

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

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Monday, October 21, 2019 at 10:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lakes Wales, Florida 33859.

Present and constituting a quorum:

Mike Costello
Borden Deane
Robert Plummer
Bob Ference
Harry Krumrie

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Jillian Burns
Andrew d'Adesky
Jan Carpenter
Rey Malave
Christine Wells
Matt Fisher
Sarah Sandy
Numerous residents

Governmental Management Services
District Counsel
District Counsel
District Engineer
Community Director
Field Operations Manager
Hopping, Green & Sams

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll and established a quorum was present and led the pledge of allegiance.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Costello: Ok, we need an approval of the meeting agenda.

Mr. Deane: With regards to the agenda under New Business and Supervisor Requests I would like to add an Item C, the restaurant.

Mr. Costello: Ok, anything else?

Mr. Plummer: Should we change the order and have the election?

Mr. Costello: In speaking with the attorney we can't do that.

THIRD ORDER OF BUSINESS

Public Comment 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)*

Mr. Costello: Public comments and it is on some specific items that are on the agenda.

Mr. Buran: My name is Ronald Buran. I live at 3002 Ashton Palms Drive, Lake Wales. First item is I want to urge the Board to fill the CDD Board vacancy with Steve Realmuto. On his previous appearances where he has asked questions, he has proved to be calm in demeanor. He is very analytical and he is smart. On the second item, I want to give you congratulations on your decision to not participate in the golf course acquisition and I implore you to not reverse on the best decision you have ever made. Owning this golf course would be a disaster waiting to happen and the majority of residents have no interest in paying the enormous and continuing assessments that will be required to operate the 36 hole golf course and we cannot afford to pay. I say this as a person who has lived on a failed golf course. I played on several golf courses that have failed, at least two of them in Charlotte County. Even the courses in Lakeland and Bartow have had difficulties as reported and many of you have probably heard of the Lake Wales County Club. The tax consequences of letting the public play out on this course is not an option in my opinion as reported by the tax assessor.

Mr. Costello: Thank you. Mr. Les Jacobson.

Mr. Jacobson: Good morning. I would also like to talk about the candidates. First of all, I did read all of the resumes and letters that were submitted, and we are very fortunate to have such a high quality and quantity of people that would in fact do a good job. I think maybe one or two not, but it seems like you probably could not go wrong. However, one of the candidates did in fact run for election, put himself out there, and fell just short of votes, Harry Krumrie, which suggests to me that he has a lot of support of a lot of people who voted for him, and I would urge you to choose him, all other things being equal. Next, I would like to address the three members who voted to pull out of the deal on the golf course while all the comments we hear are valid. Those are opposed to it certainly raised good points, but all you have to do is look around the community, what has happened in the last several months with the developers reducing maintenance on

the ponds and what else he is going to do bare minimum. I heard all the excuses or reasons. He didn't give us enough information. Let's wait, wait, wait. He is going to give it to us for nothing if we wait. Let's be realistic, that is a bunch of nonsense. You have spent thousands of dollars of our money getting expert opinions and reports, both of whom came out and gave you every fact and figure you need to make an informed decision. They both suggested that it was feasible and that we can do it even if we have to have a small assessment. The most important thing is protecting our property values. It is not just a golf course. A lot of the money in that golf course operation goes to maintain those items that are really for the benefit of all the homeowners, whether they will admit or not. Even if we do have to pay an assessment, it shouldn't be a number that would hurt anybody in here. I heard \$250 - \$300 a year, whatever it is, it is well worth it. It is proven that if we don't do it, our home values will drop significantly. It is kind of like an insurance policy to maintain our value here. Everybody bought in here because of the way this place looks and the amenities and what we have. You are now beginning to see if we don't do it what will happen. I live on the main pond as you enter the development and there are 24 homeowners on that pond. They now have been circulating a petition they want to maintain this pond by themselves. It will cost us \$400 a home the first shot, and then \$200 thereafter every time they have to come in and do something. We can get the whole golf course and everything for a lot less than that. It just doesn't seem to make sense to me. I don't understand it. I wish you guys would show some leadership, which you haven't done so far. Don't give me that. I have a right to speak.

Mr. Costello: Did I say a word?

Mr. Jacobsen: Yes, sheesh. That is the problem, listen to the people. Secondly, if you won't lead, then follow. At least we have leaders over on the West who are willing to help us out.

Ms. Burns: Your time it up.

Mr. Jacobsen: If you won't lead, then get out of the way. My time is up, so lastly, if you have your home up for sale you should resign from the Board.

Mr. Costello: Margot Stevens.

Ms. Stevens: I live on that lake that he is talking about. His figures are incorrect. However, all I want is to know who is going to take care of it? If we don't do it ourselves

it seems like nobody is interested in taking care of it. You guys haven't done anything about it. It is up to us. I would like very much to have you contribute taking down all those weeds that have grown around the lake. Then, we will take care of the water. We will get all of the hydrilla out of it and all of the other things that are growing. We are going to have a swamp very soon. We are going to have an alligator nest very soon. I'm not anxious for that at. Mr. Costello you are leaning back, folding your arms and looking very smug. I'm sorry, I'm one of those people who live here and have done so since 2003. I would like very much to have you do something about the lakes, not just our lake, all of the lakes. Get on the horn and call. Do something. Keith and I have ourselves gone to all of the facilities we know to go to and you are our best thought because you are in charge. Do something.

Mr. Costello: Thank you. Steve Realmuto.

Mr. Realmuto: Before my three minutes start I really would like to know whether the candidates are going to be provided an opportunity to speak because I did have comments that I submitted a request for to speak on agendas items. If I need to I will provide them, but tell me that, please?

Mr. d'Adesky: We have to discuss that when the item comes up, unfortunately. If anybody is permitted then, everybody has to be permitted to speak.

Mr. Costello: It will be done on an equal basis.

Ms. Burns: You have your time now.

Mr. Realmuto: I guess I will condense my statements. First, my comments on the agenda items, I wanted to point out that we are facing a broad range of important issues, the golf course and continued operation being the foremost among them right now. I understand the CDD II Board was asking you to take several actions today. I don't have time to numerate them but they are very important to address, and hopefully you will be at full strength when you do that. While I like to maintain a healthy skepticism and generally support our acquisition of the golf course lands within our boundaries under the right terms, the devil is always in the details. I do believe we can make it happen if we all had the desire to. I do strongly urge you to oppose any effort to move the boundaries or to give the Winter Haven CDD recreation powers within Lake Wales. As you know that is up for discussion as this has the potential to adversely affect our residents especially those with

homes along Stone Creek Loop and adjoining streets. There are many other primary issues requiring your active leadership. I won't list them, but for these reasons and others, it is essential that you appoint the Supervisor whoever that may be with a broad range of skills, experiences, ideas and historical community knowledge to take an active role on the Board of Supervisors hopefully beginning today. With regard to my candidacy, you have my resume with the skills and experience that I believe are a good match for the Board's needs. In short I'm an engineer for 35 years, technical, financial and business experience together with a long history of community service who brings an open mind and an engineer's discipline to problem solving and management. In Lake Ashton I served three years on the architectural review community. Since coming to Lake Ashton in 2012, I have taken a keen interest in the affairs of our community on many diverse issues. I'm not a one issue candidate. I would like to think that my comments and questions during the public comment portion of meetings that occasionally aided the community as well as given you a chance to know who I am and the kind of Supervisor I might be. I also, as to why you might choose me as opposed to other candidates would be along with the experience in Lake Ashton, I believe I bring the right mix of qualities and new ideas that the Board needs to address the important issues facing us. I also believe that I have an unusual respect and good working relationship with several of the CDD Supervisors that is necessary to get the golf course deal done with acceptable terms to us. That means no acquisition to our CDD beyond normal closing and due diligence expenses that we choose to incur. Ongoing expenses should be limited to maintaining the golf cart paths and ponds that you see are an issue for the benefit of all, guaranteed deeded or easement access to all residents. Thank you for considering me as a candidate.

Mr. d'Adesky: Thank you.

Ms. Burns: Do you have any more public comments?

Mr. Costello: Yes I have one more. Larry Sims.

Mr. Sims: Good Morning. 4169 Stone Creek Loop, Lake Wales. I came in this morning to talk about two issues. One, the appointment of the Supervisor. With regard to that, I am asking you to appoint someone who will vote to combine the East and West CDDs and bring this community together. The savings for this combination, security services, association management and other activities is significant. I heard numbers

anywhere between \$100,000 and \$500,000 but I don't know what it is. I'm sure you probably do. All I want to say is while I know that there is differences between some of you folks up here and the West CDD Board, I don't think the rest of the community shares most of those differences. We all just want to be one community. By the way, people don't know there is a petition in the back of the room to combine the two CDDs and I would recommend that everybody go back and sign that. Second, with regard to the golf course, a couple people have already said what I was planning to say, but first of all, I was really shocked and many others were when this Board a couple months ago voted to walk away from further discussions on the golf course and to cancel the interlocal agreement with the West Board. This was done with no warning and no discussion with the West Board. The West Board evidently has decided to go ahead on its own with an acquisition. This will lead to further divisions and distrust between the two Boards and further divide our community. It is amazing to me that supposedly intelligent people on these two Boards can't agree on whether this is a good deal or not. The only numbers you need which was pointed out earlier you got from the professional people who paid a lot of money to tell us how much it is going to cost to run this golf course. We know how many members we have. We know what the revenue is in the Eagles Nest and the Pro Shop. Crunch the numbers and decide if it is a good deal. If is not then get together with the West, convince them it is not a good deal and walk away from it. If it is a good deal, then let's get together. Heal all the differences between these two Boards and go together as one community. If we don't do this and the West ends up buying this thing on their own and they are responsible for it, this community is going to be forever divided. I wouldn't want the responsibly for that. I hope you folks don't either. Maybe this thing is beyond repair at this point. It wouldn't surprise me, but if it is not, I hope you can come up with some way to heal the community and bring this thing together. Just before I go I have one question. What is the number? What is the worst case of how much it would cost per household if everything was on the negative side, how much is the worst case it would cost every household if we acquire this golf course?

Mr. Deane: We have no idea.

Mr. Sims: We spent over \$100,000 on reports and months and we don't have an answer to that simple question? I'm really disappointed. Thank you.

Mr. Costello: I have no more requests.

FOURTH ORDER OF BUSINESS

**Approval of the Minutes of the
September 16, 2019 meeting**

Mr. Costello: We have the approval of the minutes of the September 16, 2019 meeting.

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the minutes of the September 16, 2019 meeting were approved.

FIFTH ORDER OF BUSINESS

Engineers Report

Mr. Malave: Good morning. I have a couple of things. One, we have been working on the Dunmore outfall pipe system, working on getting one, our permits with S.W.F.W.M.D. We basically have talked to them trying to see how we can get this done with the least amount of permitting efforts. They have requested us to provide a letter of MOT, which requires an application which we have submitted with our drawings. The ones that we have signed we can submit that. I also have received some other options that we want to look at trying to reduce some of the efforts of the engineering construction part of that aspect and third, we are working with our attorney to try and get the easements necessary for being able to have that pipe in that area as it is part of the main pipe coming in on golf course property. Once we have the easements secure we will be able to try and get into that level of being able to authorize our contractor with some of the changes we have made. At the same time also trying to get the letter from the District to say it is approved. With that I will open it for any questions you have on that subject. Bob and I have talked about some options. We are going to go back and see how the calculations work for that.

Mr. Plummer: Thanks for discussing those other options with me and the hydraulics of how that water is going to get away and would not get away. I think we both have a little better understanding about where each one of us was thinking there. I think that going back and looking at a couple of those options may make a significant difference in the cost when we do that.

Mr. Malave: Two things we are trying to achieve just so everybody has a better idea is that if we could reduce the easement needed from the golf course or any work in

there and second minimizing some of the work, any effort to reduce the cost instead of trying to get up there to save time. Those are the two objectives we are trying to achieve here in being able to install this pipe system. The second issue that I have, South West Florida Water Management District has a requirement on all our permits for our storm water permit ponds and lakes and it requires that we do an inspection every seven years. This inspection is due a final report by December of the year. We have coordinated with Matt and Christine on getting our staff out there to start walking every single pond like we have done in previous years. We will create a report that shows how each outfall structure, how each pond is currently existing and then based on that report we will be able to see what any maintenance issues that are required. Then we will be able to do one form which is all they require that says that the system is operating as per our permits. We will be doing that over the next two months. The person that we had just got married so that is why she hasn't started it yet. She is back from her honeymoon next week so hopefully this is a nice surprise for her. She has done it before so she knows the area very well. We are working with the District on other options on getting costs. We have also looked at some of the roadway issues that are out there and inspecting those. Just opening it up if you have any other questions.

Mr. Costello: Litchfield, we were pumping water out of there. Now we went down and took a look at it. Is there any way that we can simply increase the pitch coming out towards either road in order to alleviate the problems that we have there?

Mr. Malave: I don't see any options to be able to do that because it is just difficult. We did provide two options on the being able to put a final structure there. It is just so expensive. Other than grading the slope and having the curb is not really going to effect it because the elevations are just so tight. Right now the water is where it needs to be and it has been as you can tell. We are having a very wet year. It has never happened before. I think you just need to watch it over the next year and see how it works and fluctuates itself. One other option that we talked to Dealtec about over time, fine silk soil kind of covers the bottom of a pond. One option that they had suggested and could be done is you do a scraping of the bottom to kind of get some of that soil mixed a little bit and exposed to the better percolating soil trying to get that silk out. Again it is a major operation and probably the outfall pipes are probably cheaper than doing that. There are

two ponds and they are pretty large. There is just no other way to try to reduce the slopes and the curb to be able to get it to an elevation where it works.

Mr. Deane: Rey, the report on the ponds, is that all ponds on our development?

Mr. Malave: All ponds in the development which are under the permit. It does include some of those in the golf course. Yes, it includes all of them. That is correct.

Mr. Deane: Then we will know what has to be done to all of the ponds including the one that Margo is speaking about correct?

Mr. Malave: That is correct.

Mr. Deane: That is what I wanted to find out.

Mr. Malave: I will make sure she pays special attention to the ones on the north that are not being maintained as well.

Mr. Deane: There is more than one but that one is in bad shape and it is the one that people see when you come into the development.

Mr. Malave: Correct.

Mr. Costello: To clear it up legally other than the ponds that are within Lake Wales we normally take care of. Golf course ponds, legally we cannot do anything with them, am I right or wrong?

Mr. d'Adesky: To the extent that the ponds are part of our stormwater system we can service them for stormwater purposes only for the scope of the permit.

Mr. Costello: I am talking about bringing in Applied Aquatics to enhance the look of it, legally we can't do that.

Mr. Malave: All those things are doable under our current permits including mowing of the side slopes. The key element that's crucial is the maintaining of the pipes coming in and the pipes that control the water going out.

Mr. d'Adesky: To the extent a lot of it for example is private property. We can't be trespassing on that private property and also expending public funds on private property. We are prohibited from doing that.

Mr. Costello: So, what are you saying? This is what I'm saying.

Mr. Malave: There are easements on all the ponds. As long as you stay within those easements, that is all we can do any work. Anything outside of that is private. We cannot do that.

Mr. Costello: I realize that on your part but what I am saying is the one woman, Ms. Stevens I think her name was, she came up and she has a legitimate gripe. I live behind one of the waterways. The only thing being is the fact that people have to come to a realization that legally we cannot fund the cleaning up of these waterways.

Mr. d'Adesky: The esthetics what you are seeing, the landscaping which is the most esthetic part is the part that is typically under private control. The stormwater, it is harder to see that visually then the part that is under private control.

Mr. Costello: Anything else?

Mr. Malave: That is all I have. See you all next month.

SIXTH ORDER OF BUSINESS

Unfinished Business

A. Consideration on Appointing a Supervisor to Vacant Board Seat #4

1) Residents who Submitted Letters of interest: Harry Krumrie, Elizabeth Leigh, Carol Pontious, Steve Realmuto, George Rogers, Trish Safer, Warren Turner, Jack Van Sickle

Ms. Burns: Do you want me to give an overview of the process just so everybody knows how this will work. This vacant Board seat has a term that is up in November 2022. The person that is appointed to this would serve through the rest of that term. We had eight people who were eligible submit. The names you can see are listed on your agenda. All of them submitted either a resume or some sort of letter of interest or both. The Board has had those for about ten days so they have had the opportunity to review those. It will be up to the Board if you want to allow for further time or ask questions. If you want to just go off the written statements and resumes that were submitted that will be up to you. Once we go through whatever process you would like, how it will work is that we open for nominations. So, let's say one Supervisor wants to nominate Jane Doe and then the next person wants to nominate John Doe, we would then take a vote in the order in which they were nominated. We may only have one person nominated. We may have up to four nominated should all four of you like to nominate somebody. Once we go down and vote in the order in which they were nominated you are looking for the first person to get three votes. The first person who gets nominated gets three votes, that is it, they take the seat. If you say nominated John Doe and he is the second person on the list you would want to vote no on the first person in order to vote yes on the second person. Does that make sense everybody?

Mr. Ference: Does the nomination require a second?

Ms. Burns: No, we just open the floor for nominations. If all four of you essentially wanted to nominate somebody you could. If nobody gets three votes, the seat remains vacant until such time somebody obtains three votes. If there is a two – two tie today, it is possible that we don't appoint that seat.

Mr. d'Adesky: It is unfortunate of course we can't do a secret ballot because this is a public forum. Sunshine Law it all has to be out. Unfortunately that is the process we have to follow. You need to have a majority. It needs to pass just like a motion would pass.

Mr. Costello: Does any Supervisor have a thing that they want to do? Do we want to ask questions or just have them give statements?

Mr. d'Adesky: It might be prudent to open it up. We had one candidate that spoke so I would be prudent to open it up. Give them a set amount of time. Two or three minutes to anyone else that would like to come up and speak if they so choose to do so.

Mr. Costello: Ok I'm going to go in the order they are on this sheet.

Mr. d'Adesky: What amount of minutes? Two or three?

Mr. Costello: Three.

Ms. Burns: Just a note to everyone. It is not a requirement that you be here today in order to be appointed. You can appoint someone who isn't necessarily here as well.

Mr. Harry Krumrie: Good morning. I live at 4311 Ashton Club Drive. I know most of you. I think I know all of you. I have been here since 2005. I have been here as long as most people have been. Last November I ran for Seat #4. It certainly if anything, it proved that I have a large community backing for this position. There was over some 300 votes for me in that election. The other things, you do have my resume and I have certainly offered myself to each of you individually trying to get together and see if you had any questions or anything like that so I think you already know me. With me you are going to get somebody who is very visible in the community. I'm at that restaurant a lot. I'm at the Eagles Nest a lot. I'm on the golf course a lot. I'm just in the community. I'm a handshaker. I want to meet new people. You will see me always. If I were to get on the Board, I'm looking at something like an open forum on Monday mornings after coffee once a month so people can come over and ask questions. As far as my background goes, I was chief financial officer of a small community hospital for twenty something

years. I had a position similar to that before that. Basically everything I dealt with is to see it forward so everything would come before the Board. I have also served on other Boards, lots of other Boards. I served on golf course Boards. I have served for the Salvation Army. I'm community oriented. I will serve you well. I will be honest, and trustworthy. I communicate well. I'm opened minded and I have a lot of fresh ideas. I hope you vote for me.

Mr. Costello: Thank you. Elizabeth Lee.

Ms. Burns: She emailed me and said she wasn't able to be here today.

Mr. Costello: Carol Pontious.

Ms. Pontious: Good morning. I am Carol Pontious. I live at 4179 Aberdeen Lane and I have been here since January of 2005. While here I have already served 8 years in this seat on this Board. I just think it is really important to preserve the integrity of the community, the beauty of the situation and to make decisions that are the best for all people involved. We all have specialty interests but when we make decisions we need to make them for all 950 residents of Lake Ashton East. I worked with everyone but Bob. I have enjoyed my time on the Board and if you feel that I can be a benefit to you I would be happy to serve. Thank you.

Mr. Costello: Thank you. Steve Realmuto.

Mr. Realmuto: I said my piece thank you.

Mr. Costello: George Rogers.

Mr. Rogers: First let me say I'm gratified you had such great candidates for appointment here. I know each of them would do an excellent job on the Board. I'm running because I think I have some unique qualifications which might be helpful in the most severe problem I think the community is facing and that is dealing with the golf course acquisition. Regardless of what the Winter Haven Board does I wish them the best of luck with their contract that they are proceeding with, however I do think that in my opinion there is going to be a disaster coming and sooner or later this Board and this community is going to have to deal with it and come up with some good solutions. I have been a trial attorney for 45 years. People only come to me when in fact there is an insurance, a corporation that says we are not going to pay you under the facts that we have here, you are not going to honor this contract or if you are a government agency we

are going to prosecute you. If you go ahead and find the issue just under those facts you are going to lose. As an attorney I'm not the greatest orator. I'm not the greatest legal scholar but what I do and the reason I won over the 45 years the vast majority of my cases is because I'm involved with due diligence. I go on out and hit the street and do my own investigation to find the facts that will assist my client in that case. When I do you never know exactly what you are going to find but when you do a thorough investigation you always come up with something that helps you win and change the argument. Now what has been presented too before the material that you are getting from Maxwell is crap. Let's face it. That survey that was done by your professional golf course analysis is all based on fantasy and hopeful figures. There is really nothing that backs it up in the way of facts. We need facts in this case. We need to have due diligence. We need to get it done over the next two or three years to work up a viable solution to what is going to happen. I think I can help the Board that way so I hope you consider me. Thank you.

Mr. Costello: Thank you. Trish Safer.

Ms. Safer: I live at 3754 Litchfield Loop. As you can see from my resume my background is strong in finance. If no one on this panel knows that cost per household for requiring and maintaining the golf course from all the information that you received so far, then you definitely need my expertise on this Board. I have worked in property management negotiating with residents, vendors and developers. I have developed and managed budgets and budget variances for many properties. I have worked with developers who are starting CDD's, who are turning over CDD's and who are not in control of the CDD's. I have also been on the Board of Directors of more than one community. I would add to this Board a new fresh female perspective and with practical purpose. Thank you.

Mr. Costello: Thank you. Warren Turner. Not here apparently. Jack Van Sickle.

Mr. Van Sickle: 4060 Ashton Club Drive, Lakes Wales. I know the commissioners. I have worked with several of them on different things. My resume states it all but for the residents and the office I will give a little background that they may not be aware of. We got here in March of 2005 and I got involved with the transition of the HOA from the developer to the citizens. I spent six years in the HOA doing work. I set up the original

filing system. When I became secretary, I was handed a box and that was their records. I went through and found the documents that we needed to keep for a period of time. Of course that changed as they started developing and getting computers. There was a lot of work there. Other things that are important to the people are not very visible. In 2007 I was on the city commission and the next year I was elected Mayor. During that time I managed to get the funding for the temporary fire station down the road. When I got on the Board I found out if there was a fire, the firemen could come to your house but could not come in to rescue you because they did not have three people on that truck. They had to wait for the second truck before they could enter your home. I got that money to support this community. Other things very early on and people that were here in 2003, 2004 and 2005 know we had a problem with water. We were on Lake Wales end, it is not a loop system. Engineers will understand that. We had a tendency at 7:00 in the morning everybody taking showers, you had to run around to get wet in your own shower. I worked with an issue that Lake Wales and Winter Haven and got them to agree to install an interconnect between the two communities which is over by the storage area. That saved this community in 2008 or 2009 when the 8 inch pipe coming into the Lake Wales side got hit by lightning, we managed to stop the water coming from Lake Wales and the pressure change allowed the Winter Haven water to feed into this community to keep it up, not high pressure but we had water until that pipe was fixed. Other things that I worked on, I was on a lot of Boards at the county level and also intercounty. On the county level I was in the original community that determined where Polk County road was going to go. Everybody knows it changed and came very close. When I was on that community it was a mile further south. It would stay away from the back south of Lake Ashton. Those are things that I have been involved with. I am an introvert. I am not into a lot of things. I have also been giving this Board different things and recently two of my ideas have been worked on. Mr. Plummer took over security. He came up with a plan. I had given him some initial information. It was not what I thought was going to come out of it but it was done. Solar, I have been pushing for years. That is currently being looked at. I had that information knowledge and concerns for this community. I also understand working in communities because if you look at my background I ran communities developing electronic warfare equipment where I had engineers, logistics, software

people and my job was to ensure we didn't go over budget and keep these guys from killing each other because they all wanted to be high end and pocket the money. I know how to work with people. I listen. That is one thing that I do. When I ran committees when I was Mayor, I had all the Supervisors speak first because frankly some of those guys come up with good ideas and I like to join them when it is a good idea and maybe add something to it to make it a great idea. In the past I see that we are not doing as well as we possibly could, but it is something that is easy to change. I'm looking forward to serving you.

Mr. Costello: Thank you.

Ms. Burns: Do you want me to take over this portion to do nominations? I don't know if the Board wants to have any discussion first or if you want to go ahead and open for nominations?

Mr. Costello: Does anybody have any comments?

Ms. Burns: Nope, then we would open up for nominations if anybody has one feel free to throw out a name.

Mr. Deane: I would like to nominate Carol Pontious. She has been here. She knows what we are doing. She knows it well.

Mr. Plummer: I would like to nominate Harry Krumrie.

Ms. Burns: Anybody have any other nominations? Now we will go on and vote. We will vote in the order in which the nominations were made so the first person is Carol Pontious.

Mr. Plummer: Explain the vote again, how it works.

Ms. Burns: We are going to go in order. Your only options are yes or no. So if you essentially wanted to vote for the second person, you would vote no on the first. If you are in favor of the first person, the first person to get three votes is named. If the first person gets three votes off the back there is no vote on the second person. Does that make sense? Is everybody on the same page? We then begin the vote for Carol Pontious. All in favor. Can we do hands so we can see? Two for and two opposed. We will now go onto Harry Krumrie. All in favor? Three and all opposed one. Mr. Krumrie.

Mr. Costello: Congratulations.

Ms. Burns: Can you come up? Thank you to everybody who submitted and had interest. We know it is a tough decision for the Board.

2) Oath of Office for Newly Appointed Supervisor

3) Election of Officers

Ms. Burns: We are going to go ahead and swear you in. We will do a brief Sunshine outline, but we will do more detail in the end, as well.

Ms. Burns, being a Notary Public of the State of Florida administered the oath of office to Mr. Krumrie, and briefly went over the documents provided in the new Board member packet. The signed oath will become part of the public record.

Mr. d'Adesky: We will do a run through with you Supervisor Krumrie of public records and Sunshine Law afterwards so you are up-to-date. We will also send you material on those laws.

Mr. Costello: Ok, that wasn't as painful as I thought it would be.

SEVENTH ORDER OF BUSINESS

New Business and Supervisor Requests

A. Discussion Regarding Cooperation with Lake Ashton II CDD for Acquisition of the Golf Course(requested by Supervisor Costello) and Consideration of Interlocal Agreement between Lake Ashton CDD and Lake Ashton II CDD Regarding the Acquisition, Operation and Maintenance of the Golf Club

Mr. Costello: The first one is discussion regarding cooperation with Lake Ashton II CDD for acquisition of the golf course. I think at this time we would want to have the attorney for them and I don't know if we want to have some of their membership.

Mr. d'Adesky: I would limit it to staff because once you open it up to anybody else you have to open up public comment to everybody.

Ms. Sandy: First I just wanted to thank the Board for adding us onto your agenda today. I know it wasn't originally on it so I appreciate the Board taking it up and also allowing me to come here and speak to you today. I know I have met many of you but just for the record, my name is Sarah Sandy and I am with the law firm of Hopping, Green and Sams and we represent the Lake Ashton II Community Development District. I know this is a discussion regarding the cooperation of the Districts for the acquisition of the golf course. I know that there has been a long history here and know this Board is well versed in that as well as most of the audience. I don't want to go into the history. I want to focus

on where we are at this time and what our paths are moving forward. Currently, and I think this Board is pretty well informed on the current purchase and sale agreement that Lake Ashton II has but to give a little summary for the audience and to get everybody up to date I will do a quick summary to where we are at this time. The Lake Ashton II Board has a purchase and sale agreement in place with the sellers. We have our schedule for a due diligence period that expires on November 15 and a closing date of December 14, both of this year. As we are quickly moving towards those dates we are continuing with the due diligence that remains at this time. Now the current purchase and sale agreement in contrast to the one previously has a little bit of flexibility built in because the Board knew that they had a couple of options in front of them and they wanted to leave those options open until the point in time that we had to make a decision on which way to go. We have gotten to that point. We are at that point in time where we need to decide which path we are taking. The two main paths are one, the one that I'm here to talk to you about today, the interlocal option and that is the option that would consider cooperation between the two Districts with an interlocal agreement under which the Lake Ashton II Board would move forward with acquiring the entire golf course at this closing this year in December. The second option which I will refer to as the developer option would entail the Lake Ashton II District acquiring the West course at the December closing and then continuing to work with the developer for the next, at least five years on the ownership and management of the East course within the Lake Ashton boundaries. Those are the two options that we have in front of us today. As I said, the one that I'm here to discuss with you is the interlocal option. I believe in front of you, you have a copy of an interlocal agreement as well as a one page summary of the main business points out of that interlocal agreement. This option I feel I can firmly say is the preferred option of the Lake Ashton II Board. I think that is supported by the fact that they have adopted this interlocal in substantial form at their meeting last week. Additionally our feeling is that this option provides and addresses the concerns of both Districts that have been expressed up to this stage. Lake Ashton II is asking for what they think is the minimal cooperation that they need from Lake Ashton I. It addresses the concern, I think it also addresses one of the main concerns of this Board which was insulating it from financial risk. There is certainly risk associated with acquiring and managing a golf course. This interlocal agreement addresses that specifically. It also

addresses the pathway issue and equal use rights to the golf course, it provides that under this interlocal agreement. Lake Ashton I residents or landowners would receive not only equal and access rights to the golf courses and the golf course amenities, but there would also be a non-exclusive easement in favor of the Lake Ashton I residents or landowners over the pathways within the golf courses. I think the main item that this interlocal agreement, and this option really does, is that it provides for as I said with closing the entire golf course at this December date of this year which would allow for getting the golf course out of the hands and control of the developer and into the hands of the community. It would put that ownership and management back into this community and take out the developer at a sooner date rather than protracting out that time line over a longer period. If you don't mind, I'm going to go into the specific points on that sheet that you have in front of you to provide you with just a little more detail on the actual point of the interlocal agreement. First and foremost, the benefits that the interlocal agreement provides to Lake Ashton I first as I said, it provides there is no financial risk or responsibility for Lake Ashton I in conjunction with the acquisition of the golf course. There is no obligation of this District to support any of those or provide for any of those costs. Additionally the same goes for the ownership, maintenance, management, repair and replacement of the golf course provided that Lake Ashton I would have no financial obligation in regards to that. Second as I said, previously it would provide that Lake Ashton I residents or landowners would have equal use rights to the golf course amenities and thirdly it provides that non-exclusive perpetual easement of the pathways with both golf courses for all landowners and residents of Lake Ashton I. In return for that, what Lake Ashton II is asking of Lake Ashton I is to agree to support a request by Lake Ashton II to get recreational powers from the City of Lake Wales. That is something that we will proceed forward with rather quickly. The other item is to support Lake Ashton II's efforts to bring holes 14, 15 and 16 of the West course into Lake Ashton II's boundaries. I want to specifically mention that does not include any of the residential lots that are adjacent to those holes, it is exclusively those three golf course holes. There may have been some miscommunication about that just to emphasize that to the Board. Third, it also provides that it asks that Lake Ashton I cooperate in establishing an equal user rate for all residents and non-residents of the golf course so for all golfers, golfers using the golf course in Lake Ashton I boundaries. Those

are the main requests from this District under the interlocal agreement. There are a few additional provisions that the interlocal agreement provides, specifically these are laying out the potential for future discussions of items that I heard earlier today. Specifically provides that Lake Ashton I could make a proposal to Lake Ashton II for the purchase of all or a portion of the golf course and Lake Ashton II would have to consider that proposal within 60 days of it being made. The agreement states that neither District is obligated to make or accept that proposal but it lays out some perimeters for that. It additionally provides that there would be future discussions on Lake Ashton I ownership and maintenance of the pathways and ponds within your boundaries. Again, a future discussion that the Boards could have over that would look like and the structure of such in the future. The third, it provides and discusses is the attention to having future discussion on the ownership and maintenance of certain common areas within Lake Ashton I's boundaries that are not essential to both golf course operations. I think specifically here we are thinking about there was a discussion of the dog park that the Board had wanted to look at developing. The third item that it discusses is future discussions over easements that this Board might need on the Lake Ashton I golf course, specifically what was in mind here was the drainage easement that is needed. In short that is the interlocal agreement in a nutshell. As you can see in contrast to our prior interlocal agreement, it is much shorter. It tries to clearly lay out the obligations that are and are not of each of the Districts. I think it addresses as I said both concerns of the Districts. Under this, Lake Ashton II will move forward with the entire acquisition which will save costs in terms of acquisition costs and extending that out over multiple years. It will also allow us to as I said, remove the developer from the equation and allow these two Boards to work together instead of this one having to work with the developer on the various items that come up for the lands within your boundaries. It provides the ability for this community to own and maintain the golf course and make sure as everybody is interested in protecting your home values, protecting what is in your community. That said, I'm willing to answer any questions that this Board may have.

Mr. Plummer: As I understand it and correct me if I am wrong, there are two proposals from Lake Ashton II. The first one is purchasing the land in the West and working with the developer as far as golf course operations goes and that is agreement I.

Ms. Sandy: Yes, the developer option as I was talking about.

Mr. Plummer: Agreement 2, and they have the option to pick either one that they would like to go with is involving Lake Ashton I as far as ownership of the land goes. Am I correct there?

Ms. Sandy: Under the purchase and sale agreement? Not specifically in that way. The flexibility is built in so that Lake Ashton II can name a grantee for the land but it doesn't specifically name who that would be.

Mr. Plummer: And I think I understand why that is.

Ms. Sandy: The developer continued negotiations on not making the purchase and sale agreement contingent on Lake Ashton I's participation in the PSA.

Mr. Plummer: The next question that I have is if option 1 is the one they go with and they work with the owner, the owner then still would be responsible for ponds etc. on the East course.

Ms. Sandy: That would fall under a mandatory agreement between the developer and Lake Ashton II. The responsibilities would be likely shifting to Lake Ashton II but the developer would still remain as the likely for now, the owner of the property and they would still have a say in the management and maintenance.

Mr. Plummer: So if we wanted to address the concerns that were spoken here earlier about some of our ponds and things on the East, this may be a legal question as well, the question is for us to ensure that the ponds are taken care of appropriately for all the residents on this side, us having some ownership in the land is the best way to do that.

Ms. Sandy: Correct and I will say under this interlocal agreement Lake Ashton I would not be getting ownership at this point in time of the pathways and ponds but that is something that we have baked into the agreement in terms of our intention and I believe our intention for this Board and correct me if I'm wrong there is to eventually have ownership and maintenance responsibilities for the pathways and ponds. We would have that discussion at a future time. The reason it is not in this interlocal agreement right now is as I said we are under a time crunch and we have to pick a path toward hardening. Unless there is a concrete proposal that provides a fair and equitable compensation which is something that I believe will require further negotiations and details that I don't know if we have the time to build it into an interlocal agreement right now. What I would say is

the idea is that as I said, that the acquisition of the golf courses would be all of the land by Lake Ashton II in December so they would be coming out of the hands of the developer into Lake Ashton II with the idea that the landowners or residents are getting rights to those pathways and the negotiations at that point in time would be with Lake Ashton II, it would not be with the developer. The idea is that we would continue the negotiations on how we could eventually transfer ownership to this Board and that would be the intention. There would have to be a lot more details worked out, I just don't think we have to work out in this interlocal agreement.

Mr. Ference: How does our attorney and what does our legal team think about this proposition and proposal? We have heard from their point of view. What would our attorney's think? What do you think about what has been said here from Lake Ashton II?

Ms. Carpenter: We are somewhat in the same position you are in that we received this when you did it last week. We have a couple questions again we have not researched or spent a lot of time as we weren't directed to do so. We have a couple questions on the acquisition and the ability of Lake Ashton II to acquire in this time period because they are going to be operating outside their boundaries and technology they have to get that permission from a local government if it is possible. We have not seen that happen before. That might be a new question of law whether you can get powers outside. Generally you need an interlocal agreement or some kind of agreement to be able to operate outside your boundaries. That is just one issue we have out there. Overall I think from the District's perspective if the District wants to own the land within their boundaries, acquiring the land would certainly give the District more bargaining power from a business standpoint than having Lake Ashton II and then be at the mercy of the other party. I'm not saying that antagonistically but in any business transaction if they own it all and Lake Ashton I wants to do anything whether it be maintain ponds, grant ownership of ponds, it is much tougher if they already have legal rights to it. The District has a couple of options whether it would be a part of the land and then negotiate how to do it or I guess let them acquire it if they can legally do so.

Mr. Ference: Your point of view then is this is not a time for us to go forward because you have some serious questions about the proposal and have not had a chance to research it and see if it is in our best interest as well.

Ms. Carpenter: I'm not sure if they can go forward under this given the time constraints. Perhaps they can go to Lake Wales and get that legal ability. I'm not sure if that gives them enough time.

Mr. Ference: From our point of view what should our action be?

Ms. Sandy: The interlocal agreement does not ask this Board to make that legal judgement. That is for our Board to move forward on in terms of the right powers requesting that from the city. We are not asking this Board to go to the city to request recreational powers.

Mr. Deane: I have already been to the city, they are not giving up any property.

Mr. Costello: As time goes on let's face it, these Boards are going to change. In the future we could get a Board in there who makes a decision that jeopardizes or hurts us in one way or another. If we give them ownership of the land, believe me I don't want to be any kind of an obstructionist in this, but on the same token I want to protect what we have. I want to see it move forward, and I hope that they do well with it, but on the same token I don't want to do it at the risk that we are going to end up with bills that we shouldn't be paying.

Mr. d'Adesky: Mike, there are several questions. That is one question. Obviously and Jan brought it up, we would have to contract our boundary allowing them to expand our boundary. It is not much a novel situation where one entity is trying to go and acquire recreational powers within the territory or another CDD. We haven't seen it anywhere else. We are not sure whether it is even within the perimeters of Chapter 190 of the Florida Statutes. We might require an opinion of the Attorney General which sometimes can take a couple months to generate but beyond that there are other considerations about that that are not baked into this such as the bond debt. That is a significant financial burden that does need to be retired on that land before it could be acquired by another entity, especially a public entity. That is another consideration that would be a financial consideration that this Board would have to factor in to any analysis and is not addressed in the current interlocal agreement. Clearly as mentioned by the counsel for Lake Ashton II as well as others on the Board the business term whereby the CDD II would have the responsivity to consider a proposal but no requirement to actually go forward with any proposal under any condition is obviously something that this District, even if they wanted

to consider an interlocal agreement might want to sit down and negotiate or further flush out that system such that it might be a little bit more collaborative then one sided. Those are just considerations from the legal standpoint.

Mr. Ference: We will feel a lot better if you tell us that what they are proposing is also in our best interest.

Mr. d'Adesky: That is a business decision. We can't give a business decision.

Ms. Sandy: The debt portion is not addressed in the interlocal because that is not an obligation of this Board. That is not something that this Board would have to handle. That is part of the acquisition from the developer and if the land was acquired and it has a debt lien on it, then yes that would be retired as part of the acquisition but it is part of the interlocal agreement because this Board is not acquiring property as clearly stated as possible. This Board does not have any financial obligations.

Mr. Plummer: Frankly the PSA has, I have read looks like it is very similar to the one that was combined as far as the dollars and cents which does include the bond debt. There is no liability for that back to Lake Ashton I under that PSA.

Ms. Sandy: I want to be very clear about that. I don't know if I miscommunicated to that but under this interlocal agreement and the acquisition option that we are talking about, Lake Ashton I would have no financial obligations under the acquisition portion or the ownership or management portion of the golf course.

Mr. Costello: Have we paid for cart paths in the past?

Ms. Burns: No.

Mr. Costello: And we are being asked to in this?

Ms. Sandy: No. Again the easement would give the landowners and residents in Lake Ashton I the rights to use the pathways but there is no financial obligation. Lake Ashton II would still be paying for the maintenance of them.

Mr. Costello: Ok.

Ms. Sandy: There would be no maintenance obligations on Lake Ashton I. There would be no financial obligation. Like I said, this interlocal agreement is really the minimal cooperation that we would be looking for. There are no financial obligations or management responsibilities with this. It just provides equal use rights. It provides an easement to your landowners and residents and in return it asks for setting the resident

and non-resident golfer user rate in Lake Ashton I golf course. It asks for your support of our request in the city but not actually this Board requesting from the city any rec powers. Then it also asks for your support of the boundary. Again you would have to incur costs to petition for the boundary amendment. We would not ask this District to be the petitioner at all. It would likely be a resolution of support. The other thing I do want to point out about this in regards to the pathways. I know we did discuss and like I said it is our understanding that it is this Board's intention to eventually own and maintain them. We fully support that, but it is not in this interlocal as we frankly don't have the time to work out those kinds of details that I know we are going to want a back and forth on so we have laid out the intention here to say eventually it is our understanding the Lake Ashton I would like to own those and maintain those and to eventually have that discussion. In order to do that we first have to get ownership of the property. If we don't move forward with this, we are going to be looking at the developer to own anything in the property in Lake Ashton I. If you want to get better ownership or maintenance responsibilities for the pathways and ponds, you are practically looking at discussing that with the developer at this point in time as opposed to Lake Ashton II. That is really the main difference there. From my point of view, Lake Ashton II, these are your neighbors. I know the Boards have had their differences at times but that is somebody who has the same point of view as those on this Board, somebody who has the same interest in this community. Protecting your home value and protecting your neighbor providing for your community.

Mr. Plummer: Am I correct that Lake Ashton I owns the land in their District, then agrees to allow Lake Ashton II to operate the golf course, there is no reason to go to the city of Lake Wales and ask for the rights that they were asking for?

Ms. Sandy: I think we would still pursue asking for those recreation powers because that would give Lake Ashton II operating the golf course. Under 190 if you are going to have a recreational amenity such as this building right here, then either as part of the establishment or after that you have to request from the local government recreational power. 190 allows Districts to own amenities and improvements outside of its boundaries so I know as Jan and Andrew said, I have not personally done it but our former person has done CDDs so I believe it is possible that it has happened before. I'm not just one that has done it myself.

Mr. Costello: On page 5 – 6.5, it says the Districts agree that it makes sense ultimately for each District to maintain, repair and replace the pathways and ponds.

Ms. Sandy: Correct, that is the intention to eventually have that discussion. The reason again that we were providing for the intention in here is to show the good faith that we are recognizing the fact that Lake Ashton I would like to eventually do that but again it doesn't provide any specifics in here that those properties would go to Lake Ashton I because at this point in time we have not had the ability to work out those details.

Mr. Ference: Jan, is it in our best interest to do nothing?

Ms. Carpenter: I just want to point out that there is two provisions in the interlocal that jump out at us that the Board should just look at carefully. The first is the interlocal, the offers to purchase. If they purchase the property under this interlocal, any proposal for this Board to buy it back from them, they have to consider, but they don't have to sell it to you. They can hold that up at any point or charge whatever price and I'm not sure that is in your best interest.

Mr. Ference: You are telling us they are going to own the West golf course but the East golf course they are going to own but they don't have to sell that to us no matter if we want to buy it, is that what you are saying?

Ms. Carpenter: Correct. It says they have to consider it, but there is no obligation to accept any proposal.

Mr. Ference: They are going to own both golf courses. Even if we wanted to own our own golf course, they might deny our offer to buy it.

Ms. Carpenter: That is the way it is currently drafted. The other provision is section 6.2, by signing this you agree to reduce the size of this District by the three golf holes that would allow them to execute documents to change boundary amendments. I think it is those three golf holes. You are agreeing to reduce the size of your CDD by those.

Mr. Ference: The more we say, the less it looks like this is not in our best interest from what I can see.

Ms. Sandy: It doesn't reduce, it allows us to petition the local governments to amend the boundaries. We have to go to the city of Lake Wales and Polk County.

Ms. Carpenter: Yes, but it requires this Board to cooperate with whatever Lake Ashton decides to do. That is just the way it is drafted. That doesn't give this Board any

discretion on if they choose to expand their boundary, you would have to cooperate and tell the city you are ok with it for the land that is described in exhibit C.

Mr. Ference: I don't like that potential for never being able to own our own golf course leaving that to the design of the West. I mean by definition we can offer to buy it and they can say no, we are not selling it to you, and then we will never have ownership of our own golf course.

Ms. Sandy: If I can just say one thing. Yes, you are correct and that is a provision within it and that is a good question. I think anybody who owns land would expect the right to be able to accept or not accept an offer. The same that Lake Ashton II could price gauge and charge, the contrast could be true if we're forced to take any offer. You could offer nothing.

Ms. Carpenter: There are ways to negotiate whether it is their cost plus or cost to put some reasonable standards in when you have an option to purchase. There are ways to build it into the contract that it will be their cost plus taxes. The cost over the years, inflation. There are certain ways you could draft it so there was some reasonableness put in there so you knew you could buy it at a cost that would be reasonable to the residents and equal to what the residents in West would be paying.

Mr. Ference: I like that. I that should be built into any agreement we enter into.

Ms. Carpenter: I think the bigger picture for the Board is does the Board want to, they have a contract where they could assign their portion of Lake Ashton I portion to purchase it so the Board could purchase under the same terms you looked at the contract before and then own it. Then you would have control over your destiny if that is what is going to happen or say no and then it would be very tough for them to purchase without the interlocal.

Mr. Ference: Can we ask you to respond to their presentation in their best interest and to do one in our best interest along the lines you just laid out so that we can hear you say what is best for us in this interlocal agreement?

Mr. Costello: One of the things is you are under a time restraint.

Ms. Sandy: Yes. As Jan was just saying, an offer to have this Board, the land being conveyed to this Board, I think anything short of a concrete proposal within the next day or two with very specific parameters and that would include a fair and equitable cost,

pay to show some good faith for the cost that the Lake Ashton II have paid at this point. They have paid the due diligence cost, they have paid legal bills and they are moving forward paying acquisition costs. So short of something would have, I don't believe Lake Ashton II to make a profit but I think they would expect that if they are not going to own the property that those costs would be covered by this Board. Anything short of a concrete proposal with very specific parameters also with the cost associated with it I think is a non-starter and would force us to move forward with the developer option.

Mr. Costello: Quite honestly, I think this should be done at a joint meeting and I realize you are under a time restraint but by the same token there is a lot and don't get me wrong, like I said I have no problem. I know you want to run a golf course. What I am saying under a time restraint, even though this isn't really truly a long document, it's like 8 pages, there is a lot involved in this here. Your people have said quote unquote, that they feel that it is best that the people of Lake Ashton dictate how this property is going to go forward. We feel the same under our side also but the thing is this, here it is, like I say in as much as it is not a long document, it is a rather intense document. There are things in here that quite honestly they are questionable. We don't know what the makeup of these Boards will be like, who knows maybe it will be one Board but by the same token we don't know what the makeup will be like of this Board.

Mr. Ference: How long will it take you Jan to answer these questions within the parameter of the timeline? Could we come up with a reasonable response that is in our favor as theirs is in their favor?

Ms. Carpenter: I think the Board needs to decide what it wants to do. We need the direction, does the Board want to acquire the property and lease it back to the West side? Does the Board not want to acquire property and let them run it how they want? Come up with terms to buy at some point. There is just so many ambiguities in this, it's tough to say.

Mr. Costello: I don't want to give them a blank check, I'm sorry.

Mr. Ference: We do want to acquire the property. I think it has been obvious by what we have said about property values, etc. We don't want to go into hayfield so we do certainly want to own the property, but at any cost and not without conditions that favor the relationship between us as their proposal seems to favor the interest of the West.

Ms. Sandy: If I could just say one thing, I hear that obviously by the Board's past actions there is an interest in acquiring the golf course and protecting the home values. The flip side of that is the ownership and maintenance of a golf course has costs. It has a financial risk. The purpose of this document was to insulate and protect this District who did not want to take the financial risk with the prior purchase and sale agreement from that financial risk and keep it on Lake Ashton II which they are willing to take but it would allow us to work together on the continued operation of a golf course and remove the developer from the community. Currently now, yes, it doesn't provide that would have to accept any proposal for the purchase of the golf course but the same thing applies to the developer. The developer does not have to accept Lake Ashton's proposal to purchase the golf course. Neither does any future owner. That is not built into this interlocal agreement, but we do not as I said, we are trying to move forward and we put together a document that we thought put the least amount of obligations and responsibilities on Lake Ashton I and left the remainder of the financial risk on Lake Ashton II.

Mr. Ference: Unless we are able to provide a document that says just as Jan has pointed out, the sale to us can be with these and these conditions. We are just not going to be able to buy at any condition or any time, I don't like that at all. I think there should be some conditions that so that you do get your cost, you do get your taxes, etc. etc. as Jan pointed out so when we want to buy the property, it will be, oh never mind, we are not going to sell it no matter what. I think there should be a matter where we can eventually own our own golf course and I would like to see that written into this agreement. Can that be done Jan? It is not in there they don't have to accept any proposal we make. There should be a way that we can make a proposal that satisfies your legal obligation, your financial obligations where we can, is that possible?

Ms. Carpenter: What this is allowing them is to acquire the property very quickly under the old purchase and sale agreement that the Board turned down. If they acquire it under this, this Board does lose any bargaining position because it says that we will agree to contract the boundary, they are going to run it, we can buy our paths and ponds at some cost to be negotiated in the future, we can buy the property at some cost to be negotiated in the future. It is almost a little questionable to me how it really is an

agreement because we have sort of given up all the rights of the District. The assumption is it is a government and we will all be fair and it will be able to be resolved but it is not written in there now. It is tough to know what obligations you would be undertaking.

Mr. Ference: I think it is a mistake on our part to go forward not knowing what obligations we would be taking.

Ms. Carpenter: I'm not being negative at the idea because I understand the acquisition of the property is something both Board's desire to do, it is whether the Board wants to do it quickly under those terms. Then I would say if you want to do it, then I would recommend acquiring the property and then figure a ground lease for operations because I think this is tough to be cutting and pasting pieces of the Districts giving them a portion. How are they going to maintain the rest of it that they don't own? You would have no control over that.

Mr. Costello: What would be the latest time that you would have to have a decision by this Board?

Ms. Sandy: This week.

Mr. Costello: This is not a long document but there are things that I think everybody will agree that have to be looked at. The only thing we can do this week I think is instead of adjourning this meeting, we could maybe hold it open and maybe by the end of the week if you can come up with the changes in this document that would give us the protection that we feel we need, we could come in and vote on it as long as you people are in agreement with it.

Ms. Carpenter: Can I just ask the comment you had made is if the Board decided they want to go forward to purchase the sale it would be at a price in the contract plus costs. I suppose that should be presented to this Board too if there's two options they should know the cost of the second.

Mr. Ference: Amen.

Ms. Carpenter: Because that might be something they would prefer to do over entering to this kind of agreement. I just have concerns as to the management. What happens once you expand? What happens to the 18 holes that are left over, will they go to the CDD because the Board no longer has control over those? I think that there is too many questions and I understand you had to put together something because you needed

the interlocal to go forward. I'm not sure how the Board can vote on something with this many openings in it.

Mr. Ference: How soon can you give us some answers to those questions? There are too many questions and not enough answers. How long would it take for you to provide them?

Ms. Carpenter: There are a lot of questions. I'm not sure I can give a potential. What sort of negotiation? Would it be the price that they paid plus their costs? How would we come up with the costs?

Mr. Ference: What is the normal management?

Ms. Carpenter: This is not normal. I'm not sure how you would lay out the management and what you would do long term once an expansion happens. Would you be able to acquire those 18 holes or are you going to be able to say yes or no what happens to them. For the folks that live on the golf course it would be tough to have Lake Ashton II on that property and not know what is going to happen to it? If this Board owns it, you could control what is going to be happening.

Ms. Sandy: Can I just say on behalf of the Lake Ashton II Board that they intend to operate this as a golf course and the only way to do that especially for one that we need to breakeven or make a profit to have golfers, and the way to do that is to maintain the golf course. At this point in time as long as they can continue to manage it as a golf course and cover the costs and through our due diligence have seen that we could eventually make a profit.

Mr. Costello: There are a lot of variables here though also. They could decide well we are going to shut holes down and have three nine hole golf courses which rumor out there has it that is what will happen. It is going to depend on how quickly they can get this into a positive setting financially.

Ms. Sandy: I don't think that situation currently is different with the developer. I think they have made that same threat. The Lake Ashton II Board does have an interest in the community.

Mr. Costello: I don't doubt that and I think that quite honestly I give a lot of credit to them. I think personally we have had so many reports and so many numbers that personally I would have a problem deciding to do it, but by the same token they see

something apparently that we don't see and that is ok. People think in different manners. The only thing is we don't want to put ourselves in any jeopardy whatsoever that something is going to go array and we are going to come up spending a lot of money in order to fix it.

Ms. Sandy: I will defer to your counsel to advise you on that. Under this agreement there is intended to be no financial obligations on Lake Ashton I. I don't know what thoughts there are in terms of what eventual financial obligation there would be but that was the purpose in trying to address both District's concerns. Lake Ashton II wants to move forward. Lake Ashton I sees the value in owning the golf course and keeping it, maintaining to the value to this community but doesn't want the financial risk. This interlocal agreement is trying to marry those two ideas together to get this community to work together to accomplish that.

Mr. Costello: Personally I would hope that we are going to do everything we can in order to allow them to do whatever they want to do but in the meantime we need protection.

Ms. Sandy: In any other scenario that would be an addition to us saying that in the future we would be required to sell the golf course and you don't know until you have a proposal in the future I would see it very hard to work in a proposal into the interlocal agreement a very specific proposal that Lake Ashton II would be required to accept in the future. On the boundary portion that is something that we are going to pursue. If that is the piece that makes this Board uncomfortable, I think that is something that we could probably end up taking out but in terms of requiring certain maintenance levels or requiring a certain proposal be accepted in the future, I just don't think that we have the time to pursue up those details for this interlocal agreement for us to move forward. That would force us to move forward with the other option.

Mr. Plummer: Quite frankly this is my opinion, I'm not going to speak for the other Board members up here, but I don't have any problem with Lake Ashton II operating the golf course. I, like the rest of them here, I believe just want to make sure we own the land on our side and allow them to operate the golf course on our land. The reason behind that is we have complaints of that with folks here this morning wanting us to take care of the ponds. If we own the lands we can take care of the ponds. That is not a problem. We

had an issue with needing to run a drainage pipe through the golf course. If we own the golf course, we can handle that without going to somebody else for permits. Those are all options. The third part is the dog park that we would like to be put in has been held up because of the land acquisition. To me, what I'm saying is, if Lake Ashton II wants to run the golf course, then so be it. Do it. We would like to own the land on our side so that we can work through these issues to deal with our residents.

Ms. Sandy: This interlocal agreement gives the option to work those out later. I think that we are just hand-strung in terms of time because I do think that each of those items are going to require really specific details to be worked out and we just don't have the time to work them out on this. I think that is probably phase II of this agreement. They are showing their intention. They adopted this agreement in substantial form. Their intention to move forward with this and as it is stated in here, the intention to do almost all of those items as long as the proposal made in purchasing either the land on its side, purchasing the pathways and ponds on the easements required or the dog park, that those proposals are detailed and fair. We just don't have the time before the closing to do that. Again we still have the ability to negotiate and I think that is not a closed door in any means. This would allow us to have a more streamline simplified process and future negotiations on that. Without it we would move forward with the other option and it is going to be a longer timeline before that can happen.

Mr. Plummer: If you exercise Option 1, can we move right into negotiations to acquire the land at that point, what is the time ramifications there?

Ms. Sandy: We have the ability over the next five years to name who would be the grantee for the land so who the land would go to but the developer is still involved. They are involved with ownership, management and maintenance. They still have a say. It becomes a more nuance to complicate negotiations.

Mr. Plummer: You hit the nail on the head. The developer is still involved. If we want to take the issues that I talked about prior to this and have that control over that we need to work diligently to acquire the land and get that accomplished. I realize that there are parts of the interlocal that cause some legal issues in either direction but quite frankly it is like any other documents we start with what is presented on day one is never what you get on the last day.

Ms. Sandy: I do believe that is very true, except for the fact that the Board has adopted it in substantial form so to make any changes that are substantive to the agreement, our Board would have to have to meet again to approve it, and like I said we don't have a lot of time.

Mr. Plummer: Quite frankly, I understand that and I applaud them for doing that and getting the thing started and coming back and talking to us about working towards an end where we both own our share of what is out there and then operate it. I have no problem with that but the time constraint and I understand that as well, unfortunately that is where we are at here because I think if it wasn't through the legal document issue we could work out the rest of it in relatively short fashion.

Ms. Carpenter: I think the key portion of this is the price. I think we need to know what this District would have if they want to buy the property as the assignee or if you decide in three months what the price is because we then don't know. This option to purchase almost doesn't feel like an option because it is open ended. I think this Board needs to know what the purchase price would be within a certain realm. Certainly cost would go up and that sort of thing but I think you need to know what it is you are either obligated to do or not do. I think that is the reason the Board turned down the contract a month and a half, two months ago because you felt uncomfortable with those costs. Perhaps if Lake Ashton II could say, ok if you want to be the assignee right now and buy your portion of the property and will manage it under ground lease, we could do a quick interlocal.

Ms. Sandy: Unless this Board has a very specific proposal on what they would do I don't think we have the ability to work that in at this point in time. Unless there is a very specific, that is not something that is part of our purchase and sale agreement that is contemplated in terms of a ground lease and additional documentation. We do have the ability to name who the final grantee would be, but as I said the two options we have laid out at this point is either at December Lake Ashton II acquires the entire golf course or we work with the developer. That is what we have now. I'm not saying that it is completely a done deal for the ability in the future but that is where we are currently.

Ms. Carpenter: I guess I misunderstood. I thought you said that you could assign your rights to purchase Lake Ashton I to lease that.

Ms. Sandy: We can but I guess what I am saying is on our side we don't have the time to come up with an additional proposal to the Board, what this Board would accept. Unless this Board has very specific parameters on what they would accept, I don't think we have the time to entertain a new ground lease or a lease option. It would require a new interlocal agreement.

Ms. Carpenter: I'm a little in a loss because, and I know you all have a contract with a short timeframe that this Board agreed not to do, but I'm a little bit at a loss to be able to say well because they are in a rush, you have to take it or leave it. I don't know if the Board has enough facts to be able to say this is government funds and we are going to appropriately use them. You may feel differently and the Board certainly can.

Ms. Sandy: Again under the option there would be no funds required under the option that we presented.

Ms. Carpenter: But we do have ponds and water management district obligations that the Board has to maintain and we are not really sure how that would happen other than as a matter of course. The old golf course operator chose to do it but if this golf course operator chose not to, there would be a cost to the Board.

Mr. Deane: The city said that the owner of the golf course is responsible for maintaining the golf cart paths and the bridges as they are our secondary road system and it is on the documents in the city of Lake Wales. You people haven't checked with the city of Lake Wales yet. You have to find out what you are dealing with. Yes I have.

Ms. Sandy: I don't think there is a question that Lake Ashton II under this option would be maintaining the cart paths. They have agreed to do that.

Ms. Carpenter: Perhaps Mike had the right idea if people have more questions, hold the meeting open or say there isn't enough information now, you need costs and another proposal to come back.

Mr. Costello: My biggest thing is I understand you are under a time restraint, the clock is ticking. I don't want to deny this to you but by the same token I don't want to give you a blank check. There are things in here which can come back to bite us. Quite honestly, I just can't see where we can in good conscious say go ahead here, we are going to vote on it and we will make the changes later. I hate to say it, once you move forward, it's out of our hands.

Ms. Sandy: I respectfully disagree in the concept that they are obligations on this District, financial or other responsibilities, that is not in this agreement. If you are talking about future negotiations potentially but that depends on what this Board offers and what the negotiations would be at that point in time. Under this agreement there are not financial obligations.

Mr. Costello: I agree with you from what is in here, fine there is no financial obligations. The only thing being is the fact that six months from now you find out that you are not bringing in the money that it takes in order to maintain this course for 36 holes, like I said you decide you are going to shut down nine of the holes, it is more than likely going to be in our District and we at that point, it leaves too many things open.

Ms. Sandy: I would ask the Board to consider what that looks like versus what currently what that would like which is the same might happen/could happen with the developer. The same could happen with any other. It could happen if this Board were to own and manage the golf course if it is not bringing in the money. There are options out there for the future but I think you know Lake Ashton II. You know the Lake Ashton II Board members and you know their intention on how to run this.

Mr. Costello: For not one minute do I doubt their sincerity in the fact of what they want to do. I'm not trying go after them or make them look like bad people in any way but we started out this year with five people and unfortunately one of them passed away and we are fortunate that we have a person of good quality to replace him but by the same token we don't know who is going to be sitting in those seats next year. As time changes we don't know what the intent of their new Board is going to be. My feeling is we have to protect the residents who put us here for that exact reason to protect them.

Mr. Deane: Additionally we had residents come to us this morning about ponds which are owned by the golf course which aren't being maintained at the present time. Who said they are going to be maintained after they spend another \$500,000 to buy the golf course or where is that going to come from when the membership has dropped by more than 70 members this year compared to last year. There are 243 members this year, there were 312 last year. That is a lot of money at \$6,000 a head. Where is that additional money going to come from if it is not assessed to the residents? That is where it comes from.

Mr. Plummer: That is not our problem. That is the West problem. They are operating the golf course. They are the one that is assuming what the membership will or will not be. That is not this discussion. Our discussion here is do we want to own the land that is on the east side and do we want to adjust the interlocal so that we are all in agreement that we are both equally represented in that agreement. I think that is really all we are talking about. What happens to the operations of the golf course as far as financially falls to the West? They made the decision they want to do that. We made the decision, let me rephrase that, some of us made the decision to not progress with that. That is where we are. We are out of that. The only thing we are talking about here today is purchasing our own land and signing the interlocal agreement to protect both of us of their rights. That is all we are talking about.

Mr. Costello: I think we are trying to say that this agreement needs some changes. That is all I'm saying. I have no problem with them operating a golf course.

Mr. Plummer: For the attorneys in the house, don't take exception to what I am about to say, but when you get attorneys writing documents, you are going to have disagreements on both sides because quite frankly, they are the only ones that understand the language in there to start with. Having said that, we each have to depend on our own attorneys to make sure that it is a good working agreement with the other. I am not looking to be protected from the West. I want to work with the West. I want this community to be one community. We are going to be responsible to our residents for the things we talked about earlier and the only way we can take care of that and help those issues out is if we own this land. That is it. However we get there we have to get there.

Mr. Costello: I want to ask our attorney how long by the end of the week can we have an agreement that we can look at that would protect the way we would like to do so?

Ms. Carpenter: I believe Sarah said that is not an option. That Lake Ashton II's, that wasn't one of the options they gave to acquire.

Ms. Sandy: What I was saying is I would need a concrete proposal from this Board.

Mr. Costello: That is what I am saying. Can you adjust this?

Ms. Carpenter: It would be a different agreement. This agreement now calls for them to acquire the property and for this District to agree to reduce the boundary size to allow them to put the three holes in Lake Ashton II.

Mr. Plummer: I'm not sure under the present agreements with the developer himself the option isn't whether we can buy it from him anyway. It can only be sold to the other side and we have to be able to buy it from the West.

Ms. Carpenter: Their agreement says they can assign their right to purchase to Lake Ashton I.

Ms. Sandy: I think what Bob was alluding to is what I was saying is with the exception of a concrete proposal very specific parameters at this point including a fair and equitable purchase price paid to Lake Ashton II or paid as part of the acquisition cost that is probably a non-starter at this point in time. Certainly I can take it back to our Board but I think that would probably be a non-starter at this point.

Mr. Plummer: I'm not sure I understood all that.

Ms. Sandy: What Jan is saying is that yes, we can assign a good purchase and sale agreement who the land goes to but what Lake Ashton II would be expecting in return is a share of the cost for purchasing that land.

Mr. Deane: Share of the cost for buying the land. Is that what you are saying?

Ms. Sandy: Yes.

Ms. Carpenter: So whatever the cost was before that you were paying plus their share of legal fees and due diligence that they have spent to date I think is what Sarah had said before.

Ms. Sandy: Yes.

Mr. Ference: Isn't that reasonable?

Ms. Carpenter: Yes but the Board did turn this idea down a month ago. It is pretty much the same terms as the prior contract. The difference would be after you acquire you would probably, I think from what the Board is saying have a management agreement or something with Lake Ashton II to operate it.

Ms. Sandy: Those are the kind of details of what does that agreement look like in terms of Lake Ashton II operating the golf course, managing a golf course, paying for maintenance if they again are continuing to be the financial responsible entity, how does that work between the two Districts currently? We are going to have a deficit funding agreement with the developer, there are cost overruns we can only assess Lake Ashton II for the cost of running the golf course. This brings Lake Ashton I back into if the land

is getting assigned, my understanding is that this Board didn't want the responsibility that comes with the ownership and management of the golf course or at least wasn't comfortable with it at this point in time. Maybe eventually. Those are items that come with ownership.

Mr. Plummer: I don't understand if we purchase our land and allow the West to operate the golf course, how we are going to come into any of the items that you just said that we would be liable for.

Ms. Sandy: We would have to have a specific agreement on the maintenance responsibilities. It becomes more involved. We would have to have a specific agreement on how the ground lease would work.

Ms. Carpenter: I don't even think it would have to be a ground lease, just a management agreement of some kind that they would be managing it. The hold up in the last interlocal was coming up with a joint management plan. Who would have people on the Board, how it would go? This transaction would be ok, we own it. We will allow them to manage the golf course as a whole and whether we pay them to do that, that would be something the Board would have to discuss the terms of how that would operate.

Ms. Sandy: I understand the Board's discussion. I think we are starting down a path that previously didn't work for both Boards and it ended. Certainly if there is some kind of proposal that we can look at very soon that is something that we can consider but if we are looking to go back to what the structure was before.

Mr. Plummer: Not looking to go back to the structure at all. Not at all. I think we are in agreement here that there is no reason that the West cannot operate the golf course. We just want to own the land and they can operate it.

Ms. Sandy: Maintenance responsibilities and costs would remain with the West.

Mr. Plummer: If we want to talk about cart path, ponds and bridges, I think that's totally negotiable from our standpoint because our residents use all that and we are responsible to maintain those for that. As far as the rest of the golf course, that is part of the golf course management when it comes down to the golf course itself.

Ms. Sandy: I think this is certainly a discussion that we can have. Again in order to move forward with this purchase and sale agreement, I just don't think that we are going to hammer out that management agreement before closing before we need to

decide what due diligence costs were, what we are looking at, what the management structure is going to be. I do think that this interlocal agreement leaves open the opportunity to have that conversation and to potentially do that in the future. I just don't know if we are going to have the time to do that at this point.

Ms. Carpenter: Perhaps this Board needs to talk a little bit about what they want to achieve and whether it is going with the Lake Ashton II proposal or coming up with a response back to them that is a different proposal of what they have asked. We are saying we don't really like this but this is what we are thinking. I think maybe this Board needs to come up with cohesive thought of what they want to do. Do you want to acquire the land and pay for the land?

Mr. Costello: What we are looking at, I don't know but I think basically what we are looking at is to have ownership of the land, rent to you for a dollar a year, whatever some ridiculously low price but you can run the golf course in any way you see fit as long as the land is maintained. Am I right or am I wrong? Most of the people are shaking their heads yes, so I think all we want is non-responsibility. We have other things in here that we run and quite honestly, I don't have any problem with you people running the golf course if that is what you want to do, do it.

Ms. Carpenter: Will Lake Ashton pay for the land to own it or are you looking for Lake Ashton II to pay for the land acquisition in Lake Ashton's name?

Mr. Plummer: I think we need to settle on a figure and we need to purchase the land on our side and do just what we said. Take care of the items that we talked about earlier and let Lake Ashton II operate the golf course.

Mr. Costello: If we are going to pay for it, we will rent it to them at a reasonable cost I would think.

Mr. Plummer: Just let them operate it. We don't have to rent it for anything. They are maintaining the greenspace as a golf course, if it would take a dollar to make a contract or whatever legal.

Mr. Costello: This is what I'm saying, legally I'm sure that somebody passed a law that we have to do that somewhere along the line.

Mr. Plummer: The end result is we want to purchase, I'm saying we, I'm going to speak for the rest of the members here, we want to purchase the land that is on the East

but allow the West to operate the golf course so that we can take care of our ponds for our people over here.

Ms. Sandy: To be clear, you are talking all of those, you are saying owning all of the land within Lake Ashton, not just the pathways and ponds.

Mr. Deane: Yes.

Mr. Plummer: Owning all of the acreage that is involved in the golf course track that is on the Lake Wales side.

Ms. Sandy: I hear that is what the desire is. Of course that's substantially different than what we have presented so like I said if there is a concrete, and when I say concrete proposal, I'm talking about actual written.

Ms. Carpenter: One thought for the Board, and I don't know how Lake Ashton II is planning to finance this, but perhaps it could be bought by Lake Ashton I and whatever financing terms Lake Ashton II and Lake Ashton I would pay back over time since there isn't time to budget or anything else. It could be some sort of mortgage purchase. Again, we don't know enough of the terms of how you are buying it, but even if they want to do it, we don't budget time to come up with the money at this point, I think we need to know somewhat of what the costs are so you can appropriately budget for it if that is the desire.

Ms. Sandy: The acquisition costs are the same as the prior agreement. It is a public document, we are happy to send the purchase and sale agreement over.

Ms. Carpenter: Ok. It is pretty much the same costs as the Board looked at before to acquire and whether the Board has the cash to acquire now or would ask for some concessions or payment I don't know how Lake Ashton II plans to do that?

Ms. Sandy: We are doing similar financing terms, I think it is five years now.

Mr. Plummer: All this boils down to whatever the actual cost of the land is that we are going acquire.

Ms. Sandy: And the due diligence cost associated.

Mr. Plummer: I understand that. That is part of the cost. How will we be able to get there and get it done?

Ms. Carpenter: And see if they will agree to do that. Would that also include if Lake Ashton II acquired the property, would you also allow them to expand their boundary to take the three holes?

Mr. Deane: No. It wouldn't be necessary.

Ms. Carpenter: Just checking. We wouldn't even need an interlocal if we opened it, we would just need the lease management agreement. I guess you would want an interlocal for easements and all that good stuff.

Ms. Sandy: And the user fees on both sides.

Ms. Carpenter: This one with a little bit of the other one tied in.

Ms. Sandy: If we can get changes to this interlocal, again I have to see when we can schedule it or if it's something the Board would even consider.

Mr. Deane: What you are talking about is the purchase price was \$477,000. The developer was paying \$240,000 back on that. That leaves \$237,000.

Ms. Sandy: We haven't determined the \$240,000 remain in the operating funds to cover operating expenses.

Mr. Deane: That would be the cost involved. If you take \$477,000 less \$240,000, that leaves \$237,000. We own 18 holes of golf. If you divide the \$237,000 by the 36 holes, that gives you a cost per hole. We would have 21 and they would have 15 but you find the cost per hole and multiply that times the 21 is what the purchase price is for us.

Mr. Plummer: First of all the \$240,000 that you are talking about is the pre-payment of future dues. It has nothing really to do with the acquisition of the golf course. That is really not part of that because that is their future cost for the memberships that they are going to be allowed. What they do with that money is up to them.

Ms. Sandy: It is money that we would likely be using towards the operation.

Mr. Plummer: I'm not sure that we can subtract that from the cost of the course.

Ms. Sandy: There is also the due diligence cost that we have had to date and that will continue to accrue.

Mr. Deane: We had quite a bit of due diligence also which we paid for.

Mr. Costello: The \$240,000 was with the intent that it would be used to maintain the property due to the fact that they were giving free memberships to people buying homes.

Mr. Plummer: I understand that. We don't have any say in the \$240,000.

Mr. Costello: I agree with you. Let them use that for maintenance. The only thing that I see is that we are buying the land, they are buying land but they are also getting the Pro Shop and the Eagles Nest. There is some value there.

Ms. Sandy: To be clear, I don't have any kind of parameters from the Lake Ashton II Board. I don't have any kind of authority to negotiate a price.

Mr. Costello: This is why I say it should have been a joint meeting.

Ms. Sandy: I think at this point in time, like I said, without a concrete proposal from the Board on what would be accepted, moving forward we can take that back to the Board but outside of that there is probably not going to be much wiggle room in changing the terms of the deal and going back to something that we previously discussed.

Ms. Carpenter: Ok I think this Board knows and Sarah you have done a great dealing with unexpected questions I guess but the Board hasn't considered it. I think the Board needs to decide, do you want to come up with a proposal and we can draft something up and get to them and continue the meeting. Do you want to think about it for a day or two? It is really a matter at this point if you don't want to accept this the way it is with the open ended terms.

Mr. Ference: What do you recommend?

Ms. Carpenter: I can't really give a business recommendation. I have told you what the issues are in this if you don't own the property or if you do own the property.

Mr. Deane: I think we should extend the meeting and then have a meeting Friday or Monday, whatever it is within the next seven days.

Mr. Costello: The only thing there is, are we going to need input from the other CDD as to what they are going to agree to? Are we better off taking one of our people who has dealt with one of their people, have them try, you worked with Mr. Mecsics I believe, maybe the two of you can sit down. We can suspend this meeting instead of adjourning it and by Thursday come up some sort of an agreement. This way to me would be the most logical thing. We don't want to write a blank check.

Mr. Plummer: Mr. Mecsics is looking at his shoes.

Mr. Ference: Jan, is that a doable option?

Ms. Carpenter: It is doable. If the Board wants to delegate to someone to negotiate.

Mr. Costello: I think that would be the best idea. Bob, if you are able to sit down with whoever they determine.

Mr. Plummer: Jim can't negotiate for the Board without being in the Board himself.

Mr. Costello: All I'm saying is maybe Bob could come up with something, tweak this because I think we are all in agreement.

Mr. Plummer: Are we talking numbers?

Ms. Carpenter: I think we could come up with a quick outline of a short interlocal based on what is there with the only open issue really being the cost of the property given the open end. We can come up with what we think it is but that is really a business negotiation. We could work with the other counsel. One thing if the Board does action, we will have to open up the public comment I would think.

Ms. Burns: No we don't.

Ms. Carpenter: It is on the agenda. We could come up with a very rough agreement and run it past Lake Ashton II if you have the authority to look at something, a proposal or something.

Ms. Sandy: Our Board had approved this in substantial form so we don't have necessarily authority to change. We would have to have another Board meeting. That is why we went with what we thought was kind of a bare minimum agreement between the two parties with the intention to continue working together in the future on all the items that have been raised. This would allow us to move forward with this December closing date and this would allow this Board to have no financial risk on this so we can continue to have those conversations as it moves forward.

Mr. Plummer: I am going to try and put a little levity into this so are you saying if we pass the interlocal agreement as presented, it would be like let's pass it and then read it and find out what is in it? I was asking a question.

Ms. Sandy: It is fairly short, eight pages and a page summary. This is what we have in place. This is what the Board has currently agreed to so any further negotiations, I just can't say where they would go and what direction we would end up taking.

Mr. Plummer: In answer to your question, Mike, if you would like for me to sit down with Jim and negotiate whatever the dollar is, I think Jim and I can obviously do that. I think the interlocal agreement is a legal issue and not something, I think Jim and I could do a legal issue, I don't think we should.

Mr. Costello: I don't know if Jim has the authority from his Board.

Ms. Burns: He doesn't.

Ms. Sandy: Bob can always talk to Jim. Jim does not have the authority to negotiate on behalf of the Board so it would have to go back to the Board.

Mr. Costello: Is there any way we can have an emergency joint meeting in order to put an end to all this back and forth. We have been here for quite a while now and we got the basics down but that is it.

Ms. Carpenter: Perhaps this Board needs to just keep open and have their own meeting to come up with what you are all comfortable with, then submit that proposal to them at a joint meeting to talk about. It sounds like there is so many issues with whoever is negotiating is not quite sure what they are negotiating. It seems like this Board needs to agree this is what we want to do. We want to buy this, we want to do a lease, and we want to maintain our ponds. I'm not sure exactly what it is you want to do.

Ms. Sandy: I do want to emphasize even if we did schedule a joint meeting and there was a proposal made, we were given the direction to move forward with the developer option if we didn't get an answer today. There is certainly always the ability to try and schedule a meeting and have that conversation, but as I said I can't guarantee that it is going to be something that we are going to be able to consider negotiating at this point in time.

Ms. Carpenter: Perhaps the developer would be willing to sell it to this Board. Does the contract tie them to not selling to someone during the time period you have an option?

Ms. Sandy: I don't think the contract specifically addresses that. The developer's direction when we were negotiating is that they would assign it as the grantee if that was directed by Lake Ashton II, but they would not negotiate or make the contract contingent on Lake Ashton's involvement.

Mr. Deane: He is trying to force it through.

Ms. Carpenter: If the Board desired I guess we could see if they would sell directly. I'm not sure if that would breach your contract, it is somewhat of an interesting term.

Ms. Sandy: As I said, I don't know if that is an actual term, that was just part of the negotiations. The contract currently is to purchase either all of or a portion of the golf course. They are under contract with us. Again, without having any real specifics, I can't really comment on it.

Ms. Carpenter: We need to look at the contract to see if the District could purchase directly from them or have it assigned. It should be the same terms either way whether it is assigned or direct. That is one option if they go forward.

Ms. Sandy: Again, that puts us back where we were before. How do we jointly manage the interlocal agreement we previously had that had numerous rounds of negotiations terminated and brought back the prior purchase and sale agreement.

Mr. Costello: I take it that it makes their life a lot easier if we do purchase this and agree to rent it.

Ms. Sandy: Whose life?

Mr. Costello: The CDD II. I take it is easier for us to do this to agree to purchase with no financial burdens on us.

Ms. Sandy: I disagree because then we don't have the ownership rights that come with ownership.

Mr. Costello: If you have to go through attaining a grant by the city of Lake Wales there is no way in hell I assume you would be in there by Friday, finished with the City of Lake Wales by Friday. You are not going to have the answer from them. Like I said my intent, I honestly, if they want to run a golf course, I want to see them run a golf course. I'm just not willing to put ourselves in any kind of financial risk.

Ms. Sandy: I do have to say this interlocal accomplishes just what you said. There is no financial obligation. It allows Lake Ashton II to run the golf course.

Mr. Costello: We can debate that on page 5, I think it was because, like I say, it looks like to me like we are going to maintain the pathways and ponds.

Ms. Sandy: We can certainly strike that line.

Mr. Costello: I would like to try and get some sort of consensus as to which direction we want to move.

Mr. Plummer: My consensus is we find a way to buy the land.

Mr. Deane: I agree.

Mr. Costello: So do I.

Ms. Sandy: That is an option under this interlocal agreement.

Mr. Plummer: I understand that. I just think there is some verbiage in there that doesn't agree with some opinions on this Board. We all, like I said, when a lawyer puts

something together, the other lawyer is going to have a problem with it in some way, shape or form. It is just the nature of the beast. I think that as far as I go and what I see is we want to find a way to purchase the land on the East and give Lake Ashton II the authority to operate the golf course just like we have said an hour and ½ ago. How do we get there? I am not sure we can meet the deadline that you are after if we have to make any kind of tweets to the verbiage. I think as far as hammering the price, that is not a difficult issue. I think it is the verbiage of the interlocal.

Ms. Sandy: I think this interlocal actually intended to accomplish just that, getting us to a point that we can continue to move forward and allow us to continue to have those negotiations if this Board were to purchase the land and we lease back or if this Board were to acquire the pathway and ponds, that is all possible under this interlocal agreement. This just takes the first step in allowing us to move forward with this interlocal option for the purchase and sale agreement.

Mr. Ference: The only problem is again you say they don't have an obligation or desire necessarily to sell us the land when we want if we want it.

Ms. Sandy: If this Board made a proposal to the Lake Ashton II Board to acquire the land for \$3, if this said we had an obligation to accept it that is clearly not I fully understand what you are saying. It is hard to build in when you start getting into again specifics just as they have to have a consideration within 60 days but they don't have an obligation to accept.

Mr. Ference: That is right, so they may never accept, no matter what we offer. It doesn't matter if it is financially doable if they don't want to, they just won't. They may turn into something else, 27 holes etc. etc. Who knows what they will do with it.

Ms. Carpenter: I think at this point it sounds like, and again just from a conversation that the Board isn't comfortable with the interlocal as it is drafted with no requirement to purchase with the shrinking of the boundaries of Lake Ashton and with potential unknown costs. I think really the Board is in the position of with the contract Lake Ashton II negotiated with the same terms as the one you, are you willing to buy it under the same pretty much business terms that you turned down before. That is pretty much what you are looking at plus paying whatever costs they have incurred. Do you want to buy that now under those terms and if so, we can change the interlocal to each side would acquire

it owns for whatever division of cost to be determined. Come up with a number that looks reasonable and then negotiate that and agree that we would enter into a lease and management agreement for them to operate it. That sounds like that is what the Board is getting at and it is, really does the Board want to do this under the same contract they turned down three months ago. You are just sort of being forced into this agreement because of their terms. If you want to do that and I hear people upset, I'm just telling you the facts as we see them. That is what has come back before you and you are being pushed to make this decision quickly. If you want to come up with a different alternative, we can go ahead and draft something up and come up with terms, get this Board comfortable with the proposal and then submit it back to the Lake Ashton II. I don't see a whole lot of other options at this point or saying no and the Board goes forward and acquires it, whatever they want.

Ms. Burns: I just want to say one thing because I know not everybody here was at the Lake Ashton II meeting on Friday. They gave staff direction that if the answer was no today that they move forward with the option for what we are calling the developer option. They have surveys that need to be done in a timeline and if they were going to move with the portion just in their boundaries rather than pay for the entire portion, it makes a financial difference for them. I just want to be clear that there is direction to move forward with the other option should this Board not want to participate.

Ms. Sandy: Like I said with this option I think we would be ok with taking out the boundary amendment portion if that is of concern to this Board. Negotiating a deal that involved a ground lease of the land being conveyed to Lake Ashton would take additional time and as we have said not really time that we have at this point. Not saying that it is completely cutoff and not something that we couldn't eventually do. I think this starts us on a path and shows good faith in working together and moving forward. I don't think it puts a financial obligation on this Board at this point in time because Lake Ashton II would be doing the management of the property. That is really what it was trying to accomplish so that we can continue to move forward working together.

Mr. Plummer: If Lake Ashton II goes ahead with the option to acquire all of the property and we have an agreement to negotiate a price to purchase ours after the first of the year or whatever, is that a doable situation?

Ms. Sandy: It is certainly something I can take back to our Board.

Mr. Plummer: The only reason I'm saying that is just the time constraint to get something done before your closing date is what I think what is causing the negotiation issue. If you go ahead and purchase it with the agreement, the only thing we need to do is negotiate a price after the first of the year and close the deal on that, we would own the land, they can take and operate the golf course. I'm trying to get us off square one and move forward in a way that is going to be basically beneficial to both of us.

Ms. Sandy: We are again going to have some kind of management agreement and an interlocal. This provides the ability to do exactly what you are saying. It doesn't say that the purchase has to go forward and it is because of those items. Because of the need to negotiate a management agreement and to negotiate an interlocal that is going to take time and detail.

Mr. Plummer: The management agreement shouldn't take long at all. They are going to manage it. That is the end of the story.

Mr. Costello: It is going to be their ball game.

Ms. Carpenter: Bob if I may, I really think if it is the price and the cost that could be negotiated now, that really isn't that big of a deal. Leaving it open just leaves the Board open-ended that they own the property and then you are negotiating on this other side. We know what the cost is now to them. It is really just apportioning it and coming up with that. If that's what the Board chooses to do, I think you could do that in the next couple of days. I know it would be quick but I think it is better than having them close and then try to come up with a price that is fair because then you could just negotiate till the end of time until you all agreed on something.

Mr. Plummer: I don't disagree with you at all. I'm just trying to find a vehicle that moves us forward and not backwards.

Mr. Costello: Can you make a motion that you feel would be an appropriate way of solving this at this time?

Mr. Plummer: I'm not sure how you would structure a motion because actually the motion to be, you are going to negotiate a price. That is the only thing to negotiate.

Ms. Carpenter: I think perhaps it is directing staff to modify the interlocal agreement, have this Board acquire it at a price and then come up with something we

think is reasonable looking at costs and the price of the contract. Whether we do a continued meeting we can attend by phone to make it not costly if that was the case just to go over your comfort level on the proposal and then submit that to the other Board.

Mr. Plummer: Can I ask a question of someone sitting in the audience?

Ms. Carpenter: Certainly.

Mr. Plummer: Jim, is this doable or are we spinning our wheels?

Mr. Mecsics: Jim Mecsics. Vice Chairman and the negotiator. Let me just make this clear for everyone. When we went to negotiations and this started out, the seller was not interested in negotiating directly with Lake Ashton CDD Board. I'm sorry, that is just the way life is. What this agreement was, it was two forms. As you said the first option was for us to go it alone and work with the developer and we have five years to work out whatever for the eventual ownership of the Lake Ashton CDD I property whether that is someone else that gives us five years. We opened this one up to allow for the option for Lake Ashton CDD to get back in the game, not necessarily negotiating a price because that still has to be done and that will just muddy the waters up right now. What we are asking for is your agreement to work with us and let us go through acquiring the property but that still leaves open the door to come back and talk with you as far as negotiating prices. Bob, we are not going to rip you off. You live here. Let's get that stuff off the side please. We are here to work with you and we want to make it so that we can have one community so that we can all have our interests but just throwing land lines every time we turn around it is not going to make it. We are on a time constraint so I'm not trying to force you guys into anything. This is what we have and this is what we have to work with. Any questions? We are not trying to fight with anyone, all we are trying to do is acquire that golf club and in this case, we would have all the property but that still allows you the option to come back and negotiate a price with us. If we are going to get to negotiation, we are not going to meet that timeline, I am sorry.

Mr. Plummer: We would just like to know that there is an option for our negotiation and not that somehow or another it is going to just on your part to not accept a negotiation and we just don't want to sell it to you, we are just going to sell it to somebody else.

Mr. Mecsics: Bob, I hear you on that. We want to work for this one community. I see you all the time. I'm here at the restaurant. I don't want to have food thrown at me.

Mr. Plummer: Next year when you are not on our Board, what about the other guys?

Mr. Mecsecs: I have three more years.

Ms. Carpenter: That is not what the agreement says. There is nothing saying it can't be sold to someone else or that it couldn't be sold to a developer.

Mr. Mecsecs: You would get the first option.

Mr. Plummer: It doesn't say that.

Ms. Sandy: A first right of refusal.

Mr. Plummer: Does it say that in the interlocal agreement?

Ms. Sandy: It does not.

Mr. Plummer: That is our point.

Ms. Sandy: What we were saying earlier is that at least what I heard earlier is that you wanted this interlocal to include a provision saying that there would be in the New Year a proposal that would be accepted. That is different than a first right of refusal to buy the golf course. A first right of refusal would be we would offer to sell it to Lake Ashton before anybody else. To be clear in acquiring this golf course, the idea is not to at this point in time to sell it right away. The point is to run it.

Ms. Carpenter: That is up to the Board. This is open ended, it says you can make a proposal some day and they will look at it. That is all it says, it's just the way it is written today. It is not an option saying it is going to be appraised value for the lesser of the appraised value of what they paid. It doesn't give any parameters.

Mr. Plummer: Or right of first refusal. Does it say that?

Ms. Carpenter: It does not have any of that which is what, and again I just got this the same time you did Friday or so, so I have not looked at it in light but it is not a typical option to purchase which I do think is problematic. The other issue I think is that I'm not sure if Lake Wales does not give them the ability to operate outside an interlocal, I'm not sure how they can proceed to acquire property outside their District. That is one thing that this District will need to cooperate in some way I believe under the current law so there does need to be some cooperation to allow them to management it. If the Board wants to go that route, it needs to come up with either a purchase and if they have drafted the contracts so you can't do it, I'm not quite sure we would have to negotiate a price or how else you could do that under whatever agreement. The agreement that you had made and

turned down that they entered into and now you are being sort of forced to deal with those terms in a way to make it work under their agreement. I know I sound negative but it could have been a bit more cooperatively done than this agreement. We have the agreement now to deal with so we are trying to figure out if the Board chooses to do that, let's get it done and how do we do it in a week under the terms that would work for this Board.

Mr. Plummer: Obviously we want to work with them just as much as they want to work with us. That is not the issue at the moment. I'm just trying to find a vehicle how we get to the end result.

Mr. Mecsics: What this interlocal gives you is the option to buy into the property.

Mr. Plummer: If the verbiage could be changed to simply say that we have the first option, I'm just asking if that is a possibility.

Ms. Sandy: Yes with this action today I do think that is something that we have to take back to the Board but if we are still dealing with this interlocal agreement and we are talking about just an amendment to that provision talking about the option to purchase in the future being the first right of refusal to purchase, I think that is something that the Board could consider and likely something that is doable.

Mr. Krumrie: I am not looking for actual numbers but use verbiage along the lines of actual cost.

Ms. Sandy: I think we could probably build in something, yes, the actual costs.

Mr. Krumrie: That would address your concerns about inflation and other things.

Ms. Carpenter: I mean the suggestion if you want to go with something like that is you put actual option terms that it would be whatever the purchase in their contract plus some portion of cost with a maximum and maybe the lesser of that or appraised value or something. There is ways certainly in real estate contracts draft options to purchase.

Ms. Sandy: Again I think we are again trying to find an agreement that would be workable at this point in time. The first right of refusal is certainly, but getting into specifics at what the actual costs would be at a future point in time.

Mr. Plummer: We want to buy the property now. We would like to cut to the quick. We would like to buy the property now. How can we do that now?

Ms. Sandy: We had a purchase and sale agreement that was terminated that would have allowed that so now we are trying to find, that is not one of the options that

we have under the current timeframe. That is an option for the future we can talk about that in the new year.

Mr. Costello: You had said earlier that you could assign any grantee that you wanted.

Ms. Sandy: Correct, but the things that have to be worked out at this point in time at this juncture is what property we are acquiring at closing and what due diligence we have to do at this point in time.

Mr. Costello: You don't know what you are acquiring at closing?

Ms. Sandy: As I laid out in the beginning, if we are going with the developer option we are at this point in time just acquiring the West course. If we were able to go with the interlocal option we would acquire all of the property.

Mr. Costello: You know in essence what you are acquiring. All we are saying is let's come up with a price you assign us as grantee.

Ms. Sandy: I think that is going back to the deal that we were trying to negotiate previously and weren't able to agree on so we are going back to that.

Ms. Carpenter: I think the difference is that the Board wants to own the property but agrees that Lake Ashton II can operate it. I think before they were trying to do a joint operation and that is where it fell apart. How do we put together a joint Board and jointly operate. I think the Board is comfortable with Lake Ashton II operating it completely but Lake Ashton I wants to own the property and then be able to control its use long term etc.

Mr. Plummer: That is exactly right.

Ms. Sandy: I think this point in time where we are is like Jill said, staff has been directed if there isn't a decision to move forward with the developer option. If there is a concrete proposal, a written proposal with specific parameters that is presented we can take that to the Board and potentially still pursue that option but that would have to be at the very near future. That is the issue that we are at.

Mr. Deane: What are you saying, near future?

Ms. Sandy: A week. In the next week.

Mr. Ference: Jan, I think you annunciated pretty much the motion. I was going to say I make that motion until it got a little bit more complicated. You began a few minutes ago to say what would it be a good motion.

Ms. Carpenter: It sounds, and we probably should wait for Mike to come back, but it sounds like the Board doesn't want to consider the interlocal the way it is drafted due to the ambiguity but they would consider an interlocal agreement where this Board would acquire the property at the same time Lake Ashton West acquires their property and enter into a lease agreement or operation agreement for them to manage the property, so modify this interlocal for Lake Ashton acquiring its own portion of the property and having them manage it.

Mr. Krumrie: I don't think Lake Ashton I acquiring the property is an option. It is an option after Lake Ashton II acquires the property. We would buy it from Lake Ashton II.

Ms. Carpenter: They said under the contract they can assign their right to acquire it to us.

Mr. Krumrie: Simultaneously?

Ms. Carpenter: Yes.

Mr. Ference: Well, if that is a motion and if the Board Mike, if the Board would permit, can we take that language that Jan just annunciated and make that a motion for this Board?

Mr. Costello: Can you repeat it? Sorry.

Ms. Carpenter: It is what we discussed earlier. It doesn't sound like the Board is comfortable accepting the interlocal the way it is drafted but would like to consider an alternative interlocal where this Board is assigned the right to acquire the property within Lake Ashton I and have that right assigned under their contract and then have a management agreement with Lake Ashton II to operate the golf course.

Mr. Ference: I will make that motion.

Mr. Deane: What if we said we wanted to pay \$250,000?

Ms. Sandy: I don't know how many Board members we have in here. I don't want to engage in negotiations that is not a joint publicly noticed meeting.

Mr. Deane: I understand that. I'm just saying if throwing together a number to give you, does it make any difference?

Ms. Sandy: I think it would be hard to come up with all the deal terms within the next week. I'm not saying that it is not possible but again I think we would need a detailed interlocal and a management agreement to vote in it in conjunction with an actual number.

Mr. Costello: This is your deadline that you are trying to meet. We are trying to help you.

Mr. Ference: Let's go forward with the motion.

Mr. Costello: Do we have a second on the motion?

Ms. Carpenter: I believe Bob Ference's motion is to modify the interlocal to have Lake Ashton acquire the property within its boundary at the same time Lake Ashton West acquires the property and enter into a management agreement with Lake Aston II to operate the golf club. A similar interlocal as this one but taking out that they are acquiring the property and expanding the boundaries and those other terms and adding in just the provision to enter into a management agreement and I guess you can similar to this, we can say with terms to be determined later as this was drafted.

Mr. Costello: Motion fails.

Ms. Carpenter: There are too many parameters we don't know. We have not looked at their purchase and sale agreement. They are saying the terms are the same as the earlier purchase so hopefully there is a mortgage and payback period that the Board would agree to.

Mr. Costello: To simplify it can we make a motion that we will buy the property and enter into an agreement at a later time. We are going in circles.

Ms. Sandy: That is what the interlocal provides. If there are specific terms that we can suggest on that provision that would be acceptable to this Board, I think that could potentially be something that we can look at. If what this Boards want is the first right of refusal then I think that is probably something I can take back to our Board but as far as negotiating an actual transfer of the land at this point in time I don't know if we can meet our timeline.

Mr. Costello: We have a motion on the floor, do we have a second?

Mr. Krumrie: I will second it.

Mr. Costello: All those in favor.

Mr. Plummer: I'm not sure what we are voting on.

Mr. Deane: I don't know what we are voting on.

Mr. Costello: Like I said being thrown this and told that, we need a decision, there is a lot in this, a lot of stuff in this that could come back to haunt us.

Mr. Plummer: If you are telling me the motion is we are going to buy the land and just haven't set the price then that is one thing, but there are too many other things also in that motion.

Ms. Carpenter: It is tough to agree to a price when you don't know what the price is which is what this agreement says.

Ms. Sandy: This interlocal agreement will provide for a later negotiation.

Ms. Carpenter: Then you have already lost your right to the property is the problem.

Ms. Sandy: I don't know if the Board currently has a right to the property but the negotiating point that you would have at a future point in time is an actual purchase price. Lake Ashton II and the Lake Ashton II residents are going to be footing the bill for all the due diligence and the acquisition costs so that is still very much a carrot to have in a future negotiation.

Mr. Plummer: I think the issue is we don't want to push it down the road two or three or four years, we want to get this accomplished.

Ms. Carpenter: It seems that you should be able to come up with a cost based on the contract and the due diligence, a cost or a cost range should be able to be calculated.

Mr. Mecsecs: No, we are not going to be forced into that.

Mr. Costello: But you want to force us into this?

Mr. Mecsecs: Gentleman if you don't want to be interested, I'm sorry, but with all due respect you are not interested then we came up with two options. We will go along our option way and work it from there. If you vote for, not for the interlocal, then we already have our options laid out. If you are not interested that is fine. We were giving you the option to come back in and play. If you don't want to do that no hard feelings. We know what we have to do.

Mr. Costello: This should have been brought to a joint meeting and we should have been able to negotiate it back and forth, but we get laid in our lap and we are expected to turn around and just give you a blank check, sorry it is not happening.

Ms. Burns: I think it would probably be best if we take a five minute break and then continue with the rest of the agenda if that is ok with the Chair.

Mr. Costello: Sounds good.

Ms. Burns: We are back on the record.

Ms. Carpenter: I think on the golf course I heard they said they would go ahead. Does this Board want to make a proposal back to them to consider to acquire the property with them managing or is this done? This Board does have the ability to do that.

Mr. Costello: I think what we are looking for is a price. Give us an offer that we can work with.

Mr. Deane: I make a proposal that we extend this meeting and we come up with a number to give Lake Ashton II as to what we would pay for our portion of the golf course.

Mr. Krumrie: I second that.

Ms. Burns: Are we delegating a person to work with Jan?

Ms. Carpenter: So to put together sort of revise the interlocal and that provision to have a purchase and we will take the contract and come up with a number, send it to all to you all to send us any comments back so you can at the meeting consider the proposal or some other numbers.

Mr. Costello: They need an answer by Friday I believe they said. We want to accommodate them. If this is what they want to do let them do it. We have a motion and a second, all those in favor?

Ms. Burns: I'm sorry I did not get who made the motion.

Mr. Plummer: You said we are going to pause this meeting and go to another meeting and work on the numbers.

Mr. Deane: No, extend this meeting.

Mr. Costello: We are going to extend this meeting. They need an answer by Friday and I'd like to accommodate them on that. We can give it to them. I don't know what they are going to be able to do as far as having the meeting goes because of Sunshine laws.

Mr. Plummer: They already made their decision. They could either go with Option 1 or Option 2. I'm curious as to what are we going to do between now and Thursday to come up with the numbers that we can't do right now.

Ms. Burns: That is my question too.

Mr. Costello: That is why I asked for a number. I think Borden has some numbers.

Mr. Deane: The original contract price if I understand is \$477,000. If you divide 36 holes by \$477,000 you come up to around \$13,250 per hole, 21 holes, which we have in Lake Wales, would cost \$278,250.

Mr. Costello: The only other thing is they are getting the Pro Shop and they are getting the Eagles Nest and there is value there. How do we accommodate for that?

Mr. Deane: We could reduce our number accommodating with that. We do know that the Eagles Nest didn't make a profit.

Mr. Costello: That is on them.

Mr. Deane: That is their problem.

Mr. Costello: I would say that maybe we could make them an offer of \$250,000.

Mr. Ference: Before we go forward, we have someone here, Bob Zelazny, who did the numbers for the West real cost, some real numbers.

Mr. Zelazny: We ran the numbers based on the due diligence that we had already done, the advance due diligence and then what the cost and financing would be for both golf courses the bill would be \$946,000. That is all due diligence that we have done to date, due diligence to do the rest of it and then the price of the golf course with financing. It was \$884,000 on our side. If we bought yours, it was just the bonds which was approximately \$63,000. It was about \$940,000 something. That is the acquisition cost.

Mr. Costello: We have paid some of that out already, have we not?

Mr. Zelazny: I have included our money that we have already spent. We were at \$159,000 in expenses already to date so you have some more so it might be a little more because we shared costs in the beginning. It would be a little bit higher. Our acquisition costs for both courses would be \$940,000 something. Does that help?

Mr. Deane: That is including financing and everything else.

Mr. Zelazny: That includes financing over a five year period. That includes our bonds and includes your bonds.

Mr. Deane: It includes all the bonds.

Mr. Zelazny: Yes. Financing is included. \$51,000 for financing. I'm pretty close.

Mr. Ference: You wanted a real number, you have a real number.

Mr. Zelazny: You have to add the \$240,000 to the acquisition costs.

Ms. Burns: It is an operational cost.

Mr. Deane: You said \$946,000 so you are looking at \$1,187,000.

Ms. Burns: That is right. I think there was a motion and a second to come up with some kind of number and then we decided to do it now.

Mr. Costello: Do we want to make a motion at \$250,000?

Mr. Deane: They are talking about financing the whole thing plus the interest part, we are just talking about paying cash for land. That is a big difference, a huge difference.

Mr. Costello: Do we want to make an offer at \$250,000?

Mr. Plummer: Is that including the three holes then assigned to them? I just want to make sure.

Mr. Deane: Anything within our boundaries they can use.

Mr. Plummer: In the interlocal?

Ms. Carpenter: So you are talking \$250,000 plus you would agree to allow them to expand and take those three holes?

Mr. Plummer: That is my question.

Mr. Deane: That is part of the city. We are just talking about buying the land for the 21 holes that we have.

Mr. Ference: If we were to take out the finance charges since you are going forward, five years financing, suppose we were to pay cash, on our part how would that effect the financing number off your head? How much would that reduce the total?

Ms. Burns: It was like \$50,000 for the financing, so you are not talking about a big portion.

Ms. Carpenter: They are looking for \$473,000. It seems like the \$250,000 is way low unless you are going to give them the other three holes or something else in addition to that.

Mr. Costello: They are also getting the Eagles Nest and the Pro Shop. There is value there.

Ms. Carpenter: That is very true. They have buildings on their property.

Mr. Ference: Well let's take the \$50,000 off for the financing so we wouldn't have to pay that.

Mr. Costello: Leave it at \$250,000. It is an offer, if they want to they can counter the offer and we will see where it goes from there.

Ms. Burns: Do we have a motion?

Mr. Costello: I think the motion was that we would make an offer to CDD II that we would purchase the land at \$250,000.

Mr. Deane: Just the land.

Ms. Sandy: Is this part of the purchase and sale agreement or part of the interlocal agreement?

Mr. Costello: It has nothing to do with the interlocal.

Ms. Carpenter: We would have to have a modified interlocal.

Mr. Costello: Ok, modified interlocal.

Ms. Carpenter: So it would be to purchase it now for \$250,000 and then taking out the expansion.

Ms. Sandy: As part of the interlocal agreement?

Ms. Carpenter: Yes. So, if they accepted that then we would draft some quick modifications to this to show there would be an operating lease by Lake Ashton II.

On MOTION by Mr. Deane seconded by Mr. Krumrie with all in a favor to modify the interlocal agreement to acquire the Lake Ashton property for \$250,000 and take out the expansion of the boundaries was approved.

Mr. Costello: We have to go back to unfinished business, Election of Officers.

Ms. Burns: We didn't elect officers. We swore him in but when we get a new Supervisor generally I would suggest going one of two routes. Either you can go ahead completely reassign or if you wanted to make a motion that the four of you retain your offices and we would name him as an Assistant Secretary you could do that.

Mr. Plummer: Are electing officers normally in December or January?

Ms. Burns: Any time you have a new Supervisor that joins the Board you would generally.

Mr. Plummer: If you didn't have a new Supervisor, it is an annual?

Ms. Burns: Every two years when the composition of the Board changes. That being said, the Board could re-elect Supervisors at any time.

Mr. Deane: I make a motion that we have sworn in the new Board member and he be appointed as an Assistant Secretary.

Mr. Costello: Second.

On MOTION by Mr. Deane seconded by Mr. Costello with all in favor the Board elected the same slate of officers and added Mr. Harry Krumrie as an Assistant Secretary.

B. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2019

Mr. Costello: Consideration of the engagement letter with Grau & Associates to perform the audit for fiscal year ending September 30, 2019.

Mr. Deane: I make a motion that we use Grau to perform our annual audit.

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the engagement letter with Grau & Associates to perform the audit for fiscal year ending September 30, 2019 was approved.

C. Restaurant

Mr. Costello: Mr. Deane requested that we put under new business something on the restaurant.

Mr. Deane: Andrew met with the owners of the restaurant. They realize that they are not in compliance with the lease. As of Saturday I went to the restaurant again asking for the papers again to come compliant with the lease and we still don't have them. Another thing which we found out today, their rent check for October bounced. We presented it a second time and it bounced again. They are in default with paying the lease. I believe that it is time, and I don't want to do it but I think we are going to have to send them a notice and then look for a new restaurant operator.

Mr. Costello: Christine, in talking to you I believe we may have people who are interested in looking at this or what?

Ms. Wells: Possibly.

Mr. Deane: The first thing we would have to do is make a motion to send a cancellation notice to the current owner.

Mr. Plummer: I have a question. You said they were in arrears for their rent. The second item was that an insurance liability issue?

Mr. Deane: As far as this present time I don't know if they have insurance period because they sent us a proposal. This is the insurance they are going to get and we have constantly asked them for the insurance page which you get like you're a homeowner and we have received nothing. As many times as I have talked to them to be perfectly honest with you I doubt if they have insurance.

Mr. Costello: That is a biggie. Do we have a motion to send them a cancellation?

Mr. Deane: I made that motion.

Mr. Costello: Do we have a second? I will second it.

Ms. Burns: Can I ask one question? Do you want to give time for them, we have a couple things we need to open it for audience comments also. I don't know if you wanted to send a notice giving them a certain time period in which to come compliant and if they don't they can terminate.

Ms. Carpenter: I would suggest a ten day demand that they produce this within ten days, if not they would consider the lease. I think it is appropriate to give them a short time period to produce everything they need to produce.

Mr. Costello: The thing is there's the fact that I believe you and Andrew met with them two weeks ago and we still don't have anything. Operating without insurance. You know that if they can't get it out of them they are going to come after us.

Mr. Deane: I believe that we should send them a letter with a five day time period. If we do not have what is required in the lease and a certified check for October's rent because the check has bounced twice so we cannot redeposit it again that they consider a notice to vacate.

Mr. Plummer: Jan, does the five day meet statutory requirements?

Ms. Carpenter: Under the lease I believe we can terminate particularly if they are in default. We will check it before we send the letter but that should be fine.

Ms. Burns: This item was not on the agenda. Legally we have to open up to public comment if an item is added that the Board is going to vote. So that is what we are doing now. Anybody that wants to comment on this will have the opportunity to do so now.

Mr. Krumrie: Let me first say I'm totally unfamiliar with the paperwork side of the lease. I would like to say though that I do enjoy going there. The staff is pleasant. I would ask that because we have gone through four or five or six restaurants in the 12 years I have been here that if we are going to make the bold step to remove them from their contract, that it at least be on the agenda so that people can come to register their support or their dissatisfaction on the restaurant.

Mr. Deane: We are not talking about support or non-support for the restaurant, we are talking about compliance with the lease and that has been going on for over two years.

Mr. Krumrie: How much is the lease payment?

Mr. Deane: \$1,000 a month.

Mr. Krumrie: So we would let a restaurant go away?

Mr. Costello: It is not only a matter of that, we have no proof of insurance. That is a big liability there. God forbid something happens in there. They are going to come after us if they can't go after them.

Mr. Krumrie: I agree, we definitely have to have insurance, there is no question about that.

Mr. Deane: We gave them a year free the first year.

Mr. Krumrie: I understand we gave a lot of people a free year as well. For \$1,000 the height of the season we would let them go away. I don't think we should do that.

Mr. Costello: This is why it has been suggested that we give them notice and let them try and produce, at least give us proof of insurance. Give them five or ten days' notice and let them produce proof of insurance before we make a move.

Mr. Krumrie: So we will make a move after ten days.

Mr. Deane: We are not doing anything until the expiration time on the letter that we send them. If the letter expires and they have not complied with the lease then they are out basically.

Mr. Costello: If it was just a financial matter as far as the \$1,000, I agree with you we could overlook that but the insurance, which is a big deal.

A resident: Just wondering, are there other points of the contract that they are out of compliance or it is just the insurance or what else?

Mr. Deane: That is one of the items.

A resident: And the other?

Mr. Deane: Well they are supposed to do inspections, they are supposed to give us copies of maintenance contracts and everything else and none of this has been done over the past two years. I agree that it is probably more people satisfied with the restaurant than dissatisfied but we have a lease people and they have to comply with it. The insurance is not a minor issue.

A resident: It is not but if you are going to include that, why wouldn't you bullet point everything that is out of compliance.

Mr. Deane: In the letter everything will be bullet pointed.

A resident: I agree insurance is a real biggie but I'm wondering in the interest of having a restaurant here if maybe it would be possible to not charge them rent.

Mr. Deane: Everyone who is gone into the restaurant is given the first year rent free. The \$1,000 a month just about pays our tax bill on that restaurant. They are not paying any utilities, any water or any electric. Owning a restaurant, previously the electric for that restaurant is probably in excess of \$3,000 a month.

Mr. Costello: Anybody else? Any other comment.

On MOTION by Mr. Deane seconded by Mr. Costello with four in favor and one opposed the Board authorized the attorney to send the restaurant a demand letter stating they have five days to comply with the lease agreement.

EIGHTH ORDER OF BUSINESS

Monthly Reports

A. Attorney

Ms. Carpenter: The only thing we have is the easement issue that Rey mentioned. Andrew had reached out to counsel for the golf course and requested the easement for the drainage issue of the homes that have had the ongoing drainage. We noted that the engineer determined the cause of the flooding was drainage received from the Eagles Nest which the Lake Ashton CDD stormwater system apparently was not designed to receive that much water. The response we got said that they requested more information to even consider the request. They wanted to know how the golf course amenity would be impacted and is the request of the golf course owner would just gratuitously grant the easement. They said they are initial thoughts so we will of course go back to them and probably have Rey go back and give them some of the engineering detail as to why it is required and go from there. Just wanted to bring you up-to-speed on the response.

B. Community Director

1) Monthly Report

2) Consideration of Security Golf Cart Preventative Maintenance Agreement

3) Consideration of Quotes to Add Handicap Door Openers to the Hallway Restrooms

4) Consideration of Stormwater Prevention Maintenance Agreement

Ms. Wells: The community director report was in the agenda packet. There is a just a couple of things that I wanted to point out is that as you know we have been reaching

out to TECO and received a couple of credits. The recent one, we received a credit of \$3,990 for being charged for double brackets. We are still working with them to make sure we are getting charged the correct amount for switchover from the double lights to the single LED's. I will keep you guys posted on that. The three metal doors are pending installation. There was a delay on the materials. Bridal showcase has been scheduled for April 16, 2020. Also, the Astonliving.net domain has been transferred over to the HOA. In the agenda packet also was the Performance Plus Golf Cart preventative maintenance agreement. All the items that it included was in there. I'm sure you don't want me to go over every single thing it includes. The cost per golf cart was determined to be \$1,140 per year totaling \$2,280 for the year and it is billed at a monthly rate of \$190 per month. This was something that was discussed in a budget workshop and I believe was a line item on our budget now. It is just in here for consideration for Supervisors. We just need a motion to approve it.

Mr. Plummer: You said it was a line item in the budget.

Ms. Wells: I believe so.

Ms. Burns: I think so. \$1,140 was in the budget.

Ms. Wells: It is actually \$1,140 per golf cart now. When they first told me they didn't give me both golf cart prices so it is actually double, so it is double what is in the budget. I did look at it last time, we did only spend about \$1,000 in maintenance last year. They are getting old. I'm just bringing it forth since it was discussed. It is up to you guys whether you want to approve it and move forward with doing a preventative maintenance agreement.

Mr. Costello: Do we have any other proposals?

Ms. Wells: The reason we went Performance Plus because that is who we have the golf carts through right now. I would be more than willing to get Art's Golfs Cart to give us an agreement as well. I have said that I'm not sure how long they are going to last. We did just replace the batteries on one golf cart. That is one of the things that is included in the preventative maintenance agreement.

Mr. Plummer: When I look at the service and the maintenance that price includes all parts, labor, pickup, and delivery and diagnostic charges at no additional cost. Like you said if it needs a battery or whatever that should be included.

Ms. Wells: It does but we had to replace the battery before this agreement was put in place. That is why I mentioned that, that golf cart is probably not going to need new batteries for a while so it is up to the Board. My thought is if you are planning possibly replacing the golf carts in the next year or two, it is probably not a good idea since we just spent \$1,000 last year on both carts. If your plan is to extend the life of the golf carts longer than that, then we may want to look into doing a preventative maintenance agreement.

Mr. Plummer: When you read the entire contract about what it covers and what it doesn't cover, the price isn't as bad as you really think it is. Everything is included with one exception and that exception is any vandalism or collision or cosmetic stuff is not included which is pretty normal.

Mr. Costello: Ok, do you want to make a motion to accept it?

Mr. Plummer: I was still waiting on the life expectancy on those two gems?

Mr. Deane: When did we replace them that last time?

Ms. Wells: I would say three or four years ago. They do have a part at the beginning that says during our initial maintenance there were a total two golf carts with maintenance performed during that time we determined zero cart golfs are currently at end of the life. They are determining that it is not an end of life.

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor proposal for a Security Golf Cart Preventative Maintenance Agreement with Performance Plus for two golf carts for \$2,280 per year was approved.

Ms. Wells: The next item was consideration of quotes to add handicap door openers to the hallway restrooms. We had two not exceed quotes, they are way off from each other. The one was not to exceed \$5,000 for the installation of two handicap door openers in the main hallway restrooms. The electric cost was not exceed \$500. The other one was \$5,600 each. They are way off. I don't know if you want me to still solicit a third quote and bring it to the next meeting. They are way off.

Mr. Ference: Yes, let's get another quote.

Ms. Wells: The last thing was consideration of the stormwater preventative maintenance agreement. Again that was something else that was discussed in the budget

workshop. We do have a pro quote. I did get with Rey before the meeting. He has reached out to Steger Site Preparation to see if they could give us a second quote. The amount in the budget is the amount that All-Terrain provided which was \$7,500 per visit. It was done twice a year. I believe there is \$15,000 in the budget right now. It includes the ride through the property, check damaged curbs, sidewalks, and pavement, make detailed list of addresses and description of work and they will check the storm water system, all retention ponds for possible failures and they again recommended to make that assessment every six months. Like I said there is a second quote that is solicited, we just haven't received it back yet. Again whether you want to accept All-Terrains or wait till we get an additional.

Mr. Ference: Wait till you get another quote.

Ms. Wells: Ok that works. The ice machine at the restaurant which is outside on the screened-in patio is in need of repair. I have received, I will start with the quote to just simply repair the ice machine. Miller's quoted \$1,186.43. That is to install a water circulation pump. The warranty is one year parts and labor. I was asked to also get a quote on replacement of the ice machine with one just slightly smaller than what we currently have. I received three quotes for that. Miller's Central Air quoted \$4,250. That is three year parts and labor, five year compressor, condenser, and coil and ice plates. There would be an additional \$300 needed in addition for a top kit which the bin that we have right now is made for a much larger ice machine so when they replace the machine head which is on the top they will need a conversion kit. It is \$4,550 total. Then I received a quote from Wideman and it is \$4,600, then United Refrigeration quoted \$4,565.43. It is whether the Board wants us to move forward with a repair or a replacement?

Mr. Ference: How old is the machine now?

Mr. Deane: Twenty years old.

Mr. Ference: Wow.

Mr. Deane: I think it is time to replace it.

Mr. Ference: Sounds like it. Is there one vendor you would rather work with than another?

Ms. Wells: I think Miller's is the least amount as well and we have worked with Miller's on quite a few projects and I feel comfortable with them.

Mr. Ference: Then let's go forward with Miller then.

Mr. Krumrie: Did Miller's recommend that particular size or did you recommend that size?

Mr. Deane: I recommended to reduce the size because of the size of the bin we have. In three days that bin will be full with 1,500 pounds of ice. We don't need a 900 pound ice machine. I recommended that we reduce the size that was the \$4,500. If we went with the size that we have, it is almost \$7,000. I recommended reducing the size. It is a 500 pound machine. That is a lot of ice. The bin is big enough that it will hold probably about 1,500 pounds. That is why I recommended it.

On MOTION by Mr. Ference seconded by Mr. Deane with all in favor a proposal from Millers Central Air in the amount of \$4,550 to replace the ice machine was approved.

C. Field Operations Manager

1) Monthly Report

2) Consideration of Quotes to Replace the Boulevard Irrigation Well Pressure Tank

Mr. Fisher: Good afternoon. Included in the exhibit packet is the field operations managers' report. If you glance over that any questions I would be happy to answer for you. In the meantime we ran into some problems with the irrigation well down the Boulevard and the front entrance. It was brought to our attention by Yellowstone that we were in need of a larger pressure tank. Those are like the blue tanks outside this exit here. Included are three quotes. Yellowstone was \$1,096.95. Irrigation Tech was \$875. Baynard Plumbing was \$750. This pressure tank is an 85 gallon pressure tank and it will eliminate most of the problems we have been having which have been a lot in the past month or so.

Mr. Ference: Have you worked with any of these vendors before?

Mr. Fisher: Yellowstone who is our landscape contractor. They are the highest and Baynard is the lowest and we do tons of work with Baynard.

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor proposal from Baynard Plumbing to replace the Boulevard Irrigation Well Pressure Tank was approved for an amount of \$750.

Mr. Fisher: Thank you.

D. CDD Manager

Ms. Burns: I spare you and pass, thanks.

Mr. Costello: I have a question. Back in May we sent the City of Lake Wales a letter about money that had been for sidewalks out in front here. What ever happened with that? Has there been any disposition to that?

Ms. Burns: Andrew sent the letter.

Ms. Carpenter: We have not gotten any comment back.

Mr. Costello: I had a copy of it yesterday. Unfortunately I didn't bring it with me. It was written like on May 16 or 17 or something and we haven't heard anything from them?

Ms. Carpenter: We can try and reach the city and try and talk to them.

Mr. Costello: That would be nice. It was like \$19,000 or something.

Mr. Deane: I go to the Lake Wales meeting and I asked them about the sidewalk money twice. They keep saying they keep looking for it and they haven't found it yet. That is what they tell me. I didn't know Andrew sent a letter.

Ms. Carpenter: We will follow-up but most of these usually put that money into their funds for sidewalks, it is not usually a portion directly for any particular sidewalk, almost like an impact fee but we will try and follow-up and see if we can find anything out.

Mr. Costello: It has been five months, we should have an answer by now.

NINTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Run Summary

B. Combined Balance Sheet

Mr. Costello: Approval of the check run summary.

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the check run summary was approved.
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Mr. Costello: Combined balance sheet.

Ms. Burns: There is no action necessary on that but I would be glad to answer any questions anyone might have.

TENTH ORDER OF BUSINESS

Public Comments

Mr. Steve Realmuto: I will keep this brief since I do think something needs to be said. First of all I applaud your approach to acquire the golf course or make an offer at least to acquire it directly as the designee from the developer rather than allow the title

pass through CDD II and then negotiate for purchase, however you need to understand they were very clear and had a contingency plan. My understanding is they intend to proceed and obtain the City of Lake Wales permission to do what they want to do with it. My understanding, what their attorney stated that at their last meeting was that they were planning on coming to the November 19 meeting to do that. There was also a meeting that he couldn't come November 6th. I would like to ask this Board to take a formal position on that and send the City of Lake Wales a letter with the Board's position on that. Also encourage each of you and residents to show up and voice their opinions at whatever that is scheduled for. Thank you.

Mr. Ron Buran: 3002 Ashton Palms Drive. I believe it was the September 2018 CDD Board meeting I attempted to read into the record the definitions from the CC&R's as our registered at the County Courthouse defined what property the CDD owns. What constitutes the golf course tract and what responsibilities the HOA had in regard to this. Because of the arbitrary three minutes rule I was not able to get that all into evidence however I presented to the CDD counsel at that time several drone photographs of the property behind my home which has fallen into disrepair which Christine and the tax maps show as golf course tract properties, the CC& R's define as CDD property. I have received no response as far as any decision by the CDD counsel in that regard. If the new survey shows that it is still in fact part of the golf course property and does not conform to the CC&R's, I will take every effort that I can to impede any sale of the golf course tract until that issue is resolved.

A resident: Hello again. In order to make this deal work you guys really need to work before you leave this room today. There is a framework that I think will work that is just my personal opinion but I have been out this now for as long as you guys have. I have spoken at great length to both Boards and to the developer. If you go in there and offer them \$250,000 for your portion of the land it will not work. They are already committed to going it alone. If they go it alone it will create so many more problems for this community that we cannot allow it to happen. Here is my suggestion. I think the lawyers can figure this out, at least I hope they can. I have a lot more faith in lawyers then you do my friend. You need to do an amendment or revise the agreement and here is what it needs to say. It needs to say that you will jointly own the property. I believe legally

that can be accomplished. CDD I and CDD II become joint tenants in owning all the property. I think legally that will accomplish the things that need to be accomplished with transferring three holes, all the things that go along with it. You need to do a management agreement. The West has said they are willing to take the management of golf club so let them do it but we need to retain the right and the obligation to maintain the ponds, the bridges, the cart paths and everything else that is in our District. Let them do their District and we will do our District. Hopefully one day we become one District but I don't see that happening. I have lived here long enough, I don't know if I can but if you do an agreement like that the purchase price then can be calculated as half of what their costs are. Trying to put a number on it is impossible because you have the Eagles Nest. You have a building, you have 21 holes, if you had months maybe you could do it. Let's be honest, this Board backed itself into a corner when you pulled out of the deal. The West went in and grabbed the bull by the horns and said we are doing it. They have a deal on the table. They can do it without this Board. They said they are going to. You heard them in here today. Calmly they said hey, we presented you with this deal, take it or leave it, which I will say for the first time I'm agreeing with your counsel, you cannot sign that agreement with an open ended even though I think in good faith they probably would act in good faith but trust and verify. Can you before you leave today come up with language that our attorney can draft to suggest joint ownership because again I have looked at this and I'm not practicing anymore so my brain is not as sharp as it once was but I think that accomplishes the legal objective. If it doesn't, then you need to put in the interlocal language that allows the purchase to go forward jointly. Ok that will accomplish your goals of getting us the property now which I think is the right thing to do. Let the West manage the golf course which they seem willing to do. They are going to do it without us. The number can be figured out, one, you guys haven't even seen the sales agreement. You are not even a party to it anymore. You are out of there. Although they suggested it is the same, it may be very close, it may not be but there is a number in there. We got the numbers he put in. We have the bonds and you have your due diligence and their due diligence. There is a formula that will come up with 50% of what's going out and what we have to come up with. I'm urging you not to leave the room today because anything else will be a waste of time. You send them a proposal that says \$250,000.

Mr. Costello: We said \$250,000 and we also said let them counter.

A resident: There is no time they are going to go it alone.

Mr. Costello: It is not our fault that the time is running out. We only got this agreement on Friday.

Ms. Carpenter: I think the joint ownership is problematic for the same reasons because it is two Districts in each other's property but I think the point is understood by the Board, the Board if they want to come back with something. This Board very much wants to work with Lake Ashton II and I think the idea is yes we will each own our own but you operate as one club. We are happy and willing to operate it. I think that has been a big concession so it is really a matter of a number and we can put together an agreement very quickly.

A resident: I sense a big hesitation on the West without getting those three holes transferred over because as you have said, the future Board's may think differently. Without those three holes they don't have a golf course.

Mr. Costello: Precisely. I have said from the beginning of this meeting I don't want to be an obstructionist but I don't want to write a blank check either.

A resident: You heard me say I agree with that position but saying you don't want to be an obstructionist and doing the opposite.

Mr. Costello: It is not our fault that the time is the way it is.

Ms. Carpenter: I think both Boards are in the same position. They want the three holes, our Board wants one of the buildings. It is just the way it is.

A resident: That is why joint ownership.

Ms. Carpenter: It would be nice but it would be meaning going to both cities and getting powers and it would be a lot.

Mr. Costello: As far as the building goes, let them run it. It doesn't bother me in the least. I proposed three months ago that we buy it and lease it to them and everybody looked at me like I was, forget, it isn't going to happen. It would have been the best thing that could have ever happened.

A resident: There was a deal on the table and it's gone so now we need to find the right deal that makes this work. We can't go backwards. You want to go forwards. You don't want to be an obstructionist.

Mr. Costello: And I think a lot of that is in the fact that you have to look at so many other things that we do. We have the restaurant going on. We have a lot of things and we are willing to say to them if you want to run a golf course, run a golf course. We will help you in any way we can.

A resident: It is a good deal if we could pull it off. In order to pull it off we have to put it together to something they can say yes to, otherwise they are not going to do it.

Mr. Costello: We are not saying they have to say yes to it, we are saying come back with us and tell us what it is going to take in order to satisfy them.

A resident: We have been doing that for years.

Mr. Costello: This should have been a joint meeting like I said.

A resident: Going back and forth takes time. In any event I just think that the concept and the framework for a deal is there. Don't let it pass again, that is why I said don't leave this meeting because that adds to the time problem of presenting something to their Board and they are going to come back. Your Board has to consider it, their Board has to consider it. It is an issue so try to put something on the table they can say yes to. I don't know if you can do that or not. I think the lawyers have to work a little harder now to jointly make this happen in terms of the legal aspects of the ownership. I know it is a problem I know that Chapter 190 presents some problems but where there is a will there is a way and you guys can do it if you want to. Thank you for your time.

Mr. Costello: Thank you.

Mr. Pete Perez: I have a couple of things. Number one, that idea of putting those lights out at the entrance was wonderful. Old guys like us, we really can't see and now it is lit up, it is great. People that are knocking it down are idiots, however I just wanted to say that. The other thing I just want to say is Jackie and I have been living here for 15 years. Because of health reasons we are selling our home and we will be moving back down South Florida. We want to thank you for your service and I have nothing more to say other than thank you.

Mr. Costello: Thank you.

Ms. Burns: That is very nice.

Mr. George Rogers: Just briefly. A third lawyer's opinion, how about that. This Board decided that in fact the first option, the sales agreement that was offered several

months ago was a bad deal. There was no way they were going to make up their deficit. That hasn't changed. When you properly got out of the deal that again hasn't changed. The CDD II decided to go ahead all by its own to continue on with a bad deal which makes it worse when one CDD tries to take care of it. They are not going to make up those deficits over the next five or six years. They are going to be in terrible financial trouble or they are going to have to be doing assessments and so forth on their homeowners. If you make an agreement with them and there is litigation over how bad a deal it is they made we are going to be drawn into that litigation. I oppose you doing any deal with them, somewhere down the road with them because of this bad deal they have all these deficits they are not going to find another buyer. There is no reason to worry about competition. The only way they are going to be able to get out of debt or share some of the financial problems is to sell the property to us four or five years from now. I don't see any reason to have to rush into anything or any agreement particularly one that may get this Board involved in litigation down the road. I am a trial lawyer that is all I have done in the last 45 years is litigation and I could see litigation coming.

Mr. Costello: Thank you.

Ms. Debbie Landgrebe: Gullane Drive, Lake Wales. In regards to the ponds that people were complaining about, would the CDD be able to write a letter to the golf course owner indicating their lack of taking care of things? Who does that fall on?

Ms. Burns: We have done that and we have also sent letters to the City of Lake Wales and Winter Have Code Enforcement as well.

Ms. Landgrebe: And no response.

Ms. Burns: Correct.

Ms. Landgrebe: What is the next step legally? Maybe we need to sue them. In regards to the golf course I do think it is a very unfortunate that we received that document Friday night. I don't think that gives everyone time to digest or process anything. I would caution about jumping into anything because those rocks all need to be uncovered. I do hope that CDD II purchases everything and wish them well in doing that. The last thing I have to say gentleman I'm very disappointed that you all choose not to bring a female onto the Board.

Mr. Costello: Ok.

Ms. Burns: I think we need to continue the meeting.

Mr. Costello: That is what I was going to ask. Do we want to continue this in the hopes that we are going to be able to have some sort of interaction with CDD II?

Mr. Ference: I will make a motion that we continue this meeting with the anticipation that we will hear back from CDD II within a certain time limit.

Ms. Burns: We need to pick a date and time to continue the meeting to.

Mr. Costello: Thursday afternoon, let's say 1:00 p.m.?

Ms. Burns: I have a two hour window on Thursday only sorry. I have between 10:15 and maybe 12:30. That is all I have.

Mr. Ference: Can you have someone replace you on Thursday? Not that we want to replace you.

Ms. Burns: Jan says I'm irreplaceable.

Mr. Costello: What is the timeframe on this? I know you said the end of the week. We want to accommodate you and we want to get you an answer in time where you can do something.

Ms. Burns: They don't have a meeting even scheduled to even consider anything.

Mr. Costello: The only thing is the offer is going to whomever. I don't know how they are going to make a decision with the Sunshine laws the way they are. It is a sin that our hands are tied. All I am trying to do is accommodate them. Can they call an emergency meeting?

Ms. Sandy: Emergency meetings are meant for like hurricanes.

Mr. Costello: I'm simply trying to accommodate you people that is all I am trying to do. Everybody says that one is against the other. I'm not against this. If you want to run a golf course, run a golf course.

Ms. Sandy: Do we have a meeting scheduled for November 7th?

Mr. Costello: Jim, when is your next meeting scheduled?

Ms. Burns: They don't have anything scheduled in November at all. We are going to set one after we had an answer today that was the intent.

Ms. Sandy: What would be the earliest day?

Ms. Burns: The earliest would be the Oct 31st or November 1st, next Thursday or Friday.

Ms. Sandy: We would have to call our Board and see if we can even schedule a meeting but that is probably the earliest that we could meet to consider something. My suggestion would be if we can, something, a counter proposal in writing then we can try and schedule a meeting and look at it and work with your counsel to see if we can come up with something that would make this acceptable to both Boards with the hopes that we can bring it back.

Ms. Carpenter: Why don't we set a continued meeting for this Board if we possibly can Thursday or Friday at least to have a quick conversation about a proposal back? That would give them time to advertise after that if they felt they wanted to go forward.

Mr. Costello: Can we have a quorum for Friday?

Ms. Burns: I still only have two hours on Friday.

Mr. Plummer: I thought we can't get the room.

Ms. Wells: It is till one. It is just whether counsel and the manager can be here.

Ms. Burns: As long as I can get back to Orlando by 5:30 p.m. to get my son I can do Friday afternoon.

Mr. Costello: What about 1:30 p.m.?

Ms. Carpenter: We have a meeting, Andrew or I can come. Is Thursday better?

Ms. Burns: I have two to two ½ hours to be able to be here on Thursday if you want to do that. I have a meeting later in the afternoon.

Ms. Carpenter: What time is your availability? I can do 10:15 a.m. to probably 1:30. That gives a couple hours on Thursday.

Mr. Plummer: That is ok with me.

Mr. Costello: What time Thursday?

Ms. Burns: 10:15 a.m. or 10:30 a.m.

Mr. Costello: I'm going to say yes. Is the room available here?

Ms. Wells: I will have to see. Caroline, can you check the schedule and see if 10:30 on Thursday is available in the ballroom?

Mr. Costello: They said that they need an answer by the end of the week.

Ms. Carpenter: We will make changes to the interlocal to incorporate that \$250,000, we could do that and send it back. If there is no particular comments that

would need discussion we could then submit it to them formally. If we have issues then we would have to come back and have a meeting.

Ms. Burns: Are you guys comfortable with Jan drafting that and submitting it?

Ms. Carpenter: Let's continue it to Thursday at 10:30 a.m. If we don't need it we don't need it. We will try to draft up just some modifications to their document. If it looks like everybody agrees we can submit it. Again I can't poll people but if nobody has comments, if we meet, we can meet briefly, we can even call in just to get whatever comments is any and give it back to them Thursday afternoon so there is a formal proposal for them to consider if that is what the Board chooses.


Mr. Costello: Ok I will make a motion that we continue this meeting on Thursday morning at 10:30 a.m. and try and get some interaction between the two groups.

Mr. Deane: Second.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Costello seconded by Mr. Deane with all in favor to the meeting was recessed to reconvene on Thursday, October 24, 2019 at 10:30 a.m.
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Assistant Secretary/Secretary


Chairman/Vice Chairman