion is it is \$57 a year for the next five years, and zero after that. Those are the facts that have just been presented by Hampton and the fact of what we negotiated as the price. Facts. Don't scare people with information that doesn't exist. Those are the facts.

Ms. Burns: We are going to ask the audience to refrain from speaking since we are not taking public comments at this time. We need to let the Boards discuss this.

Mr. Deane: What you are saying are not facts that don't exist. Please tell me.

Mr. Robertson: What I am trying to say is people are afraid of very high numbers. They are afraid of very high numbers for buying the golf course and the cost will be an exorbitant amount of money. What I am saying is to look at the actual facts here. Look at the negotiated purchase price and divide that by lot, which is under \$400, and then look at Hampton's report, where they say that they can operate this so that after five years

there will be zero assessment. So, the total cost to purchase the golf course will be around \$400 per household.

Mr. Deane: That is if everything goes great, I am not arguing that, but Hampton made assumptions with regards to memberships. I looked at actual memberships. Last year you had 72 people who were eligible to join the golf course who live in this community, but the membership went from 315 to 311. So, no one is joining and supporting the golf course. The longer that goes on, the more expense we are going to have. The \$165,000 worth of taxes, you heard what the property appraiser said would happen if we open the golf course to the outside.

Mr. Robertson: Again, you have missed the entire point of Hampton's presentation. They said 28% is typical retention rate. If they handle this professionally and do it the right way, we should have a 28% participation. That is a typical experience from their expectations. It meets their expectations at 28% and 28% of this community is 362 members. We asked professional representation to come in and they have said that with good business practices, we should be able to establish 28% participation rate, which is 362 members. If you look at the Nation Golf Foundation's numbers, they said to breakeven for this we need 420 members. So, if you look at the overall numbers, with professional management, the course should not cost the residents any money in the long run. That is the professional opinion that we hired. They know how these things work, and they think we can get 28% participation from this community. You are saying that you don't believe them?

Mr. Deane: I don't know.

Mr. Zelazny: I don't either. Let's me just try to be supportive of both Borden and Doug in this. I have worked some numbers and when you look at purchasing, let's separate the golf club from the golf course tract. The residents of Lake Ashton are going to purchase the golf course tract, which is 160-something acres, the golf cart paths, the bridges, and the ponds. That is an amenity enjoyed by all of us. So, what does that cost you as a resident? It costs \$165 a year for four years. Then, that cost is gone and you own the property. In addition to the \$165 a year for four years, there is a cost associated with maintaining the ponds, the bridges, and the cart paths. We don't know what that is, but the Bob and I have done some research and it would appear that it would cost

somewhere between \$50,000 and \$100,000 a year to maintain the greenspace, which includes the bridges, the cart paths, the ponds, and the cutting around the lakes. That is a high-end estimate, we think it will really be around \$30,000 or something like that. Then we said we need to have a reserve to replace those things that break. We estimated about \$50,000 a year for the general amenities. That brings Lake Ashton II's bill to around \$245 a year for four years, and then it drops down to around \$75 a year to maintain the common areas. I think the numbers on Lake Ashton's side are a little less, around \$232, but we are looking at those numbers as high-end that any non-golfer would pay to purchase the greenspace and maintain it. They are also walking paths and riding paths, which people use. So, that is what it would cost you, and that I think is a very affordable, doable figure. My problem I am wrestling with right now is how we don't lose \$300,000 a year on a golf course because one commitment I would make to any resident is that I would not go back to you and say I need more money. If we can't make it work, then the greenspace is already maintained and funded by the general fund, which is \$245 a year for four years, and then after that it will go down to \$75 or \$80 a year going forward. We as the Boards should never go back to you to operate the golf club, and that is what we are wrestling with right now. In my opinion, purchasing the land is critical for property values, and for quality of life, but that cost should not be more than \$250 max based on some numbers Bob and I have worked out. That is for the general amenities portion.

Mr. Zacharia: I have told myself to be quiet, but I am going to say that in May 2018, well over a year ago, I had listened to belligerent generalities from certain people sitting around these tables that said we are not going to have to pay anything, the golf course is going to pay for itself. Why are we talking about something that is not going to happen? The assessments to pay to run the golf course, I don't believe it. Doug, you have thrown out numbers several times within the last year of which I had no basis, and then you question whether we believe them or not. I still don't have the numbers that I need to say this is what my next door neighbor has to pay to help operate the golf course or the greenspace, or whatever model you want to talk about, this is what you are going to have to pay to buy the golf course property. None of those numbers are easily attainable and readable. Now we are being told we will probably never see those numbers. I am frustrated, extremely frustrated. I am not questioning your numbers, but

I just don't know where they are coming from. You listed four or five numbers and keep saying it is going to cost everybody less than \$1,000, but I don't understand it. I don't know how many people understood it. Maybe somebody will take me aside and explain where Doug's numbers are coming from.

Mr. Robertson: I agree with you with that frustration because I have tried to put some of that information out and I get a very strong reaction saying there are rules, you can't do this, you can't do that, you can't share this information as part of the Sunshine Laws, you can't tell anyone about this. It is a very frustrating process for us. I even went through doing a spreadsheet looking at the NGF report numbers, tried to understand them and how they came up with them, and again, they are professional company and understand these things. I went through those numbers as well, and it looked like the golf course could be a little bit better than breakeven. Hampton confirmed the same thing. The golf course could be better than breakeven. That is one of the things we heard today and one of the things we were waiting for. I happen to agree with it, so that is one thing. If the golf course can breakeven, there will be no ongoing assessment for our residents. Does that make sense to you? If we are confident, we should be able to operate the golf course with no assessments. That is reasonable. The next piece is, because we get frustrated with a lack of information so we broke down the cost of purchasing the golf course. That number came out to be under \$400 from what I saw.

Mr. Zelazny: The numbers we came up with are on the high-end. The firm number is the \$165. The operational and reserve can fluctuate a little bit, but I believe they are firm and they will not exceed the \$250 threshold for any resident in Lake Ashton to purchase and maintain the golf tract. That has nothing to do with the golf club.

Mr. Plummer: I want to address the difference between Bob's and my numbers and Doug's numbers. The way it was calculated on the payoff, Bob and I figured the whole \$877,000. You subtracted the \$245 and came up with the \$392. That is where the difference is. We felt we needed to keep money in the reserves to make up for any losses in the first year.

Mr. Robertson: The important thing here is I took \$400 times the total lots that is \$660,000 that is sufficient to pay for the initial purchase of the golf course, plus the component that is the underlying bond. The audience has even less information than we

have, and that is where a lot of frustration comes from. The net purchase price is under \$400 per lot to buy the golf course.

Mr. Plummer: I am not arguing with what you said, I just want everyone to know when we did the math, why there was a difference in the numbers.

Mr. Zelazny: The difference also looking at all of the costs. The ponds have to be maintained. The greenspace has to be maintained. The bridges have to be maintained. Anything owned by the residents should be maintained by the residents. If the golf club goes away, that greenspace has to be maintained. We don't want to hit you with another bill. We have to put it up front that this is what it costs to buy, this is what it costs to maintain now, and in the future, which that bill is around \$250 per year for four years, and then it will drop down to \$75 or \$80 a year, which is the maintenance of that facility and capital reserve. That is what you need to know, what the total bill is, not just what the purchase price is. My estimate is it should not exceed \$250 a year for four years, and after that it will drop down to whatever cost we determine will be for the maintenance and the capital reserves.

Mr. Williams: What we agreed to do was come up with a form of what these costs are, so we can really say it will be \$400 a year or \$250 a year, whatever the number is. I am not against buying the golf course, I am just personally against buying it right now, but my bottom line is that most of the residents that I have talked to, and most of the residents who have responded to me in emails that I have sent out, expect to pay \$10 a year to buy a golf course. It doesn't matter if it is \$10,000 or \$100,000 or \$400, something for four years or eight years. The bottom line is are the residents going to be charged something for the golf course? We are pretty much saying yes. I understand there is a cost to maintain it, but what I am saying is there are a lot of residents here, including myself, who came here and said we should not have to pay for the golf course. Whether it is \$10 or \$400, even if it is only for a few years, it is still a cost we didn't ask for, and I think that is where many of our residents are coming from.

Mr. Zelazny: You heard Brenda's comments earlier. She is in favor of buying the land as I understand. That is a cost every resident should pay.

Mr. Mecsecs: Ladies and gentlemen, we have all talked about assessments. Right now, the Boards decide on their budgets, which will push or not push assessments. We

can do all of the calculations and all of the conjectures, but the bottom line, each of our Boards are going to have to figure out how we are going to put this into our budgets. If we fall short, then yes, we are going to have to increase assessments. If we look at the way we do business, if we can absorb that or use some capital reserves, then that might help, but right now, and I am not arguing either, we can talk back and forth, but the bottom line is when we get through all of this, how much is it going to cost each Board to purchase the land, like Mr. Zelazny said. That will have to be absorbed and reconciled in our budget, how each Board does that. The operations of the course, and that again should be managed. It can be done, but that is for the club. I agree I don't want anyone who is not a golfer to have to pay for the upkeep of the club space itself so they can operate the golf course club itself, but for the amenity and all of the property, we want Lake Ashton to be owned by Lake Ashton. Simply put, I don't want an outsider in here. What we do with our expenses is what we do on our budgets. That is why all of the folks sitting out there need to make sure to come to the August meetings when we do our budgets because that will determine how much it is going to cost you or not cost you in the next year.

Ms. Carpenter: It sounds like the Boards kind of want to get down to knowing that this is the operating budget that has been proposed. Once we get those two budgets, would you like staff, us, Sarah, Jill, whoever, since we don't usually get into the business side, but I think we should take those numbers, look at it, take out what the land cost is, take out the lake maintenance, since those are costs the CDDs are going to have to pay, and figure out this is the cost, this is what is leftover, and if operations don't improve this is worst case amounts for what your assessments would be. Again, this is based on estimates, but we do have two professional companies looking at these. It sounds like that is what folks want. It will be simplistic, but you will have the backup if you want to look in the dropbox. It sounds like that is what folks need, information on the budget, land costs, maintenance that will need to be paid, portions of the costs if it can't be turned around, and the cost of the course will be the price plus the bond payment. Is that kind of the breakdown you are looking for? It sounds like everybody has the same questions, you are looking at the same numbers, and you don't know how to relate them to what is golf course and what is land acquisition and how to make it work.

Mr. Costello: I think we need solid numbers before we approve our budgets.

Mr. Robertson: Yes, that is why I was trying to come up with pieces that people can understand. Purchase of the land is \$400 per lot. Whether we do it through different processes, that is okay, but it is not \$4,000 a lot.

Mr. Costello: And that is going to be up to both sides, how that is handled.

Mr. Robertson: Yes. If our side is \$200,000 and we want to use up our reserves, there would be no assessment to the individual homeowners because we have already saved that money and it is available in our budget. The other piece to this that is really interesting is that there is a balancing act between what the golfers pay for and what they want to pay for. In the past, the golf course has been paying for the cart paths, the bridges, etc. That has been in their numbers and running it. If we pay for it in general, then the golf course operations go down. Savings mean the greens are paid for sooner. We need to get solid numbers so we don't scare people.

Ms. Carpenter: I think these numbers are as solid as we are going to get. We have gotten the information that has been requested under the contracts that was available. That is why Hampton was retained because they have the experience professionally. They said it was a pretty conservative budget, but a pretty good one. And then once we get the peer review, and that is the second company, so honestly I trust the numbers of those two companies. In looking at the contract representing the purchaser, I trust the consultants more than I trust the seller because the seller has different interests. I think those numbers are going to be the best numbers you have, and then from that we will pull out what the Districts want to look at as costs to the residents of maintenance of the lakes, and that sort of thing, and then see what the costs to run the golf course itself will really be after those are pulled out.

Mr. Zelazny: My question is for the Hampton representative. Your budgets that you presented for 2020 and then 2021 are based on your looking at the current operation and where Hampton could cut the operational costs to get to those budget numbers from minute \$300,000 down to \$100,000-something?

Mr. Kuehn: Correct.

Mr. Zelazny: So, looking at the budget, you can pull that kind of money out of it where they are mismanaging it for a lack of a better word?

Mr. Kuehn: Correct.

Mr. Williams: A year from the date we buy it the numbers will go down?

Mr. Kuehn: You will see some immediate impacts, but throughout the year, yes.

Mr. Robertson: If we as a community decide the ponds, bridges, and things like that will be maintained through the CDDs, that changes the costs, too. That analysis was based on complete acreage being transferred, but some of those costs should be shared equally within the community, and that would also make your number get better if we made that contribution, too.

Mr. Kuehn: Absolutely.

Ms. Carpenter: That is correct. Each piece of due diligence you have to look at as a whole. This is how to run a golf club. The Boards need to put those things in because they will be paying taxes.

Mr. Zelazny: The budget for 2020, does that assume those recommendations on upgrading the Eagle's Nest and upgrading the pro shops are done, or are you just looking at the operational costs today?

Mr. Kuehn: Just the operations. Aesthetically some of those things could be managed in-house.

Mr. Williams: The cost of maintaining the ponds are in there?

Mr. Kuehn: There is a percentage of the budget associated with maintaining the ponds, but I don't know all of the costs, nor do I know the responsibilities of all of that. There is a small segment associated with this budget where we have pond maintenance.

Mr. Plummer: It is obvious we need some additional data here, so is there a negotiation available to extend the 45 days to get that information?

Ms. Sandy: If the Boards direct, we can ask to extend the open inspection period.

Mr. Plummer: Part of the reason I asked is because there are several members from both Boards that within the next three weeks are going to be gone and trying to find a time where we can put together a meeting is going to be an issue.

Ms. Sandy: It is certainly something we can ask. We can't guarantee it based on the purchase and sale agreement, but we can ask.

Ms. Carpenter: Well we are probably going to continue this meeting until next week and to be cautious we can ask if it can be extended by a couple weeks. We don't know where they will go with that or if they will even consider it, though.

Mr. Mecsecs: Earlier this morning someone mentioned the 29th. Is that the drop-dead date to make a decision? July 29th is only 10 days from now.

Ms. Sandy: Yes, that is the end-date of the inspection period. After that is the 90 day limited due diligence period where we are looking more at the structural aspects.

Mr. Robertson: We need to pick a date for next week.

Mr. Williams: Who is going to put together this budget? It would be nice to have a financial person do it, somebody who has that kind of background probably should do that, and we also want to have Billy Casper in here for that meeting.

Ms. Sandy: That report is expected back to us by Wednesday, so we definitely are looking at the end of the week for a continued meeting, Friday most likely.

Ms. Carpenter: Given the timing constraints, I think between the attorneys and Jill's office, she has a lot of financial gurus in her office, the spreadsheets can be put together and we can go over those. I think we can probably do that in-house, get it started, and then when we have the other report look at doing that.

Mr. Mecsecs: So we will have another meeting on the 29th?

Ms. Sandy: The 26th. Next Friday.

Mr. Mecsecs: And staff will be bringing back a financial status, as well as the dropbox documents for everyone?

Ms. Carpenter: Can we get quorums for the 26th? I am not able to be here, but I may be able to call in, and Andrew can be here. I can probably call in, but I have two things I can't change already that morning and afternoon.

Ms. Burns: I think the earliest we could do it would be 11:00 a.m.

Ms. Carpenter: I can probably call in and I think Andrew can be here.

Mr. d'Adesky: Yes.

Ms. Burns: We will check with Lake Ashton II first. How many of you can be here at 11:00 a.m. on Friday? Okay, four of you can be.

Mr. Robertson: I can call in.

Ms. Burns: Okay. How about Lake Ashton? Three.

Mr. Ference: I can be present, as well.

Ms. Burns: Bob, you will be back next Friday? Great, then we will have four and will have a quorum for Friday at 11:00 a.m. Mary, is this room available?

Ms. Bosman: It will be.

Ms. Burns: Okay. So, we will continue the meeting to 11:00 a.m. on Friday.

Mr. Williams: Is someone was going to request an extension before that?

Mr. Robertson: We can ask.

Ms. Burns: Counsels will. Three weeks is going to be the request?

Mr. Robertson: When is our budget meeting?

Ms. Burns: The 22nd.

Mr. Robertson: It has to be before that then. Do we want to delegate Supervisors on each side to sign off on the extension if they agree to it?

Ms. Burns: Yes, either the Chair or Vice Chair. Do we need a motion to delegate them to sign off?

Ms. Sandy: Yes.

Ms. Burns: So, let's get a motion from the Lake Ashton Board to designate the Chair to sign off on extending the open inspection period.

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the Lake Ashton CDD Board designated their Chairman to sign off extending the open inspection period.

Ms. Burns: And do we have a motion from the Lake Ashton II CDD Board?

On MOTION by Mr. Robertson seconded by Mr. Williams with all in favor the Lake Ashton II CDD Board designated their Chairman to sign off extending the open inspection period.

Ms. Burns: Just to be clear, neither Board has noticed increases as part of their budget process, so we are not working under the constraint of the budget. It was always contemplated that if there were going to be fees or assessments, it would be done as a direct bill assessment outside of the tax roll because the TRIM notices were already due. Because of the timing, it is not going to be possible to get those on the roll the first year.

Mr. Robertson: Will we also have no reason to have the direct assessments happen during this year?

Ms. Burns: Not necessarily. If that was the direction from the Board, maybe. There are various directions we can go, and again, each Board can make a decision on how they wanted to fund that. We don't have those answers right now, but what we do

know is any assessment, should each Board decide to place them on the residents, would not be collected on the tax roll this year.

Mr. Robertson: And I want to make it very clear for the general public for this side that the assessments that are being levied this year are for general operations and maintenance purposes. They have nothing to do with the golf course.

Mr. Costello: Do you have any idea how long it will take you to get the information to us before the next meeting?

Ms. Sandy: The Billy Casper peer review, they said that they will have it to us by Wednesday. I am not sure how long it is going to take us to put together, but obviously before the meeting we need to work on putting everything else together.

Mr. Costello: I get the reports will take several days to do, but one day prior doesn't give us much time to look at everything.

Ms. Burns: We are going to want to look at the Billy Casper report to put together our budget numbers, as well. So, if we don't have that until Wednesday, I am not sure that you are going to see a final budget before Wednesday because we are not going to have that report to consider along with Hampton's. We are going to do everything in our power as always to get the information to you as soon as possible, but we have some time constraints on waiting for reports that are out of our control. We already have the purchase and bond debt, and every Board member has seen that information with multiple options on how that can be paid. That information has already been distributed. What we are looking at building now is just the operational portion that we have these reports from. The fee to purchase and the fee for the bond debt has been circulated and contemplated several different ways, and everyone has seen that already.

SEVENTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Ms. Burns: Do any of the Supervisors have anything? If the Boards don't have anything else, we will turn it over for general public comments.

Mr. Zelazny: Murray, Mary, Christine, and I have spent a lot of time resolving the amenities policy. It has been in the hands of the lawyers now for almost three months for legal review. It is not getting anywhere. It is just sitting on the shelf. Last month we recommended a couple changes for the Boards to review, but I have not seen any other

comments on it. I have three changes I would like to have incorporated so we don't spend a lot of time today on it. I would like to put these recommended changes into the minutes, please review them Board members for the next meeting, and lawyers, please complete your legal review of the documents that didn't necessarily need review because we changed nothing other than reorganizing it so we can get it to the public.

Ms. Sandy: Bob, after the last meeting, you and I spoke, and we discussed the fact that there might be additional changes that would be needed because of the golf course acquisition, and I asked if you wanted to delay adopting the joint policies based on the fact that we might have additional golf course policies that would be incorporated. I thought that we agreed on that.

Mr. Zelazny: I think there will be changes associated with the golf course, but this has been around now for eighteen months, trying to get it resolved. If we make an amendment, add an addendum for the golf course with the rate structure, fine, but let's just get something done and in the hands of the residents so they know what to expect when they go to the amenities please.

Ms. Sandy: We can move forward with that direction. What I think we discussed last month was that there might be double costs for revising rules once they have already been adopted if we have to go back through the process if we acquire the golf course. It is up to the Boards. If we want to be more efficient about it or move forward, but I think we have to hold a public hearing for it.

Mr. d'Adesky: And we would have to notice it twice. Public hearings have to be advertised each time we hold them so there is a cost factor there, too.

Mr. Zelazny: This is the amenities policies, not rules. It is not associated with the rules. There are no rate changes. It is just the amenities policy.

Ms. Sandy: We are doing the fees separately next month, but with the policies there were disciplinary rules that were incorporated within that and generally we advise that that must be done through the rule-making Florida Statutes and require are rule-making public hearing.

Ms. Wright: So, the additional costs would be publication only?

Ms. Sandy: Yes, costs for the double public hearing notice, but also staff review of the rules twice and incorporating the golf course policies.

Mr. Zelazny: By the time we get it done the golf course will have been purchased and we will have had it for a year.

Ms. Sandy: We would need to bring back a resolution to set the public hearing.

Mr. Zelazny: Do we need a motion to announce the public hearing on the amenities policies? I will make it if we do.

On MOTION by Mr. Zelazny seconded by Mr. Meccsics with all in favor the Lake Ashton II CDD Board directed staff to put a resolution to set the rule-making public hearing on the next joint meeting agenda.

Ms. Burns: And do we have a nomination from Lake Ashton?

On MOTION by Mr. Plummer seconded by Mr. Zacharia with all in favor the Lake Ashton CDD Board directed staff to put a resolution to set the rule-making public hearing on the next joint meeting agenda.

Mr. Meccsics: Bob, you said you have three more amendments included. I don't think we are going to see the minutes before that, so can you tell us what they are?

Mr. Zelazny: Basically, there were issues with the clubs and a resident had put in some suggestions, one in particular stuck, which is the club should have a written mission statement and bylaws, and the bylaws should include the descriptions and terms of office, as well as the criteria for membership and definition of. There were some issues associated with the pet park clubs and voting, so that was recommended. It seemed logical to me. Under pet parks they wanted to insert two additional bullets, which are that the pet parks should be open for the residents regardless of dog ownership, and the second one is the park director should go through the CDD on any changes to the landscaping or any additions and changes should be approved by the Boards. And lastly under parking, the paragraph that says there should be no overnight parking in the amenities facilities parking lots. Those were the basic changes the residents requested. If there is not discussion, I would make a motion to adopt the amenities policies.

Mr. d'Adesky: Procedurally we have to put everything together and bring it back together. We will do that, though.

Ms. Burns: Is there anything else from the Boards? If not, we are ready to take public comments.

Mr. Sutherland: I practiced litigation law and real estate law for many years. I am concerned that we are not getting a clean break from Mr. Maxwell. We are leasing something from him, and that causes great concern because if we need the property for maintenance, etc., at the end of the lease, heaven only knows what he is going to want to extract. It is \$10 a year, but you have to pay taxes, insurance, utilities, and things of that sort. I would be opposed to having Mr. Maxwell having any type of interest whatsoever. Let's get rid of him and be done with him.

Mr. Rogers: I noticed on page 28 of the Hampton report and also during the discussion that it was going to be necessary to change the greens in the next three to four years. It actually showed in the management budget for 2022 that there will be a \$500,000 to the east fairway and in the 2023 budget it will be another \$500,000 to do the west fairway. Then, I looked at the budget projection on page 41, which shows how we are going to eventually going to go into profitability, but the only problem is the years 2022 and 2023, and in that budget projection on page 41 don't include those \$500,000 amounts and there is \$1 million not being accounted for. Can you explain that? There are two different types of due diligence. One is contract due diligence, which arrives from the purchase contract that we have certain duties to do and the buyer only has a certain amount of time to verify that obligation. That is due diligence. The second kind of due diligence, which comes to the Board by the other CDD. That due diligence is the matter of position. The part of the due diligence that goes to the homeowners is how the heck are we going to be paying for any shortfalls? That requires some obligation to go in and say yes, we do need to sell memberships to be on the safe side so we aren't stuck with assessments down the road. We need to have a plan on how we are going to get to those memberships. Are the memberships going to be sold to the people on the outside? Are there going to be age restrictions on those memberships? What will be added besides playing golf will be added to try to get people to pay \$5,000 plus membership to come here? That is the kind of due diligence that needs to be done.

Ms. Janice Gordon: I live at 5525 Hogan Lane and I have a comment to make about the price that was mentioned that the homeowners are paying for the maintenance of the tracts. I appreciate the separation between the club and the tract; however, in the purchase and sale agreement, there are the free memberships offered for the golf club

that we are adhering to. I can't remember if it was three years or five years, but there is also the payback period for the bond debt, and in essence, homeowners who are non-golfers are subsidizing the club because there is restricted use on the golf course because of the hours the courses are in operations. By the purchase and sale agreement we are not able to do anything with those courses until those free memberships have ended. So, I think this is really misleading because you are saying let's separate the tract from the club, but that is not happening for however many years we have to offer the free memberships. I just wanted to clarify that.

Mr. Velebir: Once again we are hearing all of these rosy projections about how the golf course is going to cost us nothing. We have all of these deals worked out and Hampton Golf presented a budget saying we are going to be breaking even in a couple years. How can you have faith in this budget when you have operating deficits in 2021, 2022, which I understand Mr. Maxwell is going to finance for us, but that means in 2023 when that comes due, that \$126,000 is not in here. We already know there is a good possibility that there will be \$165,000 in property taxes that have to be paid that are also not in there. So, how can you say we are going to be breaking even and making money in a couple years when you are not accounting for those major expenses, as well? The \$1.8 million, where is that money coming from? A money tree? I don't even know what else to say. And Bob, it is so disingenuous to say we will move the expenses from the golf course to the CDD to keep the promise that people aren't going to pay anything more for the golf course. It is the same people. Saying you will get a \$240 increase on your operations and maintenance because of the golf course or saying we are moving those bridges and paths to the CDD to get the \$240 to maintain those, it is the same people and same money. I understand wanting to control the land, but this is a horrible, horrible deal. When he threw the bond in, we should have walked. He is contractually obligated to maintain these courses until this place is sold out. There will be another opportunity to buy this. Quit spending money on this due diligence and walk away because there will be another chance.

A resident: I have had associations with Hampton Golf for I think almost 20 years. They manage my old golf course in St. Augustine and they do an excellent job. I have played on other courses that they manage, some of them open to the public all the way.

My club, they opened up partially, certain hours of the day of the week to the public. I think most of the people in this room and community don't want to see that. My question is where are the assessments going to be next year and two years to match the statements made today? I think we heard that we have 312 golfing members today, well I know 30 who won't be here in 2019. I have listed my home, and I will share with you many more who will because if they raise the rates. Until we get the truth from management of the ownership of this golf course, I don't think we should move forward. We have given chances time and time again for them to give us facts and figures, and all we are getting is opposition. Even Justin from Hampton Golf reported today they wouldn't give him the information. Please think about it. It won't hurt us to wait. I really don't believe our property values are going to go down. One other thing I wanted to know about is I was told when I bought my property six or seven years ago that I could use the cart paths any time I wanted as a sidewalk. The attorneys have told us this morning that they can't find any proof that that was the agreement between the City of Lake Wales and Mr. Maxwell. As of this point, I made a telephone call and asked the city's attorney to look into that contract. That is a major point for us buying this golf course because if that was the agreement, you have no right to charge people more money to use the golf course.

Ms. Carol Corley: I live at 1053 Sawgrass and I am speaking from the perspective of somebody who does not play golf. We looked at several neighborhoods in Central Florida and Traditions was one, but we picked Lake Ashton because of the spaciousness and openness. I want to preserve that. I want to be able to use and enjoy these amenities. The other thing is the Eagle's Nest also has a golf course, but it also is an amenity available to anybody who lives here in Lake Ashton. We go trivia nights and karaoke nights, and we go there for lunch sometimes. From what Doug Robertson and Bob Zelazny have said, I feel that as a resident of Lake Ashton I do not paying a nominal fee to maintain the golf cart paths, the bridges, and the ponds because I know that I am going to be able to use them and also as far as the Eagle's Nest, I want to be able to use that facility, too even though I am not a golfer. I don't want to pay to operate the greens and the golf course, golfers pay a lot of money to do that, so I am not worried about that.

Mr. Jack VanSickle: There is only one place in the city records that documents the use of the cart paths. I have a copy at my house if anybody wants to see it. It basically

states Mr. Maxwell was trying to get away from building sidewalks because the roads are narrow and he wanted to get more houses put in. He used that as an example that we have cart paths that people can transition from one section of the community to another. That is the only note. There is no legal document other than the engineering note and the drawings. My scanner wouldn't scan it, but if anybody wants to read it, come on over and I will show it to you.

Mr. Scali: In your analysis did you do anything with the soil on the lots? What is the purpose of public comments if we can't get any answers? This is ridiculous. Will you allow him to answer please? This is absolutely ridiculous. I am a golfer and I want us to buy it, but you are taking us down a path that is absolutely wrong.

Mr. Zacharia: I just want the record to say that I know Tom has asked that question three times in the last several months, and he has never gotten an answer from anyone. That is pathetic.

Mr. John Castelli: I have been here for 18 years. This magic wand you have that says you are going to get everything to work is a bunch of baloney. You know that and I know that. You are not buying a magic dice. We have had a restaurant for 18 years that has not been able to make any money. That is a bunch of bull and you are lying to the people sitting here. I am so fed up with the garbage we have been getting here from Doug. He wants to buy the golf course for his side. Then buy it. We don't want it. It is not the time. Just wait and he will give it us because he is losing \$300,000 a year. We don't need it. With all of the red flags I heard today that it is all okay, would you go by a car that is just okay, would you go to a doctor that is just okay? No, you would not, so don't buy the golf course yet, wait and be responsible because there are 250 CDDs that went bankrupt in the last 10 years. We have 150 that are teeter-tottering on going bankrupt because of people buying stuff they don't have the money to pay for. It is not just your money, it is all of ours. Don't keep spending it.

EIGHTH ORDER OF BUSINESS

Adjournment or Continuation

Ms. Burns: I don't see any other public comments, so unless there is anything else from the Board, we would be looking for a motion to continue this meeting until Friday, July 26, 2019 at 11:00 a.m. at this location. Do we have a motion from Lake Ashton?

On MOTION by Mr. Costello seconded by Mr. Ference with all in favor the Lake Ashton CDD Board recessed the meeting to reconvene on Friday, July 26, 2019 at 11:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Ms. Burns: And do we have a motion from Lake Ashton II?

On MOTION by Mr. Mecsecs seconded by Mr. Robertson with all in favor the Lake Ashton II CDD Board recessed the meeting to reconvene on Friday, July 26, 2019 at 11:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Lake Ashton CDD

Lake Ashton II CDD

Assistant Secretary/Secretary

Assistant Secretary/Secretary

Chairman/ Vice Chairman

Chairman/ Vice Chairman

**MINUTES OF MEETING
LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
AND
LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT**

The recessed joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District held on July 19, 2019 was reconvened on July 26, 2019 at 11:00 at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum:

Mike Costello	Lake Ashton CDD Chairman
Borden Deane	Lake Ashton CDD Vice Chairman
Bob Ference	Lake Ashton CDD Assistant Secretary
Murray Zacharia	Lake Ashton CDD Assistant Secretary
Bob Plummer	Lake Ashton CDD Assistant Secretary (by phone)
Doug Robertson	Lake Ashton II CDD Chairman (by phone)
James Meccsics	Lake Ashton II CDD Vice Chairman
Stanley Williams	Lake Ashton II CDD Assistant Secretary
Carla Wright	Lake Ashton II CDD Assistant Secretary
Bob Zelazny	Lake Ashton II CDD Assistant Secretary

Also present:

Jillian Burns	District Manager
Andrew d'Adesky	Lake Ashton CDD District Counsel
Sarah Sandy	Lake Ashton II CDD District Counsel
Jason Merritt	Lake Ashton II CDD District Counsel (by phone)
Alan Rayl	Lake Ashton II CDD District Engineer
Mary Bosman	Lake Ashton II CDD Community Director
Michael Cooper	Billy Casper (by phone)
Numerous residents	

Please note that due to a lot of background noise and conversations portions of the meeting cannot be transcribed verbatim where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll and the pledge of allegiance was recited.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Ms. Burns: Okay. Up first is Approval of Meeting Agenda. Unless anybody has anything to add, do we have a motion from Lake Ashton CDD?

On MOTION by Mr. Deane seconded by Mr. Costello with all in favor the meeting agenda was approved by the Lake Ashton CDD Board.

Ms. Burns: And Lake Ashton II CDD?

On MOTION by Ms. Wright seconded by Mr. Zelazny with all in favor the meeting agenda was approved by the Lake Ashton II CDD Board.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda

(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Board action)

Ms. Burns: We will move into the public comments section. We have a few. First is John Castelli and second will be Charles Lynch.

Mr. Castelli: I was here last week at the meeting and I just want to remind you to think about your responsibility to people with fixed incomes living here. Like I said before, there are over 100 different CDDs going bankrupt, and if we purchase this golf course it will put this community into dire straits and then our houses will be worth nothing. People will be forced to leave because they can't afford to live here. From what I have seen, you are going to raise our amenities over a thousand dollars a year. We cannot absorb a \$300,000 loss every year so please think about it. Thank you.

Ms. Burns: Thank you. I believe somebody just joined us by phone. Who is on the line?

Mr. Robertson: This is Doug, dear.

Ms. Burns: Okay, now we have Doug and Bob both joining us by phone from their vacations. We are in the public comment portion. Go ahead, sir.

Mr. Lynch: When this process started, the golf course cost \$477,000. Now it looks like the acquisition costs of the golf course are over a million. Can anybody on the Boards tell us what the final purchase price of the acquisition costs of the golf course will be?

Ms. Burns: Next we have Colleen Lynch and Al Goldstein.

Ms. Lynch: Good morning. I had the opportunity to review the minutes of the meeting from February through July and my comments are based on comments that were made by the Board members and attorneys. In the February minutes, he said he wanted to sell for \$400,000. May 11th, he will sell everything with the machinery included for \$470,000. January, pay the \$470,000 or I will sell it to someone else for a higher price and once I sign the contract with another company, my offer to you is off the table. May 11th, financial risk to individual homeowners is between nothing and \$20 a month, or \$250 a year. May 11th, with no golf course to support the greenspace, we would be paying around \$750,000 based on official bids. August 10th, the \$750,000 greenspace is based on additional information such as mowing and maintaining the greenspace. December 17th, purchase price is \$477,000 over five years and now the seller pays the bonds. January 29, 2019, bond assessment that Maxwell said he will pay, he will pay them, but we will be reimbursing over three years, so the actual number is \$410,236.10. February 19th, the official analysis is that the golf course operations would cover the costs; however, now it is stated that if the golf course operations cannot sufficiently fund the operations, the costs will be distributed amongst the homeowners. February 19th, to say the golf course operations is losing money, then after a year we will breakeven? I don't think so. At the last meeting, a mention was made that the cost to residents would be somewhere between zero and \$400. So, my comments are that the homeowners here at Lake Ashton did their due diligence when they purchased their homes, knowing the golf course was not owned and operated by the community. Having said that, we know that life and circumstances change, and we have to meet and address those challenges in order to resolve them. Let me be clear on where I stand, I believe we should own the land, and operate it as a golf course. In a perfect situation, the course would pay for itself. However, if there should come a time where it is not able to sustain itself financially, I do not believe the burden of the golf course should be placed on the residents of the community. In the 2019 minutes it was noted that Billy Casper Golf walked away from the purchase of the golf course due to the fact that they could not develop an exit strategy if they got to a point where they were losing money. They thought there would be some losses in the beginning, and after a period of time they believed they could make around \$130,000 a year. My question is if we move forward and purchase the golf course, if things do not

work out financially, what is our exit strategy from golf course to greenspace? What resources do we have? Does anyone have a number? And my final comment is whether this is really the right time to buy it? Thank you.

Mr. Goldstein: Good morning. After spending an excess of \$200,000 over the last year trying to get facts and figures, we still have landmines and red flags in front of us because we haven't gotten all of the answers. Basically because of that I am asking you just to wait. I am in favor of buying the golf course, but not at any cost, and not using our tax dollars. This brings up another subject. It seems that some people in this room think that if one side or the other buys the golf course by itself that the other side will still be taxed. In other words, if CDD #2 buys the golf course, they feel they can assess people in CDD #1 for whatever they need. No, they can't. There are only three taxing authorities in the City of Lake Wales, which are the Polk County Tax Assessor, the City Commission, which I am part of, and the CDDs. So, that is where we stand. If CDD #2 wants to buy it, all the power to you, but it is not going to help. Also, I checked with the attorney and manager from the city, and if this needs to go to court, the City of Lake Wales will be happy to represent the City of Lake Wales and people in Lake Ashton CDD. Thank you.

Ms. Burns: Robert Sosinski and following him will be George Rogers.

Mr. Sosinski: I wanted to talk about the amenities policies. I think there is a great omission in the policies regarding visitors, and I would like you to add to the policies regarding visitors that no visitors other than members and nonresident members can belong to any club at Lake Ashton. I would also like to see you restrict the use of amenities by visitors to any nonfamily resident visitor who lives within 50 miles of Lake Ashton can only use the amenities five days in any six month period. I would like to see that added to the amenities policies. Going back to the golf course, at the last meeting, a lot of you were surprised that the maintenance facility you would end up paying more than \$10 a year for the use of that facility. I would like to also point out that you gave them a 150 year lease. That is totally illegal. Thank you.

Ms. Burns: After Mr. Rogers will be John Savala.

Mr. Rogers: Thank you. I am George Rogers and I spoke at the last meeting. This time, I wanted to present an analysis of an alternative method to evaluate the assumptions in this financial document. I made 30 copies and will leave them over at the

table so people can see it. We have already heard from the speaker saying there is a \$1 million cost to purchase the property and half of the community is not in favor paying for the recurring operating costs of the golf club. Now we know that the projection from Hampton said it will be brought into balance after four years. You have a \$350,000 deficit for each of the four years. That can be assumed that was what it was before. So, that is \$1.4 million. Hampton says you will also need \$1 million to remodel the two courses during these four years, which is now \$2.4 million. You can't make that up just with cost savings through the restaurant, golf pro shop, and other savings. You are going to have to do it by selling memberships. If you have to sell memberships to the public, you will lose the tax exempt and that is going to cost \$165,000 a year. So, that makes another more than \$600,000. We are now up to \$3 million in deficits over four years unless these magic assumptions can somehow cover that \$3 million cost. If they can't cover that, it is going to have to be paid for through assessments. That is going to be an assessment that a lot of us homeowners cannot afford. I have not seen a clear explanation as to how this \$3 million over four years can be covered, and until I see it, or some actual projection and someone has done some due diligence as to how that will actually be covered, then we shouldn't vote for this purchase and should just hold off and see what happens.

Ms. Burns: After John will be Steve Realmuto.

Mr. Savala: Good morning. When I enter Lake Ashton and drive around the community, I am proud to live in Lake Ashton because of its attractive landscaping, its clubhouses, amenities, well-maintained homes, etc. When I first heard about this golf course thing, someone told me that not buying was not an option. He said we didn't want the seller to sell it to someone else because we couldn't be sure how it was going to be maintained, and we didn't want it to be sold and just sit there, becoming overgrown and unsightly. Why? Because it will hurt the values of our homes. It wasn't long before magazine and newspaper articles were cut out, copied and pasted, and circulated, telling us about other golf courses around the country that had closed and how terrible things were for the homeowners living in those communities, and how their home values suffered. I agree and think we should purchase the golf course because I would like to keep my home's value up, but is it the golf course that keeps our home values up? What if there was a lovely, well-maintained greenspace where the golf course is now? Would

our home values go down? My understanding is we have approximately 1,500 residents living in Lake Ashton CDD and approximately 20% are members of the golf club, so in other words, 80% of the residents either don't play golf, or they golf somewhere else. When keeping the golf course as a golf course causes 80% of the residents to cry about having to pay extra for something they don't use, that is a problem. If we keep the golf course as our own private park, would that cause some of the 20% to move away? Would Lake Ashton be a less desirable place to live and or buy into if we had a big park instead? I don't think there is any question that we have to purchase the golf course, but it seems to me that coming to these meetings and listening to the residents, reading the minutes, it is the golf course remaining the golf course that is giving them problems? Everyone is worried about the figures coming out being lowball numbers or guesstimates or wishful thinking. When you were elected, I am sure you took an oath to represent us the best you could, and do what is best for the greater good and to be good stewards with our money, and you would be adhering to that oath by doing what you can to keep our home values and quality of life up. If you think you need to keep the golf course in our community, I think that is fine. Thank you.

Mr. Realmuto: I would like to address two specific points with regards to the acquisition and operations of the golf course. The first is in regards to the Supervisors' obligations to perform adequate financial due diligence. At the last meeting, it became obvious that all of you asked for detailed financial information from the developer, but you got only the grossest roll of financial information. In fact, the professional you hired to do the analysis made it quite clear that they did not provide sufficient information for them to base their analysis and budget on the existing financial operation of the golf course, and the numbers they were presenting you with were based more on their experience than what is actually occurring here at the Lake Ashton golf course. I believe you as Supervisors have the obligation and in fact many of you have stood up here and said you would not proceed if you did not get all of the required financial information from the developer. As we all know, that deadline is coming up and you have not gotten it, and frankly you probably don't have any reasonable expectation of getting it. Which of you are willing to stand up and pass on the deal if the developer does not agree to the extension and you get the financial information you said is required to do an adequate

financial due diligence? The second issue is with regards to the financial impact this is going to have on the residents. I think you all need to be aware of the actual impact on your residents on each side. I believe it was our CDD manager who prepared the analysis, but right now that is all we have to go on and it is based on the first analysis that was presented. I realize we still have not heard from Billy Casper, but my main point here is residents of Lake Ashton CDD are looking at closing costs that will need to be financed either from capital reserves or by direct assessments, \$263.43. As you should know, the Lake Wales side just passed an additional assessment of increasing things by approximately \$160. That means we on the Lake Wales side are looking at an increase this year that is going to be paid by November of approximately \$425. Looking forward at the operational costs, which are important going forward, they are somewhere from an additional \$250 to \$500 a year, and that is a lot of money. I would like you to consider that. Thank you.

Ms. Burns: Thank you. That is all the public comment sheets I have. Before we jump into the agenda items, I just kind of wanted to give an update to everybody where we are from when we last met last Friday. Staff was tasked with three items, attempting to get an extension from the seller on this first due diligence period. We were waiting on the report from Billy Casper, which we got late on Wednesday, and then the third item was to put together some operational and purchase price expenses based on the estimates we have from various professionals. The first item on the sale and purchase, the extension, we requested that, but unfortunately we did not get granted just an extension without conditions, and Sarah is going to go into that first, but based on the direction of the Boards, after that agenda item we may want to table Items #5 and #6 if the Boards do in fact decide to go with going with an extension. We do have a representative from Billy Casper on the phone today, but they were not able to be here on this particular date in order to make a presentation in person. If we did decide to go with the extension, they would be able to come at a later date. Also, for Item #6, the financial review, we did update that late last night with the information from the Billy Casper report, so you have that available now, realizing that Supervisors have been handed it this morning and haven't had a lot of time to review that. So, depending on Item #4 that we discuss, that might kind of drive the rest of this meeting.

Mr. d'Adesky: Also, Jill, I think it is important to note that the Hampton number has been updated from what was distributed in the agenda package. We got some numbers late on Thursday so the agendas went out with numbers that were included and additional information was added to the Hampton report regarding the maintenance building.

FOURTH ORDER OF BUSINESS

Consideration of First Amendment to Contract of Sales and Purchase

Ms. Burns: That brings us to Agenda Item #4, Consideration of First Amendment to Contract of Sale and Purchase, and I will turn things over to Sarah.

Ms. Sandy: So, what is included in your agenda package is a draft of a first amendment to the contract of sales and purchase. As the Boards directed, we went to the seller, asking for an extension of the open inspection period of three weeks. They unfortunately were not willing to grant it outright, but countered with granting it, but the same amount of time would be backed for the limited due diligence period. So, we would now essentially have 66 days for the open inspection period and 70 days for the limited due diligence period based on business days of when the dates would fall. That is essentially what the draft in your agenda states. We have received some comments from the seller with revised language, so it is still in draft form, and if the Boards wanted to move forward with it, then we would ask for approval in substantial form, subject to both CDD counsels signing off on the final version. Are there any questions in regards to the counteroffer from the seller?

Mr. Mecsecs: So, we are staying within our time constraints and we are extending our financials?

Ms. Sandy: We would essentially stay on the same time period track. The open inspection period would be extended out. The limited due diligence would be shortened. The consequences of that are that the open inspection period, we have been focusing on the financial portion because when we get to the limited due diligence period, the reasons for cancelling the contract are narrowed to structural items that we have to provide, notices of defect and the seller can choose to repair and we can enter negotiations there. We would extend our open inspection period, which during that period we can look at financials, and we can cancel the contract for any reason, but a consequence is that we do need an extended period of time to do some of the structural analysis, the surveys,

which we would have to go forward with, and that is a large cost. We have been putting off doing some of those items until we got through the open inspection period, but we would have more rights in terms of them being able to cancel the contract for any reason, but we would be looking at likely going ahead and moving forward with some of the due diligence costs that we have been putting off.

Mr. Mecsics: That is what I was getting at. We can extend that open due diligence, but there is nothing that precludes us to start the second portion. What I would advise if we should go forward with this is move forward with the initiative with that section.

Ms. Sandy: No, we can continue it, and in fact we really need to continue on it in order to stay within that second limited due diligence period.

Mr. d'Adesky: That was my comment, too, these things need to be initiated if they are going to be done in time. A survey needs to be done almost immediately.

Mr. Ference: Excuse me, you are almost having a private conversation that I cannot hear and understand. Young lady, would you please talk a little slower and louder? I am only getting some words you are saying, and Jim, your conversation with her was almost unheard to me. I really couldn't hear what you are saying.

Ms. Sandy: I am sorry, was it not picking us up?

Mr. d'Adesky: Quick refresher to just slowly go over the information, it is fairly simple. There are two due diligence periods. There is the open inspection period, and there is a limited due diligence inspection period. During the first period, we are mainly focused on the financial information, the business deal side. During that period, we can cancel for any reason. During the limited due diligence period, there are very narrow criteria and reasons you can cancel the contract, and we have to deliver a notice to them that we intend to cancel, a notice to default, and they have the ability to fix whatever is going to prevent us from backing out of the contract. So, what Sarah was explaining to Jim is we do need to proceed with some of the things we had been waiting on for the limited due diligence period, such as the survey and the environmental study. These are very expensive, so it was prudent that we held off on doing them until we knew it made sense to go forward. Do you have any other questions, Bob?

Mr. Williams: Something we may want to add to that if we are going to talk about this is we would have to proceed with some of those structural things and analysis, which

would cause us to spend more money. We would have to start doing some of them immediately rather than wait as we were.

Mr. d'Adesky: Yes. There are some costs we would incur immediately, and as you know, based on the Prompt Payment Act, we have to pay them within 30 days of receiving those invoices, so those are immediate costs.

Mr. Deane: It is obvious to me that the residents do not think that we should buy the golf course at this time. I propose that we from Lake Wales vote on putting off the purchase of the golf course and therefore we don't have to spend the additional monies and we wait. Mr. Maxwell has a golf obligation for three to five years the way I see it in building houses, and I know it has been said that we have to buy it now or he is not going to sell it to us, but Mr. Maxwell is a business man. I have dealt with him before. If we go back in two or three years, and say we want to purchase it then, he will sell it to us then. I think we need to end this farce right now and stop considering the purchase of the golf course that is trying to be rammed down our throats.

Ms. Burns: I think we may need to rephrase that, the motion would be terminate the purchase and sale agreement with the seller.

Mr. Deane: Right.

Mr. Ference: I will second that motion.

Mr. Deane moved for the Lake Ashton CDD Board to terminate the purchase and sale agreement for the golf course acquisition and the motion was seconded by Mr. Ference.
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Ms. Burns: Any discussion from the rest of the Lake Ashton Board before we vote?

Mr. Costello: Yes. One thing that was brought up was the possibility of us buying the course and renting our portion of the course to the Winter Haven CDD. It is an alternative where we keep control of the land, they keep control of the course, we are assured more-or-less that everything will remain intact as far as the condition of the community. They seem to feel confident that they can make a profit. It is pretty obvious that the Lake Wales side does not feel the same way. It is going to take a vote, I know we are on one side and they are on the other, and we may have to make more changes to the interlocal agreement, but it assures me and the Supervisors of Lake Wales that our residents are not going to be assessed any money. If they feel they can make a profit, I

hope they do, but I personally just don't see it. Their side apparently sees and feels something different. I want our side to have the assurance that we are not going to have to say to our residents you owe us \$1,000 to keep the golf course running.

Mr. d'Adesky: As proposed by Mike, we would include the entire Lake Ashton share of the purchase price, all taxes that would be applicable to the Lake Ashton side, all costs of insurance, costs to maintain the cart paths and ponds, and also administrative costs and overhead costs. So, Lake Ashton II would pay Lake Ashton rent for that. I guess the issue is termination and group discussion would be if Lake Ashton II is receptive to the rental concept? I think that is something that would be prudent to discuss whether or not they are amenable to that concept?

Mr. Costello: My question is should we terminate or give you the option of moving on? You can buy the golf course, you can rent the space from us, we can keep control of the property, and you keep control of the golf course. For me, it is a win-win situation.

Ms. Sandy: The interlocal agreement that was entered into by both Districts, and is currently in place, was tied to the purchase and sale agreement, and clearly does not contemplate that.

Mr. d'Adesky: We would require Lake Ashton II to submit a termination of the interlocal agreement and that would be appropriate.

Ms. Sandy: And the purchase and sale agreement was negotiated as part of the interlocal agreement. Those were being negotiated at the same time, same concept, so I think if you are changing one end of the deal, that affects things because we are in the middle of the due diligence period already.

Mr. Costello: It is merely an alternative. This Board can say no, we aren't going to buy it, and at that point your people are also stuck.

Ms. Sandy: I understand that, and these are all business decisions by the Board members and things that can be discussed. What I am saying is I think it would be a rushed decision to discuss and make at this time given the fact that we took so long to lay out the rules that governed how these Boards would work together to own and operate the golf course and the fact that we are in the middle of the due diligence period under a purchase and sale agreement, I don't know if we can continue moving forward with the purchase and sale agreement with the termination of the interlocal.

Mr. Zelazny: As a resident, my discussion would be that there are some costs for where we are today and we had an interlocal agreement, we spent \$100,000 between the lawyers to do that, we had to change the interlocal agreement and spent another \$100,000 on that. If you change it now, you are going to incur the same amount of costs it would cost to complete the due diligence. That is all I am saying. I think we are better off to continue on. If we get to the money phase and it doesn't work out, if the money doesn't look good, then we shouldn't proceed, but I think it would be premature now because you are going to have just as much of an expense to get out of the interlocal and come up with another interlocal agreement then you would to just continue on.

Mr. Ference: This is under the presumption that there are people standing in line to buy this property if we don't. We have buy and rent because somebody is in line behind us? Where are they lined up to buy this property? Casper moved away from it, so why should be so eager to go into this very complicated unnecessary situation based on a presumption that people are buying. That is the wrong presumption. No one is lined up to buy this property so why are we in such a hurry to do this?

Mr. Williams: I am confused. There was a proposal on the table that was seconded. Why are you discussing something else?

Mr. Costello: I'm just simply offering options.

Mr. d'Adesky: Unless the Board of Supervisors from Lake Ashton CDD feels there is any input they would like to hear from Lake Ashton II CDD, it would be appropriate to vote if there isn't any further discussion.

Ms. Burns: We had a motion from Borden and a second from Bob to terminate the purchase and sale agreement. All in favor? Can you show hands so I can make sure?

On VOICE VOTE with Mr. Deane, Mr. Ference, Mr. Costello, and Mr. Zacharia voting aye and Mr. Plummer voting nay, the prior motion to terminate the purchase and sale agreement for the golf course acquisition passed 4-1 and was approved.

Mr. Williams: Now I can say the offer by them, or what was brought up, we as a Board need to consider. I don't think we should consider that at this meeting. I think we have to go into our own meeting, probably the August timeframe would probably be the right time to talk about it again. At this point, I think this meeting is over and done.

Ms. Burns: We also would need a vote to terminate the interlocal agreement.

Ms. Sandy: I would advise my Board that if we are not moving forward with the purchase and sale agreement that this Board should make a motion to terminate the interlocal agreement, as well. As part of the purchase and sale process, the Boards entered into an interlocal agreement, so I think it would be prudent that if you are terminating the purchase and sale agreement, that the interlocal would also be terminated. That is up to your Board to do that, though.

Mr. d'Adesky: I think this Board would have no problem with terminating the interlocal agreement, as well.

Ms. Wright: Technically they already did. It is already voided, the interlocal as well as the purchase and sale agreement. That means they are not buying any property, you are out of the deal completely.

Ms. Burns: Let's keep the audience comments quiet. The Boards are trying to have discussions and it is hard to pick up on the minutes when there is a lot of discussion. I am going to ask all of the Board members to make sure you are using your microphones so that everybody can hear them. Thank you.

Mr. Zelazny: I would just like to say when the initial discussions were made 14, 16 months ago, whatever it was, the offer was that the West would be willing to purchase the golf course and there were some legal implications brought up by Andrew and staff and your Board elected not to allow us to purchase the golf course. That was your vote. You made a decision that we would proceed together as one community, and now \$300,000 or \$400,000 we are back to square one.

Mr. Costello: I do agree with you, but a lot of that has to do with the seller. The seller doesn't want to give us that information. It was obvious when Hampton was here the other day last week. We can't continue to deal with somebody like this. All we asked for was a couple more weeks, and he was difficult about that, too. This guy thinks he is selling a piece of gold to me and I just don't see the value of it as being in such a way that we are going to continuously do it his way. I don't see people lined up outside waiting to buy this place. Hopefully within a couple years when the construction is over we will maybe have another opportunity to look at it, but I don't know right now and I can't see that we can continue to deal somebody who just doesn't want to give us the information

that we need to move forward. It has gotten really old. We have been going along with it for too long already.

Mr. Mecsecs: You voted and you no longer trust in us to do this, so if we want to do this ourselves we will have to go directly and negotiate with the seller to do whatever we have to do. I understand it is business, not personal, so we have to go with that.

Mr. Zelazny: Mike, I certainly appreciate your position, but I would like you to reconsider just for one thing. Maybe it is time now to go back to the seller, and if he doesn't accept our terms, then I think you can say meet our terms or we will walk and will agree with you because we have the responsibility as the buyer to get what we want, but I believe it is premature to terminate everything without knowing if we can go back and force the issue. The issue is very clear that if we don't get what we want, if he doesn't give, you are prepared to walk. If that is what you want to do, then I support it, but I think we should push back to get the things we want, and if there are issues with the golf course that need to be corrected, we should find out. If we don't get the due diligence paperwork, if the numbers don't match, we can walk. I just think it is premature to do it now because we have invested so much money to get to this point. If your position is we are going to walk if we don't get the numbers we want, I will support you then.

Mr. Williams: We have to make that decision by Monday.

Ms. Sandy: I think what you are saying is instead of just outright terminating the purchase and sale agreement, set your conditions, and if they are not met, then it is terminated on Monday, right?

Mr. Zelazny: I am asking Mike to push back on what you want, and if you don't get it, then I think you can vote to decide to withdraw if you want to, but I think until we find out if we can push back, we shouldn't do this yet.

Ms. Burns: Can we keep the audience comments down, please? If you need to have a side discussion, please step outside. Go ahead, Bob. Sorry.

Mr. Costello: Bob, I agree with you, but what it has come down to as far as I am concerned is we keep spinning our wheels with this guy. If somebody wants to make a motion that we wait until Monday and see what he has to say, we can do that.

Ms. Burns: Can I help out with what I think we are trying to get here, taking the suggestion that I think Bob laid out would be that we would vote to rescind the previous

motion to terminate the purchase and sale agreement, and instead give direction to go back to the seller that we want the extension without the conditions, and should that not be granted, then we can terminate at that time. Is that what I am hearing?

Mr. Deane: I don't want to terminate my motion. I don't want to change my motion. It has been voted on. We will have an opportunity to buy the golf course again in three or four years.

Ms. Sandy: Seeing that vote taken, I think it would be prudent to take a motion to terminate the interlocal agreement because currently it provides that we are working on a purchase of the golf course in conjunction with the other Board. I think if this Board wants to consider pursuing purchase on the golf course on its own, that the first thing to do would be to terminate the interlocal.

Mr. Mecsics moved for the Lake Ashton II CDD Board to terminate the interlocal agreement and the motion was seconded by Mr. Williams.

Mr. Robertson: Was there any indication the Lake Ashton CDD Board would allow us to pursue purchasing the courses ourselves?

Ms. Burns: No. Do you want to abstain, Doug? You are welcome to abstain if you are not clear on what you are voting on.

Mr. d'Adesky: He can't abstain unless he declares a conflict of interest.

Ms. Sandy: I don't know if there is any comment back from the Lake Ashton CDD Board about the Lake Ashton II CDD buying the golf course in the Lake Ashton CDD boundaries and operating it?

Mr. Deane: That is something we would have to take up at a Board meeting.

Ms. Sandy: So there is no direct opposition is I guess what Doug is asking? Doug, essentially they said they would have to take that up at a later Board meeting.

Ms. Burns: So at this point we are just looking for a vote if you are in favor of terminating the interlocal.

Mr. Robertson: Yes.

Ms. Burns: So all in favor?

On VOICE VOTE with all in favor the prior motion to terminate the interlocal agreement passed 5-0 and was approved.

Ms. Sandy: I would ask Andrew to ask the other Board to do that, as well.

Mr. d'Adesky: Yes, I would recommend that you also make a motion terminating the interlocal agreement.

On MOTION by Mr. Deane seconded by Mr. Zacharia with all in favor the Lake Ashton CDD Board approved terminating the interlocal agreement.

FIFTH ORDER OF BUSINESS

**Presentation and Billy Casper Golf
Peer Review (tentative)**

SIXTH ORDER OF BUSINESS

**Review of Estimated Golf Course
Purchase and Operational
Expenses (tentative)**

Ms. Burns: Items #5 and #6 are no longer relevant at this time, so we can move on to Item 7.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution #2019-08
Setting a Public Hearing on Joint
Amenity Rules for Lake Ashton CDD**

Ms. Burns: There is a draft resolution in your agenda package because some of the comments are still being reviewed by staff with everything going on with the golf course and they need further review. At this point, we are just looking to set a public hearing date on those rules. We have two separate resolutions, one for each Board. The first one is for Lake Ashton CDD. If we want to discuss a date, we need a minimum of 30 days, so we are probably looking at early September.

Mr. Meccsics: Jill, did you say it is a draft?

Ms. Burns: They are drafts.

Ms. Sandy: They are essentially what has previously been put together by Supervisors and have not been revised by staff at this point. Because of wanting to include in the agenda packages, we have not made any additional changes; however we can still make changes between now and the public hearing.

Mr. d'Adesky: This is just setting the public hearing date.

Mr. Zacharia: I have copies of each resolution, but I do not have the policies.

Ms. Burns: It was in the agenda that was circulated. I don't know if you have copies in front of you, but it was circulated in the agenda package sent on Wednesday. We are not looking to approve those today. We need to set a public hearing at least 30

days out in order to approve those at that time. So, we are just looking for a date right now. We do not have another joint meeting scheduled, so we would need to choose one. Based on today's date, the earliest we could set it for would be the first week of September, but that is the week of Labor Day, so we could push it to the week after that.

Mr. Zelazny: We have a meeting on the 22nd. Can't we do it on the same day?

Ms. Burns: We can't. There is not enough time to notice the public hearing. We need at least 30 days to notice the rules. Fridays seem to work so maybe September 20th in the morning? Does anyone have an objection to that date?

Mr. Plummer: Yes.

Ms. Burns: Bob, you have an objection to that date?

Mr. Plummer: Yes. I am not going to be there. A week later?

Ms. Burns: Bob will be out-of-town. The 27th at 11:00 a.m.? Would that work?

Mr. Plummer: That works.

Ms. Burns: I don't hear any objections from anyone else, so sounds like September 27th works. Christine is not here, so we will verify the location, but I am sure that it is enough notice to move things around if need be. I am going to ask again if you want to have side conversations to please take them outside. It is really rough on the person doing the minutes to be able to hear everything. We are not trying to nag on you, but the Boards need to get through these items. Consideration of Resolution #2019-08 Setting a Public Hearing on Joint Amenity Rules for Lake Ashton CDD to be set for September 27th at 11:00 a.m. at the clubhouse. Do we have a motion to approve that from Lake Ashton CDD?

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor Resolution #2019-08 Setting a Public Hearing on Joint Amenity Rules for Lake Ashton CDD was approved; and the public hearing was set to be held on September 27, 2019 at 11:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution #2019-10 Setting a Public Hearing on Joint Amenity Rules for Lake Ashton II CDD

Ms. Burns: And for Lake Ashton II CDD, Resolution #2019-10 will set the public hearing for September 27th at 11:00 a.m. at the clubhouse. A motion to approve?

On MOTION by Mr. Williams seconded by Mr. Mecsecs with all in favor Resolution #2019-10 Setting a Public Hearing on Joint Amenity Rules for Lake Ashton II CDD was approved; and the public hearing was set to be held on September 27, 2019 at 11:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

NINTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Ms. Burns: Do any of the Supervisors have anything? If not, we will turn it over for general public comments.

Mr. Williams: Can we get some guidelines of what we need to consider from our lawyers before the next meeting? Our next meeting is August 22nd.

Ms. Sandy: Unless we set a special meeting, or the Board can authorize counsel to enter into direct negotiations.

Mr. Williams: I think that is what we need to have the discussion about.

Ms. Sandy: Clearly we have entered into a purchase and sale agreement before with them, so we have some things worked out; however obviously it is different now being just one single Board.

Mr. Williams: The other thing I think we need to know whether we want to spend more money to do that at this time.

Ms. Burns: Do you want us to add an item to the August agenda to discuss that?

Mr. Williams: That is what I would suggest.

Ms. Sandy: Is there any direction the Board would like to give staff between now and the August meeting?

Ms. Wright: What happens now to the purchase and sale agreement?

Ms. Sandy: Because we were purchasing it together, if one party terminates it, it effectively is terminated. There are several options now. One is just walking away. Two is exploring purchasing the golf course on our own, and we can either have a special meeting, give direction to staff to negotiate a new purchase and sale agreement, or an amendment to this purchase and sale agreement. However, since we are well down the path of this purchase and sale agreement, obviously a lot of the timeframes would need to be changed.

Mr. Zelazny: Jillian, how much advanced notice do we need to have a workshop?

Ms. Burns: Seven days, plus at least two to get it to the newspaper, so really it is a minimum of 10 days between now and then to schedule something.

Mr. Zelazny: Couldn't we have a workshop about the golf course when Doug is available the first or second week of August?

Mr. Robertson: Can we continue this meeting until next week?

Mr. Mecsics: When do you get back, Doug?

Mr. Robertson: Next week.

Ms. Sandy: Since this is a joint meeting, I think we would have to have motions by both Boards to continue the meeting, and I don't think that would be the best idea. We want to discuss this as just our Board, so therefore, I think it would be better to set a special meeting or have the discussion at our August meeting.

Mr. Zelazny: I would ask that we schedule a workshop before that, early in August after Doug returns and do nothing until then.

Ms. Sandy: And I should clarify for both Boards, due to the Lake Ashton CDD's vote to terminate the purchase and sale agreement, staff would send a notice prior to Monday that we volunteer to terminate the purchase and sale agreement.

Ms. Wright: Is that all that is in it, or can that notice include our intentions to have a workshop to discuss going forward?

Ms. Sandy: We can convey that.

Mr. Williams: If we don't terminate it on this side are we bound by anything in that?

Ms. Sandy: The purchase and sale agreement? Currently we don't have the ability to pursue the purchase and sale agreement on our own. We would have to amend it to remove Lake Ashton CDD from the purchase and sale agreement, or we could negotiate a new purchase and sale agreement.

Mr. Williams: If we amend it to take them out of that, then that means that purchase and sale agreement is in force for us. Are we committed then as of Monday to honor that?

Ms. Sandy: The seller would have to agree to amend the purchase and sale agreement.

Mr. Williams: Then aren't we past the due diligence period?

Ms. Sandy: I think that would all be part of the negotiation of removing Lake Ashton from the purchase and sale agreement and extending the due diligence periods.

Mr. Williams: I think you are putting us at risk if you don't terminate this one and move on to something new.

Ms. Sandy: Based on the vote that Lake Ashton took we did.

Mr. Williams: But you keep talking about amending it.

Ms. Sandy: No, I said that is an option. Right now the purchase and sale agreement is completely terminated based on the actions taken today. This Board, if you wanted to take a vote and give direction to staff to do those three things I said, we can either do nothing at this point, we can ask the seller to amend the purchase and sale agreement for just us to purchase it, or we can enter into new negotiations for a new purchase and sale agreement.

Mr. Mecsics: I would move for us to go to the seller and ask them to amend the purchase and sale agreement. We already have this in place. If we can amend those portions, we can continue on.

Mr. Williams: We would get another 45 days due diligence period?

Ms. Sandy: I can't guarantee anything. It would all be part of negotiations.

Mr. Williams: So, we are going to put in that is what we want, but if he doesn't agree to that, it is done?

Ms. Sandy: It might be prudent to continue terminating this purchase and sale agreement and negotiating a new one.

Mr. Merritt: When Sarah is talking about amending, let's first discuss what we have in the agreement. We have a joint obligation with the Lake Ashton CDD to acquire the golf course. They have elected to terminate, so therefore we collectively between the two Districts cannot perform. Functionally what has happened is the contract is terminated. So, then, the next question is, we can amend this contract and reinstate it, and if we can accomplish that within the same instrument and make the necessary changes to remove those provisions that relates to Lake Ashton CDD, but there would be reinstatement as part of that process. That is what the amendment option looks like, but to be clear, there would need to be a termination of this existing contract because we, speaking as Lake Ashton II CDD, cannot perform because our partner has backed out of the deal. The other option, again, we are still terminated, to negotiate a brand new contract with the seller and I would presume, but don't know, they would probably have similar provisions

but with appropriate changes to recognize how far we have gone on this process. Again, that is all speculation at this point, but the ultimate consideration is we are terminated. The agreement we have been traveling under for the last 40-something days, we can no longer travel under, so we protect your rights, our recommendation is to send a termination letter to the seller, and then if it is the Board's pleasure to have further conversations with the seller, we can do that with your direction.

Mr. Williams: So if we amend the contract, it would then come back to the Board for approval of those amendments before the new contract is in place and the new diligence period would start over again?

Mr. Merritt: That would be part of negotiations with the seller.

Mr. Williams: Okay, so that would be within the amended contract, it would state that or not.

Mr. Merritt: Yes. We would have to renegotiate all of those terms.

Ms. Burns: So, at this point, I think we are looking for a date for a Lake Ashton II workshop to be scheduled. The earliest based on advertising timelines is probably August 7th. That would be the earliest. I am not sure I can do the 7th, though. Maybe the 8th or 9th? August 9th is Friday. Is the Board okay with that? Mary, are we okay with the room on that day if we do it at 9:00 a.m.?

Ms. Bosman: Yes.

Mr. Robertson: Can we have a regular meeting, not just a workshop so we can vote if we need to?

Ms. Burns: Yes. That is probably better. Let's schedule a regular meeting so that to the extent you want to take a vote, you have the ability to do so. We will schedule a Lake Ashton II CDD meeting for August 9th at 9:00 a.m. Is there anything else from the Boards before we turn it over for general public comments?

Mr. Williams: What is our negotiation with the East if we go forward? How does that work now?

Ms. Sandy: That is something we can discuss at the next meeting. Effectively right now, we don't have an interlocal agreement with Lake Ashton. They are not part of this negotiation process anymore.

Mr. Williams: Doesn't that have to be listed as part of the purchase and sale agreement? We have to have an interlocal agreement with them, but it is going to be a different interlocal agreement now?

Ms. Sandy: I think it would be something we would consider doing as part of considering purchasing property for the golf course within Lake Ashton CDD, we would want to consider having an interlocal with them.

Mr. Williams: That is what I was saying. Before we can commit to a purchase and sale agreement, we would have to know that.

Ms. Sandy: I think that would be prudent, yes.

Mr. Williams: I don't want to enter into a contract to buy a piece of property or golf course without knowing how much they are going to contribute.

Mr. Zelazny: We are not making any decisions today. We cannot do anything until the East decides they will allow us to purchase the golf course.

Ms. Sandy: I would disagree with that last part saying they don't have to approve our sale of the purchase.

Mr. Zelazny: I thought it was determined that we could not own property in the East unless they agreed to allow us to purchase it.

Ms. Sandy: That is before our firm's time, so I don't know the particulars of that.

Mr. Zelazny: I asked earlier will you allow us to purchase the property on the East, and they said no, we want to have a meeting about it. That is why I am saying we can't go into anything about that until the East decides to allow us to purchase it.

Ms. Sandy: No, Bob. What I am saying is our firm has looked into it, and we need to do some additional research, but we do think that this Board can move forward with purchasing the golf course in Lake Ashton CDD without their approval.

Ms. Burns: Anything else from either Board before we take any general public comments? Anybody? Anybody with comments can come up to the podium.

A resident: I am a new resident here at Lake Ashton. This is my first meeting, and I didn't like the disrespect from the Board here calling our Board from Lake Ashton II you people. That was very disrespectful and I did not like that. I think from now on, I would appreciate respect between both Boards.

Ms. Burns: Anybody else have any other public comments? Go ahead, sir.

A resident: It has been intimated that the Billy Casper documents are available to the Boards. Shouldn't they also be available to the rest of us?

Ms. Burns: The Billy Casper report is in the agenda package that was posted online on Thursday morning. Any others? Go ahead.

A resident: When I purchased in here, I knew what I was paying. Now I have no say in whether you purchase the golf course. You are sticking me with debt for the rest of my life. I want to remain debt-free. I don't think you should be doing that. We should have a vote for the public before we move forward with buying the two golf courses.

TENTH ORDER OF BUSINESS

Adjournment

Ms. Burns: Do we have a motion to adjourn from Lake Ashton CDD?

On MOTION by Mr. Ference seconded by Mr. Costello with all in favor the meeting was adjourned.

Ms. Burns: Do we have a motion to adjourn from Lake Ashton II CDD?

On MOTION by Ms. Wright seconded by Mr. Mecsics with all in favor the meeting was adjourned.

Lake Ashton CDD

Lake Ashton II CDD

Assistant Secretary/Secretary

Assistant Secretary/Secretary

Chairman/ Vice Chairman

Chairman/ Vice Chairman

JOINT AMENITY FACILITIES POLICIES

OF THE

LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT

AND

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT

DRAFT

August 27, 2019

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**JOINT AMENITY FACILITY POLICIES:
Lake Ashton Community Development District
Lake Ashton II Community Development District**

Law Implemented: ss. 190.011, 190.035, Fla. Stat. (2019)
Effective Date: [_____]

In accordance with Chapter 190 of the Florida Statutes, and on _____, 2019 at a duly noticed joint public meeting and after a duly noticed joint public hearing, the Boards of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District adopted the following rules / policies to govern the operation of the Districts' Amenity Facilities. All prior rules / policies of the Districts governing this subject matter are hereby rescinded.

I. DEFINITIONS

“Amenity Facilities” or “Amenities”- shall mean the properties and areas owned by the Districts and intended for recreational use and shall include, but not specifically be limited to, the Lake Ashton Clubhouse, Lake Ashton Community Center, and the Lake Ashton Health and Fitness Center (HFC), together with appurtenant facilities and areas.

“Amenities Facilities Policies” or “Policies” – shall mean the Joint Amenity Facilities Policies of the Lake Ashton Community Development District and Lake Ashton II Community Development District.

“Amenity Manager” – shall be each respective Districts’ “Community Director,” or in his/her absence, the designated representative.

“Board of Supervisors” or “Boards” – shall mean the Board of Supervisors of the Lake Ashton Community Development District and/or Lake Ashton II Community Development District.

“Commercial Purposes” – shall mean those activities which involve, in any way, the provision of goods or services for compensation.

“Districts” – shall mean the Lake Ashton Community Development District (“LA CDD”) and Lake Ashton II Community Development District (“LAII CDD”), each a political subdivision of the State of Florida, created pursuant to Chapter 190 of the Florida Statutes. Each individually may be referred to herein as a “District.”

“District Manager” – shall mean the professional management company with which each District has contracted to provide management services to the respective District.

“Guest” – shall be any Non-Resident invited by a Patron to access and use the Amenity Facilities. Guests must be properly registered and comply with all Policies. (A Patron’s ability to register may be reviewed by an Amenity Manager if exceeding 12 Guest registrations annually.)

“Individual” – shall mean any Patron, Guest, or Non-Resident utilizing an Amenity.

“Inappropriate Content” – shall mean content that is fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or contains sexual comments, obscenities, nudity, pornography, abusive or degrading language, antisocial behavior, or inappropriate comments concerning race, color, religion, sex, national origin, marital status, or disability, violates any District Policies or rules, has the potential to cause the District(s) public harm or disrepute, or is otherwise unlawful..

“Lake Ashton Community” – shall mean the Lake Ashton residential golf development within which both the LA CDD and LAII CDD are located.

“May” and “Shall” - as used herein, the word “may” is permissive; the word “shall” is mandatory.

“Media” – shall mean certain publications and media produced by the Districts and solely intended to provide community information, including but not limited to the Lake Ashton Times.

“Non-Resident” – shall mean any person(s) who does not own or rent property within either District and has not paid the Annual User Fee.

“Annual User Fee” – shall mean the fee established by each District for any person that is not a Resident and wishes to become a Non-Resident Member. The amounts of the Annual User Fees are set forth herein and is subject to change based on Board action.

“Non-Resident Member” – shall mean any individual not owning or renting property in either District who is paying the Annual User Fee to the District(s) for the non-exclusive right to use of all Amenity Facilities.

“Patron” or “Patrons” – shall mean Residents, Non-Resident Members, and Renters/Leaseholders.

“Political Issue” – shall mean any candidate, whether partisan or nonpartisan, political party, issue, referendum, or amendment that is subject to a vote of electors, whether local, state or federal.

“Renter/Leaseholder” (residential) – shall mean any tenant residing in a Resident’s living unit pursuant to a valid rental or lease agreement.

“Rental Facilities” – shall mean the Amenity Facilities available to Patrons, Non-Residents, and Lake Ashton Community organizations for rent or reservation including, but not limited to,

the Ballroom, Reflection Garden, Card Rooms, Cinema, Conference Rooms, Community Center, Courtyard, Catering Kitchen, Sports Court, Poker Room, and Craft Rooms.

“Resident” – shall mean any person or persons owning a home or lot within either District.

“Staff” – shall mean any employee, contractor, or volunteer that works under the Amenity Manager or District Manager.

II. PURPOSE

This document, jointly prepared and agreed to by both the LA CDD and LAII CDD Boards of Supervisors, applies to all Individuals, pursuant to usage of all Amenities within both Districts. Compliance with the Policies and provisions is mandatory and will be enforced.

The Board(s), the District Manager, the Amenity Manager and Staff shall have full authority to enforce these Policies. However, the Boards by a vote at a public meeting, District Manager, and/or Amenity Manager shall have the authority in its/there sole discretion to waive strict application of any of these Policies when prudent, necessary or in the best interest of the Districts and Patrons; provided however, any permanent waiver must be approved by both Boards and such a temporary waiver of any Policy by the Amenity Manager shall not constitute a continuous, ongoing waiver of said Policy.

The Boards jointly reserve the right to amend, modify, or delete, in part or in their entirety, these Policies when necessary, at a duly-noticed Board meeting, and will notify the Patrons of any changes. Use of the Amenity Facilities may be subject to payment of applicable fees or rates set by the respective Districts. To change or modify rates or fees beyond the increases specifically allowed by District(s) rules and regulations, the Boards must hold a duly-noticed public hearing on said rates and fees.

III. AUTHORIZED USERS

Only Patrons and Guests are authorized to use the Amenity Facilities (each such a “Users”), all as further provided within these Policies and below; provided however certain events may be available to the general public where permitted by the Districts and subject to payment of any applicable fees and satisfaction of any other applicable requirements. Specifically, Users are subject to the following:

RESIDENTS: Residents, upon producing proper identification, can access and use all Amenity Facilities within the Districts. They are entitled to bring up to four (4) guests at a time, unless other arrangements have been made with an Amenity Manager.

RENTERS/LEASEHOLDERS: Residents who rent or lease out their residential unit(s) in the Districts shall have the right to designate the Renter/Leaseholder of their residential unit(s) as the beneficial users of the Resident’s membership privileges for purposes of Amenity Facilities use.

The Renter/Leaseholder may be required to acquire a membership with respect to the residence which is being rented or leased, as well as purchase an ID card in order to be entitled to use the Amenity Facilities. A Renter/Leaseholder who is designated as the beneficial user of the Resident's membership shall be entitled to the same rights and privileges to use the Amenity Facilities as the Resident.

During the period when a Renter/Leaseholder is designated as the beneficial user of the membership, the Resident shall not be entitled to use the Amenity Facilities with respect to that membership.

Residents shall be responsible for all charges incurred by their Renters/Leaseholders which remain unpaid after the customary billing and collection procedure established by the Districts. Resident owners are responsible for the deportment of their respective Renter/Leaseholder.

NON-RESIDENT MEMBERS: Non-Residents may pay an Annual User Fee and have access to all Amenity Facilities. As previously set by each District, both District's Annual User Fee for any person not owning real property within the District is \$2,400.00 per year, and this fee shall include privileges for two (2) people. Such Annual User Fee is adopted by: (i) LA CDD, pursuant to _____; and (ii) by LAII CDD, pursuant to its Chapter II: Non-Residents User Fees, last set on January 8, 2008. This payment must be paid-in-full at the time of completion of the Non-Resident Member application and the corresponding agreement. This fee will cover membership to all Amenity Facilities for one (1) full year from the date of receipt of payment by either District. Each subsequent annual membership fee shall be paid-in-full on the anniversary date of application for membership. Each District retains the authority to establish its own Annual User Fee, per these policies it is the intent of both Districts to set both Annual User Fees at the same level. As previously provided in the Districts rules setting such Annual User Fees, such fee may be increased, not more than once per year, by actions of the respective Boards, to reflect increased costs of operation of the Amenity Facilities. This membership is not available for commercial purposes.

GUESTS: All Guests, regardless of age, must register with the office of the Amenity Manager prior to using the Amenity Facilities. The Patron inviting the Guest must be present upon registration, unless other arrangements have been made with the Amenity Manager's office.

All Guests under eighteen (18) years of age must be accompanied at all times while using the Amenity Facilities by a parent or adult Patron over eighteen (18) years of age.

Guests over the age of eighteen (18) must register and may use the Amenity Facilities unaccompanied by Patron and must also sign a waiver of liability.

Patrons who have registered a Guest are responsible for any and all actions taken by said Guest. Violation by a Guest of any of these Policies as set forth by the Districts could result in loss of that Patron's privileges and membership as set forth in Section 5 – Suspension and Termination of Privileges.

IV. IDENTIFICATION CARDS

ID cards (or similar access devices) may be issued to all members of each Resident's household and/or Non-Resident Members. Guest Passes shall be issued to all Guests upon registering with Amenity Manager. Each Patron and/or Guest will be required to present proper credentials upon request by Staff. If not presented, the individual will be asked to leave the venue. Renters/Leaseholders will be required to purchase their own ID cards (or similar access devices). All lost or stolen ID cards should be reported immediately to the Amenity Manager's office. A fee will be assessed for any replacement cards or additional cards.

V. LOSS OR DESTRUCTION OF PROPERTY AND/OR INSTANCES OF PERSONAL INJURY

Patrons and their Guests assume sole responsibility for his or her personal property. The District and its contractors shall not be responsible for the loss or damage to any private property used or stored on or in any of the Amenity Facilities.

Any Patron or Guest utilizing District equipment is responsible for said equipment. Should the equipment be returned to the District damaged, missing pieces or in worse condition than when it was when usage began, that Patron or Guest will be responsible to the District for any cost associated with repair or replacement of the equipment.

Individuals who, in any manner, makes use of or accepts the use of any apparatus, appliance, facility, privilege or service whatsoever owned, leased or operated by the Districts or its contractors, or who engages in any contest, game, function, exercise, competition or other activity operated, organized, arranged or sponsored by the Districts, either on or off the Amenity Facilities' premises, shall do so at his or her own risk, and shall hold the Amenity Facilities' owners, the District, the Board of Supervisors, District employees, District representatives, District contractors and District agents, harmless from any and all loss, cost, claim, injury, damage or liability sustained or incurred by him or her, resulting therefrom and/or from any act of omission of the Districts, or their respective operators, supervisors, employees, representatives, contractors or agents. Any Patron shall have, owe, and perform the same obligation to the Districts and their respective operators, supervisors, employees, representatives, contractors, and agents hereunder with respect to any loss, cost, claim, injury, damage or liability sustained or incurred by any Guest or family member of said Patron.

Should any party bound by these Policies bring suit against the District, the Board of Supervisors or Staff, agents or employees of the District, or any Amenity Facility operator or its officers, employees, representatives, contractors or agents in connection with any event operated, organized, arranged or sponsored by the District or any other claim or matter in connection with any event operated, organized, arranged or sponsored by the District, and fail to obtain judgment therein against the District or the Amenity Facilities' operators, officers, employees, representatives, contractors or agents, said party bringing suit shall be liable to the prevailing party (i.e., the District, etc.) for all costs and expenses incurred by it in the defense of such suit, including court costs and attorney's fees through all appellate proceedings.

Amenity Facilities are unattended facilities. Persons using the Amenity Facilities do so at their own risk. Amenity Manager's staff members are not present to provide personal training, exercise consultation, athletic instruction, or lifeguard duties, unless otherwise noted, to Patrons or Guests. Persons interested in using the Amenity Facilities are encouraged to consult with a physician prior to commencing a fitness program.

VI. SUSPENSION AND TERMINATION OF PRIVILEGES

i. **Offenses:** An Individual's privileges to use the Amenity Facilities may be subject to various lengths of suspension or termination for up to one (1) calendar year by the Board of Supervisors, and the Individual may also be required to pay restitution for any property damage, if he or she:

1. fails to abide by any District rules or policies, including but not limited to these Policies and the Amenity Rate Rules;
2. submits false information on the application for a photo ID card or Guest pass;
3. permits unauthorized use of a photo ID card or Guest pass;
4. exhibits unsatisfactory behavior, deportment, or appearance;
5. engages in unreasonable and abusive behavior that threatens the welfare, safety or reputation of the District, or its supervisors, Staff, contractors, vendors, or other Patrons or Guests;
6. treats the Districts' supervisor, Staff, contractors, vendors, or other Patrons or Guests in an unreasonable or abusive manner;
7. damages or destroys District property.

ii. **Suspension and Termination Process:** In response to any violation of the rules, regulations, policies and procedures specified herein, including, but not limited to, those set forth in the section (i) above, the Districts, through its Boards, District Manager, and/or Amenity Manager, may follow the process outlined below with regard to suspension or termination of a Patron's or Guest's privileges:

1. First Offense – Verbal warning by Staff of such violations; the warning shall be summarized in a brief written report by Staff and kept on file in the Clubhouse and Community Center.
2. Second Offense – Written warning by Staff of continued violations sent by certified mail to the Patron/Guest and kept on file in the Clubhouse and Community Center offices. In addition, the Patron/Guest will be suspended from the Amenity Facilities for the remainder of the day on which the written warning is issued.
3. Third Offense – Automatic suspension by the Amenity Manager of all Amenity Facilities privileges for one (1) week. A written report will be created; a certified letter will be sent to the Patron/Guest and a copy of such letter kept on file in the Clubhouse and Community Center Offices.

4. Fourth Offense – Automatic suspension by the Amenity Manager from all Amenity Facilities for up to thirty (30) days or until the date of the next meeting of the Board of Supervisors of the District within which the violation occurred, whichever occurs first. An complete record of all previous documented offenses within the previous twelve (12) months will be presented to the Board for recommendation of suspension beyond thirty (30) days or possible termination of the Patron's/Guest's privileges for up to one (1) calendar year from the Board's approval of termination of privileges.

iii. **Health, Safety, Welfare.** Notwithstanding anything contained herein, the Amenity Manager may, at any time, remove, restrict or suspend an individual's privileges when such action is necessary to protect the health, safety and welfare of Districts' supervisor, Staff, contractors, vendors, or other Patrons and their Guests, or to protect the Amenity Facilities from damage.

Such restriction or suspension shall be for a maximum period of thirty (30) days or until the date of the next meeting of the Board of Supervisors of the District within which the violation occurred, whichever occurs first. Such infraction and suspension shall be documented by the Amenity Manager. The Operations Manager, District Manager and Board of Supervisors shall be notified to review this action at the next Board of Supervisors meeting.

iv. **Jurisdiction; Reciprocal.** The ability to suspend or terminate privileges as provided herein shall be held by the District, through its Boards, District Manager, and/or Amenity Manager, in whose boundaries the violation at issue occurred. Violations that result in a suspension or termination in one District shall be brought up at the next Board of Supervisors meeting for the other District. Suspension or termination of privileges shall in no way prevent a member of the District Boards, the District Manager, District staff or members of the public from attending a duly advertised public meeting of either District.

v. **Appeals.** Any Individual who has his or her Amenities privileges restricted/suspended for at least thirty (30) days and/or terminated in accordance with this Policies may appeal such restriction, suspension, or termination to the respective Board for reversal or reduction at the next regular meeting of such Board. The Board's decision on appeal shall be final.

VII. RESERVING FACILITIES

Amenity Facilities are available on a first-come, first-served basis, and subject to applicable fees or rates as set by the appropriate District. Requests to reserve facilities should be submitted through the Staff at the appropriate Amenity Facility.

Reservations are available for up to three (3) hour increments for all facilities listed in the reservation policy, with the exception of the Ballroom and Community Center. These can be reserved for periods up to five (5) hours. Longer time increments may be approved by the Amenity Manager. There are no personal "standing" weekly reservations allowed for the Amenity Facilities listed in the reservation policies. Clubs and organizations may make "standing" reservations. These will be reviewed semi-annually by the Amenity Manager.

The Amenity Manager can reschedule any reservation if requested by a District. The Clubhouse or Community Center Office must be notified if a scheduled reservation cannot be kept so the slot may be re-assigned. Reservations will be held for 15 minutes past your scheduled start time before re-assigning the reservation time slot.

VIII. RENTAL FACILITIES TERMS

Amenity Facilities are available for rent by Patrons, Lake Ashton approved Clubs/Organizations, and Non-Residents in accordance with the Policies of the District and the laws of the State of Florida. A complete list of Amenity Facilities available for rent, along with associated fees and deposits, are located as follows: (i) for LA CDD, _____; and (ii) for LAII CDD, in its Chapter III: Rules for Amenities Rates, last revised on August 22, 2019, as may be amended from time to time (collectively, the “Amenity Rate Rules”).

For functions held at an Amenity Facility having more than 25 people in attendance, a final guaranteed number of guests is to be conveyed to the Amenity Facilities events planner no later than five (5) days before the date of the scheduled event. In absence of a final guarantee, the number indicated on the original agreement will be considered correct. A check shall be made payable to the applicable District.

If required by the Amenity Rate Rules of the respective District, deposit(s) or fees shall be submitted to the Clubhouse or Community Center in the form of a separate check made payable to the “Lake Ashton Community Development District” or the “Lake Ashton II Community Development District,” as applicable.

IX. CLUBS AND OTHER ORGANIZATIONS

Any club, group or organization (collectively, “Clubs”) desiring to utilize the Amenity Facilities activities display space, Channel 96/732, Coffee Meetings, Ashtonliving.net, or the Lake Ashton Times newsletter to promote Club activities must be registered with the Amenity Manager and meet the following criteria:

1. Clubs must be comprised of a minimum of at least five (5) active members; all members must be Residents or Renters/Leaseholders.
2. No Club may be formed, and no activities held within the Amenities Facilities, for commercial or profit-making purposes.
3. The purpose of each Club must be to provide lifestyle-enhancing opportunities to Residents or Renters/Leaseholders and not to effectuate sales of products or services. No one household can profit from the club. Clubs may generate funds through dues and proceeds from Club organized events. If a Club chooses to generate funds, a check-and-balance system must be in place as well as a Club checking account.
4. Club membership and Club activities must be available to all Residents or Renters/Leaseholders. Criteria for Club membership should be governed by the individual club’s by-laws.

5. Rules applying to the formation and admissibility of Clubs may be modified at the discretion of the Boards.
6. Violations of these Policies by any Club may result in the loss of that Club's privileges within the Amenity Facilities.

X. AMENITY POLICIES – GENERAL USAGE

CONDUCT: Individuals using the Amenity Facilities are expected to conduct themselves in a responsible, respective, courteous and safe manner, in compliance with all Policies/provisions and rules of the Districts governing the Amenity Facilities. Violation of the District(s) Policies and/or misuse or destruction of Amenity Facilities equipment may result in the suspension or termination of Amenity Facilities privileges with respect to the offending Individual.

CONFLICTS: Conflicts between Amenity users should be referred to Staff or security. Under no circumstances should verbal or physical confrontation occur between Amenity users.

ALCOHOL: All persons must be twenty-one (21) years of age to consume alcohol at any Amenity Facility and must do so in a responsible manner.

In regards to LA CDD's Clubhouse: no alcohol may be brought into the physical structure of the Clubhouse, adjoining outdoor patio and pool deck. Alcoholic beverages held and/or consumed within the physical structure of the Clubhouse, adjoining outdoor patio and pool deck must be purchased through the holder of the liquor license registered with the State of Florida to serve alcoholic beverages at 4141 Ashton Club Drive, Lake Wales, Florida. Any registered holder of said liquor license shall be required to provide the Amenity Manager with an applicable certificate of insurance naming the District as an additional named insured.

In regards to LAII's Community Center: The Community Center Amenity Manager may approve consumption of alcohol for events held at the Community Center by a vendor who is in possession of a valid liquor license and proof of insurance. See Section XI(vi) regarding the Community Center herein for more specific information regarding alcohol at the Community Center.

SMOKING: Lake Ashton is a smoke-free community. Smoking tobacco products or electronic cigarettes are prohibited at all facilities and venues unless in a designated area

PETS: Pets, (with the exception of duly registered service animals) are not permitted at Amenities Facilities with the exception of Pet Parks. If a special event allowing pets has been approved by the Amenity Manager, pets must be leashed or in an appropriate carrier, or placed in a cage. Users are responsible to pick up after their pets and to dispose of any waste in a designated pet waste receptacle or outdoor dumpster.

PARKING: Vehicles must be parked in designated areas. Vehicles, bicycles and golf carts should not be parked on grass lawns, in any way which blocks the normal flow of traffic, or in any way that limits the ability of emergency service workers to respond to situations. The Amenity

Manager reserves the right to waive this parking restriction in the event overflow parking is needed for a large event.

OVERNIGHT PARKING: There shall be no overnight parking in Amenity Facility parking lots.

OFF-ROAD VEHICLES: Off-road motorbikes/vehicles, excluding golf carts, are prohibited on all property owned, maintained and operated by the District(s).

FIREWORKS: Fireworks of any kind are not permitted on any Amenity Facility or property held by the Districts, with the following exception: the respective Board may approve the use of fireworks over specific bodies of water within its District's boundaries.

SERVICE AREAS: Service areas within the Amenity Facilities are off-limits except for Staff.

DRONES: Drones and all forms of unmanned aerial vehicles are not permitted to be used inside Amenity Facility buildings any time without the written authorization of the District, except as permitted by law or regulation of an applicable government entity.

CHILD CARE: The District will not offer childcare services to Patrons or Guests at any of the Amenity Facilities.

SKATEBOARDING: Skateboarding is not permitted on the Amenity Facilities property at any time. Roller blading is permitted on cart paths and roadways only.

OUTSIDE ENTERTAINMENT: Performances at any Amenity Facility, including those by outside entertainers, must be approved, in advance, by the Amenity Manager.

ADVERTISING: Advertisements for Commercial Purposes shall not be posted or circulated in the Amenity Facilities. Petitions, posters, or promotional material shall not be originated, solicited, circulated or posted on Amenity Facility property unless approved, in writing, by the Amenity Manager.

COMMERCIAL PURPOSES: Activities with Commercial Purposes must have approval from the Amenity Manager

UNATTENDED GUESTS: Amenity users should not leave Guests who have adverse or debilitating health conditions unattended in any of the Amenity Facilities or District property.

PROGRAM/ACTIVITY APPROVAL: All programs and activities, including the number of participants, equipment and supplies usage, facility reservations, etc., at all Amenity Facilities must be approved by the Amenity Manager.

MANAGEMENT SPONSORED EVENTS: The Amenity Manager has the right to authorize management-sponsored events and programs to better serve the Patrons, and to reserve

any Amenity Facility for said events (if the schedule permits) and to collect revenue for those services provided. This includes, but is not limited to, various athletic events, cultural programs and social events, etc.

LOITERING: Loitering (the offense of standing idly or prowling in a place, at a time or in a manner not usual for law-abiding individuals, under circumstances that warrant a justifiable and reasonable alarm or immediate concern for the safety of persons or property in the vicinity) is not permitted at any Amenity Facility.

COMPLIANCE TO STATUTES: Individuals shall abide by and comply with any and all federal, state and local laws and ordinances while utilizing the Amenity Facilities and shall ensure that any minor for whom they are responsible also complies with same.

EQUIPMENT: The Districts maintains a limited amount of equipment to support individual activities such as Bocce, Billiards, Pickleball, Racquetball, Shuffleboard, Yoga, and exercise classes. Please check their availability with the Amenity Manager. Patrons are encouraged to provide their own equipment for recurring use.

HOURS: Hours of operation, including holiday schedules, for Amenities Facilities are established and published by the Amenity Manager(s), and such hours are subject to change at the discretion of the Amenity Manager.

EMERGENCIES: After contacting 911 (if required), all emergencies and injuries must be reported to the gate attendant service (Thompson Nursery Road phone number 863-324-7290, CR 653 phone number 863-318-0237) or Amenity Manager (phone number Clubhouse 863-324-5457 or Community Center 863-595-1562) and to the office of the District Manager (phone number 407-841-5524). If immediate attention to the facilities is required and the Amenity Manager is not present, please contact one of the gate attendants employed by the District.

SIGNAGE: All Political Issue and Commercial Purpose signs outside Amenity Facility buildings are strictly prohibited. All other signs need the approval of an Amenity Manager.

XI. AMENITIES POLICIES – SPECIFIC USAGE

Patrons are responsible for ensuring their Guests adhere to the Policies set forth herein. In addition to the general Policies listed above, each Amenity Facility has the following specific Policies that must be followed:

i. BALLROOM

1. All food and beverages consumed in the Clubhouse Ballroom must be purchased and provided by the Restaurant contracted by the District.
2. Any Resident or Resident activity that qualifies for and is granted a fee waiver under the Rules of Lake Ashton Community Development District, Chapter III, may, with the approval of the Amenity Manager, have an outside caterer provide food and non-alcoholic beverages for an event compliant with Chapter III. The Amenity Manager shall have sole

discretion to grant or deny such a request, and may require the submission of a certificate of insurance, a waiver of liability, or other administrative documentation as deemed appropriate by the District.

3. Each organization, group or individual reserving the use of an Amenity Facility (or any part thereof) agrees to indemnify and hold harmless the District, the owners of the Amenity Facility and the owner's officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity, for injuries, death, property damage of any nature, arising out of, or in connection with, the use of the District lands, premises and/or Amenity Facilities, including litigation or any appellate proceeding with respect thereto. Nothing herein shall constitute or be construed as a waiver of the District's sovereign immunity granted pursuant to Section 768.38, Florida Statutes.
4. The volume of live or recorded music shall not violate applicable City of Lake Wales Noise Ordinances.

ii. BOCCE

1. Bocce equipment, if available, may be checked-out from the Shuffleboard storage closet.
2. Appropriate dress is required on the court. Shirts and shoes must be worn at all times.
3. Bocce balls should not be tossed or thrown outside of the court.
4. Players on the opposite side of the playing or thrower's end should stand outside the court walls. Sitting on the walls is permissible provided one's legs are on the outside of the walls. Please report any loose boards, protruding nails, etc., to the Staff.
5. Children under eighteen (18) years of age must be supervised by an adult Patron who understands the rules of the game.

iii. BOWLING

1. The center is available for open bowling when league play is not scheduled. Reservations are made through the Amenity Manager on a first-come basis.
2. Proper attire must be worn. Bowling shoes are the only acceptable footwear on the lanes.
3. The bowling machines are all self-scoring. If you are unsure how to operate the machines or need assistance, please contact the Amenity Manager or Staff for instructions.
4. No one is allowed past the foul line or on a bowling lane at any time. If it becomes necessary to traverse the lanes, all walking shall be done in the gutter(s).
5. Proper bowling etiquette shall be adhered to at all times. The use of profanity or disruptive behavior is prohibited.
6. No food or drink is allowed in the approach area.
7. If, at any time, the equipment fails to operate properly or your ball does not return, please contact the Amenity Manager or Staff for assistance.
8. No one is allowed behind the pin-setting machines without the permission of the Amenity Manager.
9. Return all balls and shoes to racks when you have finished bowling.
10. Guests under the age of eighteen (18) years of age must be supervised by adult Patron who understands the rules and regulations of the game.

iv. CINEMA

1. Movies are scheduled on a regular basis by the Amenity Manager and open to all Patrons. Seating capacity is 55 and admittance is on a first-come basis. Guests under eighteen (18) years of age must be accompanied by an adult.
2. Movie selections are made by the Amenity Manager's office based on new releases. Suggestions from Residents are also considered.
3. Scheduled movies and show times are posted and subject to change.
4. Closed-captioning is available for certain movies at certain show times. Please check with the Amenity Manager or Staff to obtain the schedule.
5. Be courteous and arrive on time. Movies are not to begin prior to the scheduled show time.
6. Reservations for the Cinema shall be made through the Amenity Manager's office.
7. Contact the Amenity Manager or Staff for assistance with equipment.
8. Be sure the Cinema is clean and free from trash and debris following any function. Any Resident or Non-Resident Member who reserves and holds a function in the Cinema and fails to clean up and return it to the condition in which it was obtained may be charged a clean-up fee by the Amenity Manager.
9. Report any loose seats, lighting issues, or other facility needs to the Amenity Manager or Staff.

v. CARD ROOMS/BILLIARDS/GAMES

1. Rooms are available during normal hours for open play; however, as many different card and billiard games are held at regularly scheduled times, you should contact the Activities Office or Ashtonliving.net for a list of scheduled activities.
2. Reservations for the Card/Game Room can be made through the Amenity Manager's office.
3. When group activities are scheduled, please be courteous of others. Random play is acceptable when the rooms are not scheduled for group activities.
4. Due to the large demand for these rooms, reservations should include the number of tables required to meet the needs of the group. Tables not used will be considered "open" and will be made available for use by another group or individual.

vi. COMMUNITY CENTER

1. Residents, Non-Resident Members, and members of the general public are responsible for ensuring that their Guests adhere to the Policies set forth herein.
2. The volume of live or recorded music must not violate applicable local government noise ordinances.
3. No open burning or candles are allowed at the facility.
4. Alcoholic beverage service, if approved, shall only be obtained through a service licensed to serve alcoholic beverages. Such service will be required to provide the Amenity Manager with a certificate of insurance, naming the District as an additional insured party. The Amenity Manager may make an exception to this requirement, in advance, for community events such as pot luck dinners, bingo events and private functions held by

Patrons who have reserved the Community Center. Patrons will be allowed to bring beer or wine for personal use when such a community event is held.

5. Patrons are not allowed to bring or use grills or smokers at the Community Center. Upon approval by the Amenity Manager, Patrons may hire an insured caterer to provide this service. The location of any grill or smoker will be at the discretion of the Amenity Manager. Such catering service will be required to provide the Amenity Manager with a certificate of insurance, naming the District as an additional insured party.
6. Each organization, group or individual reserving the use of an Amenity Facility (or any part thereof) agrees to indemnify and hold harmless the District, the owners of the Amenity Facility and the owner's officers, agents and employees from any and all liability, claims, actions, suits or demands by any person, corporation or other entity, for injuries, death, property damage of any nature, arising out of, or in connection with, the use of the District lands, premises and/or Amenities Facilities, including litigation or any appellate proceeding with respect thereto. Nothing herein shall constitute or be construed as a waiver of the District's sovereign immunity granted pursuant to Section 768.38, Florida Statutes.

vii. COURTYARD AND OUTDOOR KITCHEN

1. The courtyard is furnished with tables, chairs, and grilling equipment. Reservations for the courtyard may be made through the Community Center Amenity Manager's office.
2. If you are unsure how to operate the grills or need assistance with any equipment, please contact the Community Center Amenity Manager or Staff for instructions.
3. Please contact the Community Center Amenity Manager or Staff for assistance if equipment at the courtyard fails to operate properly.
4. Guests must be eighteen (18) years of age to operate the grills at the courtyard.
5. The courtyard and surrounding area must be clean and free from trash and debris following any function. Patrons reserving and holding a function at the courtyard and fails to clean up and return it to the condition in which it was obtained may be charged a clean-up fee by the Community Center Amenity Manager.

viii. CRAFT ROOMS

1. Craft Rooms are open during normal operating hours. They are available for general use when not reserved.
2. Reservations for the Craft Rooms can be made through the Amenity Manager's office.
3. If, at any time, the equipment in the Craft Room fails to operate properly, please contact the Amenity Manager or Staff for assistance.
4. Please be courteous of others' projects and do not touch or handle them.
5. Guests under eighteen (18) years of age must be properly supervised by an adult.

ix. FITNESS CENTERS

1. Fitness centers are open daily during normal operating hours.
2. Patrons are encouraged to receive training on the apparatus before utilizing equipment; see your Amenity Manager to schedule.

3. Each facility provides televisions for Patrons. Please be considerate when setting volume levels.
4. Individuals must be eighteen (18) years of age and older to use District Fitness Centers.
5. Food, including chewing gum, is not permitted within the District Fitness Centers. Beverages, however, are permitted in the Fitness Centers if contained in non-breakable containers with screw-top or sealed lids.
6. Appropriate attire and footwear (covering the entire foot) must be worn at all times in the District Fitness Centers. Appropriate attire includes tee-shirts, tank tops, shorts, and/or athletic wear (no swimsuits).
7. Each individual is responsible for wiping off fitness equipment after use with the antiseptic wipes provided by the Districts.
8. Use of personal trainers is permitted in the District Fitness Centers with approval from the Amenity Manager.
9. Hand chalk is not permitted to be used in the District Fitness Centers.
10. Radios, tape players, MP3 players and CD players are not permitted unless they are personal units equipped with headphones.
11. No bags, gear, or jackets are permitted on the floor of the District Fitness Centers or on the fitness equipment.
12. Weights or other fitness equipment may not be removed from the District Fitness Centers.
13. Limit use of cardiovascular equipment to thirty (30) minutes and step aside between multiple sets on weight equipment if other persons are waiting.
14. Be respectful of others. Allow other Patrons and Guests to also use equipment, especially the cardiovascular equipment.
15. Replace weights to their proper location after use.
16. Free-weights are not to be dropped and should be placed only on the floor or on equipment made specifically for storage of the weights.
17. Any fitness program operated, established and run by the Amenity Manager may have priority over other users of the District Fitness Centers.

x. HORSESHOES

1. Horseshoe equipment, if available, may be obtained from the Shuffleboard storage closet.
2. Appropriate dress is required on the court.
3. No tossing of horseshoes while someone is in a pit or in the throwing lane. Horseshoes tumble when thrown and participants need to safely clear the pit.
4. Guests under the age of eighteen (18) years of age may play provided they are supervised by an adult Patron and are physically capable of tossing a shoe to the pit. Supervising adults are responsible for children's safety.

xi. INDOOR SPORTS COURTS

1. Various articles of equipment, if available, may be obtained from the equipment storage area.
2. Proper etiquette shall be adhered to at all times. The use of profanity or disruptive behavior is prohibited.

3. Proper athletic shoes and attire are required at all times while on the courts. Shirts must be worn. No black-soled shoes are allowed.
4. Proper safety equipment, such as protective eyewear, must be used when appropriate to the sport being played.
5. Beverages are permitted at the sports courts if they are contained in non-breakable containers with screw-top or sealed lids.
6. No chairs, other than those provided by the Districts, are permitted on the sports courts.
7. Guests under the age of eighteen (18) must be accompanied by an adult Patron.
8. Courts must be cleaned up after use.

xii. LAKES AND PONDS (FISHING)

1. Patrons may fish from any District owned lake/retention pond within the Lake Ashton Community Development District and Lake Ashton II Community Development District. Please check with the Amenity Manager for rules and regulations pertaining to fishing and for proper access points to these bodies of water.
2. No water crafts of any kind are allowed in these bodies of water except for small remote-controlled boats intended for recreational purposes.
3. Swimming is not allowed in any lake or retention pond.

xiii. LIBRARY/MEDIA CENTERS

1. There are two library/media centers; one in the Clubhouse and one in the Community Center. They have books, puzzles, computers, tables, and an area for reading.
2. Books and puzzles are donated by Patrons for use by other Patrons. They may be removed but must be returned upon completion to either Amenity Facility.
3. District computers and their content, including email, are subject to monitoring and access by the District at any time with or without consent or prior knowledge of the user. The District reserves the right to monitor any use of network resources, to monitor computer and internet usage, including, but not limited to: sites visited, searches conducted, information uploaded or downloaded and to access, retrieve and delete any data stored in, created, received, or sent over the network or using network resources for any reason.
4. It is strictly prohibited to use a District compute for wireless internet access to seek, send or store Inappropriate Content (as defined herein) and/or for unauthorized copying of copyrighted material. Examples of copyrighted materials include, but are not limited to: commercial music, video, graphics, or other intellectual property. The Districts assume no responsibility for any damages, direct or indirect, that may occur from the use of its electronic resources. Users of the Districts computers and/or wireless internet access peruse the internet at their own risk, realizing the potential for accessing offensive, inaccurate, illegal, or fraudulent information.
5. The District reserves the right to revoke any User's access to the Districts' computers and/or wireless internet at any time.

xiv. MEDIA

1. Districts' Media (as defined herein) is provided for the dissemination of factual community information by the Districts to Patrons. The District hereby adopts a no commercial advertisements policy, including those related to Political Issues. This policy provides that the District will not, through its newsletter, e-blast system, website, on the recreational facilities walls or grounds or through other District medium, allow commercial advertisements of any kind, regardless of content. The only commercial advertisements permitted are those that are of official District or Club events, as determined by the Amenity Manager.
2. It is the intent of the Districts to maintain Media as a non-public forum for the dissemination of factual community information by the Districts to Patrons.
3. Clubs that meet the criteria for a Club under the Policies and are properly registered with the Amenity Manager, may submit material for inclusion in Media.
4. All information included in Media shall be limited to factual information, shall not advocate passage or defeat of a candidate, party, measure or other Political Issue, and shall not support, endorse or oppose a candidate for nomination or election to a public office or office of political party or public officer.
5. The provisions hereunder regarding Media shall not be interpreted to prohibit any publications, postings, mailings or information produced, endorsed or circulated by the Supervisor of Elections, local, state, federal or other government of competent jurisdiction over the Districts or to such publications, postings, mailings or information permitted under local, state or federal law.
6. The Districts may accept paid political advertising that complies with Chapter 106, Florida Statutes, and all applicable local, state and federal laws. The advertising rates for such paid political advertising shall be the same as those rates charged to other members of the public for paid advertising. It is the sole responsibility of the party submitting the paid political advertising to ensure the advertisements compliance with all laws, including, but not limited to, those laws requiring mandatory language and/or a disclaimer within the paid political advertising.
7. Notwithstanding any of the foregoing, the Districts reserves full editorial rights to select, exclude, modify, add or delete material submitted for inclusion in Media, including the right to edit material relating to Political Issues, and the Districts additionally reserve the right to include a disclaimer in Media noting the LA CDD and LAII CDD does not endorse or support a particular candidate, party, measure or issue.

xv. PAVILION

1. Use of the Pavilion is by reservation only. Reservations can be made through the Amenities Manager's office.
2. The Pavilion is furnished with tables, chairs, fans, electricity, and grills. If you are unsure how to operate the grills or need assistance with any equipment, please contact the Amenity Manager or Staff for instructions.
3. If, at any time, the equipment at the Pavilion fails to operate properly, please contact the Amenity Manager or Staff for assistance.
4. Guests must be eighteen (18) years of age and older to operate the grills.
5. Ensure that the Pavilion and surrounding area is clean and free from trash and debris following any function. Patron who reserves and holds a function at the pavilion and fails

to clean up and return it to the condition in which it was obtained may be charged a clean-up fee by the Amenity Manager.

xvi. PET PARKS

1. Pet parks are open daily from sunrise to sunset. Specific times will vary based on the time of year.
2. The Lake Ashton II Community Development District security Staff will unlock and lock the gates daily.
3. Both pet play parks welcome all sized dogs.
4. Dogs must be kept on a leash until through the transition gates. Owners must carry a leash with them at all times.
5. Owners are liable for the actions and behavior of their dogs at all times.
6. All dogs must wear a collar with identification, current license, and rabies certification. All dogs must have all required current vaccinations.
7. All dog waste must be cleaned up immediately by the owners and disposed of properly in the receptacles provided.
8. Aggressive or unruly dogs must be leashed and removed from the parks immediately.
9. Dogs in heat, displaying aggression or signs of illness or disease are prohibited from using the facility until the circumstances are corrected. This applies equally to dogs with worms, fleas, or ticks.
10. All dog handlers must be at least eighteen (18) years of age.
11. No children are allowed in the parks without adult supervision.
12. Dogs are not allowed to dig holes. Their owners are responsible for immediately stopping the digging and refilling any holes with soil.

xvii. PICKLEBALL

1. Pickleball courts can be reserved through the Amenity Manager. Non-reserved courts are available for open play on a first-come, first-served basis.
2. Use of a pickleball court is limited to one hour when others are waiting, unless the court is used pursuant to a reservation discussed above. Play may continue if no one is waiting.
3. If you find it necessary to “bump” other players when it is your turn to play:
 - a. Never attempt to enter someone else’s court before your reservation time.
 - b. Never enter the court or distract players while others are in the middle of a point or game.
 - c. Wait outside the entrance gate and politely inform the players that you have a reservation time.
 - d. Allow players to finish one more point, and then begin the player changeover for the court.
 - e. If you are bumped from a court and wish to continue play, please notify the office Staff and they will do their best to get you on the next available court.
4. Proper pickleball etiquette shall be adhered to at all times. The use of profanity or disruptive behavior is prohibited.
5. Proper court shoes and attire, as determined by the Amenity Manager, are required at all times while on the courts. Shirts must also be worn at all times.

6. Due to demand, there is a three (3) Guest limit per court. Guests must be accompanied by a Patron and properly registered.
7. No jumping over nets.
8. Players must clean up after play. This includes “dead” balls, Styrofoam cups, plastic bottles, etc. The goal is to show common courtesy by leaving the court ready for play for Patrons who follow you.
9. Court hazards or damages must be reported to the Amenities Manager for repair.
10. No permanent boundary markers or lines may be placed on the courts, other than the existing lines.
11. Beverages are permitted at the facility if they are contained in non-breakable containers with screw-top or sealed lids. No food or glass containers are permitted on the tennis courts.
12. No chairs, other than those provided by the District are permitted on the pickleball courts.
13. Lights at the pickleball facility must be turned off after use.

xviii. RESTAURANT

1. The Lake Ashton Clubhouse restaurant is open to Patrons and Non-Residents. Operating hours and menu are determined by the restaurant and are posted at the Clubhouse and on www.ashtonliving.net.
2. Proper attire must be worn at all times when in the restaurant or when seated on its patio; shoes and shirts are required to receive service.
3. All Patrons and Guests are also required to adhere to any posted Policy regarding the restaurant that has been approved by the Board of Supervisors.

xix. SHUFFLEBOARD

1. Shuffleboard equipment, if available, may be obtained from the Shuffleboard storage closet.
2. Appropriate dress is required on the court. Shirts and shoes are required at all times.
3. Pucks or sticks are not to be thrown.
4. No person or person(s) should walk on or across the Shuffleboard Court.
5. Guests under eighteen (18) years of age may play if supervised by an adult Patron who understands the rules and regulations of the game.

xx. SPA

1. There is no life guard on duty. Patrons and Guests swim at their own risk and must adhere to swimming pool rules at all times.
2. Spa is open during normal operating hours.
3. You must be thirteen (13) years of age to use the spa.
4. Children under the age of eighteen (18) must be accompanied by an adult.
5. Maximum capacity is seven (7) people.
6. No food or beverages are allowed within six (6) feet of the spa.
7. Beverages must be in non-breakable containers with a lid.

xxi. SWIMMING POOLS

1. The Swimming pool is open for free swim unless restricted due to the scheduling of swim lessons and aquatic/recreational programs approved by the Amenity Manager.
2. There is no life guard on duty. Patrons and Guests swim at their own risk and must adhere to swimming pool rules at all times.
3. All Patrons must present proper identification or Guest Passes when requested by Staff. As a rule, a Resident may allow up to four (4) Guests to the swimming pool areas.
4. Use of the swimming pools is permitted only during designated hours.
5. Pool and spa availability may be limited or rotated in order to facilitate maintenance of the facility and to maintain health code regulations.
6. Any person swimming during non-posted swimming hours will be subject to suspension and termination policy.
7. Guests under eighteen (18) years of age must be accompanied by an adult at all times
8. Proper swim attire (no cutoffs) must be worn in the pool.
9. Children under three (3) years of age, and those who are not reliably toilet trained, must wear rubber-lined swim diapers, as well as a swimsuit over the swim diaper, to reduce the health risks associated with human waste in the swimming pool/deck area.
10. Adults with bladder control issues or incontinence must wear appropriate attire.
11. The changing of diapers or clothes is not allowed poolside.
12. Showers are required before entering the pool.
13. No one shall pollute the pool. Anyone who pollutes the pool is liable for any costs incurred in treating and reopening the pool.
14. Loud, profane, or abusive language is absolutely prohibited; no physical or verbal abuse will be tolerated.
15. Diving is prohibited; no diving, jumping, pushing, running, throwing any item or other horseplay is allowed in the pool or on the pool deck area.
16. No pets (except service dogs), bicycles, skateboards, roller blades, scooters and golf carts are permitted on the pool deck area.
17. Radios, tape players, CD players, MP3 players and televisions are not permitted unless they are personal units equipped with headphones or for scheduled activities such as aqua fitness classes.
18. Play equipment, such as floats, rafts, snorkels, flotation devices and other recreational items must meet with Staff approval. Radio controlled water craft are not allowed at any time in the pool area. The facility reserves the right to discontinue usage of such play equipment during times of peak or scheduled activity at the pool, or if the equipment causes a safety concern.
19. Pool entrances must be kept clear at all times.
20. No swinging on ladders, fences, or railings is allowed.
21. Pool furniture is not to be removed from the pool area.
22. No food or drink are allowed within the area of the wet pool deck (which is defined as the area within four (4) feet of the pool).
23. Food and drinks are permitted outside the wet pool deck area. Glass containers, dishes, and drinking cups are prohibited. Food and non-alcoholic beverages may be brought to the pool area for personal use.
24. No chewing gum is permitted in the pool or spa or on the surrounding deck areas.

25. The Districts are not responsible for lost or stolen items.
26. Chemicals used in the pool/spa may affect certain hair or fabric colors. The Districts are not responsible for these effects.
27. The Amenity Manager will control whether swimming is permitted in inclement weather, and the pool facility may be closed or opened at their discretion. While at the Clubhouse outdoor Pool, if the lightning alarm sounds, all Patrons must evacuate the pool immediately.

xxii. TENNIS COURTS

1. Tennis courts can be reserved through the Amenity Manager. Non-reserved courts are available for open play on a first-come, first-served basis. Patrons desiring to use the tennis courts should check with Staff to verify availability. Use of a tennis court is limited to one and a half (1.5) hours when others are waiting, unless the court is used pursuant to a reservation discussed above. Play may continue if no one is waiting.
2. If you find it necessary to “bump” other players when it is your turn to play:
 - a. Never attempt to enter someone else’s court before your reservation time.
 - b. Never enter the court or distract players while others are in the middle of a point or game.
 - c. Wait outside the entrance gate and politely inform the players that you have a reservation time.
 - d. Allow players to finish one more point, and then begin the player changeover for the court.
 - e. If you are bumped from a court and wish to continue play, please notify the office Staff and they will do their best to get you on the next available court.
3. Proper tennis etiquette shall be adhered to at all times. The use of profanity or disruptive behavior is prohibited.
4. Proper tennis shoes and attire are required at all times while on the courts. Shirts must be worn at all times.
5. Guests are limited to three (3) to a single court. Guests under the age of eighteen (18) are not allowed to use the tennis facility unless accompanied by an adult Patron.
6. No jumping over nets.
7. Players must clean up after play. This includes “dead” balls, Styrofoam cups, plastic bottles, etc. The goal is to show common courtesy by leaving the court ready for play for Patrons who follow you.
8. Court hazards or damages of any type need to be reported to the Amenity Manager for repair.
9. Persons using the tennis facility must supply their own equipment (rackets, balls, etc.).
10. No permanent boundary markers or lines may be placed on the tennis courts, other than the existing tennis lines.
11. Beverages are permitted at the tennis facility if they are contained in non-breakable containers with screw-top or sealed lids. No food or glass containers are permitted on the tennis courts.
12. No chairs, other than those provided by the District, are permitted on the Tennis Courts.
13. Lights at the tennis facility must be turned off after use.

14. A Spinshot tennis ball machine is available at the Clubhouse tennis facility. Use of the machine must be used in accordance with posted instructions. Training for the use of the equipment must occur prior to use and persons using this piece of equipment do so at their own risk.

xxiii. WILDLIFE.

1. When using the Amenity Facilities, including especially outdoor areas and open spaces, please adhere to the following guidelines in regards to non-domesticated animals (“Wildlife”):
 - i. Wildlife encountered within the Amenity Facilities should never be approached.
 - ii. Never leave small children unattended.
 - iii. Never feed wild animals or leave food/garbage unattended.
 - iv. Wildlife are likely to be present in all-natural waters or wetlands. Please take caution and be vigilant when close to such areas.
2. The Lake Ashton Community is a natural Wildlife habitat; therefore, exercise caution and vigilance at all times.
3. Please visit the Florida Fish and Wildlife Conservation Commission’s website for more information regarding interaction with Wildlife common to Florida, found here: <https://myfwc.com/conservation/you-conserve/wildlife/>

XII. USE AT OWN RISK; INDEMNIFICATION

Any Patron, Guest, or other person who participates in the Activities (as defined below), shall do so at his or her own risk, and shall indemnify, defend, release, hold harmless, and forever discharge the Districts and its contractors, and the present, former, and future supervisors, staff, officers, employees, representatives, agents, and contractors of each (together, “Indemnitees”), for any and all liability, claims, lawsuits, actions, suits or demands, whether known or unknown, in law or equity, by any individual of any age, or any corporation or other entity, for any and all loss, injury, damage, theft, real or personal property damage, expenses (including attorney’s fees, costs and other expenses for investigation and defense and in connection with, among other proceedings, alternative dispute resolution, trial court, and appellate proceedings), and harm of any kind or nature arising out of, or in connection with, the participation in the Activities, by said Patron, Guest, or other person, and any of his or her Guests and any members of his or her family.

Should any Patron, Guest, or other person, bring suit against the Indemnitees in connection with the Activities or relating in any way to the Amenities, and fail to obtain judgment therein against the Indemnitees, said Patron, Guest, or other person shall be liable to the Districts for all attorney’s fees, costs, and other expenses for investigation and defense and in connection with, among other proceedings, alternative dispute resolution, trial court, and appellate proceedings.

The waiver of liability contained herein does not apply to any act of intentional, willful or wanton misconduct by the Indemnitees.

For purposes of this section, the term “Activities,” shall mean the use of or acceptance of the use of the Amenities, or engagement in any contest, game, function, exercise,

competition, sport, event, or other activity operated, organized, arranged or sponsored by the Districts, its contractors or third parties authorized by the Districts.

XIII. SOVEREIGN IMMUNITY

Nothing herein shall constitute or be construed as a waiver of the Districts' limitations on liability contained in Section 768.28, F.S., or other statutes or law.

XIV. SEVERABILITY

The invalidity or unenforceability of any one or more provisions of these Policies shall not affect the validity or enforceability of the remaining provisions, or any part of the Policies not held to be invalid or unenforceable.

XV. OTHER RULES AND POLICIES

The Districts have also adopted other rules and policies governing the use of District property. Please contact the District Manager for copies of all such rules and policies

RESOLUTION 2019-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT ADOPTING JOINT AMENITY FACILITIES RULES RELATED TO THE USE OF THE AMENITY FACILITIES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lake Ashton Community Development District ("District") is a local unit of special purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Polk County, Florida; and

WHEREAS, Chapter 190 and 120, *Florida Statutes*, authorizes the District to adopt rules, rates, charges and fees to govern the administration of the District and defray costs of operation and to adopt resolutions as may be necessary for the conduct of District business; and

WHEREAS, the District has previously determined to establish and/or modify rules and policies for the utilization of shared community amenity facilities within the District and the Lake Ashton Community Development District ("Board"), and the Board of Supervisors of the Lake Ashton II Community Development District ("Lake Ashton II District"), in cooperation with the Lake Ashton II District, has determined to amend and/or establish rules and policies related to the shared amenity facilities and to replace those rules related to shared amenity facilities previously adopted by the District; and

WHEREAS, after providing notice pursuant to Florida law, and after holding a public hearing thereon, the Board finds that it is in the best interests of the District and necessary for the efficient operation of the District to adopt by resolution joint amenity facilities rules related to the use of the shared amenity facilities, attached hereto as **Exhibit A**, and incorporated herein by this reference, for immediate use and application ("Joint Amenity Facilities Rules"); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The above stated recitals are true and correct and are hereby incorporated herein by reference.

SECTION 2. The Joint Amenity Facilities Rules as set forth in **Exhibit A** are hereby adopted pursuant to this resolution as necessary for the conduct of District business. These Joint Amenity Facilities Rules shall stay in full force and effect unless rescinded or repealed, and shall replace and supersede any rules related to shared amenity facilities previously adopted by the Board.

SECTION 3. If any provision of this resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

PASSED AND ADOPTED this 27th day of September, 2019.

ATTEST:

**LAKE ASHTON COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

Exhibit A: Joint Amenity Facilities Rules

RESOLUTION 2019-15

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT ADOPTING JOINT AMENITY FACILITIES RULES RELATED TO THE USE OF THE AMENITY FACILITIES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lake Ashton II Community Development District ("District") is a local unit of special purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Polk County, Florida; and

WHEREAS, Chapter 190 and 120, *Florida Statutes*, authorizes the District to adopt rules, rates, charges and fees to govern the administration of the District and defray costs of operation and to adopt resolutions as may be necessary for the conduct of District business; and

WHEREAS, the District has previously determined to establish and/or modify rules and policies for the utilization of shared community amenity facilities within the District and the Lake Ashton Community Development District ("Lake Ashton District"), and the Board of Supervisors of the Lake Ashton II Community Development District ("Board"), in cooperation with the Lake Ashton District, has determined to amend and/or establish rules and policies related to the shared amenity facilities and to replace those rules related to shared amenity facilities previously adopted by the District; and

WHEREAS, after providing notice pursuant to Florida law, and after holding a public hearing thereon, the Board finds that it is in the best interests of the District and necessary for the efficient operation of the District to adopt by resolution joint amenity facilities rules related to the use of the shared amenity facilities, attached hereto as **Exhibit A**, and incorporated herein by this reference, for immediate use and application ("Joint Amenity Facilities Rules"); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The above stated recitals are true and correct and are hereby incorporated herein by reference.

SECTION 2. The Joint Amenity Facilities Rules as set forth in **Exhibit A** are hereby adopted pursuant to this resolution as necessary for the conduct of District business. These Joint Amenity Facilities Rules shall stay in full force and effect unless rescinded or repealed, and shall replace and supersede any rules related to shared amenity facilities previously adopted by the Board.

SECTION 3. If any provision of this resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

PASSED AND ADOPTED this 27th day of September, 2019.

ATTEST:

**LAKE ASHTON II COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

Chairman, Board of Supervisors

Exhibit A: Joint Amenity Facilities Rules

Service Currently Posted on AshtonLiving.net	Staff Suggestions or Options on Distribution Method Moving Forward
News articles	CDD staff to send via E-blast
Classifieds	<ol style="list-style-type: none"> 1. Place binder at activities desks 2. No longer provide service through CDD. Direct residents to use outside sources such as Craigslist, NextDoor, Facebook, etc. 3. HOA resumes responsibility on their website. Service is related to yard sales which they already handle
Posting newsletter and calendars monthly	CDD staff to send via E-blast & available at activities desks
Announcements for clubs, groups, organizations; activities; movies; Monday Coffee listings, resident services, etc.	CDD staff to send via E-blast
Posting restaurant and banquet info	CDD staff to send via E-blast
Obituaries	CDD staff to send via E-blast
Text/Voice message alerts	CDD staff to send via E-blast & Encourage residents to sign up with local, state, and federal alert systems, such as AlertPolk
Resident Directory	<ol style="list-style-type: none"> 1. CDD Maintains (will be subject to public records requests) 2. HOA Mantains (can be kept private) 3. No longer provide service

Please note any of these services can be provided through the CDD's websites, but they'd have to be ADA Compliant