



Lake Ashton

Community Development District

Mike Costello, Chairman

Borden Deane, Vice Chairman

Bob Ference, Assistant Secretary

Murray Zacharia, Assistant Secretary

Robert Plummer, Assistant Secretary

March 18, 2019

Lake Ashton

Community Development District

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March 11, 2019

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

Dear Board Members:

The regular meeting of the Board of Supervisors of the **Lake Ashton Community Development District** will be held on **March 18, 2019, at 10:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida 33859.**

1. Roll Call and Pledge of Allegiance
2. Approval of Meeting Agenda
3. Public Comments on Specific Items on the Agenda (*speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting*)
4. Approval of the Lake Ashton and Lake Ashton II CDD Joint Meeting held on December 4, 2018, December 17, 2018, January 7, 2019, and January 29, 2019 and Approval of the Minutes of the Lake Ashton CDD Meeting held on February 11, 2019
5. Engineer's Report
6. Unfinished Business
7. New Business and Supervisors Requests
 - A. Discussion of Reorganization of Board of Supervisors (*requested by Supervisor Costello*)
 - B. Discussion Regarding Increasing Number of Handicapped/ Reserved Golf Cart Parking Spots at the Clubhouse (*requested by Supervisor Zacharia*)
8. Monthly Reports
 - A. Attorney
 - B. Community Director
 - 1) Monthly Report
 - 2) Consideration of Quotes for Ice Machine Replacement
 - 3) Consideration of Quotes to Replace Fitness Center Windows
 - 4) Consideration of Quotes for Additional Gutters
 - C. Field Operations Manager
 - 1) Monthly Report
 - 2) Consideration of Options to Replace Annuals
 - D. CDD Manager
9. Financial Reports
 - A. Approval of Check Run Summary
 - B. Combined Balance Sheet
10. Public Comments
11. Adjournment

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

The joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District was held on December 4, 2018 at 10:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum:

Mike Costello
Borden Deane
Bob Ference
Murray Zacharia
Bob Plummer

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Doug Robertson
James Meccsics
Stanley Williams
Carla Wright
Bob Zelazny

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Jillian Burns
Jan Carpenter
Christine Wells
Mary Bosman
Numerous residents

District Manager
District Counsel
Lake Ashton CDD Community Director
Lake Ashton II CDD Community Director

Please note that due to a lot of background noise and side conversations there are portions of the meeting where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll, established the quorum, and noted the pledge of allegiance had been done previously.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Robertson: One of the suggestions that has been made earlier and I talked to Jan about this, I would like to see us get the minutes from our meetings a lot faster. Could we do it for the joint meeting as well? The idea being that legally we record the entire process as the public record available to anybody, but we can assign our manager to have the creation of the minutes as a synopsis of the minutes that could be published within a few days of our meetings and could be put out as a public blast to our communities so everybody would have much more timely information about what happens at the Board meetings so I would like to make a proposal if that is appropriate that we do that starting now for the joint meetings and for our own meetings.

Ms. Carpenter: Jill, what we talked about was just putting out a list of the motions that were passed and if there are any major items to follow up so you can do it from your notes rather than waiting until the minutes are transcribed.

Ms. Burns: We were also discussing doing summary minutes as opposed to transcription. Summary minutes as the minutes.

Ms. Carpenter: I think he is looking as a more immediate as opposed to waiting for the summary minutes or verbatim minutes to come out, to actually have something within a week listing the motions and basic ideas of what happened. And you could have the summary minutes after that.

Mr. Robertson: In my mind the CDD manager can manage a synopsis or summary minutes at the same time depending on how complicated it is that would be published within a few days of the meeting. Then we would still have our full written transcript available for reading later.

Ms. Burns: I think you would probably need about a week for that.

Mr. Robertson: A week after the meeting would be fine. We should have that information available for the entire community so everyone gets the same information.

Ms. Carpenter: I guess I am not clear then. Are we looking for summary minutes? I think you are looking for a short history of what happened at the meeting as opposed to actual minutes, a history of the motions and main points?

Ms. Burns: And then we are still doing the minutes as they have traditionally been done, not a summary, but more-so verbatim, or are we just looking to do summary minutes and have them out quicker?

Mr. Robertson: If you want the whole thing transcribed verbatim for the whole thing we can continue to do that, but if you want them more quickly, summary is better.

Mr. Costello: The only thing is with summary you are going to miss something and someone will ask why something wasn't mentioned. I think to do both would be a great idea.

Ms. Carpenter: So it sounds like there will be no change to the minutes and a summary of the meeting will need to be prepared by the manager within a week of the meeting with motions and anything major that occurs.

Mr. Robertson: I don't know that we need a motion as long as the CDD manager has accepted the idea and both Boards seem to be in agreement. Do we need a motion?

Ms. Burns: I think we should.

On MOTION by Mr. Robertson seconded by Mr. Mecsecs with all in favor the Lake Ashton II CDD Board requested for the District Manager to provide a summary of the meeting within a week of the meeting and to keep verbatim minutes.

Mr. Costello: You have all heard the motion. Does anybody want to make a proposal that we accept the motion or any comments?

On MOTION by Mr. Ference seconded by Mr. Deane with all in favor the Lake Ashton II CDD Board requested for the District Manager to provide a summary of the meeting within a week of the meeting and to keep verbatim minutes.

THIRD ORDER OF BUSINESS

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

Mr. Robertson: We have two requests for public comments. Ron Buran is the first one that I have.

Mr. Buran: At a previous CDD meeting, Mr. John Costanza gave a superb analysis of the value of the golf courses. Now after stating his excellent qualifications to make these statements, the value he stated from a business point-of-view was zero. He indicated that we should not jump into this. I wonder why the CDD Boards have disregarded his advice and have rushed to purchase the property. As to the document which is attached to the agenda, I am aware that this is a preliminary draft for discussion purposes only and it has not been approved; however, this draft document authorizes the CDD to throw endless funds into a bottomless pit of maintaining the golf courses. Most likely residents will be forced to leave Lake Ashton if they can find someone foolish enough to buy their houses when the new owners learn that their retirement funds might disappear down this bottomless pit as well. As to the document itself, I am not an attorney and have no desire to be one. I have a college education, however I learned way back in high school before you publish any document or disseminate it to other persons, it should be proofread. I refer you to page 4 and page 6 of the document that was prepared by Ms. Jan Carpenter where the word golf has been turned into the word gold. At the very least this represents sloppy work.

Mr. Robertson: Brenda VanSickle is next.

Ms. VanSickle: First of all I would like to congratulate the new Board members. I have to say I agree with what Mr. Buran just said, I have worked with Jan for eight years and I have been very impressed with her, but this document was sloppy. I taught school for years and I didn't teach the cream of the crop, but I would have expected better from them. Not only was the spelling bad, but there were inaccuracies in there, plus some of the things we talked about, I don't think it portrayed that. It never mentions the second agreement, the interlocal, and that is how we set a sort of precedent for the interlocal and how we would fund our amenities. He is saying fair and equitable, but from what I read, I can see both CDDs having a problem with it. It is poorly written, there are content errors. Again, I think it needed to be proofread. What we were charged for a carelessly prepared draft copy rather than a final finished copy, this is why we pay for your legal services, but these Boards should not be expected to proofread this. I would also like you

to explain the thirty day assessment. I realize it is just a draft and nobody has approved this yet, but there is a lot in here that I think needs to be explained. There are a lot of concerns from the community and this document maybe was accidentally scanned and then pulled. With public records I have always been an advocate of keeping the community informed, just like on the agenda it says other documents will come before the meeting. I think those should be put online before the meeting so the residents have a chance to look at things that might be voted on. Not everybody will read it but enough of us do have interest. I will ask my CDD representatives to demand a higher quality from vendors providing services to the Board. Like I have said at a previous Board meeting, we don't always get services we are paying for. I think having the same attorney and same management company representing both sides, if there are different interests, I don't think one person can serve both and that may become an issue. I also would like you to look at the frame of the definition of twelve guests. Does that mean a guest can come twelve times? Also, there is a question about not having to accompany your guest but if your guest comes in do they have to be signed in by a resident or can they sign themselves in and say they know you. Also some people are local. Do they need to be accompanied by a resident? When your family comes in and someone is staying in your home, they don't have to be, but if someone is coming in from the community next door, are they coming in just to use our amenities?

Mr. Costello: I believe on the guests signing in that was taken into consideration for the fact that we do have people we know coming in as guests more-or-less on a daily basis and quite honestly they are using the amenities because yes they do have friends within the community. The only thing we are trying to do is if it is going to be a reoccurring situation where maybe your sister lives somewhere within Winter Haven or somewhere very close so she can come here all the time, I think as I last remember we left it up to the community director to discuss it with the person. There are some exceptions to how that works.

FOURTH ORDER OF BUSINESS

Update and Discussion of Golf Course Acquisition *(any documents related to this item will be distributed by the end of the week)*

FIFTH ORDER OF BUSINESS

Consideration of Interlocal Agreement for Mutual Cooperation Regarding Golf Amenities

Ms. Carpenter: Before we move on, first if I may, I would like to address the public comments. I think there has been a lot of confusion and misinformation. A motion that was made at the last joint meeting was authorizing staff to draft a letter of intent and interlocal agreement between the Boards for consideration at a future meeting. We were attempting to get a very, very rough draft of the type of agreements that were being used in other Districts so the Boards would have some idea of the issues they would need to face. We could have spent hours and hours and thousands of dollars putting together an agreement. The one I based this from was done by a firm that spent over \$1 million in legal fees. We did it rough and Andrew is not here and that is probably a good thing because he was supposed to proof it, and yes there are things in there that needed to be cleaned up, but the point of the agreement was so the Boards would know that matters of factual issues that would have to be agreed, and they would have to understand that if they couldn't agree how to purchase the property, whether it be done by one CDD or both, whether jointly, how they were going to budget for it when there is a legal requirement for budgeting, how the assessments would work, etc., it lays out all of the facts. We used the same percentage of lots that is typically used in these agreements, we put a header, footer, and draft on it. I don't know any other way to put it other than this is a very, very rough draft and again we didn't want to spend a lot the residents' money on something which as of last Wednesday, Thursday, Friday, and before Thanksgiving we were told that the golf course was still in discussions with a purchaser and we didn't know if it was a futile effort whatsoever. I apologize for the proofreading, but it was not intended to be something the Boards would be signing or looking at, it was really to get the ideas across. The reason it was rescinded is because the golf course committee took a look at it, saw the reaction, and said we should not have sent it until we were happy with it, so that is why we pulled it, though it was too late because obviously people had

already seen it. Again, we apologize if it led to confusion in the community, but we felt as legal counsel it was important that there was an understanding of the issue that the two Boards would have to agree to because if they can't agree to those, there could not be an acquisition of the golf course. It also became apparent that there were some disagreements among the Boards, so that is why we resigned from Lake Ashton II. Up until this point, the Boards looked like they couldn't come up with an agreement similar to the interlocals and the ones the Reunions and Poincianas and other Districts where there are two Districts sharing amenities. It doesn't seem that that is going to happen and along with some other issues over the last year, we felt it was appropriate to resign from one CDD. We are happy to resign from both if need be. As to the comment on legal fees, I do have to say this is about the only District where you have two lawyers and we share time. We don't believe for allotting our time, which I don't believe you will find from another firm, and again we are happy to resign if that is both the Boards' pleasure. So that is the end of my personal legal part of this. The LOI and the document that I was going to talk about and the different ways the costs could be apportioned, we thought would go out with the interlocal so folks would see here is the way you can do it and this was just one version and those will be discussed today. More important, notes for everybody here, we have talked with the counsel from the golf course last week two or three times, got an unsolicited call yesterday saying the golf course deal from the outside third party was not going to go forward at least as of yesterday so if the Boards wanted to consider it, they could consider other offers. They did not say it was completely dead or off the table, just that they could consider offers so we are a little bit up in the air as to whether that other party is out there or gone for good. So with that, I will turn things back over to the Chairman.

Mr. Zacharia: Can I ask for clarification on something? You will hear me do this a lot going forward because when I am confused I generally try to gain an understanding of what I am confused about. Yesterday evening I spent about two hours going through the document labeled interlocal agreement. It does have Jan's name on it in the prepared by area and today I got a similar looking document without Jan's name on it that actually

contains a lot of answers to questions that I scribbled notes in the margins on that I spent two hours looking at last night. So for clarification, is what we are going to talk about the document that is labeled in the lower left-hand corner draft for discussion purposes only December 1, 2018 and in the upper left-hand corner is blank where it says prepared by?

Ms. Carpenter: Yes, that is correct. After the questions came up, we went through the agreement and filled in where we had questions where folks have had concerns, we went through and fixed typos, and tried to clarify where there questions that we thought the Board would need to address. We were instructed not to send this out earlier, so we brought it to the meeting today so you can all look at it.

Mr. Robertson: At this point, for the last six weeks or so, Jim Mecsics and Mike Costello have been working on this so rather than me trying to lead this, I think I will turn it over to the Vice Chairman to continue this conversation.

Mr. Mecsics: As Doug just said, Mike and I have been working on this very closely and there have been some issues on this and a lot of heavy discussions. What we have cast to the group, and I know Jan has taken responsibility and I can tell you that I am sorry that our one phone call was not pleasant, but they did not have a pleasant phone call with Mike and I because of that going out, so there are a lot of unanswered questions with good intentions but lousy execution. We have come up with three documents. One is the interlocal. One is the letter of intent. The other is an analysis that the joint Boards asked for at the last meeting. Jill put together a little presentation and I know you all have a copy of it. Mike you can chime in, as well, but I would recommend at this time to let Jill make the presentation.

Ms. Burns: First of all I apologize for not taking the wall color into account when choosing green and hopefully you can all see this, but anyhow, at the last joint meeting we were asked to put together some information on what this might possibly cost per household and we were asked to consider two different ways, either on a per lot basis, which would be assessing the total number of lots within the community, or by a 50/50 split where we would allocate 50% of the costs to Lake Ashton and 50% of the costs to Lake Ashton II. There are a lot of factors that still need to be determined should the

Boards decide to put in an offer to purchase the golf course lands. The first is the interlocal, so we decided to go by that first because a lot of these financial decisions would need to be taken into account when the Board discusses the interlocal agreement. We went by the information we had available. There are a lot of decisions these ten individuals are going to need to make. Do you want to hire a golf course management company or a direct individual? You have new homes coming on which could bring in more fees or memberships, maintenance decisions, etc. All of these are going to impact the final costs and since we don't have the answers to a lot of those decisions, I went ahead and put together three different scenarios. Scenario 1 is the information we have from the NGF report that the golf course is currently operating at a deficit of \$547,000. This amount is before real estate taxes. I know you have heard a lot of conversations about the fact that we may have some sort of tax benefit because we are a CDD, but that deficit does not include taxes. Scenario 1 is if we decide to purchase but don't make any changes from the way it is currently being run, we will be looking at a deficit. Scenario 1 with the deficit allocated equally between Lake Ashton and Lake Ashton II, split the \$547,000 so you take \$273,500 allocated to Lake Ashton and the same amount allocated to Lake Ashton II. A couple factors we also added in when contemplating how much this was going to cost was the loss of operations and maintenance revenue from the golf course parcels. As a property owner within the District, each District receives operations and maintenance revenues from the golf course. If the District purchased the golf course, we obviously wouldn't be paying ourselves, so that would be lost revenue. The amount for Lake Ashton is about \$15,000 and the assessment in Lake Ashton II on those parcels owned by the golf course is around \$26,000. Now I know it is possible that if you are just looking at that one item, the costs could be absorbed in the general budget through reduced reserves or reallocating some line items. It is not a huge expense so it is possible we can pick those up, but we thought it was important to know if the golf course is sold to a third party, that is revenue we would still get. We also added in reserve funding. If you purchase the golf course you need to have reserves for that and we allocated \$50,000 a year in reserves for each. That might be a little low and once you have a professional

golf course management company or hire a direct person they will be able to assist us with what the reserve amount we will need will be, but for purposes of our discussion today, the golf course committee had discussed \$50,000. There are 977 lots in Lake Ashton and 680 lots in Lake Ashton II. When you add up all of the amounts and allocate them from Lake Ashton between the lost revenue, 50% deficit, and Lake Ashton's responsibility for 50% of the reserve funding, you would be looking at an assessment of \$321.32 per year. Similarly for Lake Ashton II, they are losing a little more revenue and have fewer lots so that amount would be \$477.65 per year. That is based on the information we have right now if the golf courses continue to operate in a similar fashion and have similar losses. So that is Scenario 1 with an allocated on a per lot basis allocating 50% to Lake Ashton and 50% to Lake Ashton II. If you allocate to the total number of lots within both communities, Lake Ashton would be paying 59% and Lake Ashton II would be paying 41%. We are going to be putting all of this on the website later. Allocated to the total number of lots, there are 1657 lots within both Districts. Each household in both communities would be paying the same amount. We remove the loss of operations and maintenance revenue in this scenario and the annual assessment as allocated equally per every lot in the community is \$360.29. This is just operations. This does not include any of the purchase information. This is based on the annual losses per year. So under this scenario Lake Ashton will pay about \$38 more per lot and with it allocated this way Lake Ashton II pays about \$117 less. Scenario 2, the goal for the community to reduce the deficit, make decisions based on staffing, maintenance, fee schedules, if there are additional homes being built in Lake Ashton II, hopefully the residents will bring new memberships. The second scenario is through whatever decisions the Board makes once they are able to reduce the deficit in half. So instead of having a \$547,000 deficit, we have a \$273,500 amount. We have made some good decisions, we have made progress, and we have reduced the deficit. This scenario is contemplating that we are able to reduce that deficit. Scenario 2 with a 50% reduction allocated equally between Lake Ashton and Lake Ashton II, the lost operations and maintenance revenue stays the same, the deficit per District is \$136,750. The reserve funding is the same. Under this scenario, if the

variables are reduced by 50%, we are looking at \$181.35 for Lake Ashton and \$276.55 for Lake Ashton II. So that scenario again will allocate on an equal per lot across the community, 59% for Lake Ashton and 41% for Lake Ashton II, the total deficit reduced by 50% at \$273,500 would result in the estimated annual assessment increase per lot of \$195.23 per lot per year. Scenario 3, we have heard a lot of people say at the last few joint meetings that making money would be great, but breaking even would also be great. If we are able to get to the point where both courses would break even, that would be great for the Districts. One thing I wanted to point out is that even if we don't necessarily have a deficit from the golf course, there are other factors that will have a slight increase to the operations and maintenance assessments. Those factors could be absorbed by the loss in operations and maintenance revenue and reserves. So in Scenario 3, breakeven, we don't have the operating deficit. We are not making money, but we are not losing money and we still have the loss of operations and maintenance revenue for each of the Districts you see here and we are still budgeting for reserves, as well. So even if we are not funding a deficit on the courses, it is possible we might see a slight increase to assessments if we are not able to absorb those costs in the current budget. That amount from Lake Ashton would be \$41.38 a year and the amount for Lake Ashton II would be \$75.44 a year. So that was the operations analysis. Obviously a lot of the decisions the Boards will make will impact those so that is why we kind of wanted to show a range to give the Board members an idea on what we are looking at and we thought this was the best way to present the information to show a range of what we might be able to expect. Purchase analysis, this is related to the letter of intent and I have put together something simply with the terms of the letter of intent that is being reviewed and considered by the Boards today. A lot of the other issues with this is that the letter of intent contemplates a purchase price of \$477,000. What this does not take into account is if the Boards wanted to use reserve funds for some of the purchase price or the terms. We listed three years based on conversations we have had. Three years seemed like an agreeable term to him. So this is a little trickier put together and is an estimate based on information we put together. We had allocated equally for Lake Ashton and Lake Ashton II the purchase

price listed in the letter of intent at \$477,000 or \$238,500 per Board. It will be \$241.89 a lot for Lake Ashton and we had discussed that it would be paid over three years with a smaller amount upfront. The letter of intent contemplated 3% interest on that. For Lake Ashton II, the same costs of \$238,500 and we are looking at \$350.74 per lot. Again, we have it outlined with a 3% interest over three years, which will be \$120.42 if that is done equally over three years. Obviously that may change based on the payment structure that is agreed upon. The same scenario with the \$477,000 purchase price split equally between the 1,657 lots between both communities. Again, the percentages of 59% for Lake Ashton and 41% for Lake Ashton II still apply and the cost per household or per platted lot will be \$287.87 and allocated over three years with a 3% interest will be \$98.84. So you are looking at around \$100 a year over three years based on a three year payment structure. Just wanted to point out again that obviously these are estimates. A lot of the decisions the Boards are going to make will impact these numbers. This was the best way we felt we could give the Boards an outline on what you can expect. Are there any questions from Supervisors on this?

Mr. Zacharia: Again, clarification. Early on in the numbers you were using for allocations, are they based on an operating loss of \$547,000? I believe I heard you say that that loss was exclusive of property taxes paid by the current golf course owner, which I have heard to be somewhere in the vicinity of just under \$200,000 a year? Am I right in assuming that the \$547,000 loss does not include property taxes paid to Polk County by the current owner?

Ms. Burns: Yes. That was per the NGF report. It said the loss was \$547,000 in 2017 and that amount was before real estate taxes, income taxes, and depreciation. So we are looking at that to make sure you understood that. Obviously, as Jan discussed before, we hope we can get some sort of tax relief as a CDD, whether it be for the entire tax bill, or a portion of that. We got through that in Lake Ashton with the restaurant before, but it is a lengthy process and we may have to pay taxes the first year.

Ms. Carpenter: And also, since we do have new Board members, there is no assurance and no clear cut line in the law as to whether governments pay taxes. This

District for the main clubhouse had to petition the tax assessor in the county to be able to have a portion of the clubhouse not taxed as a government property. The county does tax the portion where the restaurant is because that could be looked at as a profit-making area, so if the golf course is acquired by the District, the county would look at it as a potential profit-making and not a governmental enterprise and therefore you will still have to collect taxes, or it could determine it is solely a governmental purpose and is not going to be taxed, but we would have to file a lawsuit against the tax collector most likely to see if that would be a possibility. So the conservative thing is to assume that taxes will have be paid over the next year or two and we can file with the tax collector and potentially have a decrease, which would be a great thing, but it is not something that can be counted on. The other thing I wanted to add for the Supervisors, and I know we have a couple new ones, is that since any of these costs will be assessed on the residents, the Boards are constrained by Florida Statute 170, which covers all governments and that says that special assessments against property may be levied only for government purposes and CDDs are allowed to have recreational amenities. So that is permissible, but the restraining language that is used for debt assessments and operations and maintenance is that the property specially benefitted by the improvements is assessed in proportion to the benefits derived from those amenities. So that special benefit is what the Boards have to look at legally to determine how the assessments are to be placed. In the example I gave in the interlocal, it was done per lot because in the community I looked at in that case they determined that every lot was benefitting the same from the improvements. If the Boards determine that Lake Ashton and Lake Ashton II are equally benefitted and the residents have an unequal payment between the two, that is the legal analysis each Board has to make in determining how the assessments will be placed on the actual lots within their District.

Mr. Mecsics: Thank you, Jill. You did an excellent job and it is a difficult one. Working with Mike and me, we have asked a lot of questions and we were hard on you, but good job. One of my comments on that, especially regarding the assessments with the purchase, is that assuming we don't have to use any reserve funds for that, rather

than affect our financial stability of our CDDs. Mike, do you have anything you would like to add to any of that?

Mr. Costello: This has been a long process. It really has. I remember last Thursday the two of us sitting at your house on a phone conversation that simply didn't go well. My opinion is this, to assess my lot there are things and costs that we bear on our side, which benefits your side. I recognize that you also have costs that you bear that benefits our side. A 50/50 split, how do we do the voting? When it comes down to it, is time to make a decision on the golf course, if we are going to pay 59% of the bill, we should have 59% of the voting rights. If you are going to pay 41%, you should only get 41%. I don't think we have ever argued. I can't remember ever arguing over anything. Nothing has ever been done by lots. Any bill we have ever incurred on either side that was going to both sides was cut right down the middle. So that is a bone of contention as far as I am concerned. As you said, the two of us have spent a lot of time looking at this. We have spoken to a lot people and I think we have seen a lot of ways that this year if nothing better could be a breakeven situation. People have brought up things that quite honestly really changed my mind as far as if we can get to a breakeven point, this could be that we are never going to make money on it, but by the same token it is going to be an asset to the community. So that is my feeling on that.

Mr. Mecsics: And Mike and I have talked at great length on the split per lot and the split per 50/50 and as I said to him, I see both ways. I believe in fairness, but that is something the two Boards have to agree on as simply put.

Mr. Costello: I understand you are elected by the people in Winter Haven and I am elected by the people in Lake Wales so you are going to fight for the people in Winter Haven and if you don't, you are a fool, just like I am going to fight for the people of Lake Wales, but quite honestly, anything else that we have ever done. That restaurant, you people go over there and enjoy it and we don't have any problem with it, but by the same token it costs us money. The bowling alley, too. And there are things over here like the indoor pool and pickleball courts and all of that you paid a lot of money for, we are not denying that, but the agreement has always been that it was more-or-less a 50/50 split.

Mr. Mecsecs: Excellent points and something we all have to discuss. The second thing is documents is a nonbinding letter of intent that we asked the lawyers and management company to come up with. I will just give a little background on that. Mike and I had a meeting with Mr. Maxwell, Mr. Lee, and their lawyers and one of the things I asked directly was that they didn't respond to our last offer. The response I got back from them was the one we sent back before that was our best and final. We missed that.

Mr. Costello: At the last meeting where we sat with them, they more-or-less said we have a letter of intent so what you have is our best and final offer. I kind of got the impression that as the conversation went on maybe we could squeeze something here or there. Let's face it, they are business people who are good at what they do and I don't blame them for that, actually quite honestly I admire it, but by the same token I think that if we are representing the people here we have to be good business people also.

Mr. Mecsecs: Exactly right. As we talked, they also asked that we go back into negotiations to talk to them. With all due respect for our legal team and management team, they don't mind having them there, but they don't want them representing us and negotiating the terms with them. I think while we have the intent, once we vote on sending something off to them today, then that can come back, especially in light of what they are saying about the other outside offer pending and we can sit down with them and hash out the specifics from that letter of intent because there are specific costs in there and things that have to be resolved such as cash flow issues and other things we talked about. So he and I would have to sit down and talk about from what we did from our Boards' guidance and hash out it with them.

Ms. Carpenter: I would just like to raise one point in considering the LOI. One comment that was made at the meeting was that they did not want to enter into a binding letter of intent until the Districts decided how between themselves the interlocal would work so I think it is difficult to look at the LOI until you know how the purchase would happen, whether it is a joint acquisition or not. I think that also is a little difficult to negotiate without those terms.

Mr. Mecsecs: I don't necessarily disagree and I think for a point of discussion, we have to start somewhere and most importantly, if this is what we agree upon and this is what we agree with, then we get this resolved and can go on to how it is going to be managed. With my fellow members on both sides, this is what we have.

Mr. Costello: I do believe that we should look at the letter of intent at this point, mainly at how, what we have to come to is an agreement with two groups before we try to make an agreement with the outside party. We all want to be on the same page more-or-less. This document, the nonbinding letter of intent, it is kind of imperative that we agree with each other prior to trying to make a deal with someone from outside the community.

Mr. Mecsecs: I agree with you and that is why we need to go through this right now. Obviously the first point here is the buyer of course is Lake Ashton and Lake Ashton II, the seller is Lake Ashton Golf Club. The amenities are talked about as certain real properties listed in Exhibit A, which is the golf course itself, buildings, fixtures, furniture, equipment, and personal property used and associated with the operation of said property, including all permits associated with the golf amenities. The golf storage lease is a long-term lease at \$10 per year. The buyer will assume no liabilities unless it is specifically written by the buyer in writing. The title will be simple title free and clear of all liens, including the District's bond service liens on the golf amenities and any encumbrances as agreed to by the buyer. What that means is the seller will pay all outstanding bond debt service in full.

Mr. Robertson: Just for clarification, the golf storage area is really the maintenance area as opposed to the golf cart storage area. It is the actual area where they store the equipment as opposed to the golf carts.

Mr. Costello: We should have that specified in the agreement.

Mr. Zacharia: Can I interrupt for clarification? Going back to #1, which is stated as buyer, I'd like to ask counsel if they have any experience with two CDDs acquiring and/or operating something and creating a third party with the benefits of being a CDD?

Ms. Carpenter: That is a couple questions in one. The CDDs we represent and the ones that we inquired about, one CDD owns either all of the assets or the assets within

their District and the other owns the assets in the other. To form another entity, it would not be a CDD. You couldn't form a CDD unless you exclude it from these two and form a third CDD just covering the golf course. You could do that, but that would be tough because you wouldn't have any residents, so I am not even sure legally you could get there. So #1, I think it is somewhat of an issue as to how the two CDDs are buying it. Are they buying it jointly and they both control each other or if each one is going to own the property within their District, which would be most of the golf course on one side and under an eighteen hole golf course on the other. It really is up to the Boards and that is one of the first issues in the interlocal, how that purchase would happen, whether it is the two entities, whether it is one entity, or if you are going to set up a corporation and try to do it through some third party. I have not seen anyone do that because then you lose the benefits of being a government.

Mr. Williams: I have a question maybe not totally related but it is something I am confused about. Do we have legal representation at this point and time?

Ms. Carpenter: We have withdrawn and I will assist you to the point that it is not a conflict, but right now, no, and you will need your own counsel on anything related that is not agreeable.

Mr. Williams: How do we continue without legal representation? This doesn't make any sense to me.

Ms. Carpenter: I can give you general legal advice on the general principles, but on one versus the other, I can't really do that.

Mr. Williams: So if there is an issue that comes up that requires anything legal, you are only speaking for them?

Ms. Carpenter: At this point I am giving general advice because there have been no motions on one side or the other. I am telling you the legal principles that you would have to go by.

Mr. Williams: I don't see how we can go forward with any letter of intent without legal representation. I think we need to put out a RFP for legal representation before we can continue. That would be my recommendation.

Ms. Wright: Agreed.

Mr. Mecsecs: Noted. Thank you. Let's go on to the purchase price, \$477,000 payable by seller financing over three years at 3% interest, subject to customary pro-rations and adjustments to be set forth in a definitive purchase and sale agreement or PSA. The deposit, which is what we have to get between the two Boards, the buyer will make a deposit of "X" amount of dollars in escrow with the title agent within five business days after mutual execution of a PSA setting forth the detailed terms and conditions of the proposed transaction and containing customary representations, warranties, indemnities, and other terms and conditions. The deposit shall be fully refundable until the conclusion of the due diligence period. The PSA will contain further representations, warranties, indemnities, and conditions precedent, including without limitation the following: there has been no material adverse effect on the golf amenities or golf storage area between the expiration and due diligence period and closing date, the seller shall indemnify the buyer for any claim related to the current contract and other liabilities on or prior to the closing date, the bondholder approval, if determined necessary by buyer's counsel, shall be a condition precedent, and seller will provide \$240,000 to buyer at closing in exchange for buyer's provision of a free golf membership for one year for the purchases of newly constructed homes, until all new homes are sold or two years from the closing date, whichever is earlier. For thirty days following execution of the PSA by both parties, also known as the open inspection period, the seller shall provide buyer with full access to the golf amenities, business records, equipment leases, as-builts, and other construction drawings, surveys, environmental reports, contracts, leases, rent rolls, and other documents in seller's possession or control related to the golf amenities, including all improvements thereon. If buyer is not satisfied with any matter for any reason whatsoever, before the end of the open inspection period, buyer may elect to terminate the PSA and receive a full refund of its deposit. Following the open inspection period, the buyer shall have an additional ninety day period to conduct its certain limited due diligence, or the limited due diligence period. The buyer's limited due diligence will include: title, survey, environmental, legal, structural, contract

review, permit status and transfer, and engineering matters. During the limited due diligence period, buyer may request seller remedy unfavorable or unacceptable matters learned during the limited due diligence period and if the seller fails to remedy or otherwise reasonably accommodate the buyer within seven business days, the buyer may terminate the PSA and receive a full refund of its deposit. Notwithstanding the foregoing, until the closing date, the seller shall immediately notify the buyer of any event that could reasonably be expected to have a material adverse effect on the golf amenities and the buyer shall have continued access to the golf amenities to conduct any further inspection that the buyer deems necessary. The buyer will coordinate with all onsite due diligence to the seller to minimize any disruption to existing business when conducting due diligence during regular business hours.

Mr. Costello: Before you go any further, I have a question because I believe Jan notified us previously that any problems we have, once we close, we will have problems. We know for a fact that there are problems out there. We are talking about vast amounts of land. What is it going to take in order to get a clear survey?

Ms. Carpenter: I talked to counsel briefly and they said they refinanced the golf course a couple years ago and cleaned up all of the title and survey then. We don't know, but in the inspection period, we would have title and survey as an item they would have to clear any title inspections. They have to agree to that and this would be prior to closing. We would not close unless we got clear title so the survey and title would be clear.

Mr. Costello: Like I said, that is one of the things. We know there are problems out there with the survey. We don't want to buy something and then turn around and be told that it is an issue.

Mr. Mecsics: That is something that has to be resolved and it has to be to our satisfaction before we close and get a final signed contract in place. Membership fees, buyer and seller shall divide annual membership fees, pro-rated, as of the closing rate equally 50/50 amongst the buyer and seller, i.e., if the closing occurs on June 30th, the buyer and seller would each receive 50% of six months membership fees. Closing costs, seller shall pay all documentary stamp taxes associated with the transfer and all premium

dues in connection with the buyer's policy of title insurance. Each party shall pay its own legal costs related to the closing and all other costs will be paid as customary. Real property and personal property taxes, if any, shall be pro-rated as of the closing date. Broker commission, the buyer has not retained a broker and shall not have any responsibility for payment of any brokerage commissions or finder's fees in connection with any sale. Seller shall solely be responsible for, and will indemnify the buyer for any claims related to payment of any fees and commissions that it incurs in connection with this transaction. Closing date, closing shall be on the earlier of seven business days after the buyer has notified the seller in writing that all due is complete and to the satisfaction of the buyer on "X" date 2019 but in no event shall closing be before another agreed upon date in 2019. Proposal expiration, this letter of intent if not previously accepted shall expire at noon on the fifth business day after the date hereof. No shop, upon execution of this letter of intent seller shall not market or otherwise offer the golf course amenities for sale, lease, licenses, financing or any transaction related to the ownership, equity, debt, or use of the golf amenities or golf storage area, shall cease all discussions with other prospective investors, purchasers, lenders, joint venture partners or tenants and will not solicit or accept offers, whether or not binding, regarding any of the foregoing in all cases during the ninety days after the signing of this letter of intent. No press release, to the extent permissible by law, the parties shall keep the terms of this letter of intent not many any press release regarding this letter of intent. Then there are except as to Sections 15 and 17, no obligation or liability is intended to be created by this letter of intent or by any written or oral communication between parties, directly or through any representatives. This letter of intent is intended merely to generally set forth the basic terms, but not all the terms or conditions upon which the seller is willing to sell or the buyer is willing to purchase the golf amenities and storage area. Accordingly, this proposal is not binding upon buyer or seller except as set forth above. Any transaction is conditioned upon negotiation and execution of a definitive written PSA in a form satisfactory to the buyer and seller. Any cost incurred, or action taken by either part in the absence of such an executed and delivered PSA will be at such party's sole risk. The parties hereto agree

that buyer may assign this letter of intent to any of its affiliates. The undersigned agree that Florida law shall apply to any interpretation or construction of this letter of intent. So we will open it up for discussion now. Do we have any other discussion? We have just gone through the terms of the letter of intent. Some of us have seen this before, but some have not.

Mr. Zacharia: I am seeing most of these documents essentially for the first time, but I have been following this whole golf course discussion within the Lake Ashton community since early February. After the first discussion I asked how we can even begin to think about what we want to maybe buy and how much it is going to cost to upgrade, etc., etc. Without seeing a very, very simple pro-forma profit and loss statement laid out on one piece of paper, or maybe two, addressing the acquisition and the operations and ongoing maintenance, which is something I have asked for a few times.

Mr. Costello: One of the things I am going to tell you right now, Murray, is what you are asking for, we were told we weren't getting that.

Mr. Zacharia: I am not sure I am asking for the records of the golf course. If I were developing a simple pro-forma statement, I would take everything that has been bounced around for the last nine months that change from month to month, and I would pick one set of numbers, write them down as assumptions for planning purposes of acquisition and ongoing maintenance, make my best stab at picking the right numbers, and look at it on a single piece of paper. A subjective document is the most difficult way to make a financial decision and the bottom line folks, this is a financial decision of a business. You can't do it based on thirty-two pages of words with numbers and dollar signs from the middle of a paragraph. You just can't do it. So that is the first thing I would like to see, which is a pro-forma statement on acquisition and pro-forma statement on operations and maintenance. Once you have an idea of how much it is going to cost to buy it, and you have an idea of how much it is going to cost to operate it, you can change assumptions with the flick of an SL grid or whatever they call it and change your assumptions. The second thing I would like to see, and I am not an expert at business acquisition or selling, but I know there is a process that needs to be followed. You issue

a LOI, you issue whatever, follow due diligence, and ultimately you sign a piece of paper that you might call a contract and you have a closing date where you take over the operation. I would like to see a timetable of that because again we keep talking about dates, thirty days, ninety days, and anything such as questions about who is going to pay taxes at what point and time, and that plays into the pro-forma. I think the things I am asking for, financial statements and a timetable for acquisition, I personally would feel a whole lot better with going forward in making a business decision.

Mr. Costello: I can understand your concerns. Jim and I have put no time restraints on anything. The time restraints have all come from the other side. I understand what you are saying, you want to know what your operating costs are going to be, you want to be able to itemize each and every section of it, but it is pretty hard to do when the person on the other side of the table is telling you this is how it has to be. One of the things we are looking at is maybe prior to making the commitment we can get some sort of answers on this from these people. It is not a matter of just walking away. Quite honestly either we are going to move forward with this or let's stop wasting our time.

Mr. Zacharia: I believe the two CDDs spent close to \$30,000 to pay for the consultant to get us some of those numbers. Are we not to believe the numbers that were included in the paragraphs in the NGF paperwork? Those numbers were my understanding were numbers that they got from the golf course owner. Were they not? I am not looking to debate here. It is a rhetorical question. To say we are not going to get numbers, a majority of the people we have heard from are saying if we don't have numbers, why would we buy a business that we know nothing about?

Mr. Costello: We are looking at something that we know is losing "X" amount of dollars a year. What's causing it? We don't know. Part of this letter of intent should include that we are going to get some numbers out of these people. It is going to be pretty tough getting that I think. I don't know that we are going to get that information.

Mr. Williams: This is crazy and it just gets even crazier. We know we are not going to get the numbers from him, he is not willing to give them to us. We have another group that has already tried to buy this thing, and for some reason backed out of it. We

have no legal representation on this side at all, and yet we are talking about moving forward with a legal document. It just doesn't make sense to do that right now.

Mr. Mecsics: This letter of intent is not a contract.

Mr. Williams: No, but it is a legal document.

Mr. Mecsics: It is a legal contract, but it is not a contract. Is that correct, Jan? You can say that it is for us to move forward at least to get more information, right?

Ms. Carpenter: No.

Mr. Williams: Why spend the money?

Mr. Mecsics: Again, this is up to the Boards. Yes you make a good point that we don't have a legal representative. We do have a limited one.

Mr. Williams: Only for today.

Ms. Carpenter: I am not representing you as to anything that is in conflict. I am just going to provide you with general information and it appears we have gotten to a conflict situation.

Mr. Mecsics: Yes. Again, Murray, all good points. Stan, good points. The bottom line is if we don't at least go back to these folks then we walk away and that is the end of it. Then whatever happens, it is on us. We have presented two documents. One is the letter of intent that we believe from our negotiations are what is their best and final. Now we need to go into the interlocal and we have to decide whether we want to go forward with the letter of intent or let it go. That is the scenario we are in.

Mr. Deane: I don't know that we should let it go, but I do know that I don't see any purpose of rushing into this. Why not just wait? If the other company backed out, they backed out for a good reason. We may possibly get them for nothing if we do.

Mr. Mecsics: I went back to Mr. Maxwell with Mr. Costanza's comment and I said in your mind was there ever a time that they would deed it over to us, what did he say, Mike? He said no.

Mr. Costello: I do agree with Borden that all of this started way too early because they have a commitment for the next three years at least that we know of before anything is going to happen. Don't get me wrong, if we can get it to breakeven point, at best, we

are still guesstimating about 90% of this. It is kind of like saying can you give us some numbers so we have an idea? You know as well as I know that we have gotten nowhere with it. It is kind of futile that when you are trying to get some sort of insight in order to move forward and the person who is looking to benefit by it isn't really going out of their way to help us. In the end, I would like to think that we are going to own this golf course, but I would like to do it slightly methodically instead of rushing into it.

Mr. Zacharia: I thought I recalled hearing about it, but is there any outstanding indebtedness, bond indebtedness on the golf course?

Mr. Costello: Yes, there is.

Mr. Zacharia: Okay. Is the payment of that indebtedness addressed?

Mr. Williams: Yes.

Mr. Costello: Yes. The word was that he was going to put it on the market. Like I said, I would like to own it and I would like to see us regulating our amenity, not someone else, but by the same token, I would like to see a little more. Maybe we can talk to him and say we need major assistance but as far as owners go we want to proceed forward. From what I understand, they have to have the numbers. We are guesstimating so much of it. We are going to have difficulty going into it guesstimating everything.

Mr. Robertson: There are a couple things we need to understand in this process. When Jill made comments, she said \$547,000. The current amount is projected already down to \$400,000 and it looks like when we paid the money to NGF they are going to have to get those financial numbers and run the numbers. They said the breakeven would be when we had 420 members the golf course will breakeven.

Mr. Costello: You are talking about 400 members, though.

Mr. Robertson: Yes, 420. We are at 360 right now. We got those numbers from the National Golf Foundation. They did the forecast. So we are at the point where it is perfectly reasonable to think we can get to a breakeven for the golf course. It is a perfectly reasonable expectation. NGF said we might even make a small amount of money if we get up to 500 members.

Mr. Costello: I think that everybody in this room would be happy to breakeven.

Mr. Robertson: Yes. But the idea that the golf course memberships would be paying for greens and things like that is appropriate for the community as a whole. So we are pretty close. There is a transition time as to when those 60 members come online. Let's look at some other pieces in this process. It turns out the fences around the property are golf course property. Who is going to maintain those fences? Are we going to make just the golfers pay to maintain the fences around the community or is it something that the whole community should pay for? If everyone that is living here is getting the benefit of the fences, you can't just put that expense on the golfers. All of the ponds we have in here are under our S.W.F.W.M.D. but do we make the golfers pay for all of that and everyone gets to enjoy them? That doesn't make sense to me. We have people using the golf paths and bridges all of the time. The golfers use them on priority basis during the day, but other people enjoy those amenities, too. They like to be able to drive around, look at the wildlife, take the dogs for a cart ride, etc. There are probably more people who use the golf course paths as individuals than golfers. Golfers are once every fifteen minutes, four guys going by two carts, and that is it, but then you see all of these other people, too. If you go early in the morning there are people. If you go late in the afternoon there are more people. I think there are more people using the golf cart paths than golfers.

Mr. Williams: You are mixing apples and oranges.

Mr. Robertson: Those are costs that exist whether we own the golf course or not. Who is going to pay for those things? Does the community pay for those things or do we expect the golfers to? I think that is inappropriate to just put all of the costs on the golfers. If an outside company buys this place, what are they going to do? Are they going to maintain our fences to our standards, or are they going to say I am losing money and I am not going to spend money on the community, on the bridges, ponds, etc. All of those costs ought to be apportioned within the community in general.

Mr. Deane: We already pay for the fences if you are talking about the yellow fences around the property. We already pay to maintain them through our services that we have currently.

Mr. Robertson: That is a mistake because we don't own them. Legally Jan would say we are not allowed to spend money on things that are not ours. Those fences are owned by the golf course. They are in the survey as part of the golf course.

Ms. Carpenter: The ponds are owned by the golf course, but the CDD has the obligation to maintain them. I don't believe the golf course is maintaining them. I think we have contracts to maintain most of those now.

Mr. Costello: What about when that guy hit the wall over there?

Ms. Carpenter: I think there is an easement on the walls. I haven't looked at that. I think you had the engineer look at it so I don't know offhand, but generally there is an easement for maintenance of those.

Mr. Robertson: There are some costs that are being attributed to the golf course operations that should be attributed to the community in general, which then brings the costs of golf course operations down a little bit to make it more fairly apportioned.

Mr. Costello: I don't think we are arguing that with you, but what we would really like to see and I think Jim and I have tried very hard, we would like to see some sort of numbers to give us some sort of outlook as to which way we are going as far as what our expenses are going to be and where we can cut our losses. By the same token, I am not doubting it, but it is pretty hard to move forward when you are not getting any answers to the questions you are asking.

Mr. Zelazny: I don't know why you wouldn't send a letter of intent. You have been kicking this can down the road for seven months on a letter of intent to buy. It doesn't mean you are going to buy. It means you are interested in buying. You have a due diligence period, which you are going to get the required information. If you don't get that information, then you don't proceed. You are advocating kicking the can down the road on a letter of intent all the way into January now because you are not meeting in December. We have got to move forward.

Mr. Costello: We have not committed not to do anything in December.

Mr. Zelazny: We have been kicking this can down the road for quite some time now. Granted we do not have all of the information, but it will be acquired during the

due diligence days. If we don't receive it then, we walk away, but at least we are moving forward to purchase the land that we need. And again, I will remind you, we are not purchasing just the golf course. We are also purchasing a number of amenities like the ponds for fishing, the golf cart paths for walking, and the bridges. That is part of the amenities we have here at Lake Ashton, as well as the greenspace. It is all important to me and it should be important to most of us. I am not advocating buying until we have the necessary information, but this is a proposal to go forward with an intent to buy if we get the information we want. We need to get that in the hands of the buyer, and then over the next period of time if we are going to argue 50% or by lot, we can do it, but you just have to take action. Inaction is no action. That is unacceptable.

Mr. Zacharia: Jan, is there any downside legally to Lake Ashton CDD, knowing you are not representing CDD II, is there any downside to us signing a letter of intent today so that we can move forward?

Ms. Carpenter: I think that there are two downsides that come to my mind immediately. The first is that the golf course probably will not consider it unless there is a decision as to how the two CDDs are going to acquire, own, and maintain. They expressed concern at the meeting we were at, saying they didn't want to have to wait six months while the CDDs pounded out an interlocal or decided how to do it. So that is one issue and I think they may just reject it not knowing. The second is that I would hesitate to advise Lake Ashton CDD to go forward with a letter of intent that says you are going to negotiate a purchase and sale agreement when you don't have an agreement with Lake Ashton II as to how you are going to buy it. If you are going to own the whole thing, you are both jointly saying yes, we are going to negotiate this, but it is tough in thirty days to come up with a decision, unless that can be made as to how you are going to do it. Thirty days is to get the open inspection period of the PSA, but when you give a letter of intent, what that means is you begin your deals and negotiate a purchase and sale agreement, and that purchase and sale agreement is a binding agreement where you finish and do your due diligence. Basically when you submit the letter of intent, that means you are negotiating your purchase and sale agreement from fairly immediately to yes, we have

basic terms, now let's pound out the actual details of the agreement. I think Lake Ashton II needs to have counsel and there needs to be an agreement between the two as to how and which counsel are going to look at which piece of this. Are we all reviewing title? That will double expenses. And from an ownership standpoint, are we doing due diligence that Lake Ashton II is going to own in Lake Ashton II, so are we looking at that due diligence, too, or are we all looking at all of the due diligence on both sides? The interlocal is really a key to this, and I think that you could submit it, but I think that just opens you to is this really a binding letter of intent when there isn't a decision as to how you negotiate a contract when their attorney calls next week and says they have a form contract ready to start negotiating the details and we say sorry, we can't because we don't know exactly who is buying what.

Mr. Zacharia: What I understand is the letter of intent will likely not be accepted by the seller unless there is an agreed upon interlocal between CDD I and CDD II.

Ms. Carpenter: That is what Mr. Maxwell and their attorneys said at the meeting we were at, yes.

Mr. Williams: It is more than that. Once you have a letter of intent you are committing to going forward with everything else. That is going to cost a lot of money, which we haven't even talked about yet.

Mr. Zelazny: It sounds to me that the biggest concern is how do we fund it and how do we maintain it. So what I would offer is a 50/50 split on the purchase by lot on the operations and maintenance.

Ms. Carpenter: The other big thing is ownership. Would each District own what is in their boundaries, or are you going to split it some other way? That is the third sort of key to an acquisition I think.

Mr. Mecsics: I think that was the discussion Mike and I kept having, who owns the property. As you said, one has to. We also need to look at who can afford to do that at this time.

Mr. Costello: I can't understand why we would go 50/50 and then go with a split by lots on the operations and maintenance on something that is going to go on forever.

We have never asked for money to maintain any of our amenities in our section and quite honestly I don't think I can vote for anything in which we are going to pay more of the bill than you are and only have the same amount of say as you do.

Mr. Zelazny: You pay for all of your amenities now, despite what you said. The issue by per lot is every house gets the same assessment, which is what the lawyer said is one of the ways to do it. If you want to do it 50/50, the West will have a little higher assessment than the East, but discuss it. Don't just dismiss it right away and walk away.

Mr. Costello: I didn't dismiss it.

Mr. Robertson: I guess one of the points I was trying to make is if the real estate is in Lake Wales, then the Lake Wales side should do the maintenance of those issues. If it is in Winter Haven, then we should be doing our own side. You look after the pieces in your own community from a real estate point-of-view, and if the golf projections are really good and the golf course operations don't need any money, if we do this right, the only time there would be an operations and maintenance assessment would be if the golfers come back and say to us we need something extra and we can agree to split that 50/50 between the two communities. The actual costs of any real estate land issues, cart path issues, pond issues, etc., should be based on the city that they are in. So you have your regular way of assessing people, we have ours. If an unusual event occurs and they need some extra money for something, like if we get three hurricanes again like we did in 2005 or something like that, then we agree to pay for the golf course operations on a 50/50 basis. That seems fair for both sides. We don't look after your stuff, you don't look after ours. We look after our own, and you do the same. We task the golf course operations to breakeven on their own and actually try to make some reserves so they don't come back to us, but if that fails for some catastrophic reason or event, we will both chip in 50/50 on that, which means the two Boards will need to get together and determine if we are going to give money to the golf course or not, and whether we share that 50/50. We are not trying to get into your details as to when you paint your roof or how you do it. You look after yours, we look after ours. That seems like a fair way of doing it. We don't get into conflicts and mess each other up over those kinds of details.

Ms. Carpenter: I think that is a very good analysis. For the stormwater ponds and paths, the apportionment of the operations and maintenance there will need to be assessments and what we suggested as the way we see most Districts do, is hiring a management company to run the golf course. I think that makes sense, but I think that a golf course management company probably needs to be retained by both Districts and the cost of their management would need to be apportioned, whether it is 50/50, per lot, or some other assessment, because they will need to actually maintain the greens and the actual golf course assets themselves need to be run by one company under one budget. I don't see how that can be split between the two CDDs. So I think that is probably a very good way of looking at the operations and maintenance for the ponds, paths, and actual real estate stuff could be done by District, but the operation of the golf course would need to be assessed on some basis and as you say down the road hopefully there won't be assessments, but initially there would have to be assessments to pay for the management company and get it up and running it sounds like.

Mr. Zelazny: Let me make a proposal then that we look to set up a purchasing workshop for ten days from now where we actually have some ideas and put it on the table where everybody can discuss it. These are all good options, but they should have been presented to the Board and to the residents so we would have the specifics. If we have a workshop, we can work through those things so we could present them to the residents to see that they have a complete understanding of where we are going. I think a workshop is the easiest way to do it. I will make a motion that we have a workshop within the next two weeks to discuss the golf course purchasing, golf course operations and maintenance funding, and management.

On MOTION by Mr. Zelazny seconded by Mr. Mecsecs with all in favor the Lake Ashton II CDD authorized staff to advertise a joint Lake Ashton CDD and Lake Ashton II CDD workshop meeting to discuss the golf course purchase, golf course operations and maintenance funding, and management.

On MOTION by Mr. Plummer seconded by Mr. Zacharia with all in favor the Lake Ashton CDD authorized staff to advertise a joint Lake Ashton CDD and Lake Ashton II CDD workshop meeting to discuss the golf course purchase, golf course operations and maintenance funding, and management.

Mr. Zelazny: So if we were to look at the draft to try to get moving and try to get all of these things resolved with the golf course to see what they are going to give us, we could say Lake Ashton II CDD could submit a letter of intent on behalf of the Lake Ashton II CDD ourselves to get this ball rolling to see what exactly they are going to come up with. That doesn't prevent us at any point from offering you an equal share in the process and us to resolve any interlocal agreement as they become known to us. If we start the process to get the ball rolling to get into the due diligence and get information, we can share it with you, and then in that due diligence period we have the time to create an interlocal agreement.

Ms. Carpenter: It would have to be subject to an interlocal agreement because Lake Ashton II cannot legally acquire property outside of its boundaries without an agreement with the other District.

Mr. Meccsics: Now I am confused. I thought the interlocal had one CDD buying all of the property?

Ms. Carpenter: No. It was intended that each one would buy the property within its boundaries, but it could be either way. One CDD could acquire it all as long as the other agrees to that.

Mr. Meccsics: So then you could buy outside the property.

Ms. Carpenter: As long as the other agrees in a recorded interlocal. You could submit it saying it is subject to an interlocal agreement that Lake Ashton CDD allowed you to buy the property in their side.

Mr. Robertson: So Lake Ashton I could give us permission to start a letter of intent so we can start the process, hammer out the details, and we will have those details before the closing timeframe. If we can't come up with an interlocal agreement that we like,

then the contract would be cancelled, which is what Mr. Maxwell said, unless we have an interlocal agreement, he is not going to sell to us. This allows us to continue. Everybody keeps saying they want better information. We are only going to get it if we submit a letter of intent. So give us permission to start the ball rolling on your behalf.

Mr. Costello: They are asking for a motion from us to allow them to buy the property within our community.

Mr. Mecsics: And what Bob had asked for a little while ago is to do something before the next Board meeting.

Mr. Zacharia: Doug, can you explain to me why CDD II feels it is imperative with a ruling today to issue a letter of intent, especially when you don't even have any counsel? You only have someone watching as an observer, watching what is being said. I don't understand this. I am sorry.

Mr. Robertson: We have counsel if there is no disagreement.

Mr. Zacharia: Then I will ask what the benefit is of proceeding with a one-sided letter of intent?

Mr. Costello: Their intent is to keep the ball rolling from their side. It is up to us at this point, do we want to allow them to submit a letter of intent with the possibility that they are going to buy property within our jurisdiction. If somebody makes that motion, it is seconded and accepted, then we give them permission to buy property within our jurisdiction so they can move forward with a letter of intent. I am not hearing any motions, just a bunch of no's so I guess we don't have anyone willing to make that motion. We do have an intent to attend a joint workshop ten days from now. We would like to set a day and time. When and where will it be? Give us a date and a time.

Mr. Williams: While we are doing this ten days from now, something else that we talk about often but never did anything about, I would like to send a survey out to the community and get a yes or no, do we want to buy the golf course. Just a simple yes or no. I would feel better that I am representing my community with what they want. I have done a lot of dissecting through this whole thing, but I don't know truthfully what the majority of the feeling is out there and I would really like to know that. I don't know

why within the next ten days we couldn't just formulate a real simple yes or no survey and put that out there. I would like to make a proposal to do that.

Ms. Wright: My only request on the survey issue is how are you going to guarantee that you get one answer from every household in the community and we don't just get a loaded bunch of answers from a certain group of people one way or the other? We need one answer per household and I don't know how you can guarantee that we are going to get that.

Mr. Williams: Why would you want one answer per household?

Ms. Wright: Because that is how many people pay operations and maintenance fees. One vote per household.

Mr. Williams: When people go and vote for elected officials each person in the household votes.

Ms. Wright: But we all pay the same operations and maintenance. I pay the same as you do, then I should get the same votes you do.

Mr. Williams: Okay, I apologize for not looking at it the way you are. Some don't have more than one person per household. There has to be a way to get this information.

Mr. Robertson: The Board is struggling with the information that we have and we have been given opportunities to see things that are hard for everybody to see. How do we send out information when we are getting inadequate information and expecting to get a rational response? We won't get a rational response. We have already agreed to have a workshop. My point of trying to get a letter of intent is that it starts pushing the developer, the owner, to give us the actual information that we need. I hear everybody saying they want more data, and they are saying we can't send this letter of intent. If you don't have a letter of intent, don't expect us to have new information for the next meeting than we have right now unless we have a letter of intent that drives them to give us more information. Without a letter of intent we are just back to the same conversation we are having right now and we will have it again in another fourteen days. That is the only reason I wanted to move ahead to say see, we are serious, these are the conditions we are willing to agree to. You start getting information that way and he can then convince the

community that this is good for us. If he can't convince us, then we don't go forward with buying it. The issue I have, if you were there when I talked to the consultants, you'd know I said I don't want to buy a golf course. I think a lot of people think that I want to buy the golf course. I don't want to buy the golf course. I am not interested in buying the golf course. The problem is that I don't want someone else to buy the golf course that will really mess us up. If someone else buys this golf course and they go bankrupt, they are not giving it to us for free. They will turn it into a tax liability and then we have a closed golf course on our hands. The numbers that Jillian has given us, we are risking \$200 to \$300 a year to avoid that risk. It would be a \$200 to \$300 operations and maintenance assessment to resolve this problem. Everybody that moved in here has spent 20% more to buy a house in a golf course community. So if you have a \$100,000 house, you have already spent \$20,000 and if you have a \$200,000 house, it is \$40,000 you spent to buy into this community. At this point, you don't want to risk another \$200 a year for five or ten years to protect that investment? I don't understand that. I don't want to spend your money. I don't want to buy a golf course. I just don't want the golf course to close down and then we have that on our hands. It is an insurance policy for us, too.

Mr. Plummer: We can continue to beat this around for two more hours or make a decision, popular or not popular, and move forward. We need information to be able to make that decision and we have plans to do that. One is the workshop. The second is the intent letter so we can get some more information from the seller. We are under no obligation once we sign the letter of intent to actually purchase the golf course. You can back out of that whenever you want to. In my perspective, why are we waiting? Let's get the information, do the workshop, and make a decision and put this to bed once and for all. I will make a motion for Lake Ashton CDD to agree to allow Lake Ashton II send the letter of intent to move forward.

Mr. Zacharia: Second.

Mr. Plummer moved that Lake Ashton CDD would allow Lake Ashton II CDD to send the letter of intent to the golf course Mr. Zacharia seconded the motion.

Ms. Burns: To be clear what the actual motion was can we ask for it to be restated? I think there is some confusion about it.

Mr. Costello: The only thing I question on the entire thing is in the letter of intent, it gives five days from when we sign it for them to accept it. Once it is accepted we are going to have to go through this workshop and due diligence. We are going to have to have another meeting. In order for the workshop to be progressive, to attain something, we are going to find a way that we can come up with some sort of numbers within a ten day period. So how are we going to go about that?

Mr. Zacharia: I am confused by the motion.

Ms. Burns: I just want to say one thing before we go forward with this. It is entirely up to the five people sitting on this side, but I feel that I am not doing my job as District Manager if I didn't put on the record that I would strongly advise the five of you not to go forward with a letter of intent without legal representation. I am looking out for your best interest. Just putting it on the record, though it is entirely your decision, you don't currently have an attorney looking out for your interests or to negotiate with the buyer once you send that letter of intent.

Ms. Carpenter: Yes. I agree completely because the issue of negotiating an interlocal agreement is inherent in this because neither District can buy it themselves so it is tough to submit this when you don't know how you will buy it and you are required to come up with an answer if they accept in a few days. There are also blanks in the letter of intent that you would need to delegate somebody to fill in. I am not clear if the motion would be submitted by Lake Ashton I and Lake Ashton II the way it is, or that Lake Ashton II can submit it by themselves? I am not clear on what the motion was.

Mr. Plummer: The original suggestion from Lake Ashton II was that they would put in the letter of intent.

Mr. Costello: If we gave permission for them to buy property in our jurisdiction.

Mr. Plummer: That is correct.

Mr. Costello: But your motion I thought was that we would go together and send a letter of intent?

Mr. Zacharia: That isn't what I thought it was.

Mr. Robertson: What I heard was that you gave this Board to send a letter of intent, there being no conflict between the two Boards, then we still have counsel that is here.

Ms. Carpenter: No, I am not representing you with the golf course purchase. Since there is no decision on the purchase, this is Lake Ashton II on your own and I can't represent you so my representation ends here.

Mr. Zelazny: Clearly we would not send a letter until a lawyer reviews it because he has to write it. So we are not going to jump in with a letter until a lawyer drafts it and it won't go out right away. And quite honestly, if we schedule a workshop for earlier than later, 90% of the problems can be resolved before we get ready to go forward.

Ms. Carpenter: If that is the case it doesn't make sense to send it.

Mr. Costello: Doug left me with the impression that he wanted the letter to go out as soon as possible.

Mr. Zelazny: It can't be sent today. This is just a draft document. We will need to get a lawyer to do that.

Mr. Costello: You do have an attorney you will be using?

Mr. Robertson: Correct.

Mr. Williams: Don't we have to put a RFP out?

Ms. Wright: No, we don't.

Mr. Williams: Let me ask another question about this letter of intent. If we put out a letter of intent that we are going to buy it ourselves, the whole golf course, and then Lake Ashton decides not to in the future join us, we are then still under obligation to continue with the full due diligence to buy the golf course and if everything comes out okay with the due diligence?

Ms. Carpenter: I can't advise you on that. The suggestion now is that Lake Ashton II puts in their own letter of intent and Lake Ashton I would be giving a preliminary consent they would negotiate. I don't know how that will work. I am not clear either.

Mr. Zacharia: I am so rewinding the motion. What I thought I seconded was a motion based on the recommendation or suggestion that CDD II was going to proceed

with a letter of intent with an addendum or something that said that land within CDD I had the approval of CDD I to go ahead and have CDD II acquire it. That is what I thought I seconded and I think now there is confusion where some people thought the motion was that it means we are going to sign a singular letter of intent.

Mr. Costello: Bob, you made the motion. I know you can't repeat it verbatim, but I am going to ask you again, what was your intent?

Mr. Plummer: My intent was to move this forward.

Mr. Costello: I realize that, but what was your intent as far as do you want to give them permission to buy property within our District or do you want to go in with them on a letter of intent?

Ms. Burns: I think the best thing to do because there seems to be some confusion on what the motion is, perhaps if you would rescind your motion? If you rescind it we can start over.

Mr. Plummer: I'll rescind my motion. Does starting over mean another two hours?

Ms. Burns: No. It just means you rescind this one and you can restate it and we can vote properly.

On VOICE VOTE with all in favor the prior motion made by Mr. Plummer seconded by Mr. Zacharia was rescinded.

Ms. Burns: Okay so that motion and seconded have been rescinded. Supervisor Plummer, if you would like to restate your motion, the vote can vote on it.

Mr. Plummer: To take the confusion out of it, I think both CDDs should join together in the letter of intent and get the process started.

Ms. Burns: Do we have a second?

Mr. Costello: I will second that.

Ms. Burns: All in favor?

ON MOTION by Mr. Plummer seconded by Mr. Costello with two voting aye and three voting nay, the motion for the Lake Ashton CDD and Lake Ashton II CDD to send the letter of intent to the golf course failed 2-3.

Mr. Costello: We have two for and three against, so the motion fails.

Mr. Zacharia: If I might go back to Bob's suggestion about the workshop, which still needs to be scheduled I think in terms of the end result of the workshop, we talked about numbers, is there anything we can expect staff to provide between now and that point, or is it going to be the ten of us sitting together at a U-shaped table in two weeks and just throw numbers up on a white board? What did you envision, Bob?

Mr. Zelazny: I was looking for dialogue on how you split the operations and maintenance costs, how you split the purchase price, how you do the amenities portion versus the golf course portion, etc. You are not going to have any better numbers than you have right now until such time that you do the letter of intent. That is the only way we are going to get that information from the seller. So what we can do during that workshop is agree on how we are going to fund it and maintain it. That is what we need to do because that will be the interlocal agreement that is required. That has to be done and we have to understand that we are not just talking about the golf course. We are talking about two hundred acres of land, twelve miles of cart paths and bridges, and twenty ponds that have to be maintained. Those amenities are used by every resident in Lake Ashton. If an outside buyer comes in, no fishing, no golf carts, nothing. That is the downside of having an outside purchaser come in. We have to get finalization on something so we can move forward even if it is just a meeting so we understand how we are going to fund it if we move forward. We are going to sit here and not decide to move forward for another four months and then you are going to have another four months trying to figure out how you are going to fund it. These funding problems should have been resolved six or eight months ago because you knew it was coming. It already should have been resolved and that is what needs to be done at the workshop. We need to figure out how we are going to fund it if we buy it. How is it going to be maintained if we buy it. If some of you elected officials don't want to buy it, then please, I would ask don't stop us from doing what we think is right for our residents.

Mr. Costello: You are making some assumptions that somebody is going to come in and buy this thing and be a bad neighbor to your 1,600 homes and 3,200 people. Not

a very smart move in business as far as I can see when 400 of the people at least are your clients paying money. It would be very stupid to do something like that. To come in and aggravate the entire community by saying you can't use our cart paths, or you can't fish or do this or that, it is not a very smart business move as far as I can see. So let's stop trying to scare people and let's try to get down to business and if we can get it and operate it at a breakeven point, then let's do it, but let's stop trying to scare people that they are going to do this, or they are going to do that, because we don't know that to be true.

Mr. Zelazny: If you can point out one privately held golf course that allows outside people for insurance purposes to fish in their ponds, walk their golf course, drive golf carts on their property, etc., you show it to me. I don't know of one.

Mr. Costello: Well let's see what they are going to do when we say we own some of the bridges and some of the things they cross. Life has two sides to every story.

Mr. Robertson: There are two sides to every story, but the issue is not to lose site of the fact that we live in a golf course community and if we end up with the golf courses closing down on us, we have a catastrophic event on our hands and that is not something we want to get to. We are not talking about spending an inordinate amount of money to prevent that. We are just saying let's figure out a way to work this out so it is successful.

Mr. Costello: And, Doug, I agree with you. I have worked for how many hours did we put in? I am not arguing against buying the golf course. What I am saying is, and I agree, let's move forward or put it to bed. Let's do something. This all started way too early because he has three years worth of commitments at least in order to keep this golf course running. We know that. We would have been far better off I think to wait until the 11th hour and say okay, we will buy the golf course.

Mr. Williams: So let's do the workshop and get on with it.

Mr. Plummer: We are one community, let's try to get these people to work together, have the workshop, make the decisions, and move forward.

Ms. Carpenter: Just from a business standpoint, a workshop is for discussion purposes only and you cannot vote and make any decisions at a workshop so we would need a joint meeting or other meetings. At a workshop the Boards cannot make any

decisions. A workshop is just for discussion purposes so if this is intended to be able to approve an interlocal or LOI, it should be advertised as another joint meeting rather than a workshop meeting.

Mr. Robertson: Could we continue this meeting to reconvene after the workshop? If we have a continued meeting, it will give us the opportunity since we have already had the process of looking for a new lawyer, we can have that done and a new lawyer approved at that meeting so we would have representation.

Mr. Costello: So instead of adjourning this meeting, maybe we are better off to simply continue this meeting until after the workshop ten days from now. Let's decide on a date for the workshop and start moving forward.

Ms. Burns: The soonest we can do it, since we have already missed the advertising deadline for the 14th, so we are looking at the week after from the 17th to the 21st.

Mr. Mecsecs: Do we have to advertise the workshop?

Ms. Burns: Yes.

Ms. Carpenter: Doesn't Lake Ashton have a meeting on the 17th?

Mr. Williams: The 17th works for me.

Mr. Costello: We have our meeting scheduled for the 17th. The advertisement for us hasn't gone out yet, right?

Ms. Burns: Probably, but we can probably revise it if we have an answer within the next hour or so.

Mr. Costello: We should have our Board meeting after the joint workshop and joint meeting.

Mr. Mecsecs: Yes. We should have the workshop on the 17th, then go forth from there. We can reconvene this meeting after that.

Ms. Wright: On the same day? I am leaving on the 20th. Don't cut me out of another meeting.

Mr. Mecsecs: The 17th for everything.

Mr. Robertson: Technical details, our Board, we are going to reconvene later on after this, we are can continue that as well, we will hold that prior to the workshop, open

that meeting and at which time we can approve a new lawyer so we have a lawyer in place for the workshop and for continuing all of this.

Ms. Burns: Are you intending to do a RFP?

Mr. Robertson: There isn't enough time but we can get adequate representation and work on doing something long-term.

Mr. Zacharia: Regarding the 17th, the CDD I regular meeting is scheduled for 10:30 a.m. I believe.

Mr. Deane: Yes, it is.

Mr. Zacharia: So the workshop will be after the 10:30 a.m. meeting?

Mr. Costello: Actually, we will do the workshop before it.

Mr. Zacharia: So the Board meeting will be later?

Mr. Costello: Yes, I just asked for the workshop to be before our meeting.

Mr. Robertson: That way after the workshop you still have the opportunity to vote on anything else you need to.

On MOTION by Mr. Mecsics seconded by Mr. Robertson with all in favor the Lake Ashton II CDD Board authorized staff to advertise a joint workshop on December 17, 2018 at 10:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

On MOTION by Mr. Costello seconded by Mr. Ference with all in favor the Lake Ashton CDD Board authorized staff to advertise a joint workshop on December 17, 2018 at 10:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

Ms. Burns: Okay let me just clarify times. We have Lake Ashton II first at 9:30 a.m. and the workshop will be at 10:00 a.m. The Lake Ashton Board meeting was scheduled for 10:30 a.m., but obviously the workshop is going to be longer than that. Have we decided if we have a need for the Lake Ashton Board meeting?

Mr. Deane: It depends on what happens at the workshop. Maybe move the time?

Ms. Carpenter: Yes, I think it makes sense to keep it.

Mr. Costello: Yes. Can we move it to the afternoon? Like at one o'clock?

Ms. Burns: Are we going to continue this joint meeting until that day, too? Maybe until 11:30 a.m.? So we have Lake Ashton II at 9:30 a.m., the workshop at 10:00 a.m., allow an hour and a half for that so the joint meeting would be at 11:30 a.m., an hour and half for that, then Lake Ashton CDD would be at 1:00 p.m. if necessary, if not we don't need to have the meeting. Is that okay with everyone?

Mr. Zacharia: Now that we have filled the 17th on our calendars, I'd like to go back and address the motion we rescinded. I got the impression there were very strong feelings that it would be beneficial to proceed with a letter of intent submitted by CDD II, which CDD I gave authority to acquire property to proceed with getting information, and because of some confusion on voting, the motion was rescinded, etc., but is there still a feeling that there is a benefit to doing that before the meetings on the 17th?

Ms. Carpenter: I don't think the seller will consider a letter of intent unless there is a decision among the Boards on how they will acquire the property. They made that pretty clear, but I will let Mike and Jim address that.

Mr. Meccsics: He did say that.

Mr. Costello: I don't think he is even going to look at it unless there is some sort of agreement between the two Boards. I think they will say get it together and come back.

Mr. Meccsics: I think in this case, we can go back to them and explain we have a workshop to do a letter of intent so we can tell him that we are still working out the details of that. Maybe he will care about it, maybe he won't but if we don't try, we won't know.

Mr. Costello: If he just got turned away by one company, I don't see where he is going to pressure us on a matter of a couple of weeks. We need to iron out our situation in which way we want to proceed. I don't foresee they will pressure us on that, though.

Mr. Meccsics: I think we should go back before this meeting, sit down face-to-face with him and get a little clarification on this.

Mr. Costello: Sure. Legally I would like to see you have good representation before we move forward with something. And I say that only because you should also have the protection you need in order to proceed. Quite honestly I think that maybe a

phone call could go out and we can tell them we have another meeting on the 17th, give us until the 20th and at that point you will have legal representation and we will have the intent of whether we are going to move forward or just walk away from this. And as far as any time you want to meet with me, we can sit down and talk about what is going on and which way we are going to proceed.

SIXTH ORDER OF BUSINESS**Discussion of Potential Attorney Conflict and Resignation and/ or Selection of Special Counsel**

This item was previously addressed earlier in the meeting.

SEVENTH ORDER OF BUSINESS**Discussion of Combining CDDs**
*(requested by Lake Ashton Board at 11-19-18 meeting)***EIGHTH ORDER OF BUSINESS****Discussion and Consideration of Joint Amenities Policies** *(requested by Supervisor Mecsics)***NINTH ORDER OF BUSINESS****Supervisor Requests and General Public Comments**

These items were tabled until the continued meeting.

TENTH ORDER OF BUSINESS**Adjournment**

There not being any further business to discuss,

On MOTION by Mr. Costello seconded by Mr. Deane with all in favor for the Lake Ashton CDD Board, the meeting was recessed to reconvene on December 17, 2018 at 11:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

On MOTION by Mr. Zelazny seconded by Mr. Mecsics with all in favor for the Lake Ashton II CDD Board, the meeting was recessed to reconvene on December 17, 2018 at 11:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

 Assistant Secretary/Secretary

 Chairman/ Vice Chairman

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

The recessed joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District held on December 4, 2018 was reconvened on December 17, 2018 at 11:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

Present and constituting a quorum:

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

Also present:

Jillian Burns	District Manager
Jan Carpenter	Lake Ashton CDD District Counsel
Mike Eckert	Lake Ashton II CDD District Counsel
Numerous residents	

Please note that due to a lot of background noise and side conversations there are portions of the meeting where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll, established the quorum, and noted the pledge of allegiance had been done previously.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

On MOTION by Mr. Mecsecs seconded by Mr. Plummer with all in favor the meeting agenda was approved.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda *(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Boar action)*

Mr. Costello indicated there were requests to speak from Mr. Al Goldstein and Mr. Les Jacobson.

Mr. Goldstein asked for both Boards to negotiate an interlocal agreement.

Mr. Jacobson spoke about how to split the costs and the Boards needing to work together and for the best interest of both communities as one community rather than just their own in order to move forward.

FOURTH ORDER OF BUSINESS

Consideration of Interlocal Agreement for Mutual Cooperation Regarding Golf Amenities

Mr. Costello: Consideration of Interlocal Agreement for Mutual Cooperation Regarding Golf Amenities. We all have a copy of that. Does anybody need one?

Ms. Carpenter: Mr. Chairman, if I may introduce this a little and Mike Eckert is here for Lake Ashton II. We talked about this briefly. What I just handed out now, I brought with me from the last meeting is a draft interlocal, which Mike used most of the same terms in a similar community for an amenity sharing proposition. It laid out some of the basic items the CDDs would have to agree to. I don't think all of the details will be able to be ironed out, but there are five or six key points that the District would have to agree to today to be able to put together in order to move forward. We can go through it piece-by-piece. The first would be to negotiate a letter of intent. The second would be financing the golf course, whether it is fifty-fifty or per lot. The next would be operations and maintenance, whether it is fifty-fifty or per lot, or some other idea. Next would be how the budgeting would occur. Since each District has a statutory responsibility to

submit a budget, the proposition here would be one District would submit a budget, after input and payment from the other District. That seems to be the most logical because by law you want to make sure you are able to cover all costs. Of course there are probably other ways to do it, but those are the most important. Then there are a bunch of others, but I think those are probably the key pieces. Mike, do you have anything else that you would like to add? If not I will turn it back over to the Supervisors, but I wanted to introduce what they key points will be on my side for this discussion.

Mr. Costello: I take it you are the author of this?

Ms. Carpenter: Yes, but I did take a number of the provisions from an agreement from one of Mike's Districts so he is also very familiar with this.

Mr. Costello: So you are saying the first section that needs to be addressed is page 4, Section 2?

Ms. Carpenter: That would be if the Districts want to go forth and negotiate a LOI, we have drafted one similar to how Mike had drafted one and put in there keeping the committee system you have with a representative of each District and giving discretion, which I put in a number of 10%, but there could be any number to determine it was not a material thing and they could agree to keep the process moving forward. And of course the Board can change that in any way.

Mr. Costello: Do I have any comments?

Mr. Zelazny: Mike, before we start with the interlocals and the letter of intent, we had two motions at the last meeting not to go forward. I think the first thing is are we as a Board going to elect to go forward? If we do so, then we can spend the time doing the interlocal and the letter of intent, but first, the Boards need to vote. Are we prepared to go forward? We had two motions last time and none of them carried so we postponed it for a workshop and today. I believe the first order of business should be are we willing to go forward with this?

Mr. Ference: I will make that motion.

Mr. Costello: I need two separate votes on this, right? So from Lake Wales, Mr. Ference made a motion to go forward with the letter of intent or the interlocal agreement?

Mr. Eckert: All I am hearing is a motion for the Boards to continue to work on the process jointly and collaboratively and you are showing your support for moving forward. It is not binding any Board or anybody. That is the way I envision it because I don't think we are approving a particular document at this point and time.

Mr. Ference: That was my intention, to continue to go forward and discuss as the agenda lays forth.

Mr. Costello: Do I have a second?

Mr. Plummer: Yes.

Mr. Zelazny: We need to have more discussion before there is a vote. You believe one thing. Have we made a decision that we are going to send a letter of intent to purchase the golf course? That is my motion. The other things are moot if we decide we are not going forward.

Mr. Ference: That was my intention to do exactly that. You said we postponed it and made no decision at the last meeting. You brought that up now, so I am agreed.

Mr. Costello: You said you made a motion in order to continue.

Mr. Ference: As-indicated by what Bob said. We postponed making a decision at the last meeting, and now we resurrected that motion and I am bringing it forward at this meeting now. Yes, I make that motion.

Mr. Zacharia: Then your motion is to continue the process of acquisition and operation of the golf course tract with whatever it involves, such as a letter of intent and interlocal agreement?

Mr. Ference: Yes. The first thing we have to do, as was pointed out is to develop an interlocal agreement. That process will lead us to a letter of intent, which will lead us to go forward with the golf course. Yes.

Mr. Costello: Okay, so we have a clear motion. Do we have a second?

On MOTION by Mr. Ference seconded by Mr. Zacharia with all in favor the Lake Ashton CDD Board approved continuing the process of acquisition and operation of the golf course, including a letter of intent and interlocal agreement.

On MOTION by Mr. Mecsics seconded by Mr. Williams with all in favor the Lake Ashton CDD II Board approved continuing the process of acquisition and operation of the golf course, including a letter of intent and interlocal agreement.

Mr. Costello: Okay. Now we are back to Section IV page 5.

Mr. Zacharia: Mr. Chairman, point of information please. On page 3 of the document which we have before us, there are several whereas paragraphs that are highlighted in yellow. Would those remain or could they be stricken?

Ms. Carpenter: Anything in here can be stricken. I think the discussion is really to hit the key business points that the District needs to agree to and I guess Mike and I can draft an agreement that puts together all of the facts and the balance of the agreement. The way this was drafted was one District would own the golf course with both sharing. Or it could be that each District owns its own property. There are a lot of different options, but yes, anything in here highlighted in yellow can likely be changed or stricken, but we really, just to get the key agreements that are necessary to submit a LOI. The first would submit that both Districts want to submit a LOI and it would need to be negotiated and submitted to the seller with the idea of a LOI and whether you want to continue with a committee that you have given direction and some authority delegated and then maybe come back to the Boards. I am not sure how you want to do that.

Mr. Mecsics: Since Murray brought up on page 3 here as far as the Districts have not engaged in substantive discussions, I am not sure that is necessary to be part of this interlocal agreement at this time. That is something we have to decide so I recommend we strike that.

Mr. Costello: Do you want to make a motion?

Ms. Carpenter: No. We are just talking about it. I was ignoring everything on the first couple pages because those are just facts that we can get in and make clear. I skipped right to the agreements between the parties and we will take out anything that is not relevant based on what the Districts decide. It is just trying to get to the point of while everybody is sitting here we need to agree on key issues to be able to submit a letter.

Mr. Costello: Okay. As the author, where do you feel we should be starting?

Mr. Mecsecs: Number 4.

Mr. Eckert: Yes. I think we have already talked about the fact that the Districts want to submit a letter of intent. We are past that. The next thing we need to discuss and I will throw this out there as one of the harder issues is how do you want to allocate the payment responsibilities for both the purchase price and the operations and maintenance? Whether I am skipping around or not I don't know, but we need that business term for us to be able to work on this interlocal agreement.

Mr. Costello: What section or page number is that?

Ms. Carpenter: Section 3 talks about how we are going to finance it. That would probably be the purchase price. Section 4 would be the operations and maintenance.

Mr. Ference: Mr. Chairman, on behalf of Lake Ashton CDD would it be appropriate to call for a motion that says the cost of acquisition and the maintenance of the golf course tracts shall be borne by the residents and landowners in the Lake Ashton golf course development on a per lot basis?

Mr. Costello: If you want to make a motion to that effect.

Mr. Ference: Yes, sir.

Mr. Eckert: We don't need a motion on each element of this agreement. What we need is Board direction and discussion in terms of do we have a general consensus of the Board members that it is per lot or fifty-fifty? We will take that information and fold it into the interlocal agreement. We may get to a point where we ask you to approve it in substantial form, subject to Jan and me working out those final details to make it consistent, but I think if we do a motion on every point as we go through this, it is going to take a lot longer than it needs to.

Ms. Burns: Are we okay with turning over the discussion of what they need in order to draft this agreement to the attorneys? Can we let them kind of lead this discussion? Is that okay?

Mr. Costello: Yes.

Mr. Robertson: Yes.

Ms. Carpenter: As Mike said, in looking at the acquisition, would it be per lot or fifty-fifty and would the operations and maintenance be the same, per lot or fifty-fifty?

Mr. Costello: In effort not to feel partisan, not to feel divisive, I would say per lot.

Mr. Zelazny: I would echo with what Murray and Mike have said. If we are going to be truly one community, everybody should be treated the same throughout the community to enjoy the amenities so I would recommend per lot.

Ms. Carpenter: Is that the consensus? There are no strong objections? Great. That would be for acquisition and operations and maintenance. The other question would be from an ownership standpoint. Would each CDD own the property within their respective jurisdiction?

Mr. Costello: I would think that would be a fifty-fifty split.

Mr. Zelazny: Couldn't there be an organization, some legal term that would allow it to be mutually held by both Boards and administered through joint Boards?

Mr. Eckert: There are couple different ways you can do this and certainly it is really easy to say everybody owns what is within their boundaries. That is one way to go ahead and do it. In terms of forming joint ownership of everything, I have not looked at that or even thought about that, but that is something Jan and I could talk about.

Ms. Carpenter: Yes. You could probably set up another public corporation of some kind and have another Board, but then you are delegating authority and paying more administration.

Mr. Zelazny: Can you say the properties are owned by the District, but the golf club tract is jointly administered by the joint Boards?

Ms. Carpenter: What we are talking about now is per ownership. So the property would be owned within each District, but my next question was going to be how are you going to administer operations and maintenance? Who is going to budget? How is the vote going to happen?

Mr. Robertson: It seems that if the land is in Lake Wales it should be administered by Lake Wales, and if the land is in Winter Haven it should be administered by Winter Haven. That has to do with the land, which is the bridges, the ponds, the fences, and

things like that, and then we could have a common entity that looks after the golf course operations. It is not the land we are talking about. If we want to continue to have a golf course running, then we can do that jointly and have a golf course. If at some point the golf course no longer is in operation, then each CDD has their own land, their own paths, and everything else they are going to maintain. The idea is owning the golf course is essential. I think it is important for the community, and the golf operations is something we should share equally, but the land in your community you maintain on your own.

Ms. Carpenter: So let's clarify; each District will own the property within their boundaries and will maintain their own ponds, golf cart trail, and bridges within their District is what you are saying?

Mr. Eckert: I don't think that was the intent. I think the intent is to keep the ownership of the land respectively in the Districts where they lay; however operation of those lands then becomes a separate issue and should be operated on a fifty-fifty basis.

Mr. Robertson: Operation of the golf course. Yes.

Mr. Costello: Operations. And also the expenses should be on a fifty-fifty basis.

Mr. Plummer: The same as the purchase per lot.

Mr. Costello: That is not fifty-fifty.

Mr. Eckert: Let's go back to the ownership issue, and then we will talk about how we are going to deal with operations, but from an ownership standpoint in my mind the simplest thing is for each District to own the land that we are going to be purchasing within their boundaries. That is the easiest thing to administer. Is there anybody on either Board that disagrees with that approach in terms of technical ownership? So the second issue becomes how do you split the responsibility as well as the payment obligations for the operations and maintenance of the costs of the golf club as well as whatever replenishments you are going to do over time? What I heard was somewhat of a distinction between ponds and trails versus a fairway.

Mr. Costello: I think everybody is in agreement with the ownership. As far as any expenses incurred, I believe it should come out of one pot, fifty-fifty split, whatever needs

to be repaired on one side or the other side, the bills should be split right down the middle.

Mr. Zacharia: Counselors and administrators, is it a question of how can we do this? How can we do it if we choose to take the operation of the course tract whatever that might be, the maintenance of the cart paths on the West #14, which by the way is in the East even though it is called West, how do we take that cart path that is all broken up and fix it? Is it possible that each CDD during the budget process places money in a bucket somewhere that is used for the maintenance and operations of the golf course tract, cutting it 42 times a year or whatever it might be, and the decisions to use those monies would be a joint decision of the two CDDs?

Ms. Carpenter: Murray, I think you have hit right on the problem. The simplest way to do this would be to have one of the CDDs establish a budget for the golf course, including ponds, golf course management, and then because you have a statutory obligation to have that by certain dates, have that District after a certain number of workshops, after input from the other District, and then each side would levy the assessments necessary to cover their portion or the per lot portion or whatever the portion is. Then that money all goes into the pot to fund, and at the end of the year, if it is short, the other District ponies up or if it is too much, it goes into next year's budget.

Mr. Costello: Wouldn't it be just as easy for both CDDs to appoint one Supervisor and whatever the bills are, they bring them back to their respective CDDs so the bills are split fifty-fifty?

Ms. Carpenter: That would be kind of tough because you have to have an agreed upon budget. You are going to have to collect assessments that will fund the entire budget, including everything and that has to happen before the year starts. So you have to have a pretty good budget number in May, June, and July so it is adopted in August, to start your next October fiscal year. So if it is going to cost \$200,000 to maintain all of the ponds, then each side will assess their folks the sufficient amount to cover it.

Mr. Zelazny: Jan, I think that Murray had it spot on. Mike, the only thing I disagree with is if you do it by fifty-fifty or own your own property, again you have three

times as many ponds as the Lake Ashton II. You have ten times as much bridges. You have three more golf holes to maintain. So the East would pay a disproportionate amount of money to maintain the golf course tract. I would recommend that the golf course tract is funded by lots and repairs, maintenance, operations, budget, is developed by a committee from the Board that reports to the joint Board and then the joint Board approves that action.

Mr. Costello: What I am saying is the operating costs of the golf course should be divided by lot. We come up with a budget so whatever the budget may be, that goes into a pot, we hold it in escrow or whatever. Now if you have a scenario where you have to repair a bridge and it is going to cost you \$50,000, at that point both CDDs would pay \$25,000. So it would be a per lot assessment of everything that goes on, but it would come out of one general fund.

Mr. Zelazny: The operations and maintenance assessment we agree should be by lot and we agree to have that be put into one account, right?

Mr. Costello: Right.

Mr. Zelazny: Then that account should be administered by the joint Boards.

Mr. Costello: Right. And at that point, whatever happens, if you have a repair that has to be made at a cost of \$50,000, that \$50,000 comes out of the joint pot.

Mr. Zelazny: That is exactly what I was saying.

Mr. Costello: And this is what I have been saying the whole time. I may have said it in a way that was a little confusing, but the words fifty-fifty meant that everything should come out of one pot. Once the money is put in there by the per lot amount, then everything just comes out of that account at that point.

Mr. Ference: No matter whether it is in East or West.

Mr. Costello: Right. I should not have used the words fifty-fifty.

Ms. Carpenter: The account has to be held by one District or the other. Each is a separate governmental entity with audits and other things.

Mr. Costello: Can't we just put it in one of the CDDs?

Mr. Zelazny: My recommendation is I would offer the West to be the holder of the thing only because Doug has been eminently involved with the acquisition, budgeting, and planning going forward. I think the two Boards will work well together, but if we have to do it, I think the West would step up. At least for now. Maybe we can review how else to do it otherwise later?

Mr. Zacharia: A point of clarification from counsels on Lake Ashton and Lake Ashton II. Is there any way at all to create an entity that allows the two CDDs to co-own and co-manage through another entity?

Mr. Eckert: We can look into that, but what I would suggest and what I have seen work better is you go ahead and have interlocal that governs your relationship with each other because you do run into questions of agency in terms of what a Board member is acting for when you have that joint entity, a third entity, so I would say let's see if we get it through in the form of an interlocal agreement where you both still have your independence, come to an agreement there, and if we can't reach an agreement there, then we can look at those other options. There will be a cost to administer so I am not sure it is really a good bang for your buck.

Mr. Costello: Sitting here I have Mr. Plummer and Mr. Zacharia in agreement that Lake Ashton II will hold the money. I don't know about you, Bob?

Mr. Ference: I think that's a great idea.

Mr. Costello: The only other thing is of course we are going to get whatever monthly statements are necessary.

Mr. Ference: No secrets.

Mr. Costello: Precisely. Okay. Then let's move on.

Mr. Zacharia: When you say Ashton West will hold the money, yes. Is that conditional upon the expenditure of the money being a jointly made decision?

Mr. Costello: Yes.

Mr. Ference: Do we need a motion to that effect?

Mr. Robertson: No. We are just giving direction to the lawyers.

Mr. Ference: Okay then let's move on please.

Mr. Costello: Okay, Jan, what do you have for the next item?

Ms. Carpenter: A lot of this is just details of how the Lake Ashton II budget will work in setting up things. I think Mike and I can put together basically this sort of thing, how you would set up workshops, budgets, or a group to negotiate that. One other thing in here was selecting a management company. I am not sure if that is something you can agree to today to have RFPs and set up a group to start doing that because it is probably something you might want to start. You will need the RFPs to get numbers so you can look into your budget, but you may not want to do that right away.

Mr. Mecsecs: I think we should hold off that because again ladies and gentlemen, I used to be a contractor and I would love to take a certain percentage off whatever fees you give to me. If we can do this with the personnel we have right here and an individual contract with that individual, let's not make this any more difficult than we have to. It may take a little more work from the Board members, but I am not really excited about that right now.

Mr. Costello: That I thought we can do under due diligence anyway. I agree with Jim. Quite honestly after talking to Paul, I don't think we need to bring more people into it to spend more money.

Mr. Williams: I disagree, it doesn't cost anything for someone to give us a RFP to tell us what the management fees will be from a couple different operations so we can compare them to what is being offered from what we have. I think that it is wrong not to look at all options.

Mr. Mecsecs: When you usually take over things like this, based on my experiences you don't just change dramatically the first year. Let's do this with what we have right now with the structure we have, and then we can discuss at another date as it is working. We can look at management companies then. To go out for a RFP or anything like that right now, again there is money involved with that with our lawyers, and right now we need to work on making a letter of intent, making the interlocal, and getting this going.

Mr. Ference: Yes. The letter of intent and interlocal agreement is our priority. Let's work on that and get that done first. We can always get due diligence and pricing, etc., etc. After the letter of intent is done we can do that.

Mr. Robertson: Yes. As for perspective, I have a quote from the firm that runs Eaglebrooke and their charge to do it was \$76,000 a year plus 30% of the gross margin. That is what they want off the top. That is from December 13, 2016, which Eaglebrooke went ahead and did. So it is \$76,000 plus transportation costs, plus 30% of the profit and that is what we would be signing up to spend approximately going forward on that. We can get bids on that, but it is about \$100,000 to do that at this point and time.

Mr. Zelazny: I would like to say that Stan is right that at some point we might have to look at a management company, but my recommendation is we don't change courses until we get things going. We will have one year with our current management and current contracts in place. We can modify them during the year, but going forward we should anticipate keeping our current structure in place.

Mr. Costello: Okay. Do we have any other comments at this time?

Ms. Carpenter: I think we have the basic terms. It sounds like we have a basic agreement on ownership and how costs will be apportioned for purchase and operations and maintenance. There are obviously a lot more terms, but I think Mike and I can put this together in a sort of short form for the Boards to look at. I believe we have enough that we can submit a letter of intent.

Mr. Zelazny: Jan, one of the paragraphs you had in the original letter of intent when we talked about working together it was that Lake Ashton would ask for input from Lake Ashton II, but wouldn't have to take it. I think that should be stricken. Every bit of input from any Board member is important and every decision should be made by the majority of the combined Boards. Everybody has a voice. Even if we are controlling the money, Lake Ashton should have input that should count.

Mr. Ference: And Bob, you are not controlling the money, you are just holding it.

Mr. Costello: Right. You are simply going to hold the money and what we are going to do is as bills come up, bimonthly or once every three months we have a meeting, you give us a statement of what's going on and we can go on from there.

Ms. Carpenter: And Mike and I will put together something that would be typical, but you will have a typical budget where the manager can pay the regular fees and contracts, so unless it is a capital expense, it shouldn't be something not budgeted for. We will try to put together something that both Boards can review.

Mr. Costello: Do you have anything else, Jan?

Ms. Carpenter: I think then from the interlocal the next thing would be the LOI and what the terms of the LOI would be. We have enough basic terms that you could put in good faith go to the seller with a LOI.

Mr. Zacharia: Under Section 5.2a there's reference to some kind of advisory Board.

Ms. Carpenter: Yes. The Districts will have to both agree, but so the Boards don't have to sit and look at every line item, you may want to have an appointee from each Board or the CDD manager so they can come up with a budget and you can give input but not have to look at every line item along the way. That is for budgeting purposes, but it can change if you want.

Mr. Zacharia: Is there a similar reference in these multiple pages to a Board or committee or something for the operation of the golf course, even though the operation would be contracted out eventually? Some entity has to be responsible for the management of the course at the District's level.

Mr. Costello: I thought we agreed that we would appoint one Supervisor from both Boards in order to satisfy the Sunshine laws and then we would have the management of the golf course, right now Paul Sizemore, and the three of them would administer whatever needs to be done.

Mr. Zacharia: Okay so then we are appointing two people to make decisions about the golf course?

Mr. Costello: No. We are appointing them as liaisons. They are going to bring back anything that needs to be brought back to the membership because we can't have only two people making the decisions of what is going to go on.

Mr. Robertson: I think the issue if they are just talking about a cutting schedule and how they cut, they can make those decisions. If they say we want to change the cuttings schedule it is going to cost \$20,000 more money, then that has to come back to the Boards. If they say they want to do something on Tuesday versus Wednesday, those decisions can be made with the two Board members and Paul, but any kind of financial commitment that is outside of the foreseen budget has to be brought back to the Boards. They should not be free to just spend money as they wish, but if it falls within the budget guidelines, like if they stay within those guidelines for fertilizer you don't need to be discussing every fertilizer purchase. If all of the sudden fertilizer is more expensive for whatever reason, then it comes back to the two Boards because we will have to change the budget for this year to deal with that issue. As long as it stays within budgetary guidelines, those two Board members would handle it. Is that what you are envisioning?

Ms. Carpenter: I think the management discussion is a big discussion. Having to get an outside management group is expensive, but it also puts the liability on them and gives them a higher level of discretion and there is protection for the Board members. If the Boards are directing the management, it does open up other issues.

Mr. Costello: Well the biggest part of that is the fact that if we find that we are having problems with the management, we can at that point turn around and seek out a management company in order to maybe come in and straighten it out. We are trying to eliminate \$70,000 to \$100,000 in costs that we really don't feel we need at this point.

Mr. Ference: Didn't we agree for the first year we are going to maintain what we have going forward and should we find it disagreeable or unmanageable we will put out a RFP to try to get other folks? We are already committed to the first year so let's go forward and not try to figure out in years two, three, five, and ten.

Mr. Robertson: Based on the numbers we got, there should be enough money in there going forward that we can afford to have a management contract, but I am very

sensitive to the community in not wanting to increase assessments. So like CDD II did, we took charge of running our facility, made sure our costs were within reasonable boundaries, and then we started spending money. As soon as we can afford to hire somebody on the outside, great, but I am not going to ask the community to pay for that, I am going to try to figure out how to do it from the operations. If we can generate an extra \$100,000 a year of income within the golf course operations, then we can hire a manager to do it rather than having the Board do it.

Mr. Eckert: If I could just make one comment, just to keep things on track, in terms of the interlocal, I think Jan and I know what we need to do to come back with you and say here is what we drafted based on what you said. You may still have some tweaks here and there, but you should be proud because you made some kind of monumental decisions here in terms of going forward. So let us put those into the document and bring it back to you so you can see what it looks like on paper because like I said there may be tweaks here and there, but we have a lot to work with now to try to put something in front of you that is management, efficient, and meets the goals that you have expressed.

Mr. Ference: Amen.

Mr. Costello: I agree with you. Any other comments?

Mr. Williams: Does that have to go back to the whole joint Board? Can't it go back to Doug and Mike or whoever?

Mr. Costello: No, it should come back to the full Boards.

Mr. Ference: Then let's move on.

Ms. Carpenter: I think the LOI would be next and the terms. We have a letter from Lake Ashton II and we can go through the terms that we had discussed at the last meeting. I think that would help.

Mr. Eckert: Yes. I think Jan had prepared a letter of intent and I took a lot of the terms of that and put it in what I prepared. The one thing I will say about what I prepared though is it was just based on Lake Ashton II, so don't pay any attention to that part of it because it will now be both Districts, but I think at least from our perspective there were some payment terms that we are trying to strike out a little bit more so there wouldn't

necessarily have to be an assessment based on Doug's numbers. We want to be able to go back to the developer and work with them on the timing of the payments, which is something Doug has done a lot of work on. That was one of the things that I would say is different between Jan's letter of intent she had initially drafted and what we have proposed, as well.

Ms. Carpenter: Since Doug seems to have some other terms for payment and all, Doug and Mike, do you want to go through the payment terms and if they are different I will just ask questions.

Mr. Costello: Have you spoken to them since?

Mr. Robertson: No.

Mr. Costello: As far as payment terms, the best I can recall is we were told that we were given a three year same as cash deal where we would make yearly payments on that, but quite honestly, that is going to have to be a negotiable item between them once they receive a letter of intent and in our due diligence we are going to have to make a determination as far as which way that is going to go.

Mr. Robertson: I think in trying to structure it the way I did was I am trying to limit the liability to members of the community. The numbers we have been dealing with have come from the golf course and if we do the things that we say we are going to do in terms of the positive things to improve the cost effectiveness of the golf course, I am seeing owner of the golf course, we will collect our dues, and we will put in the \$200,000 to start with and if we run out of money at any given year, you have to replenish that until the next August and over time that will diminish to nothing. If we do it well, then it will never go negative, but I am putting it right back that our limited risk is \$100,000 in terms of payments would be my way of saying if you believe in your numbers, we will pay you \$100,000 a year until we are paid off and beyond that you are just going to have to wait. That way we don't have to turn around with a big assessment to anybody so instead of being \$150 a year it is something less. I am trying to put it right back on the developer. If you believe in your numbers, you ought to be standing behind that. That is how I approached it.

Ms. Carpenter: I think the key difference so that the Boards understand is when we talked with the developer with Mike and Jim, he was asking \$477,000 agreed to pay it out over three years and he would deposit \$240,000 and pay that to us in lieu of whatever else he receives from new homebuyers and that \$240,000 could basically start an operating deficit reserve. The difference is in the newer proposal would be only \$237,000 would be financed over time so it is slightly different but financed, and then the Districts will come up with \$200,000 to fund and operate the deficit reserves. So it is a little different and it is not financing. We have to submit something is what I am saying. Do we want to submit the higher amount that he would finance?

Mr. Costello: Sure. Why not?

Mr. Zelazny: Shouldn't we just stick with the terms and numbers we agreed upon and the terms we agreed upon? The \$477,000 asking price we are going to get \$240,000 cash. I would change the payout from three years, request a five year payout instead of the three year payout, and then I would ask for a closing date of September 30th because that coincides with the end of the fiscal year so we get revenues and don't have this issue with dues or anything like that. If he agrees to the 30th of September closing, we will get another six months of operations without incurring any costs to Lake Ashton and we can move forward. I think those are very easy and might be acceptable to the owner.

Mr. Costello: We can ask for anything. It is up to him whether or not he is going to accept it or not. I agree with a lot of what you just said, though.

Mr. Zelazny: It is better to ask now then approve a lower number and we can't get it. I think Doug's comment on asking the seller to cover up to "X" amount of money per year for five years and the seller should be responsible for taxes and bonds so we get that cleaned off the table, and then we can negotiate other things. I think those should be included terms, though.

Mr. Costello: I agree with you. Now one of things, maybe you can help me, Jan, last night I got a letter from somebody, actually it was an email, that said they had a letter from the builder when they bought their home that cart paths are on his property. What

I am saying, and we know there are other problems, how do we clean up all of these little problems that we have?

Ms. Carpenter: That is probably the next item for us to talk about, our closing costs and due diligence. We will have to have surveys, an environmental study, a building inspection for Eagle's Nest, and there are a number of other inspections and reports that have to be done. The surveys will show that the title is clean and we will look at that against the title commitment. The attorney from the seller said they refinanced the golf courses a couple years ago and they didn't do a lot of cleanup then so hopefully it won't be that bad. That is something that we will have to clean up to get clear title as part of the contract, though.

Mr. Mecsecs: Mike, when we had our meeting, if you remember, Mr. Maxwell and Mr. Lee both said those areas where there were questions on the paths they would clean up and fix before we get them.

Mr. Costello: I'm not willing to just go with the seller's word that it has been done.

Ms. Carpenter: That is pretty standard in purchase and sale. They have to give us a clear title and that would mean fixing encroachments of a cart path that wasn't where it should be or anything else like that.

Mr. Costello: Okay, what is the next item? Are we done with the interlocal agreement and LOI?

Ms. Carpenter: Just finishing up on the LOI, I think we have the basic terms which are: each party will purchase the \$477,000 over five years now instead of three, the seller pays the bond debt, and a closing date of September 30th to coincide with the end of the fiscal year. Is there anything else?

Mr. Zacharia: Jan, paragraph six, payoff of operations and maintenance special assessment, could someone please explain what that paragraph says?

Mr. Eckert: Yes. The golf course property right now receives an operations and maintenance assessment from the CDD. Each CDD levies an operations and maintenance assessment on the property. The paragraph, which I wrote, says the seller will be responsible for paying it off for this year. So you guys are going to factor that into your

budget for next year because when you own the course property, you won't be assessing yourselves. It is not a huge number, but it is a number you will have to figure out how to budget with.

Ms. Burns: It is about \$15,000 for Lake Ashton and \$26,000 for Lake Ashton II.

Mr. Zacharia: And that would be effective with the beginning of the fiscal year from each respective CDD, right?

Mr. Eckert: That is correct.

Mr. Zacharia: So if we close September 30th and the fiscal year ends, then the new one starts on October 1st, then that really doesn't need to be in there. I am not saying to take it out, but it then becomes immaterial?

Mr. Eckert: If you want to make sure that they pay their operations and maintenance assessment for the year you are currently in, you should leave that in there.

Mr. Zacharia: Okay. Thank you.

Mr. Deane: I thought the developer intended to keep the sales center and the RV storage lot.

Ms. Burns: They do and they will still be responsible for payment as a property owner of those within the community.

Mr. Deane: But we would lose no money on the developer's assessments then.

Ms. Burns: In Lake Ashton there are three areas that the assessments are on currently owned by the golf course. The sales center has its own assessment, the golf course has its own assessment. If the District is taking title to the golf course, we would lose that revenue. They are still retaining the sales center so they would still be paying that assessment, as well as the one for the RV storage.

Mr. Deane: I thought he was going to transfer those to Lake Ashton.

Ms. Burns: We approved an assessment reallocation over the summer when we were doing the budget because the golf course was one parcel that included the sales center and the RV storage prior. We allocated those to different parcels once they were carved out as separate entities with the intent that they were going to sell the golf course. It is now separate parcels. There is a parcel for the sales center, one for the RV storage,

and there are golf course parcels that the assessment reallocation report Lake Ashton approved and assigned the operations and maintenance and debt to those separate areas.

Ms. Carpenter: Just one other caveat on the letter of intent. During our last meetings, and Jim and Mike might want to speak to this, the developer had brought up two concerns. He wanted to close fairly quickly so I am not sure September 30th is going to be acceptable, just so you know that. Also, on the due diligence, Mike, you probably noticed we had a thirty day open due diligence and then another ninety days to finish off the new title and all. The seller's comment was that he did not want to keep it off the market for ninety to a hundred twenty days when the District could just walk. That is not typical, but that is what he was demanding, just so the Board is aware he may reject the ninety day due diligence period. I just wanted to mention that since that was the last discussion we had with them.

Mr. Mecsecs: Just like when he took it off the market with us when once he had the letter of intent he took it off the market.

Mr. Costello: We can ask for anything in the letter of intent. I am sure it is going to come back from him with many changes, but let's ask for the moon and whatever we get, we get. All right, any other discussion? I would say that right now we make a motion on both sides in order to send them a letter of intent and see where it goes from there.

Ms. Carpenter: We will change the one we started to put together and put the terms that were discussed today. Do the Boards want to delegate back to Jim and Mike as the committee or to submit it to the seller, or come back and approve it themselves?

Mr. Zacharia: My next question would be the timetable for this. Some of it is just adding "S" to the word District and making it Districts, but there are some other terms we discussed here that need to be incorporated.

Ms. Carpenter: Yes. We can put it together within a week with the terms, assuming nothing major happens other than holidays coming up. I think within a few days Mike and I can get something back. The question is do the Boards want to come back and approve it as full Boards or have delegated representatives?

Mr. Ference: I think the two delegated representatives should do that. Let's not complicate this trying to get the Boards together. I recommend that we have our representatives review what you have done before you send it out if the rest of the Boards approve that and agree with that.

Mr. Costello: Is that a motion?

Mr. Ference: If it needs to be one, yes.

Mr. Deane: Second.

Mr. Ference moved to designate Mr. Costello and Mr. Mecsics as the representatives from each Board to review the newest version of letter of intent and approve it prior to sending it to the golf course owner and Mr. Deane seconded the motion.

Mr. Zacharia: Before we vote, I will say that I would personally like to see a revised letter of intent to acquire the Lake Ashton Golf Club.

Ms. Carpenter: How about once Mike and I finish, we submit it to all of the Board members and get any input, then once we have input from the Board members, and there is nothing that can't be fixed, then it is delegated. We would ask to have two days to give us comments. If we don't get comments, then we can move forward.

ON VOICE VOTE with two voting aye and three voting nay, the prior motion failed 2-3.

Mr. Zacharia: Can we amend it? A new motion that would give those two individuals the authority to approve the document following at least forty-eight hours opportunity to review by all of the Board members.

Mr. Eckert: Here is what I think we are going to be faced with. The Board members can't have discussions directly or indirectly outside of a Board meeting, so I think your two choices are direct staff to put together a letter of intent and allow the liaison from each District to look at it and make sure they are okay with it before it goes out. That is Option 1. Option 2 is that you reconvene the joint meeting for you all to review this. What we can't do is get into a situation where we are providing comments

back and forth that other Supervisors are seeing and commenting on. We can't go back and forth. We can't do that because of the Sunshine laws.

Mr. Zacharia: My understanding was that Jan said she would send it out and each individual Supervisor would respond to counsel.

Ms. Carpenter: Yes. What we can do is send you each a draft saying this is what we have, send us any input so Mike and I can finalize it and submit it. We can't go back and forth with the comments because then everyone is involved, but we can send it and have everyone take a look at it, give us their comments, then we figure out how to do all that to get it finalized. That way everybody gets one shot at looking at it.

Mr. Mecsecs: Right. So Jan will send it out to all of the Board members, they will make any comments in twenty-four to forty-eight hours, send those back to you, and when that is all said and done you will send it to Mike and me for the final look-over before sending it to the developer. Is that correct?

Ms. Carpenter: Yes. If there are any significant comments or anything we can't handle, then we would have to come back to the Boards. I think the terms are very clear and it is probably going to be a matter of language that folks are looking at. I don't think the terms are in question, though.

Mr. Ference: Murray, you don't think these two Supervisors have the skills, ability, talent, to understand this and we have to check up on them? It is not a bill of sale, it is LOI. It is what it is. My goodness. The terms have been determined. What can be so demanding that we all have to look at it or have a special meeting to review it? It is not the bill of sale.

Mr. Zacharia: As a relatively new member of the Board of Supervisors, I feel that this is a major effort that the two Boards are doing collectively and I would like to be a part of it.

Mr. Ference: But we have elected two people to represent us. The two people who are representing us have the skills, talent, and background to address the issue without our effort and need for full Board presence.

Mr. Costello: In an attempt to move things forward, do I have a motion that we go with what Jan said, where she will send it out, give everybody forty-eight hours, and if she receives any major kickback from it, at that point she will make whatever changes are necessary and from that point on Jim and I go forward with meeting with them or sending the letter of intent out. Do I have a motion to that effect?

ON MOTION by Mr. Zacharia seconded by Mr. Plummer with all in favor the Lake Ashton CDD Board approved for District Counsels from Lake Ashton CDD and Lake Ashton II CDD to draft and send a letter of intent to all of the Board members, allow forty-eight hours to review and send any comments back to them to finalize and provide to Mr. Costello and Mr. Mecsecs as the designated Supervisors from each Board to review and provide the letter of intent to the golf course owner.

Mr. Zelazny: Mike, are you comfortable with going this direction?

Mr. Eckert: I am comfortable with going this direction, but if the appointed people want to comment on changes to the document that were made by other Board members and their input, I am not comfortable with that. So if that is where it comes down to where those Board members would want to comment on things other Board members provided, we would just call a special meeting and discuss it there.

Mr. Zelazny: Okay. I just wanted to make sure from our legal side we are rock-solid going forward.

Mr. Eckert: We are good and at a staff level we will make sure the comments aren't going back and forth.

Mr. Zelazny: Thank you very much.

Mr. Robertson: This is a letter of intent so we are not committing to the final purchase. It is just a letter of intent, but we can't delay getting it out.

ON MOTION by Ms. Wright seconded by Mr. Mecsecs with all in favor the Lake Ashton II CDD Board approved for District Counsels from Lake Ashton CDD and Lake Ashton II CDD to draft and send a letter of intent to all of the Board members, allow forty-eight hours to review and send any comments back to them to finalize and provide to Mr.

Costello and Mr. Mecsecs as the designated Supervisors from each Board to review and provide the letter of intent to the golf course owner.

FIFTH ORDER OF BUSINESS

Discussion of Combining CDDs
(requested by Lake Ashton Board at 11-19-18 meeting)

Mr. Costello: Okay. Moving forward we have Discussion of Combining CDDs *(requested by Lake Ashton Board at 11-19-18 meeting)*.

Mr. Plummer: That's Borden's.

Ms. Burns: Borden, this was your request about combining the CDDs. Anything you would like to say to start this off?

Mr. Deane: Well I know that Lake Ashton II is not in favor of it, but the way to make things easier and reduce expenses and costs for everybody is to have one CDD instead of two. None of us knew there were going to be two CDDs when we first moved into this development. We know why there are two CDDs, but I think it would be better to make one CDD to make one Lake Ashton because until there is one CDD, I do not believe there will be one Lake Ashton.

Mr. Zelazny: Is this open discussion for both CDDs?

Mr. Costello: Yes.

Mr. Zelazny: Then I was going to say that I agree with Borden that we should move towards a combined community all being the same. I would offer up as a roadmap the golf course purchase and operations and maintenance is a great start because we are sharing in everything evenly. The other thing we can do very quickly and it is something we have tried in the past but were not as successful, we both have the same landscaping company, we both have the same pond maintenance company, so I would say next year when RFP comes around it should be handled jointly so we have the same security company, the same maintenance company, and the same pond maintenance company. That has to save us a lot of money in administrative costs. We should all agree on the same standards. I think that is the next step towards becoming one community.

Mr. Costello: I agree with you and I also think that what we should under each thing, as we put out RFPs for security, for landscaping, for whatever, there should be one Supervisor from each side who should go out and investigate what is going on in order to bring back a combined consensus of which would be the best way to go. I think we could save a lot of money doing that. I wholeheartedly agree with you. It is common sense that there is power in numbers.

SIXTH ORDER OF BUSINESS

Discussion and Consideration of Joint Amenities Policy *(requested by Supervisor Mecsecs)*

Mr. Costello: Discussion and Consideration of Joint Amenities Policy. Mr. Mecsecs, what's up?

Mr. Mecsecs: We had a meeting between Christine, Mary, Mr. Williams, and yourself for this draft combined amenities policy. We have had it in the past where we have had little differences on one CDD versus the other and I think we should approach it as one perspective, one strategy. I know we have it as a draft and I think we need to take action on it and approve it or discuss it some more.

Mr. Costello: Well one thing I will say, and Stan, myself, Mary, and Christine worked together on this, and quite honestly, I would say the majority of both of the amenities policies ran side-by-side, but they ran in different orders, so in order to pick up from one you had to go to page three on one and page eleven on the other. What we did do is we came up with a combined document that I am sure people have read through by now. Do we have any questions from any Board members?

Mr. Zelazny: I have two issues in my review. The definition of amenity manager should not include employees, staff, and agents under contract. An amenity manager is a person who is responsible for something. Then we get back into discipline, suspensions, terminations, etc. You don't say who has that authority. Is it the person working at the pool or the amenity manager? There is no ability for a person who is disciplined to request resolution to the problem before the next Board meeting. There has to be an individual who has the authority to throw people out and suspend them and that hasn't

been articulated. There is no form for the person to go back and say it wasn't their fault, these were these circumstances, unless they were already kicked out for thirty days in Lake Ashton's case and sixty days in Lake Ashton II's.

Mr. Zacharia: I would like to commend the people you mentioned for the work that they did on these thirty-one pages of words. In an attempt to combine about thirty pages of words in two separate amenity facility policies, I went through it, marked it up, and then I gave it to someone who I have known for forty-four years who spent most of his career writing policies, procedures, manuals, etc., and he said the same thing I did. With a combined document the way it now appears, it is very, very difficult to understand some of the policies. I think the document needs to be reformatted, not the words, but its order of presentation needs to be reformatted so it follows a logic that is easier to follow. It is very, very confusing to me and I live here.

Mr. Costello: What confuses you?

Mr. Zacharia: I don't know whether I can drink in this room or not.

Mr. Zelazny: Mike, in one place it says all food and alcoholic beverages consumed in the clubhouse must be approved through the clubhouse manager and restaurant, then on another page it says there are exceptions that the amenity manager can allow. So those two statements located in two different places in the amenity policies are in conflict and should be combined into one. It should explain when you have to use Nini's and when you can go outside. That is what I think Murray is talking about. There are areas where it is conflicting information.

Mr. Costello: The thing there is, and I think Jan we need a determination from an attorney, the liquor license held by Nini's covers this entire building. Now when they are closed on Sunday afternoons and Mondays, can somebody bring alcohol into the building legally without going through Nini's?

Ms. Carpenter: The way the liquor license works, and I have talked with Mike briefly about this to fill him in, the license is given for the facility so we need to look at their license to see if the facility is just the ballroom and restaurant area, or if it covers the entire clubhouse. We have had different views over the years. At one point the policy

was changed when there was no restaurant to allow folks to be able to serve, but if there is a liquor license you generally cannot bring it in when they are closed because the license covers the facility even when they are closed. We don't have a dead-set answer on that right now, though.

Mr. Costello: We were told by Sandy the other day, because we did meet on that and that was one of the things that was brought up, we were told by her that a member of the alcohol board told her that they have the entire building and when they are closed their license is still in effect. So anything that is consumed within the building, from her understanding of it, came under her.

Ms. Carpenter: That is a correct interpretation of the law, but we need to check on their license because they only have the ability to run and serve the restaurant and in here and outside on the specific patio area. So we need to confirm whether their license was issued for the whole building or just parts of it. That I do not know.

Mr. Costello: I asked Christine to try to contact them in order to find out which way it went, but she was unable to get a hold of anybody who had information on it.

Ms. Carpenter: We will definitely find out. I just found out it was an issue late last night or early this morning when I read my emails so we will try to confirm that and get a copy of their license and confirm that. For the policy we can probably just put in accordance with good law because it is really whatever the license says and I would also say according to our insurance carrier because at one point the insurance carrier did not want to allow even where there may have been a question that the law allowed it. This was years ago, though.

Mr. Costello: Bob, you said there was another reference to it. Do you know what page it was on?

Mr. Zelazny: Pages 9 and 11. There are some other inconsistencies without having to use Nini's for food, then there are exceptions. Those things should be in one place that talks about food within the community center and talk about all of the different circumstances under one place you don't have to look in one place, then another. I think they did a great job, but I kind of agree with Murray and I think that organizationally it

would read better, but I think they have done great work. I think there are a couple of issues that need to be resolved legally. I think we should send it back to the committee to try to refine it, take Murray's comments and others, and see if you can do that. We are not inventing new policies. We are just trying to make it easier for the residents to navigate through the amenities policy.

Mr. Costello: Murray, do you have anything else?

Mr. Zacharia: On page 6 under identification cards, and this is just an example, paragraph #5 says "Patrons and guests will be required to present photo identification or guest passes upon request by staff at any amenity facility." If you look at page 7 under general facility provisions, it says on paragraph 3 "All patrons shall be required to present photo identification or guest passes in order to gain access to the amenity facilities." I think that is the same thing. There is no difference. That is all I meant by bringing it up. I think there is some duplication in these two documents that can be cleared up.

Mr. Zelazny: Can we just ask that if there are any Board members who have input get it to our representatives because we are not going to resolve all of the issues today. We are going to be here until 4:00 p.m. I think if you have comments you should provide them to those who worked on this.

Mr. Costello: I think one of those two can be stricken.

Mr. Williams: I agree. Send your comments, we will look at all of it again, no problem at all. I think the big issue that will stop us from continuing is the comment about the format. I kind of like the way it is lined out here. You can go from the front page and if you wanted to find out something specific like about the pickleball courts you can go right to that page. I don't particularly like the outline of a SOP for the military. Is the format a critical thing for everybody? Is this format really that bad that we can't just continue with it? Changing the format is going to be pretty major.

Mr. Costello: Right. That is what we did to begin with. We took totally different formats and combined them into one.

Mr. Zelazny: I don't think anybody is going to disapprove it because of format, but we do need to look at specifics of how use the facility. My opinion of how it should

work, I am not on that committee, but I can provide input and let the committee do what they want. You guys can make the decision.

Mr. Costello: This thing has been in draft for six months now. I think we started this in July and we have met a bunch of times on it. I think for the next joint meeting it is time to bring about any changes you feel are necessary and we take a final vote on it.

Mr. Robertson: I agree. Simple technicality, at this point if we are getting comments from the Board members, it has to go back to staff. It can't go back to other Board members. At this point we have to send any comments to staff, they can incorporate the comments as best as they can, then present it to the whole Board because we can't give you feedback outside of a meeting. Otherwise we are in violation.

Mr. Zelazny: I gave mine.

Mr. Robertson: Okay. Then Christine and Mary will be tasked with coming up with the final version.

Mr. Zacharia: So if any of us Board members have any suggestions about the thirty-one pages, they have to go back to Mary and Christine. .

Mr. Costello: Yes. They can hold it for the next meeting and any changes that are felt to be necessary should be made, but this being in draft, it has been going on for about six months now. It is time to put it to bed. Okay any other comments on the amenities policy? Hearing none, let's move on.

SEVENTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Mr. Costello: Supervisor Requests and General Public Comments.

A resident: I just want to say let's not make it too hard to have a drink in the building. We like to be able to have them.

Mr. Costello: I understand, but by the same token we have laws we have to follow. If you want to come up and make a comment, you are more than welcome. John?

Mr. Velebir: Hi, John Velebir, Green Drive. On the amenities policy, reflecting what this lady just said, when you are talking about food and beverage and we have a potluck and if we are allowed to bring in our own potluck dishes and some people will

bring a glass of wine and sometimes we bring in popcorn and things like that. If we were to disallow that, I think it would be detrimental for the community. Also, we have two sets of rules because the HFC you can pretty much do anything over there. We don't want to have unintended consequences and make it so we can't use this ballroom facility for potlucks and birthday parties and other types of gatherings.

Mr. Costello: You are not understanding that we have an obligation to follow the law and the law governs the liquor license. We are looking into it at this point and see what it says.

A resident: I just have a question as far as talking about what different features go with the golf course. Is the marina included?

Mr. Williams: No.

A resident: Okay, so then when you were quoting different areas like the sales office, but the marina is not part of it?

Ms. Carpenter: No.

A resident: I don't know where to start. It is abundantly clear to me today, and I will say abundantly clear that we need one Board to make these decisions. We don't need joints and then we don't have to worry about Sunshine laws and interlocal agreements. I know you are all politicians by virtue of your election, so who wants to give up their seat in order to do something better for the community? You would have just one attorney, one engineer, one contract with the various vendors like security and landscaping people. You would save money you will have spent on the merger. That will be saved collectively throughout the community through the year. You guys need to get it together. To the new guys, sit back and listen, if you have questions, ask the attorneys, but don't go and make these four to five hour long meetings. I don't mean anything personal, but it is just crazy. Thank you very much.

A resident: Point #5 Discussion of Combining CDDs, there was some slight discussion, but I did not hear any direction coming out of this meeting as to what is going to happen next with that. In light of what the gentleman before me just said, I think it is important that we combine and operate as one community. Thank you.

A resident: I was very impressed with how much you accomplished today. I agree we should have one CDD, one HOA, one amenity policy, etc. The more you can combine the two into one, the more cooperation and happiness you will have and less individual towers of power. Thank you.

Mr. Ference: Jan or Mike, how complicated is it to combine the CDDs?

Mr. Eckert: Both Districts would have to agree on what's called a merger agreement and that would cover who pays for the merger process, since it is a lengthy process. I have not looked at it for your particular Districts, but I think Jan has already looked into the process, and essentially what it usually gets down to is which Board members are going to give up their seats to make it a five member Board. That is short-term until the next election and then it is a community-wide election. Jan and I haven't talked about this issue, but the one I worked on before, that is kind of how it worked out. You have to have people on the Board who are willing to give up their seats and it is a lengthy process. It could take about a year to go through the merger process. Your assessments aren't affected, your bond debts aren't affected, but you will still have different assessment areas even though you have one big District. Districts do this from time to time, but usually it is a difficult thing to accomplish.

Mr. Costello: What would the cost be approximately?

Ms. Carpenter: I don't know because you are lucky enough to have one of the weird glitches in the statute that if both Districts are formed by the same local government it is a much easier process because that local government can do it. In your case you were formed by a city and a county, but it is two different cities, so we would have to try to figure out where I can find an attorney general opinion directly on point for that, but if Polk County can do it rather than going through the state, which would be likely, it would take longer, but it is really mostly a lot of legal work.

Mr. Eckert: I would just say that the last one I looked at was going through the state and the fee estimate for that, all of the costs and expenses were somewhere between \$75,000 to \$95,000. However, the savings for the Board was about \$40,000 to \$50,000 a year in combined savings.

Ms. Carpenter: The one I think Mike is talking about was a more difficult situation. I think this one would be easier because it doesn't have quite the size or the number of issues and I think the merger agreement would be much simpler on this end. And that includes costs for advertising and other things, as well.

Mr. Zelazny: The website I saw indicates because we are in two cities and the county, we have to pay fees to all three, so whatever the cost would have been to do it one municipality now becomes three, but it is not insurmountable. We will just have to do it through three different organizations.

Mr. Ference: And the savings are that we would have one attorney, one manager, one budget, one audit, and so on.

Ms. Carpenter: Yes. Audit, budget, insurance, etc. It will be considerable savings.

Mr. Ference: So it would pay for us to merge then. How do we begin the process?

Mr. Williams: Right. If it takes a year, why wouldn't we start it?

Mr. Ference: That's what I am saying. Why not start working on it? What does it take to get it started?

Mr. Eckert: The Boards would need to direct staff to prepare a merger agreement for you to look at and approve.

Mr. Ference: Do I have to make that recommendation?

Mr. Eckert: Yes, because there is no point in doing it if it isn't unilateral. Each Board would have to agree to do that and we would bring it back for your consideration.

Mr. Ference: Is this an appropriate time to do that?

Mr. Zacharia: Can I suggest that we table this subject, not get rid of it, just table it until after the first of the year and discuss it again at the next joint meeting?

A resident: Why?

Mr. Mecsics: Ladies and gentlemen, we have been talking about this and been going back and forth for months. We just had a discussion on this before. Again, as I say, I never say never, but I will be honest, until our CDD I folks get their financials straightened and some other things, it is an issue. As Mr. Zelazny and a few others have

said, we need to start thinking about working together. That is the first step, but to spend money on something right now that we can be using for other things, I can't support that.

Mr. Zelazny: Mike, can we just agree as Murray said, we should table the discussion today, but let's appoint a representative from each CDD to start the discussion phase and be able to give a report back to you and Doug at the next joint meeting to help move the discussion along?

Mr. Costello: Sure.

Mr. Zacharia: If you would like someone to volunteer, and follow up what Bob just suggested, I would volunteer to be the representative from Lake Ashton CDD.

Mr. Robertson: Bob, do you want to do that, too?

Mr. Zelazny: That would be fine.

Mr. Costello: Okay, Murray if you want to work with Bob, please do and you can report back to us whatever you can find out.

EIGHTH ORDER OF BUSINESS Adjournment

Mr. Costello: And finally, we can adjourn?

Mr. Eckert: Before we do, in an abundance of caution and I have talked to Jan about this, we recommend you continuing the meeting to maybe ten days in the future in hopes that we will cancel it, but if there is a stumbling block with the letter of intent or interlocal agreement, we will not have to wait until we can schedule another meeting.

Mr. Costello: I understand. The holidays are coming up next week so how about the first week in January?

Mr. Mecsics: I am not going to be here. How about the second week in January?

Mr. Zacharia: The 7th? Monday is the 7th.

Mr. Zelazny: Jan and Mike, how much time do you think you need to do the letter to get it to us to review?

Ms. Carpenter: A week.

Mr. Zelazny: Okay so that would be the 24th. Two days after that would be the 26th, so I guess the real question is being that the only two people who need to be here would be Mike and Jim, so when are the first available dates for you to approve it?

Mr. Mecsics: I am back on the 5th.

Ms. Carpenter: That would be the 7th and hopefully we will have no problems and won't need it, but the 7th is a Monday. What time works, 10:30 a.m. after Monday Morning Coffee? Will we have a quorum? If so we can continue the meeting until then.

On MOTION by Mr. Ference seconded by Mr. Zacharia with all in favor for the Lake Ashton CDD Board, the meeting was recessed to reconvene on January 7, 2019 at 10:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

On MOTION by Mr. Mecsics seconded by Mr. Williams with all in favor for the Lake Ashton II CDD Board, the meeting was recessed to reconvene on January 7, 2019 at 10:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida.

Assistant Secretary/Secretary

Chairman/ Vice Chairman

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

The recessed joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District held on December 17, 2018 was reconvened on January 7, 2019 at 10:30 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.

Present and constituting a quorum:

Mike Costello
Borden Deane
Bob Ference
Murray Zacharia
Bob Plummer

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Doug Robertson
James Mecsics
Stanley Williams
Carla Wright
Bob Zelazny

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Jillian Burns
Jan Carpenter
Mike Eckert
Christine Wells
Mary Bosman
Alan Rayl
Numerous residents

District Manager
Lake Ashton CDD District Counsel
Lake Ashton II CDD District Counsel (*by phone*)
Lake Ashton CDD Community Director
Lake Ashton II CDD Community Director
Lake Ashton II CDD District Engineer (*by phone*)

Please note that due to a lot of background noise and side conversations there are portions of the meeting where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll, established the quorum, and noted the pledge of allegiance was recited.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Robertson: Okay we need Approval of Meeting Agenda.

On MOTION by Mr. Ference seconded by Mr. Deane with all in favor the meeting agenda was approved as-presented.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda *(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting. Individuals providing speaker cards will also have an opportunity to speak prior to Boar action)*

Mr. Robertson: Public Comments on Specific Items on the Agenda. I have one here from Mr. Steve Realmuto.

Mr. Realmuto: I wanted to comment on one topic, which is the draft documents that went out. I believe at the last meeting you pretty much decided that the intent moving forward was to apportion the cost of the golf course acquisition by lot. I guess what I am here to speak to is the ownership of the golf course. I understand that perhaps one way of going forward would be if we were all one CDD, and portioning it by lot is consistent with that. In terms of moving forward with the letter of intent, and the other documents like the purchase and sales agreement and actual conveyances, assuming that if that doesn't happen, I urge you to be fair with all the residents to put into whatever the appropriate document is something that specifies ownership of the property will be the same proportion as acquisition costs are proportioned, not necessarily 50/50. So it might be more like 60/40 or something like that. I believe that is the only fair way to do it. There is no downside should the CDDs choose to combine and everything goes smoothly and it will solve a lot of problems going forward. So I urge you to do your fiduciary duty for your residents to ensure they receive the same benefits.

FOURTH ORDER OF BUSINESS

Consideration of Letter of Intent for Proposed Golf Course Acquisition and Consideration of Interlocal Agreement between Lake Ashton and Lake Ashton II for Golf Course Acquisition and Operations

Mr. Robertson: Next we have Consideration of Letter of Intent for Proposed Golf Course Acquisition and Consideration of Interlocal Agreement.

Ms. Carpenter: Counsel from Lake Ashton II CDD and I worked through the letter of intent and comments. We have before you a memo and a letter of intent pretty much final with the terms incorporated and the Boards had asked to see it one last time. We received a number of comments and some of those comments were of the type that the Boards would need to talk about in a meeting format. We couldn't ask anyone what they thought because it would be a Sunshine violation so that is really the main purpose of this meeting. In the memo we laid out the various questions and the Board needs to decide so we can finalize the letter of intent. The first one was per the comments we received that the draft LOI provides the negotiation of the interlocal agreement is a condition precedent to closing. We had included that because that was one of the specific comments of the seller and his counsel at the meeting we had with the golf course committee. So I think that is a crucial term as the seller said he would not enter into a LOI with the Districts until he knew the Districts had an agreement among themselves. And it seems like a reasonable condition because he didn't want to pull it off the market and find out the Districts couldn't agree how to handle things and he had taken it off the market for no reason. So that was one comment that if the Boards want to talk about it and make a decision, we would need a response on how to handle that.

Mr. Robertson: If we agreed to the letter of intent that goes away as an issue, right?

Ms. Carpenter: Yes. It is currently in the letter of intent.

Mr. Robertson: This point then just goes away because we should have the agreement in place today.

Ms. Carpenter: Yes, if we agree to it in substantially final form or close. I think what I would recommend is we include that the Districts agree to a substantial agreement on the interlocal. We never know what might come up over the next couple months while we are doing due diligence. The second question or comment was the letter doesn't include the discussion of the free memberships that relate to the \$240,000 so do we want to include that more specifically? We talked about using that \$240,000 for an operating

account, but we don't really talk about that the District has to give the free golf memberships. So that is probably a relatively important business term that we put in here. I know there was some discussion on how to put that in here and what the terms would be so I think we might need some input from Jim and Mike on exactly what those terms were that in exchange for the \$240,000, the Districts would agree to give one year free golf for the new home sales, but only new homes sales and not resales. One thing we would probably recommend is that we have some outside dates so it is not a contingency hanging like if some of the lots don't get platted or sold. Maybe we can give it a five year time period or for as long as they are owned by the current owner.

Mr. Zelazny: Doug, my recommendation would be until the homes are sold out or up to four years, whichever comes first. We can't offer free memberships forever. We need to set a time certain on that.

Mr. Robertson: Okay, but if we are asking for them to finance us for five years it should be the same as the finance terms.

Mr. Zelazny: Five is fine. I just think we need a time and date certain.

Mr. Robertson: So how about when their financial obligation to support us is finished, that is when their window ends as well? I think that is reasonable.

Ms. Carpenter: I think five years makes sense and we will see if they come back with something else.

Mr. Robertson: Our team may negotiate six years of financing, which means we pay over a longer period of time and that would give them the opportunity to sell the houses for a longer period of time. But as long as they are supporting us, they have that opportunity and can negotiate a longer term, which means our cash flow is better.

Ms. Carpenter: I think that sounds good. Mike, do you have any comments?

Mr. Costello: Yes, I do. I believe if we put it in with five years they are going to come back at us to cover themselves with whatever obligations they have to meet. This is merely what we are asking for, but on the same token they have obligations that they have to meet. So I can only perceive them coming back with them making sure that they are going to meet their obligations.

Ms. Carpenter: Excuse me for interrupting, but I think we counter that as we have never seen the documents that play on those obligations so we don't know what his obligations are even.

Mr. Costello: Yes, precisely. I think they will meet their obligations and whatever the time limit is, we will have to take into consideration of that time.

Ms. Carpenter: The next comment is the \$240,000 we had put in the LOI as an operating reserve. The comment came that the Boards did decide that or someone thought the Boards did not decide that. Was that accurate? Is that acceptable to both Boards? Someone had questioned it.

Mr. Zelazny: I think that it should just be put in the golf enterprise fund and decided later. It should be up to us what we use it for.

Mr. Robertson: So it should be available for us to use in the ongoing annual operation of the golf course is what you are suggesting?

Mr. Zelazny: Correct.

Ms. Carpenter: How about we just put or such other, it will be used as agreed upon by the Districts? I think they want to know there is some money set aside for funding or financing the purchase.

Mr. Robertson: Okay. Next is the closing date.

Ms. Carpenter: Mike Eckert and I had passed comments back and forth. I think the Boards had talked about September 30th to coincide with the end of the fiscal year. Mike Eckert suggested June 30th so you would have time for when the budget came to put in the budget the assessments. We left that open as an opening point. I kind of think September 30th is more comfortable because you can levy assessments and if for some reason the sale didn't go through, that money could be put aside and then applied to next year's assessments or for something else. The concern is are you levying assessments for something you don't have yet and what would happen. I think you have to put very explicitly in your budget that money is for the golf course and if the sale should fail it would be put back in and apportioned the same way it was collected the year before. Mike, do you have some input you might want to comment on?

Mr. Eckert: Yes, thank you, Jan. The concern I had with the September 30th closing date is that you are going to have to certify your assessments for collection in advance of that closing date, and depending on what the assessments are dealing with the purchase price, as well as any operations and maintenance deficit. There may not be one, but if there is one, you will have to certify those assessments for collection before you own the property and you will receive those assessments as a result of that certification. If the closing doesn't go through for some reason, then you have money that you have to figure out what to do with. So that was the concern about having the closing time at September 30th. It is purely based on the timing and considerations of Florida law for the adoption of the budget to levy assessments.

Ms. Carpenter: The other point to note is the seller does want to close quickly so they might not be agreeable to September 30th. They will probably come back with something like early May.

Mr. Robertson: I think that is as you said a point of negotiation between ourselves and the seller. We can't just unilaterally decide what it is going to be. He has input to that, as well. So that would be up to the two Board members as part of the negotiation, but we can leave it at the current date we have right now and subject that to negotiations.

Ms. Carpenter: I think we had September 30th and took it out because of the conference we had. Should we put that back in?

Mr. Robertson: We can put it back in, but let's give Mike and Jim latitude to agree to an earlier term that makes sense for us because of the circumstances and their input.

Mr. Zelazny: Just a point, Doug. One of the previous negotiations was the fact that there was a collection of dues and then operating costs after closure date. So the date you selected, the 30th of September, was to alleviate those issues. If the seller collected the dues and maintains the golf course until the end of the year, we will collect dues and start maintaining on the first of October. This was a sticking point earlier in the negotiations, so I think we shouldn't just blow it off.

Mr. Costello: The only thing the present owner has offered is a discount to people who have paid the yearly dues off early. We would have to make sure that we had

something in there that any monies he had collected for that year would come to us. We would have to have a way of knowing there is something in there so we knew we were getting that.

Mr. Zelazny: Again, that was a sticking point in previous negotiations. The 30th of September was put in to alleviate that issue.

Mr. Mecsics: As we have said, if we start off with the 30th and we have some pushback, Mike and I will have to sit down and chat with them and negotiate what we feel works. We need to have the latitude to reach a breaking point, though.

Ms. Carpenter: I think that is maybe another discussion once we come to the terms, what authority our committee, Mike and Jim, will have to negotiate terms before coming back to the Board.

Mr. Costello: In real estate dealing it is never uncommon to have a change in closing date. In most contracts that I have dealt with there was always room to move it either way if need be so I don't see that as an issue and I think September 30th would be a great date, but we will find out what they have to say.

Ms. Carpenter: Some of the details will come up in the purchase and sale agreement negotiations, as well.

Mr. Robertson: Yes, that whole thing that Mike was talking about, they try and get early payment of dues, and the discount, so we would have to have all of that approved by our two Boards in terms of a public meeting to set up our pricing. All that has to be done in advance.

Ms. Carpenter: Yes. There is quite a bit of work to do within the next few months after the due diligence and you decide this is definite.

Mr. Robertson: To that point, we have a lot of things to get done. We have a lot of work to do between now and the closing date to get everything done appropriately.

Ms. Carpenter: The two other comments we had were helpful comments, but they were more-so comments that we would put in the purchase and sale agreement rather than the LOI. One was a recommendation for final review of title search and indemnity. The title search would be something that we would get. We would get a survey and we

have all of the other documents such as building reports and title, we would do our due diligence with the purchase and sale agreement, and the indemnity would also be something else we have in the purchase and sale agreement. So I think those will be covered. Those were the comments we couldn't address without talking to the Boards and let you have a little bit of discussion. Other than that, we have comments for cleanup and making things a little more clear.

Mr. Eckert: So am I also hearing that we are going to add prepaid golf fees to paragraph 7 in the letter of intent saying it is also some of the funds that the seller has to provide to us. Normally we could run that into a purchase and sale agreement, but I think that highlighting that should be brought up is a good idea.

Ms. Carpenter: Yes. In exchange for the \$240,000 the Districts would offer the prepaid one year of golf to all new homes within five years from the closing date.

Mr. Robertson: That makes sense. I think I am hearing from the attorneys that they have adequate direction on how they will complete the LOI at this point and time?

Ms. Carpenter: Yes. I think we would look for a vote. We will correct the typo in the first paragraph, in paragraph 7 we will add the free golf for up to five years, paragraph 8 we will add the operating deficit fund or such other use as agreed by the Districts, paragraph 10 we will make the closing date September 30th, and the last thing would be how long do we give the seller to review the letter of intent. Normally it would be five days or seven days. Several of you are saying seven days?

Mr. Robertson: Yes, assuming everybody is in town to do that?

Ms. Carpenter: How about seven days with authority given to Mike and Jim to extend if necessary?

Mr. Robertson: So then we need a motion from each Board. Is there a motion from our Board to accept the changes of the letter of intent?

Mr. Zelazny: We decided we are not going to include the last two comments?

Mr. Robertson: They will be in the purchase and sales agreement. They are not being ignored. They are being put into the other one.

Mr. Zelazny: Okay.

On MOTION by Mr. Zelazny seconded by Mr. Mecsics with all in favor the Lake Ashton II CDD Board approved the changes as-discussed for the letter of intent.

Mr. Costello: Okay. Any discussion from our Board or a motion likewise?

Mr. Zacharia: Mr. Chairman, I have a note that goes back several months relative to the letter of intent that indicated at one time the seller had agreed to reimburse the buyer 50% of any non-operating losses each year for five years. I am not quite sure that I see that. Am I misunderstanding something that may have been brought up in the past? It is very possible because I may not have been on the Board yet then.

Ms. Carpenter: Murray, I think we didn't have a letter of intent back then and had put kind of a wish list out after one of the Board meetings. The seller threw up his hands and said this isn't getting closer, it is getting further apart. So that was never considered because he would not agree to that.

Mr. Zacharia: It was brought up, though.

Mr. Costello: Okay. I am looking for a motion that we also accept the letter of intent with the changes that were made. Do we have a motion?

On MOTION by Mr. Plummer seconded by Mr. Ference with four ayes and one nay, the motion passed 4-1 and the Lake Ashton CDD Board approved the changes as-discussed in the letter of intent.

Ms. Carpenter: The only last thing on that is we will need to tell them we intend to have another joint meeting to consider the response, so we need to make sure that at the end of this we set another meeting sometime after the 15th or 22nd.

Mr. Robertson: So now we are looking at the interlocal agreement as I understand it correctly now?

Mr. Eckert: Mr. Chairman, did you all decide on a date for a joint meeting to discuss the response to the letter of intent?

Mr. Robertson: No, we said we were going to give them seven days to look at it and at the end of this meeting we are to schedule another meeting. So the plan is now

that we have a letter of intent for Mike and Jan to sit down and negotiate with them and try to hammer out all of the final details and bring it back to the Boards to see if it is acceptable at that time.

Mr. Costello: We can be pretty much assured that once we submit this letter of intent they are going to counter it with whatever their feelings are about it. At that point I would think that Jim and I would maybe sit down with them, along with you, and Mr. Workman if possible. At that point if we can sit down face-to-face to try to see which way we can go with things, we can then iron it out that way.

Ms. Carpenter: Yes. That is why we want to have a meeting set so as soon as it is ironed out we can come back and if the Board agrees, we can move forward.

Mr. Costello: Well the only thing there is the fact that we are giving them seven days to either accept or reject this, come back with whatever changes. Like I said, after the last letter went to them, we saw the way it came back and we know there are going to be many articles in here that are going to be negotiated or attempted to be negotiated. To try and set another meeting right now, I think we are kind of stretching it because of the fact that we don't realize how long we are going to go.

Ms. Carpenter: But we do want to push someone to get this done so you will have due diligence. Seven days will be the 15th, so if you set it for the 22nd or 29th so you have a week or two to play with if you need to negotiate, but if not, then we can get it moving and get into the due diligence timeframe.

Mr. Robertson: Right. Set a date for the end of January. Let's pick a date. Do you want to check your calendars so we can pick a date now? Maybe Monday the 28th?

Mr. Williams: I am not available the 28th.

Mr. Ference: How about the 1st of next month?

Ms. Carpenter: I think we should try to push them to be able to respond within a week or two. Even if you give them an extra week or so, we can at least meet and discuss the interlocal and any other things that need to be, but I think we should have something prepared fairly quickly.

Mr. Zelazny: Couldn't we continue this meeting?

Ms. Carpenter: We have already done that once so from a public notice standpoint we really should notice a new meeting specifically to approve everything.

Mr. Robertson: I thought we noticed this meeting?

Ms. Carpenter: I guess I am okay with continuing it one more time if we need to. Mike, are you okay with continuing the meeting?

Mr. Eckert: If the meeting we are here at today was noticed, I am fine with that. If not, then I would recommend we do.

Ms. Carpenter: Okay. Is there any time during the week of the 28th that everyone will be available?

Mr. Williams: The 29th is good for me.

Mr. Eckert: The 29th works.

Mr. Robertson: Okay. Tuesday the 29th. So that will be at the clubhouse? Or will we keep it here? I am hearing keep it here. At what time?

Ms. Burns: At 10:30 a.m. again?

Ms. Carpenter: Okay, that sounds good.

Mr. Zacharia: I would ask that any materials that are distributed for that meeting on January 29 that we try to get them out before 5:00 p.m. on the Friday morning before a Monday meeting.

Ms. Burns: We always do our best to get everything out a week ahead of time, but unfortunately with the golf course situation, a lot of times we are in ongoing negotiations and going back and forth between entities so to the extent we can do that, absolutely. If we are waiting for additional information from the seller or still negotiating, understand that we may not have that luxury, but we always do our best to try to get everything to you a week ahead of time.

Mr. Robertson: Okay. So we can now move ahead with the interlocal agreement?

Mr. Zacharia: I just have a comment. I was going to ask because I am confused. Who is the author of the interlocal agreement dated January 4, 2019 draft?

Ms. Carpenter: We drafted the initial draft, the very rough one with terms, but we got some direction from the last meeting so we updated for its terms. Mike Eckert, the

new counsel for Lake Ashton II, updated the LOI and we swapped documents that we each got comments on so we have each negotiated for our clients between each other, which is part of why you got it Friday afternoon because we were still negotiating and trying to get everything included before we sent it to the Board members. So both counsels had input into it.

Mr. Zacharia: Okay. The reason I asked the question is I hope that whoever the author is can satisfy me and make me understand what is in this fourteen-plus page document is what was agreed to at the last joint meeting because as far as I am concerned, it has moved in the opposite direction of where I thought we were.

Ms. Carpenter: Well between Mike Eckert and I, we included the points that we thought the Board agreed to at the last meeting. Then there were open items and we went back and forth on a couple issues and tried to come up with something we thought was acceptable, so you are correct, there are some things you all have not seen and there's some things you agreed to, which is part of why we needed to have a meeting to talk about this and why we may need another meeting if we have other terms to talk about. I will quickly go through it and Mike Eckert will owe me and get to do this next time. Let's look at Section 3, which is the purchase price.

Mr. Zelazny: One second. Before you get that far down, I have a question. In the fourth whereas you have used a number of descriptions to describe what we are going to purchase as golf amenities, which are supposed to be referred to in Exhibit A and is not present, so I am trying to understand what exactly you are talking about when you introduce the term golf amenities because then you separate it out with bridges, cart paths, walking paths, etc., away from golf amenities.

Ms. Carpenter: That is correct. In the acquisition, we will acquire the real property. I will just talk in general terms that were in the agreement. The real property will be divided and each District will own what is in its District. So Lake Ashton will own all of the property and paths, real property, I am talking about land, in its jurisdiction and Lake Ashton II will own all real property within its jurisdiction. That is the simplest way from a title perspective and then from the assets, which is the second part of the

contract, the golf carts, the equipment and all of the miscellaneous things which we don't have to describe the details because we don't really know 100% what all the assets will be, and those will be included but are described generally. We left that bridges, cart paths, and walking paths, as a separate item because one of the key points the Districts have been worried about is the long-term use of the cart paths so we want to make sure those are separate and that there are easements given between each District so all of the landowners and golf course users will have access in the public record to those golf cart paths. That will also prevent in the future if this got sold to a third party those paths being private. So that is why we excluded those from the definition of the amenities because that is a very important point to the District. We separated those because we have to handle them as separate items in the interlocal.

Mr. Robertson: One of the things there has been tension over the years is between non-golfers and golfers using the cart paths and stuff like that. What we are going to do now is institutionalize that all residents own the cart paths and bridges and have legal access to them. Right now it is just a convenience that is being allowed. By doing it this way it would be legal so that every resident would have the right to use the cart paths and bridges. That will be formally instituted.

Ms. Carpenter: Yes. We will do reciprocal easements. The Boards also talked about having those maintained by each of the Districts within their boundaries because that would be maintained differently and easements are done differently so we just kept those as a separate subheading. In the contract with the seller it will all be the same. They won't know any difference.

Mr. Zelazny: Can you just give me a definition of golf amenities?

Ms. Carpenter: The building of the golf clubs, all of the equipment, the holes, and everything we are getting with the golf course. Buildings and fixtures, everything that goes with the golf course.

Mr. Costello: What it comes down to is any tangible items that are involved in the purchase of the golf course.

Ms. Carpenter: I am trying to answer it, but what is your question, Bob?

Mr. Zelazny: I guess I have a problem in how we are using the term amenities because further down in the document you talk about access to the amenities. If the golf course is an amenity, then that implies that every resident should be able to play golf at no cost because they have access to the amenities.

Mr. Robertson: We will clarify that right now.

Mr. Eckert: There is a provision in the agreement that basically says all of the people in both Districts are going to be subject to the same rules and rates for use of the course. It does contemplate that people will pay rates and be able to use the course. I don't think the interpretation in terms of everybody can pay golf for free once you enter into the interlocal agreement carries through when you read the entire document.

Ms. Carpenter: And that is in Section 7. We can preface that notwithstanding the other interlocals and the golf amenities are handled by this.

Mr. Zelazny: I just read Section 7 and nowhere did I see that it requires anyone to join the club to play golf. Section 7 to me talks of people who are not residents of Lake Ashton and want to use our amenities, which are included in the amenities policy for \$2,700 or whatever it is a year, and I am saying the way I read it when it says every resident is entitled to use all of the golf amenities, in your previous description, the golf club is an amenity. The golf course, the greenspace and all, is an amenity that will be open to all residents at no cost.

Ms. Carpenter: We can make it clear that this is excluded from the policy and change the policy once we own the golf course to exclude the golf course. It also says any usage shall be subject to the rules, regulations, and policies applicable to the golf amenities, which haven't been drafted yet, but those rules and policies will be established with fees. We can't set fees without a public hearing. I think you are right and putting a notwithstanding anything in the previous interlocals that this is not one of those amenities. I think it is better to change the other policies to say it will include the golf course once it is acquired.

Mr. Robertson: So what we are saying is that we agree with Bob that it has to be properly defined so there is no expectation that it is free golf as a result of buying the golf

course. I think that is your main point, isn't it, Bob? We want to make sure that is clearly documented to that case.

Mr. Ference: It says very clearly in Section 7 that either District have the authority to enter into an agreement and any such agreement shall be subject to the rules, regulations, and policies applicable solely to the golf amenities. So if all of the amenities have been accepted from general amenities because it says very clearly any such usage of the golf course shall be subject to the rules, regulations, and policies applicable only to the golf amenities, which means the rules and regulations would be membership and fees so it is written in there very clearly I think.

Ms. Carpenter: I think that makes sense but if there is question we will make it more clear.

Mr. Robertson: And just to belabor the point of one more thing, Eagle's Nest, which is part of our amenities, is available to any resident at any time that it is open. It is not exclusive for golfers. That is an amenity available at all times.

Ms. Carpenter: And those are things in the rulemaking that will be specific of what there are fees for and then policies of what there will not be fees for.

Mr. Robertson: Are you satisfied with that, Mr. Zelazny?

Mr. Zelazny: Yes.

Mr. Robertson: Okay, thank you.

Mr. Zelazny: I am still confused about this whereas where it says special assessments to fund golf amenities not funded by golf amenities.

Ms. Carpenter: You are certainly right, we didn't notice that.

Mr. Ference: Where is that, Bob?

Mr. Costello: Page 3, the third one from the bottom.

Ms. Carpenter: The fourth and third from the bottom seem to be a little bit gunky in their language so we will clean those up.

Mr. Zelazny: Thank you.

Mr. Eckert: I am looking at that third paragraph and I think it is pretty clear. It just basically says you are going to use the revenue generated by the golf amenities to

pay the costs for operations and maintenance and repairs of the golf amenities so I am not sure what we would need to change there.

Ms. Carpenter: The intent of this section is that the Districts would levy special assessments necessary to fund anything that the golf amenities couldn't fund themselves.

Mr. Robertson: Okay, the intention is that the operation of the golf course, maintaining the greens, maintaining the fairways, and all those things associated with the golf course are being paid for by the golfers and only by the golfers. That is the plan. However, if for unusual reason something occurred and there is insufficient money to maintain the golf course and they had to come back, there is a mechanism to share that expense within the community if necessary. It is not the intent, but you can't leave it out. You have to have it there just in case some unforeseen circumstance happens. I believe that is the case because the intention is for the golfers to pay for the golf course operation and require no funds from the residents as a whole, unless there are extreme circumstances and shortfalls.

Mr. Zacharia: This is part of my confusion with this document where I felt it was not what we agreed on a month ago or two weeks ago. Let's all think about the Eagle's Nest. It is not the golf course, but it is part of the amenities. Are we agreeing that it is part of the amenities? My understanding of this document is somewhere in it, it basically says the Eagle's Nest, because 90% of it relies on within the confines of Lake Ashton II CDD, it is essentially owned by Lake Ashton II CDD.

Ms. Carpenter: Yes. It is legally owned; however the agreement is everyone in Lake Ashton I and Lake Ashton II will share exactly the same.

Mr. Zacharia: Going from there, if it is legally owned by Lake Ashton II CDD, I believe also in this document it says any losses on any properties owned, bridges, Eagle's Nest would be payable on a 59/41 percent basis upon submission of a bill by CDD II to CDD I. Is that again what I am reading?

Mr. Ference: That is what it says.

Ms. Carpenter: Let me go through real briefly the basic terms because if you pull a piece out it doesn't quite work. The thirty second overview is that each District will

own the property within its boundaries, but everyone will share equally and that is simply for ease of ownership and property taxing and various legal issues. Everyone will share equally. Everyone has use to all of the facilities, it is open to Lake Ashton I and Lake Ashton II no matter who owns the legal property under it. The purchase price will be split on a per lot basis, which is the 59/ 41 currently. The ownership, we talked about. Lake Ashton II talked about being the one operating the golf courses and there will be a budget that is agreed to by the two Districts. After the budget comes in if there looks to be a shortfall, there will be assessments levied that will go into the pot to run it. The only time there will be bills submitted directly to Lake Ashton would be if there was a shortfall in the budget, or if there was an emergency or crisis just like there is today with everything going by your budget, but if you had a shortfall or crisis, then there would be a bill to the other District because both Districts would not have anticipated that cost to their annual budgets. But that is what that provision is for, the emergency situation, the special situation that is not covered by the budget. The last significant term is a prohibition on the sale. Neither District can sell their properties because it is being run as one. They can offer it to the other for sale, but they cannot sell without both agreeing.

Mr. Robertson: If we just add in for perspective that is there, but in our letter of intent we say the seller would be responsible for any shortfalls during the first five years so they would have to provide the monies if we had a shortfall.

Mr. Ference: I thought that was taken out? Didn't the seller reject it?

Mr. Robertson: It is still in there. The issue is that we are asking the seller, seeing as how we are working off his numbers and his information, it says while we are in the process of buying it over the five years, if there are any shortfalls in the funds, it will be the current golf course owner that pays for that. They would reimburse us. So for the first five years, there is no back-charge between either one of us in the process because it is being covered by the current owner. You have to have that in place in the contract should something happen in the future, but right now that risk and liability is covered by the current owner, or we are asking the current owner to cover it. What comes first is the developer has to pay it, not Lake Ashton I or Lake Ashton II.

Ms. Carpenter: It does say that there will be full reimbursement by the Districts to the developer. It doesn't say that he covers it completely. He would advance the funds to avoid having an emergency.

Mr. Costello: That's under Section 8, Operating Deficit Agreement. It says the Districts will commit at closing to deposit \$240,000 into an operating account for the golf course. Due to timing considerations that may arise with the receipt of membership dues, the seller agrees to enter into a deficit funding agreement with one or both of the Districts to advance operations costs if needed by the Districts for the first five years of the Districts ownership with full reimbursement required by August 30th of each year.

Mr. Robertson: So that says they are taking the risk. They are giving us numbers and saying if we run it properly, we can actually generate reserves, so I am asking them to do the same thing. If you believe these numbers are correct, you take the risk and provide the funds. Now the way the funds work is we get a whole bunch of funds in August because of all of the dues people pay, and if we do things right, the money doesn't run out and by the end of July next year we are okay. Now if we actually have a shortfall and were short funds come June or July, the current golf course has to give us money to do that so we don't run into a deficit. Then, in August, when we get the money again, we will pay him back and start the same cycle again so every year we are not at risk of asking our residents to have an assessment to pay for that. It is taken care of by the golf course operations and the current owner. However, you have to have in place a plan for when that thing expires and that is what this other paragraph deals with. It is for when this other solution comes to an end that the next one takes over.

Ms. Carpenter: Yes, pretty much. It is a cash flow assistance so if our budget calls for getting a certain number of payments and dues and if they don't come in until later in the year, they will front the cash for that so the Districts don't have to come up with cash at that point, although we would reimburse it with the next budget cycle.

Mr. Williams: So we have to pay it back?

Mr. Robertson: Yes, we have pay him back, but the forecast says that we are going to actually not be paying back and we will have an overage of funds in the process if we

take care of our cost reductions. Okay. Can we move on to the next point? Are we through all of the whereas yet or are there any further comments on those? Borden, did you have a question or comment?

Mr. Deane: Yes. I think that this draft and the interlocal agreement just increases my point that the first thing we should be doing is forming one CDD and then everything is solid. There is no need for an interlocal agreement. There is no need for a lot of this. We reduce our expenses, and everything else right off the top. We reduce the risk and everything else involved. I think we are putting the cart before the horse, and I have said that at the last three meetings and I think this just intensifies it. Doug, I know that your Board doesn't want to make one CDD, but I think we should. This document just increases the confusion amongst the members of the associations. We have never asked the members what they want. I think we should do that, too. I think that we should own the greenspace of the community, which happens to be the golf course. I believe we should own it, but I think we are going about it the wrong way. Mr. Maxwell has a four to five year obligation to maintain the golf course as it is maintained until the houses are sold. In four to five years, we can form one CDD. There is no need for interlocal agreements and there is no need for anything else. We will be down to one CDD and one community like it was when I bought in here in 2003. There was never a mention of a second community. Right now we have two CDDs. Let's make them one.

Mr. Zacharia: Borden, I never thought I would say this, but I agree with you. I really agree that having one CDD would make a whole lot of things go away. I am not sure timing-wise that now is the time to try to put that cart before the horse we have in front of us, but this is my chance to say that when I read this document twice late yesterday, and I said this before, to me this is a step backwards from where I thought we were heading, which was to have a community behaving as though it were a single community. As I read this document, it clearly says to me that Lake Ashton II owns the properties that are not otherwise owned by other people, Lake Ashton II pays all of the bills, and if there are any shortfalls in monies available to pay the bills, Lake Ashton I will be billed for those shortfalls. That is a simple interpretation of what I read. I appreciate

your thirty second overview, but it doesn't change the words that are on the piece of paper and it is not what this joint group agreed to in terms of moving forward on a per lot basis. I questioned the numbers before. We have a 60/40 but in alternate years we had a golf course community that is 60/40 moving in the opposite direction so there may be 60% of the homes in Lake Ashton, but the golf course committee is only 40% represented. There is something wrong with that.

Ms. Carpenter: We didn't get to the details yet, and yes, the ownership of the property, each District will own the assets, the miscellaneous things. Mike Eckert suggested Lake Ashton II because at the last joint Board meeting Lake Ashton II agreed to be the folks in charge of the day-to-day operations. You wanted to own everything jointly, but after we talked, we found out that just doesn't work. You would have to have both names on every account, pretty much everything so it would be unworkable from a day-to-day business standpoint so one District needs to own the items, and subject to this agreement they can't sell anything or do any business without consent from the other without being in violation of the agreement. Somebody has to be able to do that. That is the only way you can operate a business if somebody is controlling it. So Lake Ashton II will have a budget, which is how it was originally set up, and I said Lake Ashton is not going to agree to that because Lake Ashton is not going to pay 59% because that is how many lots there are and give all of the authority to Lake Ashton II. So that is where we came up with the idea of the committee of five and the thought that we had, and this is totally between the lawyers trying to focus on being fair, is that every two years, the majority would change from one District to the other. One CDD would have three members for two years, then the other CDD would have the three members the next two years. That is the only way we could think of that would be fair. We could have just one person from each District, but then that puts a burden on somebody from Lake Ashton fighting with Lake Ashton II and vice versa. We were hoping that it is going to be a fairly straightforward budget process and you don't need a committee. If you want to decide there is another way to do it, it would increase the expenses, so that was the thought the lawyers came up with because this wasn't discussed before. This is just a proposal of

how to handle it and be fair. Murray, obviously you think that it should maybe be a committee based on the percentage of lot ownership or some other way, and there are lots of way to do it.

Mr. Williams: I would like to put my two cents worth in here also. I agree with everything that Borden and Murray said. I think also the builder needs to maintain this for three years. It will not take three years to create one CDD. We heard during the last meeting that it will be less time than that. There is very little risk in going for the one CDD first because we know for one thing the builder has threatened twice to go out on the open market with this and has not. Besides that, one other professional organization that owns and operates golf courses and there are hundreds of them around the country, has moved at buying and then decided not to, which further confirms what Bob said, which is no other place is going to buy it as a business enterprise. We have to buy this, but we don't need to buy it now. There is no reason to rush into this. Just look at all of the discussions we are having about this interlocal agreement and all of the concerns and comments and everything else. It is just going to get nastier and dirtier as we go forward in trying to figure out fees and everything. We should go ahead and do it as one CDD.

Mr. Eckert: Mr. Chairman, I did have a comment based on something that was said earlier. I think it was stated that Lake Ashton I would get the bill for any unbudgeted expenses or unexpected things and be responsible to pay that. That is not accurate. If you look at Section 6.6 it says Lake Ashton II shall also contribute its share of the unbudgeted expense of the golf enterprise fund. So again, any unbudgeted is not just stuck on District I. It is split between the two in accordance with the percentages. And one other comment that I will make about this issue in terms of the golf committee. Jan described it correctly that we were trying to come up with a fair way, and I think the final version we hit on is every year each Board will appoint members to the golf committee and in even number years one Board gets three members and then in odd numbered years that Board gets two members so you have a turnover every year. And quite honestly, the reason why I suggested that in consultation with Jan is because if you have every year that the balance of power shifts back and forth, then you are pretty likely to

not have very dangerous swings because they can just be undone the next year. So that is why we suggested it that way. I think it is probably the fairest way for you guys to do that if you are going to do a committee format because I believe we talked at the last meeting about there having to be a tiebreaker and that is really how you would deal with that issue because coming up with some other tiebreaker scenario, which could be your District's engineer, manager, or counsel is not workable from a practical standpoint. So because this switches every year, neither District would have undue control for a long period of time. I am happy to hear any other thoughts the Board members have, but I do think the agreement is consistent with what the Board talked about before with it being on a per lot basis. The only thing is having to deal with a tiebreaker on the committee and therefore the balance of power shifts each year.

Mr. Plummer: Now the suggestion was made that all of this complication, complexity, the unknowns, the possibilities of left, right, and in the middle, can be eliminated if we were to have one CDD. Now the suggestion has been made. Are we too late to stop this galloping horse and consider the possibility of not going forward and consider seriously what it would take to develop one CDD instead of trying to fit all of these complexities that we have no idea where, how, and when they are going to develop, yet it would be simple if one CDD managed it as suggested. Are we too late to stop this galloping horse going forward with all we are talking about to consider one CDD? The cart before the horse. Are we too late to do that? What will it take to do that? Do we need a motion to do that?

Mr. Robertson: No. The answer is the developer has very clearly said he is not going to wait the three years. I know that Borden believes that we can. I know that Stan believes that we can. I believe they are wrong and he is not going to wait the three years and is not interested in doing that. We have had a contentious relationship over the years with this gentleman and there have been a lot of things that have happened that haven't gone well for either side, and he does not have an appetite for dealing with us much anymore. He can easily afford at the end of the three years to say I am so fed up with you guys I am just closing it and I don't care. He gets his \$10,000 out and walks away

and we are left with the same thing these other places have where they have dirt fields in their backyards. That is a crazy scenario to go towards. He wants to sell it now. He doesn't want to wait three years. We can say we are going to wait three years, but then it may not be available to us. Stoneybrook was an example. They didn't even offer it to the residents. They just closed it. This is not just a simple economic transaction where they can say they have gotten their money and will get another \$200,000 to \$300,000 by selling it. It is not going to happen that way. He is not interested in doing that. At whatever point if he doesn't sell it to us, he will exit this place and say you deserve the mess you put yourselves in. We are trying to avoid that. I am trying to avoid that. We went through the numbers very simply, we have 1,650 homes. On average, they are worth around \$250,000. Some more, some less. Do the math. That is \$400 million in real estate in this community. If we decide we are just going to take the chance and do it three years from now and he declines and he just closes the golf course, then that is a 25% hit on our property values. That is a \$100 million loss to the community versus him right now saying I want \$237,000 for you to buy the golf course. Yes, there are a lot of problems in how to run it after that and we have to figure out how to do it, but he said if we pay \$237,000 we can take over the golf course and figure out how to run it and he would be happy with that. The response that I am getting from Mr. Deane is no, let's take the risk of losing \$100 million and we will decide later on.

Mr. Deane: I did not.

Mr. Robertson: You said we can wait and buy it in three years. It is not going to be for sale in three years.

Mr. Deane: How do you know?

Mr. Robertson: Because he told me so. He told me directly that he will not sell it to us in three years. He would rather close it than sell it at that point and time. You believe otherwise, but I personally talked to him about it. He said he will not do that.

Mr. Deane: Well I didn't say three years. I said he has an agreement for three years. That is what I said so don't misquote me. We can form one CDD in less than six months and buy it. I am not saying three years. That is my point that with one CDD and

most of the work for when they drew up the covenants are already done because they are basically the same for both Boards.

Mr. Eckert: We have done a few mergers for CDDs. You need to count on about a year to get that process done. That is generally about how long it takes. Especially with what forums you have to go to. We can try to do it quicker, but in our past experiences we can look at is that it takes about a year.

Ms. Carpenter: Mike is correct because it is two different jurisdictions. There is the alternative of proceeding with an agreement for a merger. We can do that together, acquire everything as it is, and begin the merger in the process so that the interlocal would go away in a year or so, whenever the merger happens, and then you can cut back on your administrative costs.

Mr. Robertson: Okay, so I will be the bad guy again. Here is the elephant in the room, CDD II has approximately \$800 per resident household in reserves and CDD I has approximately \$200 per resident household in reserves. If you join the two CDDs together, do you think Lake Ashton II is going to say yes, bring your \$200 a household and we will join with you when we have \$800? We are going to ask you to earn the same financial stability that we have. Are you prepared to go to your members and say we want \$600 of assessments right now for nothing other than joining together? Tell your residents that is what you want to do because I don't believe this Board is going to say sure, you take the \$800,000 in reserves and just give it to CDD I and they can spend it as they want because they have control since they have 60%. We are going to give all that money that we have worked hard to save and just give it you to spend as you please? I don't think that my Board is going to agree to that.

Mr. Deane: And your Board wouldn't exist if we didn't give you \$200,000 two or three years ago.

Mr. Robertson: Okay, let's put that to rest, as well. Let's get this correct and get the facts straight. We had an interlocal agreement that had an agreement saying we shared the cost of roads based on the percentage of houses on each side. You sent us a bill for \$180,000 to do your roads and we paid the bill. The next year we said, okay in

budgetary terms, we are going to spend \$100,000 on our roads, and your percentage of the bill was I think \$73,000 because of the ratio and your Board came back and said no, we don't want to do that and it was agreed that we would change the interlocal agreement so each Board would control their own funds for the roads, at which point that is what your Board asked for and all we said was okay, we agree, but would you mind giving us our money back? You gave us our money back. You didn't do anything but give us our money back so don't say it the other way around. That is not true. That is a false statement.

Ms. Carpenter: If I may, just to calm the Boards down, the whole point of the merger is that those issues would be dealt with in merger documents. There were issues because Lake Ashton's roads were older and they ran into doing more road repairs earlier and Lake Ashton II is going to have those repairs so they will have more expenses down the road. There could be ways of putting money into reserves for certain roads and ways about getting it fairly between the two. Obviously no one is ever perfectly happy but it is not just about money, but about the long term benefit of the merger as a reserve situation or some other situation. And I know everyone feels strongly. Both Boards have worked really hard on behalf of the residents and spent a lot of personal time dealing with everything and I know everyone appreciates that and I think it sounds like the idea of going forward as one community might be a way of making this type of situation resolved and have things going in the same direction.

Mr. Ference: If we went to Mr. Maxwell and said we certainly want to buy the golf course and we would like to buy them as a single CDD, it make take us three months, six months, nine months, but we pledge to you that we want to be the owners of all of the greenspace, etc., etc., and we pledge to do whatever we need to do, will you wait until we can manage this as one CDD so we don't face all of these complexities? Would Mr. Maxwell say no? And then we in turn can say, Mr. Maxwell, for your gracious consideration, we will name the golf course after you. What would he need to know that we are serious about wanting to own the golf course if we say to him as soon as we can organize and be one unit, working without all of these complexities and to show you our

goodwill, we pledge to you for waiting for? What do we care if we call it the Larry Maxwell Golf Course if that is what it will take for him to wait patiently and say okay? He may not agree, but what else can we do to say that would be such a commitment on our part to want to own the golf course. And if he rejects it, he rejects it, but what would it hurt to try and find this out?

Mr. Eckert: I think that we are pretty far off-base in terms of the terms of the interlocal agreement. At the last meeting, your attorneys put together an interlocal agreement that was consistent with what the Boards had expressed that they wanted so I would suggest that it might be productive if the Boards discuss what parts of the interlocal agreement they think are inconsistent with their understanding of how we left the last meeting and see if we can't go through those sections to try to fix what we need to fix. There are some greater discussions about mergers and things like that, but again that is a process that the Board can go through simultaneously with trying to do that. So if the Boards are still in favor of proceeding with the letter of intent that was approved earlier in this meeting, we really should focus on the actual terms of the interlocal agreement to be more productive.

Ms. Carpenter: I think one of the key questions that came up is that Ashton West had talked about managing the golf course and that is what Mike Eckert and I took away. I heard there were questions from one the Board members. Was that the correct view of the Boards at the last meeting?

Mr. Plummer: I don't think that is exactly the way I understood it. I understood that what was going to happen was we needed one or the other of the two CDDs to be able to handle the funding, not the decision-making process, not touching the assets, but simply to handle the funding so we can pay the bills around the golf course. That was what I thought we agreed to.

Mr. Eckert: That is included with Lake Ashton II; however, the committee is the one that makes recommendations in terms of the budget and the contracts and management. Lake Ashton II would be the one that actually held the funds. We put language in the agreement that provided that Lake Ashton II had to provide the financial

reporting to Lake Ashton, as well as provide within 48 hours notice copies of the public records dealing with the finances here so Lake Ashton I had access to information so they could confirm it was being run in accordance with what everybody's intentions were.

Mr. Plummer: And I agree with what you are saying, Mike. The only part in the interlocal agreement that concerned me was the part in here that said I am not going to vote on how the funds are spent and if there was an impasse of the Boards, Lake Ashton II would make the decision and I don't think that is okay. The Boards need to be a joint decision period. Lake Ashton II does not get to override a decision if there is an impasse.

Mr. Robertson: I don't remember where that was.

Mr. Eckert: I think there is a provision in there that says per resolution of disputes and things, but basically if the Boards don't agree, we revert back to the recommendation of the golf committee.

Mr. Plummer: It is in the last sentence of 5.1, how Lake Ashton II shall ultimately be responsible for managing golf amenities in accordance of the approved annual budget and interlocal agreement.

Mr. Eckert: Right. That is in accordance with the budget, which has come through the process of being recommended by the committee and the District only deviates from it for safety or welfare. It reverts back to going through that process where we use the committee where one year it will be three members appointed by Lake Ashton I, and then the next year it will be three members appointed by Lake Ashton II. It will be a five member Board so both Boards have representation, but the control will shift every year.

Mr. Plummer: But if you go back into Section 6.3b, titled Subsequent Years, the last sentence says: "Provided however, nothing herein shall operate to prevent Lake Ashton II from approving the golf O&M budget in a timely manner."

Mr. Eckert: Yes, because you have statutory requirements so that is really intended to make sure that whatever you need to do everybody is going to accelerate that so we run out of our budget requirements and have a finding in the audit for either Lake Ashton I or Lake Ashton II.

Mr. Robertson: It also says if there is conflict we have to do it within a timely basis, but goes to mediation. Lake Ashton II does not have the power to say no, do it our way. That is not what we want or propose. It is just from a legal process of doing the budgets but if there is a conflict we cannot resolve, it goes to mediation.

Mr. Plummer: I agree with the concept, but when I read the words it doesn't read the same concept.

Mr. Eckert: Let me see if I can come up with a little bit of language to deal with that because it is not intended to be a control issue.

Mr. Robertson: Does that make sense?

Mr. Plummer: Yes. I understand the concept and I have no problem with the concept. It is just not the way the document reads.

Mr. Robertson: Okay. We will correct that.

Mr. Plummer: That is fine.

Ms. Carpenter: The budget will also include what the committee decides. If the committee decides that there is going to be an outside management company, then that will be in the budget. So if the committee says we are going to hire an outside management, Lake Ashton II would enter into the contract, but the committee decides. That is why it says in accordance to the budget because if you are going to put in the budget landscaping and all of those items so hopefully it will have most of the details there, but the committee decides, not Lake Ashton II.

Mr. Plummer: I understand the intent. I am just saying it needs a little clarifying.

Mr. Robertson: Okay. You want that clarified and we understand the subcommittee that we create goes back and forth and there has to be a high level of cooperation because we can't do and undo something each time. The committees have to figure out what the appropriate way is to move forward.

Mr. Plummer: Yes. I am okay with all of that.

Mr. Robertson: You are okay with that. We just have to make it clearer so we don't have this issue again.

Mr. Eckert: I will address that in the next version that goes out.

Mr. Zelazny: Would there be a problem with approval being the majority of both Boards instead of having one Board vote one way and one Board vote the other? Can't we just have decisions made for the golf made on a majority vote of the ten members?

Mr. Eckert: Well you are not one body, so you can't vote among the majority of the members. I guess you could have a majority vote from each Board, but the concern would be if you have an impasse.

Ms. Carpenter: If you get a 5-5 vote, which is possible if the Boards act as a committee instead of two separate Boards. That is part of why we were going to try to build an odd number committee, alternating who has the ability to sway the vote if that is what needs to happen.

Mr. Robertson: It is messy, but it is better than it being tied and having an impasse.

Mr. Zacharia: Mr. Chairman, if I may ask the attorneys to try to do something with paragraph 5.1, which we have referenced a number of times already in this discussion. In fact it says this section to be discussed by the Boards. I am understanding everything through almost the last sentence when it talks to the issue of the committee, structure of the committee, and what the committee is responsible for. But the last sentence, which either I or somebody else has read before, is the sticking point. I just don't understand why that sentence is there and if either of the attorneys can explain to me why it is there, or say to me we will work on finding other words if words are necessary.

Mr. Eckert: That was there because ultimately somebody has to enter into a contract with your vendors. Somebody has to be the one that procures the insurance under those contracts. We want to have something in there that says who is the one that is going to be responsible ultimately for managing it. I will let Jan speak to this, but I am not sure why Lake Ashton I would want to be on the liability portion of managing the golf amenities, but certainly that is something that can be discussed by the Boards. It really was to be able to point to the language to show that Lake Ashton II has authority to enter into contracts and do the things that are necessary to make the golf course run.

Mr. Zacharia: It doesn't say that.

Mr. Robertson: Mr. Zacharia says it doesn't say that from his perspective.

Ms. Carpenter: When you look at the next lines, where it talks about entering into operation management, again, that is what we took away from the last meeting.

Mr. Robertson: Okay, so the issue is if somebody has to eventually sign a contract with International Golf Management, it would be my responsibility if I was the Chairman to sign the contract. The actual selection of International Golf Management is based on the joint committee that alternates. I cannot sign the contract with IGM myself, I have to do it at the direction of that committee that is controlled by either one Board or the other alternate years. It is just the actual execution process they are talking about. Maybe we can actually add that in?

Mr. Eckert: If I am a landscaper, I want to know that I have a contract with somebody who has the authority to enter into a contract with me and I am going to ask you to show me where you, Lake Ashton II, have authority to contract with me and I don't have to have a contract with Lake Ashton I, as well. What is the document we are going to point to? That is why we have this language.

Mr. Robertson: It just gives us the authority to sign the contract. The actual selection goes to the committee and which brings it back to the Boards. When the Boards see what the committee is recommending based on a budget then we move from there.

Mr. Eckert: Yes, and that is why we have the language in accordance of the approved annual budget, which is developed by the committee, and this interlocal agreement, which has the other provisions beyond committee recommendations. If you want different language that kind of means the same thing, we can come up with that, but that is the intent, to make it so that we have one entity with powers to act so the entity can contract and procure insurance.

Mr. Robertson: So as an example, when Lake Ashton I is controlling the committee, there can be a 3-2 vote all based on Lake Ashton I deciding what they want to do, and with two opposing members from Lake Ashton II, that would come back and the Lake Ashton II Board would have to sign the contracts based on your recommendation. So even if I voted against it, I would have to sign that contract because you had the authority at that point and time. It is a shared authority that oscillates back and forth

between the two. It is just the mere execution in the writing of the document or signing of the document has to be one party.

Ms. Carpenter: Murray, if I may, is it the language, or is it that Lake Ashton II is controlling the budget and the signing?

Mr. Zacharia: For me, it is the language. What I am hearing is that there is an agreement to mutually work together to acquire and operate the golf course. Bottom line, I am hearing that, I believe several weeks ago the two Boards individually voted to acquire the golf courses and operate the golf courses on a per lot basis, and that the Lake Ashton II CDD would be given authority to essentially take care of the bill paying and monies associated with all of that. That is not what I am reading in this fourteen page document. And maybe I am just picking sentences out of different places, but it just over and over and again says thing like each District shall budget for, operate, maintain, repair, ensure and replace pathways within its respective boundaries without financial contribution from the other District. That is not a sharing of expenses on a per lot basis. That maybe goes back to the question Bob raised about is that a golf course amenity or one of the things we are defining as a side? It just seems to be separate but equal statements throughout the document.

Ms. Carpenter: At the last meeting, that was something the Boards had specifically agreed to handle differently than the rest of the operations of the golf course, that each District would own the property within its District and maintain the bridges and pathways within their District. That was the agreement we discussed.

Mr. Costello: That was done I believe as an account that this is the way it would have to be done in order for it to be acceptable. I thought that you said legally that we would have to accept ownership of whatever was within our jurisdiction or boundaries.

Ms. Carpenter: Yes, but the operations and repairs could be apportioned the same way you operate and repair everything else on the golf course.

Mr. Costello: And I thought that was the agreement, that it would go through one fund, it wouldn't repair anything within the opposite District.

Mr. Zelazny: Can we just go back to my presentation at the last meeting? There needs to be a general fund that supports the purchase and operation of the golf course tract. There will be an assessment to every home on a per lot basis, or the purchase of the golf course tract for the maintenance of the common use things, the amenities as you say, like the golf carts, ponds, and bridges, and then there is an assessment that has to go to capital reserves to fund those things going forward. Now that should go on a per lot basis, put into a general fund, administered to the golf club or whatever you call it. So my recommendation is that once the budget is assessed, it is assessed on a by lot basis, it goes into the golf general fund to be administered that way, and let the golf administrators be responsible for the golf course tract and golf course tract amenities.

Ms. Carpenter: Maybe we can make that change. That was something we took away differently than that. We can certainly put that all in the same budget.

Mr. Robertson: I think that the subtlety here is that ponds and the paths, and cart paths are something that everybody uses and should be shared by every resident, and then superimposed on that are the golf course operations. The golf course operations should be paid for by the golfers and the plan should be that no monies are being asked on a regular basis from the community as a whole to operate the golf course.

Mr. Zelazny: That is the intent. That is why the earlier terminology of golf amenities, golf club, etc., gets very confusing. If the golf club is the name we are going to use to be synonymous with the golf course and the operation of the golf course, then that is fine. Then there are the amenities, which are the cart paths, the bridges, the ponds. I think we have tried to lump too many things into the term golf amenities and that needs to be broken up by the golf club, the equipment, the facilities, and then the common amenities. I think that everything should be funded out of a common golf fund or golf enterprise fund in that category.

Mr. Robertson: This is a nuance which I just want to discuss, and I would be willing from a consensus and direction, but if there are cart paths that are in Lake Ashton I, shouldn't that Board be allowed to do their maintenance schedule and maintain the bridges that meets their needs without having to come back to Lake Ashton II to have to

give input because it is real property within their environment. It doesn't change the costs at all, it just changes how who manages it.

Mr. Zelazny: If we are looking to get one community, one shared responsibility, one shared amenity, it makes it very easy from my perspective to put all of the money into one pot and if one Board thinks some of the paths, bridges, or roads need to have attention to them, you can bring it up to the golf administrative group, they will vote on it, and assign the money to fix it. That is the only way we can do it because if you break down the responsibility for maintaining on each side then you have the problem with budgeting funding. Let there be one standard for Lake Ashton. The Lake Ashton standard would be set by the golf enterprise group, and it would be funded through golf enterprise funds so that everything associated with the golf course tracts, and that is why I use that term over and over. Separate everything that is involved with that from the operations of the golf club, which is separate and distinct.

Mr. Robertson: If I understand correctly, the golf tract is still going to be the responsibility of the joint committee with the 3-2 vote every year as to what to do. That would be your recommendation?

Mr. Zelazny: Yes. They set the budget.

Mr. Robertson: So they set the budget and decide if bridges need to be repaired or whatever and that comes back as a recommendation from them?

Mr. Zelazny: Correct. It will be a shared basis that will include the maintenance and it should include money for a reserve fund to repair and replace if needed.

Mr. Zacharia: The golf committee as it would be constituted and revised from year-to-year, as I see it as Bob explained it and I understand it, would be responsible for establishing the budget for the golf tract, including the ponds, the roads, the bridges, the sidewalks, etc., and that committee operating group, whatever we call them, will also be responsible for the operation of the golf course, which includes the course, Eagle's Nest, the pro shop, etc. And all of the monies that come in all of the revenues from assessments to maintain the golf tract and or monies paid by members of the Lake Ashton Golf Club to play golf would flow through something called a golf enterprise fund from which

disbursements would be made by Lake Ashton II CDD upon the recommendation of the budget and the committee. That is kind of a summary statement that I think is what we are talking about.

Mr. Robertson: That was close. The tract part, the non-golfing piece would be included. He is recommending that for example a bridge needs to be repaired. The committee would say to both Boards the bridge needs to be repaired and this is the cost. That cost would be apportioned across all of the residents within the community. If the community came back and said we need to fix a green, then that money has to come from dues. Dues pays for the maintenance of the greens, but the community as a whole maintains the bridges. You have two separate situations.

Ms. Carpenter: It counts for bridges and pathways.

Mr. Robertson: That is what I am hearing as the suggestion.

Mr. Zelazny: Operations of the golf course and club is separate and distinct from the amenities that are provided by the golf course tract.

Mr. Robertson: We are going to learn those terms in the future, but that is why I am using a bridge and a green as examples. Golfers are responsible for improving the greens, but the community as a whole is responsible for maintaining a bridge and we don't charge extra dues to have the bridge maintained by just the golfers. So there are two distinct revenues that come in and I just want to make sure we are clear.

Mr. Zacharia: Jan, I guess what I haven't said and the premise I am operating on is something I understood Bob Zelazny to say probably four or five months ago. If we assume that the two hundred acres of which the golf course currently operates that if that acreage which includes the fairways, the divots, the greens, the paths, the bridges, the park-like atmosphere, if all of that is owned by the community and if we make some assumptions about what it costs to maintain it as greenspace, not as a golf course, but as greenspace, if those costs are borne by everybody in the community then there is an incremental cost if you bring in a course management company and they start mowing the greens down to short little nubs and doing other things to make it a golf course. Those costs are borne by the people who joined the club to play golf. It begins to make the

operation of the golf club much easier to cover expenses basically and not have the deficits that are being talked about or were being talked about such as the half a million dollars. Does this create an accounting nightmare? I don't know, but that is what I am thinking. Everybody who lives in this community pays to maintain the greenspace.

Ms. Carpenter: I think the process you are talking about is exactly what the budget committee is going to have to go through, but I don't think that for the first couple years you are going to have enough information to be able to know exactly how much you will have in revenues. Also, from an auditing standpoint, you are going to be paying one contract for mowing so it is kind of hard to break out the difference in payments, so I think to keep the audit and enterprise fund clean, you start out with one budget, but then maybe have a sub-budget where you came up with calculations that this is what we anticipate will come in through our dues and all and this is what we anticipate will actually be borne by the residents, but it is really one set of money. Perhaps after the first year you will get an update that will show what you need. I am not sure how you will do that initially when you only have one contract and you really don't know yet. You are making a lot of assumptions that are hard to justify when you don't really know that much about the golf course right now.

Mr. Zelazny: I think we just need an interlocal agreement that we can move forward with. There are a lot of things to discuss. It could very well be that the golf club has to submit their budget to the golf enterprise funding group that then gets billed. They collect their dues, they put it into the golf enterprise fund, and they build up their reserves so they can fund that budget. Right now we just need to figure out how we fund the purchase, the operation, and maintenance of the golf course tracts.

Mr. Williams: I think I understand ultimately and agree with pretty much everything that has been said, but let me just make sure. The membership fees are going into a fund to manage the golf course, the greens, the fairways, Eagle's Nest, and all of that. That is what the membership fees are going to cover.

Mr. Zelazny: Everything that is associated with running the golf club will be funded by dues from the members.

Mr. Williams: What is outside of that, I am hearing are the bridges, the lakes, and the paths, and the money for that will come out of the individual CDD reserves? If it can't come from the membership, where would it come from?

Mr. Zelazny: It depends on what each District wants to do. You will get a bill, each District will get their 50% bill of maintaining those common use amenities.

Mr. Williams: And the money will come from where? It can't come from the membership fees.

Mr. Zelazny: It comes from the CDD fees assessed.

Mr. Williams: From the O&M? That is what I'm asking. Okay. That makes sense.

Mr. Zelazny: Let's say your assessment is \$100 a year. If your current budget has that money in it, you will have no additional assessment. If you don't have the money, you will have to create a special assessment against your residents.

Mr. Williams: So each CDD will be responsible for the bridges and pathways and the ponds in their own District?

Mr. Zelazny: No. It will be shared. It will be the responsibility of the golf group to maintain it. There will only be a shared cost of it that goes into the golf administrative fund. Everything will be paid for out of that fund.

Mr. Williams: You just confused me again.

Mr. Costello: Should it come down to, a budget is prepared by the group which will include the paths, bridges, and everything that is right now part of the golf course. Then it will come down to a per household assessment, which will be paid into the group and any repairs, anything that has to be done, would come out of the budget from that money, the golf course tract fund.

Mr. Robertson: If we take the ponds, the costs the current golf course has for maintaining the ponds and replacing the bridges over time and maintaining the cart paths, it is about \$50,000 a year to do all of that, which turns out to be \$30 per household. So in terms of what we are talking about right now, if we maintain the bridges and cart paths and do all of those things, it is \$30 per household. If we can find room in our budget right now to absorb that, then there is no assessment. If both Boards can pay for it within

their budgets, there is no assessment, but the size of that issue is only about \$30 a year per household. I am trying to get everyone to see that because people are worried about \$10,000 assessments or \$500 assessments and things like that. So I am trying to just put it in perspective. Maintaining the bridges, ponds, and cart paths, should be about \$50,000 a year on average. That would be based on putting a reserve to do the bridges at some point, but if you don't do the bridges for a while, you will be building up the reserves.

Mr. Williams: Right, and that money is going to come out of reserves, not out of membership fees? That is all I am trying to clarify.

Mr. Robertson: You are great. That is exactly right.

Mr. Eckert: Mr. Chairman, just to clarify, so we are talking about the pathways about each District not maintaining the pathways within their boundaries, and instead treating that as a shared expense that will be allocated on a per lot basis going forward. So we would need to make that change to the interlocal if that is what I am hearing.

Mr. Robertson: I am hearing that consensus. Yes. Okay, great. Are there any other points in the interlocal? Let's keep going. Are we happy with that?

Mr. Zacharia: I believe like with the other documents we looked at, I think we need a page of definitions because we have clarified the difference between the Lake Ashton Golf Club, the golf tract, the enterprise fund, and we have come up with a whole bunch of terms that if we can define them and consistently use them throughout the document, it will be very helpful. And to that, I think something that says all income, expenses, assessments, dues related to the golf tract and the Lake Ashton Golf Club shall flow through the golf enterprise fund.

Mr. Robertson: That makes sense.

Mr. Eckert: I think we can clarify that.

Mr. Robertson: That is great. What's next? A motion to include these changes?

On MOTION by Mr. Zelazny seconded by Mr. Meccics with all in favor the Lake Ashton II CDD approved for the draft interlocal agreement to be brought back to the continued meeting for further review after incorporating the changes discussed at the meeting.

Mr. Costello: Looking for a similar motion from Lake Ashton CDD?

Ms. Burns: Can I jump in with a question before we do that? Is the intention to bring this back to the meeting at the end of the month for review? I just want to clarify.

Mr. Robertson: Yes. We have just given direction to the lawyers to clear it up.

Mr. Zacharia: Before we vote, I just want to make sure when we had talked earlier about a potential modification to Section 7 regarding the use of the golf amenities, whatever that means, and then Bob confused me more than ever, but I wrote a note that we need to make it clear that to play you pay. I am just saying that something like that needs to be added, maybe not quite as crass as what I just said, but something that basically says that if you play golf you have to pay a membership fee.

Mr. Costello: Yes. I think we were told that would be covered under the sentence "Any such usage shall be subject to the rules, regulations, and policies." That is going to become a policy.

Mr. Robertson: Right. Mike has agreed to add more just for absolute clarity.

Mr. Costello: Then I am looking for a motion on our side.

On MOTION by Mr. Zacharia seconded by Mr. Deane with all in favor the Lake Ashton CDD approved for the draft interlocal agreement to be brought back to the continued meeting for further review after incorporating the changes discussed at the meeting.

Mr. Costello: I have one question before we move on. Jan, forming the five member committee, how will they meet with the Sunshine Laws? Are we going to have to advertise and everything else?

Ms. Carpenter: Yes. And Mike Eckert and I can think some more about setting it up and when the time will be for appointments and how to do that. At our next meeting we can talk a little more about that.

Mr. Zelazny: Jan, originally we talked about one member from each group and then a representative from the management of the golf course. That would preclude us from having to do anything with the Sunshine Law issues.

Ms. Carpenter: Yes. That might be a good way during operations to have one person from each Board kind of on a regular basis follow up and give reports to the Board without having to do meetings. The committee is for the bigger items like the major contracts, the budget, and that sort of thing where you need a tiebreaker.

Mr. Robertson: Okay so we have the two documents and can move on to negotiate.

Mr. Deane: No.

Ms. Carpenter: No, first we will revise the letter of intent and get it to the Board members to sign and submit it tomorrow or the next day, then for the interlocal, we will make the changes and bring back that to the next meeting. The letter of intent is ready to submit, though. I believe the Board also talked about Jim and Mike being able to meet with them and continue to try to negotiate so that at our continued meeting we can hopefully have the Board approve that and move forward with due diligence.

Mr. Williams: You just mentioned the due diligence. Is there a format or form of the items that we need to go through for due diligence and do we get a copy of that?

Ms. Carpenter: Sure. I will run it past Mike so he can look at it because we may want to add a couple things. He and I will start working on that.

Mr. Williams: Great, so then we know what all of the steps are and then we can start individually looking at all of it.

Ms. Carpenter: Yes, we will do that.

Mr. Williams: Thank you.

FIFTH ORDER OF BUSINESS

Discussion and Consideration of Joint Amenity Facilities Policies

Mr. Robertson: The next item is the joint amenity facilities policy. I think we haven't gotten quite to the point where we want to bring that to the Boards yet. There are still too many issues that need to be discussed.

Mr. Williams: We did meet, but basically we didn't make any changes. We said we were happy with what was presented.

Mr. Costello: I think that one of the questions that came out was about the guest amenity policy. That was probably the biggest confusion that I believe that we had as far

as a guest amenity policy. We have had several complaints over the fact that people have moved out of the Districts, they retain their transponders and come back through the gates without stopping at the guard shack, and they use the amenities without being registered as a guest. I think that was the biggest form of contention that we had after we met last time, maybe a month or so ago the four of us met, and it was agreed that there are going to be exceptions to every rule. They are going to have to go through either Mary or Christine. For example, my brother lives nearby and comes over quite often and uses the amenities with me so it is not like he is just coming in. I don't think there was any intention to block people from bringing guests into the community.

Mr. Ference: Is this the appropriate time since we are talking about amenities, we had a New Year's Eve party over at the clubhouse and there was a lot of confusion and disappointment over the fact that Nini's chose not to have a bar and without their supplying liquor because apparently they have the license to control liquor in the ballroom and restaurant, and people were saying if they were not going to provide a bar, we are going to bring our own bottles. Well you can't do that because it is against the amenity policy, so the question arose, what happens when they don't want to provide that service at a public function?

Mr. Costello: I understand that happened and as a matter of fact, I spoke with Christine about that this morning. Christine and I are going to go into it a little bit deeper, but I believe that will be resolved. Borden, I know you have dealt exclusively with them so I would hope maybe you can speak to them?

Mr. Deane: It is a state law. The license is in the name of Nini's. No one can bring liquor into the room where the license is held.

Mr. Costello: That is what I was upset about.

Mr. Deane: That is the state law.

Mr. Williams: For the room or the building?

Mr. Deane: The building.

Mr. Williams: Okay. You originally said room, that's why I asked.

Mr. Deane: The whole building.

Mr. Costello: This is something that should be discussed next week.

Mr. Deane: Well I think it should be discussed with Nini's also. I did not know this happened. I was out-of-town.

Mr. Costello: I didn't realize it happened either, somebody had come to me about it. I talked to Christine about it this morning and said I would like to have a meeting between her and Sandy to sit down and sort out and iron stuff like this out.

Mr. Deane: Yes. We have to get this straightened out. She would lose her license if you brought a bottle of wine into the building.

Mr. Robertson: Does that mean we are happy with the amenities policies as-is and we are going to approve it?

Mr. Costello: I would recommend yes.

Mr. Zelazny: I would hope not. I provided a number of inputs, none of which were addressed, but evidently the committee thinks it is good enough. Yet the issue with alcohol in the clubhouse not provided by Nini's has not been resolved, the amenity manager has not been addressed, and the suspension and removal of people from this facility has not been adequately addressed. I don't think all of my comments necessarily have to be the right ones, but I would like to have a day in court. I think all of them are valid. I think the organization of the document is flawed. Murray brought it up at the last meeting and made some of the same comments, yet the committee thinks it is just okay. Now the email I got said it is okay at this time, I am saying that if you spent six to nine months trying to do an amenity policy, why don't you take another month and get it right? That is my only comment. These issues on the alcohol were brought up at the last Board meeting and were not resolved. If we are just going to publish this type of amenity policy, that is the wrong attitude and wrong approach.

Mr. Ference: Bob, would you list those again for us, those concerns you have about the amenities, share them with us so we can be prepared to discuss them again?

Mr. Zelazny: Yes, I will go make copies of my comments to share with everyone.

Mr. Ference: I would appreciate that.

Mr. Robertson: Can't do that. Sunshine Laws.

Mr. Zelazny: I can't do it right here right now before we leave? I will go make copies of that and the document about combining the CDDs for everyone to look at.

Ms. Carpenter: And provide those to Jill so she can distribute them appropriately so nobody responds because it is Sunshine violation otherwise.

Mr. Zacharia: And I will again say that I agree with Bob. The thirty-one page document that I looked at last month, which was a revised version, and I know they spent a lot of time and energy going over the two separate and distinct policy documents and trying to put them together, but there is a lot of duplication of words that I think if it was reorganized in its presentation, it would solve a lot of the confusion that I had while reading it and that others have had while reading it. I tried using scissors and scotch tape to put together a redraft and I ran out of tape. So I would hope that we can table this discussion until the next meeting before it is passed. Christine, is this document dated August 10th available electronically in a word format that we can cut and paste it?

Ms. Wells: It is. Do you want it in a word document?

Mr. Zacharia: That would be helpful to me. I don't have anything that I can manipulate a PDF file in.

Mr. Robertson: The other Chairman is suggesting that because the two Z's are particularly interested in this that we let you take the next crack at it. Would that be fine? So we have one from each Board and you can incorporate the changes that you want and bring back a document that you are happy with. Would that be okay? Do you agree, Murray and Bob?

Mr. Zacharia: Yes, sir.

Mr. Zelazny: Yes.

Mr. Robertson: Thank you very much. So that is resolved.

SIXTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Mr. Robertson: Any other Board issues at this point to discuss? Hearing none, we can move on. At this time we will invite public comments.

Mr. Perez: My name is Pete Perez, Lot 881. I have been a resident of Lake Ashton for fifteen years and in the fifteen years I have been here, I have been on several Boards as you know, I was also a City Commissioner and I am presently a trustee on the Charter School Board. Therefore I have credible experience in working with Boards. This Board in my opinion is unbelievably needing to get your act together. I know the things I am saying are falling on deaf ears and maybe a moot point, but from the beginning Doug has done everything he can to get us to purchase the golf course. I have no problem with that, I just think it has been one-sided. Also, I think you have to look at when you start assessing people that it will concern people whether we are living in mansions or less, and how much debt will be assessed. I certainly think it is not going to be equitable if everybody pays the same thing. The other thing I wanted to say quickly is that I appreciate the fact that all of you are doing this and have spent an incredible amount of time and effort that goes into it. However, at the same time, I am just curious because I guess I am not smart enough to understand why you decided that Lake Ashton II would be the proprietors of the amenities and the golf course and everything. I just find that to be very interesting since Lake Ashton I was the originator of this community. Anyway, I know that some of my comments will fall on deaf ears, but I just wanted to express it. Thank you very much.

Ms. Iris Realmuto: As the Lake Ashton HOA Secretary, I would like to state that we have 964 homes. Where is the figure of 977 residential lots coming from? That is one question and the other is about the Eagle's Nest revenues, would that go into the golf enterprise fund that you have spoken of? Every time you speak about Eagle's Nest that has never been mentioned.

Mr. Deane: The 977 lots comes from the assessment on the golf course to the developer on the golf course. So the additional lots are golf course pieces.

Ms. Realmuto: So is there an assessment on those?

Mr. Deane: Yes, of course there is.

A resident: I would like to commend everybody here. You all are doing an amazing job. This is a very difficult thing to put together. I support purchasing the golf

course before joining as one CDD because I think that will be too complicated, but the main reason I wanted to speak is though I am not a golfer and support us purchasing the golf course and I want to make sure that the opportunity is enshrined for the people who want to use it as an amenity like taking rides on the golf cart paths or walking when it is not full of golfers to enjoy the greenspace. Thank you.

A resident: I came here to hear some information that maybe Bob can leave about the alcohol. As a federal employee, I work for the Treasury Department. I know there used to be a way to get a license for to allow alcohol for a day which wasn't very expensive. I don't know if that is still possible to do.

Mr. Ference: That is interesting, thank you.

Mr. Les Jacobson: Good afternoon. I am Les Jacobson. I live on the East and own some property on the West, as well. I would like to thank you all for getting past the issues and coming up with what I think is the right interlocal agreement. Borden, I am going to ask you to do something today before we leave, and that is to get started on becoming one CDD because if we stick with our closing date of September, you have nine months to get that going and that will eliminate all of the issues about who, what, where. I know some of you might have to give up your jobs and that is going to be terrible, but we need to be one community and I think that we need to get that started if it is going to take a year to do. I will also ask our counsel to give advice on the amenities policy about the liquor. I don't know if Borden is correct or not, but I will assume one of you would know the answer to that. If not, we are paying you to find out. Lastly, I heard something and I just want to make sure I heard it correctly, but if I am wrong and I hope I am, but I heard that one of the terms in the agreement would be added to the sales agreement but it is not included in the letter of intent. This troubles me because I don't think that you can add material terms to a sales agreement that was not included in the letter of intent. Yes there will be additions and subtractions, but material terms that are not included in the letter of intent cannot be thrown into a sales agreement later on, specifically I am talking to you, Doug, about the reimbursement of net operating losses. If there is going to be provision in the sales agreement for reimbursement, then it needs to be in the letter

of intent. You cannot leave it out and then just stick in later. That is not the way you negotiate a deal this big. Since we don't have copies of it I don't know. The one Murray showed me earlier didn't have it in there so I was concerned and don't know which document you are working off of. One last thing, whether you agree or disagree with someone's opinion, let's make sure we respect each other because there is value in everything you guys have to say. Even if we disagree, there is always something in there that may come back later on as something of value so please maintain that civility, all of you, or at least I urge you to, and again, I applaud you for moving forward and not kicking the can down the road too much further, but let's get started. This was a good first step, but it is not the end. The end will be one community, and if we keep kicking that down the road, that is going to just continue. I think that will eliminate a lot of the things we have talked about today. Thank you all for your time.

Mr. John Velebir: I would just like to echo some of the other comments and applause about combining the two CDDs. I think having one Board watch over the whole community would be beneficial to all. I just wanted to comment on that we have heard for the better part of a year that the goal is to make the golf course self-sustaining and the golfers will pay for the operation of the golf course, but how are they going to do that. It has become a little bit clearer today and I see that you are going to cost-shift golf course stuff onto the community at-large by reclassifying it and calling a cart path or a pond a neighborhood amenity. Shifting the cost onto the neighborhood is the most ridiculous thing. Murray, I love you, buddy, but saying there is a base price for cutting grass that should be on the community so the golf course only pays for the maintenance of mowing the grass lower on the tees and greens is just ridiculous to be shifting things like that onto the community. We know as a community we are going to have to contribute, but just be honest with us and tell us what it is. Let the golfers pay for their part. Some of the irrigation ponds have wells that they pump water into to irrigate the golf course. Are you going to shove those onto us so we are going to have to pay for those, too? I can see you are just trying to shift more and more expenses on to us to make the golf course look like it is breaking even or making a profit. It is a game and we are wise to it.

Mr. Realmuto: You just heard the HOA Secretary tell you that there are 964 residential lots in Lake Ashton. I believe you have a factual problem in Section 6.2 of the interlocal agreement. You state that there are 977 residential lots when in fact from the discussions I have heard, the intent is to apportion things based on the number of residential lots, not the total number of lots, which of course includes the golf course lots and very small parcels. So I believe you need to revise that number to come up with an accurate percentage if you intend to base it on the number of residential lots in each community and I would ask if you need to look into it further. You have heard from the HOA Secretary that there are 964 versus 977. That is fact and not subject to dispute. I would like you to provide a list of all 977 residential lots to see where you are basing that number on.

Ms. Burns: I can address that if the Board wants. It is not per residential lots. Those other parcels are assessable parcels within the community, which includes the sales center and a couple other things.

Mr. Realmuto: You said it was fair to assess by the number of residential lots.

Ms. Burns: Assessable lots, not residential.

Mr. Realmuto: In the interlocal agreement in Section 6.2 it doesn't say assessable lots. It says residential lots. I am not suggesting that you change the words that you use throughout the document, residential to assessable. I am suggesting that as you talked, the assumption all of us were making is that we are fairly splitting the cost by each lot paying its fair share. If I understood you correctly, that is what the intent was.

Ms. Burns: It is based on the number of assessable units.

Mr. Robertson: By leaving it as the number of assessable lots, then the owner of the RV storage and the sales office continues to pay their share, as well. That is really the only difference. Do we have anything else?

Mr. Zelazny: Regarding the comments of wanting a copy of my comments on the amenity policies, I made everyone copies and have passed them around for anyone who wants that, and I also provided each of you with a copy of the information for combining the two CDDs.

Ms. Burns: Just to be clear, if anyone has any comments, do not reply to and send comments back to him outside of the meeting.

Mr. Zelazny: That is just for their information. Murray and I will be presenting a strategy moving ahead on combining the CDDs, as well as the amenity policies.

SEVENTH ORDER OF BUSINESS Adjournment

There not being any further business to discuss,

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor by the Lake Ashton CDD Board the meeting was recessed to reconvene on January 29, 2019 at 10:30 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.

On MOTION by Ms. Wright seconded by Mr. Zelazny with all in favor by the Lake Ashton II CDD Board the meeting was recessed to reconvene on January 29, 2019 at 10:30 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.

Assistant Secretary/Secretary

Chairman/ Vice Chairman

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

The recessed joint meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District held on January 7, 2019 was reconvened on January 29, 2019 at 10:30 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.

Present and constituting a quorum:

Mike Costello
Borden Deane
Bob Ference
Murray Zacharia
Bob Plummer

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Doug Robertson
James Mecsecs
Stanley Williams
Carla Wright
Bob Zelazny

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Jillian Burns
Jan Carpenter
Mike Eckert
Alan Rayl
Numerous residents

District Manager
Lake Ashton CDD District Counsel
Lake Ashton II CDD District Counsel (*by phone*)
Lake Ashton II CDD District Engineer

Please note that due to a lot of background noise and side conversations there are portions of the meeting where the recording is inaudible.

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll, established the quorum, and noted the pledge of allegiance was recited.

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

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

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the meeting agenda was approved as-presented.

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

On MOTION by Mr. Williams seconded by Mr. Mecsics with all in favor the meeting agenda was approved as-presented.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items

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

Ms. Burns: Next up on the agenda is the public comment period. I do not have any requests to speak. Do either Chair have any that were submitted to them? Looks like we have no requests to speak and we can move on.

FOURTH ORDER OF BUSINESS

Golf Course Acquisition Issues

- A. Executed Letter of Intent
- B. Consideration of Seller's Response to Proposed Letter of Intent
- C. Consideration of Interlocal Agreement between Lake Ashton and Lake Ashton II for Golf Course Acquisition and Operations
 - 1) Interlocal Agreement between Lake Ashton and Lake Ashton II for Golf Course Acquisition and Operations (*clean version*)
 - 2) Blackline version of Interlocal Agreement (*compared against the last version seen by the Board*)

Ms. Burns: Item #4 is Golf Course Acquisition Issues. We have a couple items here as well as some information that Jan passed out. There is a copy of the executed letter of intent that was signed by both Chairs and submitted to the golf course seller. We also have a response that we received later in the day on Friday from the seller with some requested changes. I am going to go ahead and turn it over to Jan. She worked with Mike Eckert to put together, a listing of some issues that the Boards need to discuss and consider based on the changes requested from the seller.

Ms. Carpenter: Hi, everyone. Mike Eckert and my firm went through the responses to the letter of intent and we put together an outline of the various changes and the issues the Boards would need to consider to accept or prepare a response back to the letter of intent. It seemed to be quicker to go through it that way than to actually go through and read the letter of intent. The first bullet point were just some changes to the seller. There is apparently another entity, Ashton Golf Eagle's Nest, LLC, and there were some other changes to the documents that would be turned over. Those are issues we think that as attorneys we can negotiate with their attorney and find out what those issues are so we think that is a point that we can deal with unless the Board has any comments or input they would like to give on those. We can go back to these as time goes on, but we kind of want to get to the bigger business points fairly quickly. The second point was assignment of rights under the HOA covenants. We had requested all rights of the seller entities and related entities under the HOA. They limited those to that were in the position of the seller. Again, we think as attorneys we can handle the issues, but we need to be sure we get all the rights of the golf course as we are not privy to any deals he has among he and the other entities related to the developer. So we will work on that. The third bullet point is the change in the payment of the purchase price. The \$477,000 amount was not changed and the issue was that we had asked for three years to pay that fee for that amount. They have now asked for \$177,000 upfront and \$300,000 to be paid over three years at 3% interest. So the issue would be, are the Boards willing to pay the \$177,000 upfront and is there a source of funds to pay that? That would probably be the first issue that would need to be discussed by the Boards.

Mr. Robertson: Can we go through the whole thing first because some of the things tie together, and then at the end we can discuss everything?

Ms. Carpenter: Sure. That makes sense. The fourth one was the golf storage and maintenance area. The seller asked for the right to relocate the area. This is relatively common in lease agreements or something that is a large facility that if they wanted to relocate or move. We think there are some changes we would need to say we can have with some reasonableness and that we can have approval rights perhaps. The second

one was if the District ever sold to another entity other than the District, they wanted to charge fair market rent, not give the \$1 per year rental agreement they gave to the Districts. So those are two changes to that paragraph. Paragraph 5, on the due diligence period, they wanted to limit the historical operational records to the past three years, limit documents to those and the seller's actual possession and reasonable control. What that would mean is if engineers or architects or agents held documents, there would be a question or legitimate reason for them not to turn them over if they are in their control. Reasonableness is always a tough standard because then you have to fight whether it is reasonable to get them from your engineers. A key concern is in the first 30 days, if you recall there was a 30 day inspection period, then another 90 days, for the first 30 days we had included a structural and contract review and they have limited that to only the first 30 days. We had included that through the entire due diligence period. That is a tough standard because that would mean during the first 30 day due diligence, the District would have to get building inspectors to go and do all of the structural review in 30 days and get back to you because after that point the change says you cannot object to that. So I am not sure if that is feasible, but that is a fairly significant change when you have a building that is being acquired. Number 6, indemnification of the golf club during the inspection period, we can handle that as attorneys, that is not an uncommon request. Number 7 is another key issue on financing. There are debt special assessments on this property that would be paid over time if a private owner owns them. If the District acquires them, they have to be paid in full. The District had required the seller to pay those. The seller has come back and said they would pay them at closing, but the District would have to reimburse in three equal installments. So that is an additional financial decision for the District to make. The next was golf membership. The District had asked that the golf membership be limited to five years. They have come back and said the District would be on the hold to give the one year free golf to all new homes in the communities and then from closing, all new homes and unexpired golf memberships for new homes and resales. We would like some clarification of that. I think what that means is if you are in the current year and a resale has it, we would have to finish that off, which

would be reasonable, but the obligation that goes on somewhat forever is of concern. The five years at least limited the debt obligation of the District to pay those. Number 9 was the operating deficit agreement. The District had asked for five years that the seller would pay for operating deficits with the District repaying those. They had come back to three years instead of five, and a limit of \$300,000 maximum in any year. Number 10, we want to add a bill of sale for personal property. They had just changed some of the language so we just need to clarify that. Number 11, again, as a business issue, the original version that we submitted had the seller paying for the costs of the survey and their change came back that the District would pay for that cost. That is a fairly substantial cost for surveys on those two golf courses and all of the property. Number 12 is a no-shop provision. What that means is we had asked the seller not to put the golf course on the market while the Districts are spending time and money. They came back and said they would agree to not market it upon the execution of a letter of intent through the inspection and due diligence periods. So that was the District's version, and they came back for only 30 days after execution of the LOI. So that would be a short time period while the District would be still doing additional due diligence that they could market it to somebody else. The last was a comment that we added. The interlocal agreement had been taken out of the LOI and that is something to consider about putting back in depending on how the Districts do today and we get closer to a LOI, but we want to make sure that we have an agreement between the Districts. Again, that is just a business item to think about when we get to the end of all of this. So there are really three financial issues in the letter, and a number of due diligence issues primarily. Mike is on the phone with us. Is there anything else we need to add?

Mr. Eckert: Not really. There is one item under the third item to make sure that the Districts would pay them what they owe them. My position is as a government entity the District can't have a lien of its property.

Ms. Carpenter: Okay, and just on the amount of the debt assessments, it was about \$425,000. So that is the dollar amount of what they have asked the District to pay rather than the developer paying. We can get confirmation of the exact number, but that is what

we had put in one of the original term sheets just to give you an idea of how much they are looking for the District to pay. So I don't know if you want me to turn things back over to Jill to go through the items, or how you want to handle it. Doug, you look like you have a comment? Probably the financial issues are the biggest ones.

Mr. Costello: Precisely. With the changes they have proposed, what is the dollar amount that it changes to?

Ms. Carpenter: It would be an additional \$425,000 plus the costs of surveys, which I can guess would be anywhere from probably \$15,000 to \$30,000 for the golf courses. I am looking at our engineer to confirm. It really depends. Surveyors have been very busy and for a commercial survey, \$10,000 is not out of range and it may even be higher depending on what they find. So I would say at least \$25,000 for the surveys.

Mr. Zacharia: I am sorry, Jan, did you say an additional \$425,000?

Ms. Carpenter: Yes. The debt assessments were something we had talked about in the meeting with Mr. Maxwell and his attorney that they would pay, but they have come back with the requirement that they would pay them, but the District would have to reimburse over three years, so that would be \$138,000 or so a year to be repaid.

Mr. Robertson: The bonds are something that if another buyer would buy it, they would not be required to pay it. They could pay those bonds down to golf course operations. If we look at it from the same perspective, golf course operations would be required to pay off that \$425,000 bond payment through future golf dues so it wouldn't be a long-term additional cost to the CDDs. It would be a responsibility of the golf course operations to pay that. We are not legally allowed to owe the debt on the bonds. It has to be paid. Same thing when houses are for sale in the community and one person has paid off their bond debt and another person hasn't paid off their bonds. They are willing to pay on our behalf, they just want to be reimbursed, as would anyone else. We anticipated this meeting would be that if Mr. Costello and Mr. Mecsics had a chance to sit down with the owner, Mr. Maxwell, and had hammered out some of things upon our behalf, but he has been out-of-pocket, and Mr. Lee had a heart attack, so there was really no opportunity to have those negotiations take place. We still have the opportunity to

work on some of the things we find unacceptable. I think there are a few things we have to look at. It is not that this is the final offer because we still have not sat down face-to-face with Mr. Maxwell to discuss some of these issues.

Mr. Costello: They kept saying they wanted to close by the end of the year, which was truly a short amount of time. Now it appears they are willing to wait until the end of their fiscal year in order to transfer everything. The only thing is this is January, and October 1st will be here before we know it. I agree with Mr. Robertson that we need to sit down with Mr. Maxwell, one-on-one and talk about it. Every time we send something, what we get back isn't anywhere near what we sent, so what is the bottom line?

Mr. Robertson: I agree. It is difficult because we made an agreement amongst ourselves here, but if we open our hands in front of everybody we have lost, or negotiating so some things need to be unsaid and let these two gentlemen go on our behalf and push because I know the timing is an issue. I think looking at a longer term to solve the problem rather than accepting what they gave us at this point and time makes sense.

Mr. Mecsics: I think we can approach this, at least from my perspective, is there are legal things that the lawyers have to work out. Mike and I have talked about this because at our first meeting, we were face-to-face and we are in agreement that we want to sit across the table from Mr. Maxwell and Mr. Lee and look them straight in the eye to talk about several of these things. At our first meeting there was discussion on how we can make this longer. I originally said how about 10 years and he said okay. So I think there is benefit to us going face-to-face. Again, no disrespect to the attorneys, but my perspective is that we need to sit down with those two individuals and look at them straight in the eyes and discuss what the problems are so we can work through them. We want to finally say now that we have agreed, that this is what is going to go forward, we are not going to go back to our respective offices and change everything all around.

Mr. Zacharia: I received in recent days emails from people who aren't even in this hemisphere over in Vietnam and other places reading content of ashtonliving.net and these documents. A question came up to me and I said let me go to the joint meeting and I will answer your question after I get the answer. The question is essentially, is there

any realistic basis of submitting a document dated the 29th and expecting it to be signed, sealed, and delivered by the 31st at 5:00 p.m. as the last paragraph as the letter of intent states, and if it isn't signed, then what?

Ms. Carpenter: Great question. That is about the next thing that I was going to address. The likely reason that was knowing there was a Board meeting, so the push was to have the Boards agree to this today so I would guess that is why they put that in there as a negotiating tactic. If the Boards do not agree to that, then their offer goes away and we are starting from scratch. So basically a LOI went to them, they came back with a counter, and then if the District doesn't accept they will be starting from scratch again and it would be a brand new LOI all over again. The only caution I would give, and a meeting may be a good thing because at the meeting it did seem that we were much closer than we are today. The concern I have is we just have to be cautious that two Board members at the meeting could not make any formal agreements or statements. They would make agreements that they would come back to the Boards and think this is fair, but it is up to the Boards to make a final decision. As long as that was very clear.

Mr. Eckert: What I would suggest is what you heard before. There are certain things the attorneys can handle, and then there are some other business points not really meaningful at all. I think there are some negotiations that need to be done as a result of getting this document included and securing interest. I think most likely after the negotiations happen we will be pretty darn close to having a final LOI or not, so I would suggest to probably not spend too much more time on the LOI and let the parties sit down and bring it back to the Boards.

Mr. Deane: I agree that we should have the Board members sit down with the owners to hammer this out and then we can go from there. As far as this is written, basically the way I read it, Mr. Maxwell is basically doubling the cost of the golf courses by the \$425,000 he wants reimbursed.

Ms. Carpenter: I guess we will need to do some clarification, too. If the Boards are going to direct them to go forward, do you want attorneys or manager present, or would you just be going yourselves?

Mr. Deane: The lawyers should be present.

Ms. Carpenter: Okay, then if the Boards direct so, we would help set up a meeting as quickly as we can with everyone at the prior meeting to try to get through these issues.

Mr. Zacharia: Is there any benefit to the negotiators to know the joint Board's feelings about the financial issues you listed in your questions? I think they are asking for a business decision from the Board regarding the length of the funding, three years versus five years. Does it help the two of you at all to know whether the Boards favor three, four, five, or ten?

Mr. Costello: Jim and I had suggested ten years. We had a verbal agreement on it and what we want to try to negotiate where we are going to get as much time as we can. Until we talk to them we can't give everyone what they want so we are going to have to come back to you and at that time you will have to make an agreement whether we want to go with it or disagree with it.

Mr. Ference: I don't think we should piecemeal this program. I think that we can agree that this letter of intent does not meet our satisfaction and we should not try to deal with part of it. Let's send it back as unacceptable.

Ms. Burns: Do we want to have a motion from each Board to reject this letter of intent and authorize Mike and Jim to set up a meeting with the seller?

Mr. Robertson: We already had a motion asking them to go and do it.

Ms. Burns: We have a LOI to consider in front of us today if we want to accept or reject that today.

Mr. Eckert: We don't need to take any action on any of what you just said. The letter of intent by the terms has an expiration. If you don't affirmatively agree with it, it expires, so I would suggest that staff just take direction based on the conversation here today and the Board members will set up that meeting.

Mr. Robertson: We have already asked the two Board members to go negotiate so let's let them do their job.

Ms. Burns: Do we have anything else on the letter of intent then? Then let's move on to consideration of the interlocal agreement between Lake Ashton CDD and Lake

Ashton II CDD for golf course acquisition and operations. Included in the agenda was a clean and blackline version of the interlocal agreement. Jan or Mike, did you guys want to go through the changes?

Ms. Carpenter: We went through and incorporated the changes that the two Boards had talked about to that initial draft that were just basic ideas. Section 1 was including definitions because there were questions as to what certain terms meant so Mike Eckert's firm pulled the definitions so they are in one place if folks have questions. Number 2, that didn't really change. That was that the two Boards would agree to a form of purchase and sale agreement before it was submitted and that the sale would be based on a per lot basis and each District would pay for their own expenses for legal fees, but all other costs of the sale would be shared on a per lot basis. So those two sections were really just memorializing what the Boards had agreed to. Section 3.1 was the payment and purchase price and that explains the 59% versus 41% of the purchase price and the costs associated and broken between the Boards based on the current assessable lots. And we did confirm that is assessable lots because the number of homes is slightly less due to some of the other parcels. Section 4 was the ownership of the golf club. Again, we changed the terms to make the golf club incorporate everything, all of the assets of the golf club including the property and fixtures, everything. Section 4 agrees to the reciprocal and equal use of the club by the landowners in both Districts. It also talks about that all funds and assets and interest in the golf club and a sale of assets would go into the golf enterprise fund because we had talked about Lake Ashton II holding the ownership of the components of the golf course other than real property. That was a discussion at the last meeting because one District really from the standpoint of operations needs to hold title to be able to operate the bank accounts, included its budget, own assets, sell things, etc. This specifies that Lake Ashton II would hold ownership of all of the components of the golf club other than real property because the real property would be owned by whichever District it was sitting in and the proceeds of any sales, assets, revenues, everything else, would go into the golf enterprise fund and Lake Ashton II couldn't make any purchases or acquisitions from that fund unless they are in

accordance with this agreement, which lays out further on about budgeting and about a committee helping give input to that committee. It also specifies and clarifies that the ownership by Lake Ashton II doesn't change and there is equal access by both Lake Ashton I and Lake Ashton II residents. Lake Ashton I is really Lake Ashton, we just said I and II for ease of reading because it gets very confusing to say Lake Ashton and Lake Ashton II. So that is Section 4.

Mr. Zelazny: Can you give me the definition of fixtures?

Ms. Carpenter: Yes. Fixtures is a legal term for any assets that are attached to real property that become a part of the real property. So in your house the fixtures would be say your chimney, garage door, things that are personal property and items that you can put in but are affixed to it, so when you sell the house, they stay with the property. Something like a washing machine would not be a fixture because you can take that out.

Mr. Zelazny: So the pathways aren't part of the fixtures is what you are saying?

Ms. Carpenter: No, pathways are part of the real property. I guess the cement would be a fixture, but it is part of the real property and it is a fixture attached. The golf club includes everything, the real property, the pathways, the bridges, the building, etc. It incorporates everything. The ownership of all of the property and things attached to it are going to be owned by the District in which they are in. So Lake Ashton would own all of the golf course, the bridges, the paths that are within Lake Ashton, and Lake Ashton II would own all of the bridges, the property, and the buildings located within Lake Ashton II. And fixtures would be anything in that building that is conveyed along with the building. That is one of the comments in the LOI. We would have a bill of sale which actually takes care of any personal property and transfers the interest in the personal property that is not a fixture that is not attached to the actual building. Murray, you look like you have a question?

Mr. Zacharia: I must have that look on my face. Going back to the previous discussion on assessable lots versus living unit lots or something, for Lake Ashton CDD, I understand the difference between 977 and 964. It is like 13 lots, which in essence are lots that belong to what I call the bank building, some lots that are on the south side of

the Eagle's Nest property, and a few other lots that are assessable, but they don't pay dues to the Association. I assume they pay \$1,747 O&M to the CDD every year, though?

Ms. Burns: Sure. They are actually not lots. It is assessable units. So the sales center and the RV lots aren't just one. Those 13 are composed of those two buildings.

Mr. Zacharia: What happens when those assessable lots, which are currently owned by Golf Club I and Golf Club II, or Eagle's Nest, Ltd, become owned by the CDD?

Ms. Burns: The sales center and RV storage lot are not part of this sale so they will still be owned by the developer.

Mr. Zacharia: So the 977 assessable lots, some of which are currently owned by the golf course, when they are no longer owned by the golf course, if we were to proceed down the path we are proceeding, and they become acquired by a CDD, whether it be I or II, is using assessable lots in calculating the right number to be using? That is a question that been raised to me. When you look at \$477,000 it is like \$6.00 between the 977 versus 964 lots so it is inconsequential, but it is a perception of using the right number versus a number that may favor something else. It helps in the marketing of the plan if we know what the numbers are that we are using.

Ms. Burns: Sure, and I can clarify that for you. If you recall back, and the Board was different over the summer for Lake Ashton, there was one golf course parcel for the properties owned by the golf course and Lake Ashton had 21 assessable units. They then had the sales center and RV lot re-platted with different parcel IDs because they wanted to carve those out because they weren't going to be part of the sale if they were selling the golf course. They wanted to keep the RV lot and the sales center. So those are now three separate parcels, the golf course, the sales center, and the RV lot. The Lake Ashton CDD Board approved a reallocation report over the summer when we did the budget that allocated what was previously on the one golf course parcel to those three parcels for the sales center, RV lot, and golf course. The assessable units are the number of platted lots in Lake Ashton and the previous 21 lots, I think that 12 of them are applied to the sales center and RV. The other nine are on the golf course. They currently pay a debt assessment and O&M on all three of those parcels, the sales center, the RV lot, and the

golf course. If the Districts were to acquire the golf course, it would be lost revenue, which we discussed when we had the outline of the lost revenue on the O&M and on the O&M side for both Lake Ashton and Lake Ashton II. The golf course owner is going to retain the sales center and the RV lot and will still be paying assessments on those parcels.

Ms. Carpenter: Okay, so now I think I know what Murray was getting at. So Murray, what you are saying is rather than using 977 lots for this calculation, it should actually be less because it should not take into account the golf course.

Ms. Burns: That is the right number. The 977 does not include the golf course.

Mr. Zacharia: I have some familiarity with assessable lots and property in this in Lake Ashton I, but I have no idea how many of the 600-something assessable lots in Lake Ashton II, how many of those may or may not be assessable to the person who is currently being assessed if they become CDD property. I don't know how many of that number belongs to the golf course. You have explained it, but I can't answer peoples questions and for me to say I can't explain it to you suggests I don't know what's going on.

Ms. Burns: Give them my phone number and I will explain it to them.

Mr. Zacharia: Okay.

Mr. Eckert: I was responsible for writing parts of this, but my understanding is the 977 assessable units within Lake Ashton I do not include property, any property for which the District is acquiring under the letter of intent. Jill, is that correct?

Ms. Burns: That is correct.

Mr. Eckert: And the 600-something assessable units within Lake Ashton II also do not include any of the golf course property or other property the District is acquiring under the letter of intent. Is that also correct?

Ms. Burns: That is correct.

Mr. Eckert: The 977 and 680 assessable units are correct numbers in Section 6.2?

Ms. Burns: Correct.

Mr. Eckert: Thank you.

Ms. Carpenter: Section 5 is about forming course committee to give direction to Lake Ashton II. Of course the concern is if one District is running the operations that both

Districts have input. The concept of a committee, we talked about that at the last meeting. A committee would be made up of five members, three from one District, two from the other, and every year that would change as to which District has the majority so there wouldn't be a question about one CDD having control throughout the entire period of the golf course committee. The golf course committee would give advice and recommendations for the budget of the golf course, the management and contracts for operations and maintenance, repairs, and replacement of the golf club. Lake Ashton II would be responsible for general operations, but they would be constrained by the approved budget. And Lake Ashton II has to abide by the recommendations of the golf committee about entering into material contracts for operations and maintenance, repairs, and all of the various assets, unless the recommendation is illegal, poses a threat to health and safety. So basically Lake Ashton II would have to abide by the budget and recommendations of that committee. We added that Lake Ashton II would use its best discretion for handling nonmaterial matters and we defined that as contracts, costs, or purchases less than \$5,000. The reason for having a nonmaterial provision is for the day-to-day operations that you couldn't stop if something broke down and you needed to enter into a contract for repairs for \$3,000 or \$4,000. The amount is certainly something the Boards would need to talk about and make a decision, whether or not \$5,000 is an appropriate amount or whether it should be something different.

Mr. Costello: In the case the repairs that is needed for the day-to-day, let's say the refrigeration system goes out at Eagle's Nest or something of that nature. We are talking under \$5,000, but it is an expensive unit, let's say it is going to cost \$3,000. For something like this, I can understand the need to repair quickly, but for other things, what is going to constitute an emergency or something that has to be done right away and do we have an ability to call a meeting on an emergency basis if needed?

Ms. Carpenter: A committee acts under the same rules as the Boards so you would have to notice a public meeting unless it really was an emergency, just like if there is an emergency for health, safety, welfare, an emergency CDD meeting can be called, but it would have to be a true emergency to do that.

Mr. Robertson: We are anticipating through the budgeting process where we are going to spend money on the golf course. If something comes up then the obligation comes back to both Boards. The only circumstance where we wouldn't bring it back is if it has to be fixed within a two week period. If it is something that is really big we would give both Boards the opportunity to discuss it. I think that is fair.

Ms. Carpenter: Yes, that is the definition of nonmaterial matters. We said up to \$5,000 and the Boards can clarify that if you want to change it.

Mr. Costello: An emergency to you may not be an emergency to myself or anyone else sitting here.

Ms. Carpenter: We didn't define emergency. We said nonmaterial. So you might want to have two levels. You might want to have nonmaterial at \$2,500 and emergency relating to health, welfare, sanitation, or anything that would affect a permit or licensing.

Mr. Deane: I believe what we are talking about is not related to the golf course. It is basically related to the golf club because an emergency for the golf course like if we had a flood or something, it is going to cost a lot more and you would have to have a meeting so I think what we are talking about is for maintenance on the golf club and bar upstairs, and that would also include equipment, air conditioning, and \$5,000, I don't know if that is enough. It depends on what it is. If the air conditioning goes out in the building, I don't know you can do that for \$5,000. I think that is what you are talking about, basically repairs to the clubhouse, not to the golf course itself.

Mr. Robertson: What constitutes an emergency in my mind could be something that if we don't act now, we are going to lose more value. So if we have a golf hole that gets flooded and washed out, that is already done and not an emergency anymore. We need to fix it at some point, but that comes back to the Boards for a decision. If it may be more than \$5,000, I think that maybe we need to say \$10,000. You don't want to have someone say they spent \$7,000 and even if they went a little over and provided justification, the Boards could say they don't like the decision. It is only for things that have immediate consequential financial losses that we want to protect. I think the language should reflect that.

Ms. Carpenter: Okay. We will make that change. The next section, Section 6, is talking about the golf expenses and revenues and deficits.

Mr. Zelazny: Can we go back to Section 5 for a second?

Ms. Carpenter: Sure.

Mr. Zelazny: Under Section 5.1 where it talks about appointing members to the golf committee, I think that it should be members of the CDD Boards that should be on the committee.

Mr. Eckert: Currently that is within the discretion of the Boards how to agree on that. I have seen other committees where it is not a requirement that you be a CDD Board member, but if that is something the Districts want to do you can.

Mr. Robertson: Would it be appropriate to vote on that?

Ms. Carpenter: It could be put in the interlocal, but it could also be that the interlocal leaves it open and each Board decides who they want to appoint, whether they want to limit it or not because what might work now maybe in the future somebody might want to be on the golf committee but doesn't have any interest in being on the CDD Board. It is certainly something the Boards can talk about and change.

Mr. Robertson: So each Board can decide to withdraw a Board member and replace them with somebody else if they wanted to so that it doesn't restrict your decisions on who the Board members are. If we were restrict it, then we wouldn't be able to do that, and the decision-making is still retained at the CDD Board level.

Mr. Deane: How many Board members know anything about running a golf course? I don't. I don't think anybody else up here does. I would be open to having residents who do have experience or professionalism with regards to golf courses.

Mr. Zelazny: I am expressing comments of our residents who are concerned about that portion of the interlocal so it was presented for discussion.

Mr. Costello: How does the Sunshine Laws affect these people?

Ms. Carpenter: A committee works just like a CDD Board, so those people on the committee can't talk to one another outside of a publicly noticed meeting. That is one of the reasons why we have not had committees.

Mr. Costello: You have two people sitting here, and a lot of people would interpret the Sunshine Laws would be in violation.

Ms. Carpenter: Which is why generally you don't see a whole lot of committees in CDDs and government because they have the same rules. Honestly most golf courses that we see have a management company so they can report to everybody and they don't have to deal with the same issues that they would.

Mr. Costello: I agree with what Borden said. We don't all have experience with running a golf course so maybe if we have somebody out there who has some sort of experience in the community, I don't think that is farfetched to think about doing.

Mr. Zacharia: Jan or Mike, is there anything in the laws that requires this golf committee to be five in number?

Ms. Carpenter: No.

Mr. Zacharia: So it could be any size?

Ms. Carpenter: That is correct. We chose five members because getting three for a quorum tends to be a number you can usually get in the event that you needed to meet quickly. If you get larger than that, sometimes it is tough to get everybody in the same place at the same time.

Mr. Zacharia: So I thought from our discussion that we were trying to cross out the old feelings. Are we in general agreement that members of the golf committee should be residents of Lake Ashton communities?

Ms. Carpenter: We don't specify that in the agreement.

Mr. Zacharia: I asked this question because someone else asked me. Are we suggesting the golf committee includes only people who are residents of either Lake Ashton community, CDD I or CDD II? Not necessarily Board members of those two respective CDDs, but at least residents of the areas representative of the CDDs?

Mr. Eckert: Right now, each of the Boards have the flexibility to appoint who they want to the golf committee. Any further restrictions, like if you want to say they have to be a resident of Lake Ashton, certainly you could do that. The only concern I have is there's about a dozen different definitions of what is a resident and you also have the

issue of somebody who is a landowner. Right now you have flexibility for each Board to appoint who they think is appropriate to the committee and anything else you add to that is going to further tie each Board's hands. If that is what you want to do, certainly you can, but keep in mind if you say resident, Florida law has a whole bunch of definitions as to what a resident is and what you don't want to get into is the kind of litigation about whether somebody qualifies as a resident or not.

Mr. Zelazny: I think Mike has summarized everything since we discussed it and the Board knows what they can and can't do. If we would be stupid enough to ask somebody outside of Lake Ashton to sit on our golf committee, I would really find that hard to believe. I think Mike's explanation was good. I think the number of five is the right number. If you get too big you can't get anywhere. I think we should accept it.

Mr. Williams: Let's say we have five committee members that are under the Sunshine Laws. If there is an emergency issue on the golf course, the five can't discuss it amongst themselves unless they call a meeting. The meeting has to be public, which means there needs to be two weeks notice. Am I correct with everything I just said?

Mr. Eckert: We have a provision in our rules that deal with emergency meetings that you still have to post notice of those meetings, but I have had many Districts that have met with less than seven days notice when there was a true emergency.

Ms. Carpenter: Yes. And that is included in the rules of both Districts. It is permissible under law in the event of an emergency.

Mr. Williams: But they cannot talk about the problem until the meeting.

Ms. Carpenter: That is correct. Section 6 talks about the budgeting. This is where the golf committee will present to the Districts their recommended budget. Lake Ashton II will incorporate the budget again unless something in that budget is illegal or poses a threat. All of the funds that go into the budget, the amount of money needed from each District would be levied if there is a deficit and the payment of expenses between the Districts would be based on a per lot basis, which is the 59%/41%. If more lots got built up later or there was a change in the apportionment of lots that could change. Section 6.3 goes through the initial year of how the budget would happen, and then for subsequent

years. Section 6.4 is the same for the assessments, the initial year plus subsequent years. Section 6.5 is the budget reconciliation. Within 30 days after the end each fiscal year, Lake Ashton II is going to compare their annual expenses and revenues and if there is a deficit, the Districts would have to pay that deficit proportionally back to the golf expense fund. So Lake Ashton I would have 30 days and Lake Ashton II would have 30 days to pay any shortfall. So that would be where there would be an issue again as the budget is going through the year and if there was a problem, it would be evident earlier than the very end of the year. As you all know we get monthly expenses and this golf fund would be a separate expense that would be looked at throughout the year.

Mr. Robertson: Rather than having any surprises, that is one of the things we asked in our letter of intent that the current owner cover any losses for at least three or maybe five years so we wouldn't get any surprises and all of those things would be wrapped up in the golf course operations and both Boards can budget on a long-term basis without having any shocks to the system.

Ms. Carpenter: Yes, that is the intent of that operating deficit that could be borne and perhaps budgeted for the following fiscal year so we don't run into that problem at least for the term. That is something we have to be sure got built into the LOI and purchase and sale agreement. Section 6.6 is unbudgeted expenses and again this is for the extraordinary repairs or emergencies in the event there was something huge that had to be budgeted. This is the case for each of the Districts anyway. If there was a large expense or emergency and there had to be a special assessment to cover that, then that would be there and hopefully the operating deficit program that the golf course seller has offered would assist in any issues for the first couple years. Section 6.7, inspection of records, Lake Ashton II would provide the monthly financial reports, and in that case everyone can see what is going on so there would be no surprises along the year as the budget is continuing. Again, there is also a public records law so everything would be viewable anyhow. Section 6.8 provides for payment disputes in case there is an issue or question about some of the invoicing and how that would be resolved.

Mr. Williams: I have two questions. First, we talked about the separate costs for the pathways and for the ponds so I am assuming those are two separate line items and contracts, or maintenance of those items so they would be visible, right? The other item I don't see talked about anywhere in here on the budget would be the lawyer's fees associated to joint meetings and things that take place. It sounds like that would also be a separate line item on the budget?

Ms. Carpenter: Yes. And the reason for that, just so the public and other Board members understand is that each of the Districts is responsible for taking care of the ponds and the paths and bridges in their own District anyway, so that cost is a cost that is fair hopefully for everyone to pay in the District. The idea is that the golf revenues would certainly cover the expenses of running the golf course, but the Districts can see what the expenses related to the actual golf operations for just the maintenance of those ponds as the stormwater system and pathways, which are a benefit to everyone in the Districts.

Mr. Williams: Those costs would be appropriated based on the same percentages?

Ms. Carpenter: Yes. We did not take those out separately. Those would still be golf course expenses, but they would be broken out by line items so everyone can see where those costs are compared to the revenues of the actual golf club itself.

Mr. Robertson: So right now both Boards use Applied Aquatic to maintain the ponds in each District. Under this process, we would still use Applied Aquatic, and they would take care of the various ponds, but those costs would be line items in the budget within the golf course operations, which will then be approved by both Boards.

Mr. Williams: There are some ponds within the golf course aren't there? So there are going to have to be separate maintenance contracts for the different ponds. It has to be broken out for each side.

Ms. Carpenter: Yes. Correct. The CDD manager will have to get those contracts reformulated to make sure they were broken up properly.

Mr. Zacharia: When you are finished with Section 6, I just had a general recommendation that is probably going to be unpopular, but I will make it only because I believe in it. Regarding the golf committee, is there a reason why 59% of all expenses

to operate the golf course are paid by assessable units in CDD I? I believe that is a true statement. Acquisition costs and ongoing operations and maintenance. Let's call it 60/40 for the sake of comparison. Why is it that 60% of the costs are borne by CDD I and 60% of the decisions are being made by others? I am truly sorry if some of you don't like the question. Let me suggest that if you don't like the question, you are sitting in the wrong room. It has been suggested that if you look at committee of nine rather than five, seven, fifteen or twenty-nine, that nine people would make a nice committee of five, which is approximately 60% of the nine and four, which is approximately 40% of the nine. It is a suggestion that has been made. I understand we had this discussion at the last joint meeting about why the three and two would be flip-flopping each year. If you are marketing a program asking people to pay for something, the people have to feel like they are controlling what they are paying for. What we are doing, in some cases doing something that appears to be giving away control of our destiny.

Mr. Robertson: The budget we are talking about is being paid for to golf dues. We are not asking for individual house owners to supplement the golf operation fees. The intention is that this budget is being created and is always going being collected through the dues process and should be self-sustaining. The only thing that we put in there is to maintain maintenance of the cart paths and ponds, which are for general use. The intent is the golf course operations collects money through dues and there are no extra fees to be charged to any individual homeowners for operating the golf course. Under those circumstances, it is equitable. We are trying to not have the golf course pay for everything and distribute the costs to the whole community. That would be a problem.

Mr. Zacharia: Is there anything in the document that says should the golf course operations operate at a deficit, the cost of the deficit shall be borne by the magical 59%/41% number. Is that not in the document?

Ms. Carpenter: Yes.

Mr. Zacharia: It is in the document even though the intent is to not operate at a deficit. That is in there. I am just saying that there are residents who have read that and feel that is an inequity.

Mr. Costello: I coughed that up at one of the meetings and almost got my head handed to me. I can understand where you are coming from. If we are going to pay 60% I agree with you, we should be given the opportunity to have the other member.

Mr. Zacharia: I am just suggesting that a nine member committee is a close and fairly reasonable solution.

Mr. Eckert: A nine member committee where one Board appoints five members all the time is basically one District controlling every decision no matter what with no input from the other District, so let's be frank about what we are talking about. The proposal that is in the interlocal now is to allow this committee to control the committee alternating on an annual basis to allow both Districts to have input and one District not have power over the other for multiple years in a row. What we have is fair in that context and what is being suggested is one District always controls all of the decisions no matter what, then I would suggest that is not a good path forward for the community.

Ms. Carpenter: I will just respond for the Lake Ashton folks because I have been asked this question several times with a 60% of the population residents and payments, there are members of Lake Ashton that feel they should have control over the golf course decisions and budgeting. That is where the two opposing views are and I know there was a lot of discussion at the last meeting as to that point so that is how we came up with the idea of the alternating to try to have a different committee giving input each year.

Mr. Zelazny: These last two meetings we have been over and over and this. The decision where we talked about the amenities being the ponds, the golf cart path and bridges, which is a shared amenity by every resident in this community. We decided to do it on a fair share basis. If we are going to back down and re-litigate again, we might as well just give this whole process up. I don't know how many times we have to discuss it, how many times we have to vote. The decision was that we were going to do it on a fair share basis with every house sharing the same for those amenities that are shared. The same as every other amenity in Lake Ashton. It isn't about control. If we keep talking East and West, we will never get to Lake Ashton as one united community. That is where we need to be so we should be doing it right now, treating everybody the same.

Mr. Robertson: We are talking about 60% of nothing and 40% of nothing. If we do it correctly, the golf course pays for itself so it is 60% of nothing. Now the first five years or whatever numbers we are going to get from the negotiations, with that first five years it is guaranteed to be nothing because the seller is going to protect us. If after five years, we can't make it viable, then we will have to decide what to do with it then. At that point and time, the decision will need to be made by both Boards anyway so what we are talking is a moot point because it is 60% of nothing right now and if it turns out that after five years of operation and it is not worth having, then we will come back and decide what to do with the golf courses even if we want to repurpose the land. That is a joint decision that is not covered by the interlocal agreement. We are not trying to subjugate their input at all. That would be my position.

Ms. Carpenter: And I agree. I don't think there is any intent for anyone to have control or not. The apportionment, I don't think anyone is challenged. Both Boards have agreed that the per lot basis is the fair way to share costs. The only issue is who is on the committee and the makeup of the committee that is helping set the budget for Lake Ashton II to control. The concern there that is being expressed by the Lake Ashton CDD Board members is the concern that Lake Ashton II CDD has the day-to-day hands on and since the majority of the funds are coming from Lake Ashton I, Lake Ashton I has asked the question should they have the three versus the two alternating control. Again, that is a decision for the Boards. As Mr. Robertson points out, the hope is that the golf operations are going to break even and there won't be any additional costs. There is an operating deficit mechanism, but that is really just a cash-flow mechanism. That doesn't cover the costs the way it has been proposed. It does have to be paid back, so that is a cash-flow mechanism. It is not that they are going to cover the losses. And that is something that during the 30 days the District would get the last three years of operating revenues and expenses to be able to determine is this really operating flush or is this something that a lot of money will be needed for operations. I think Murray's question was really the makeup as opposed to alternating years should Lake Ashton I have the three seats versus the two seats.

Mr. Costello: Murray, I agree with a lot of what you said. The only way I can see it where everybody is going to agree is instead of one Board appointing three, the other appointing two, why don't we have each Board appoint two and then have the management, whoever becomes the head manager be the fifth person on the committee.

Ms. Carpenter: The committee has to appoint the manager. That is a committee task, their job.

Mr. Costello: Well that is going to be something that is going to come down the road anyway.

Mr. Deane: That's the committee's job. I understand that, but what I haven't heard in any of these conversations is why aren't we talking about getting a management company to run the golf course?

Mr. Costello: Because rather than paying all that money to a management company, maybe we can just employ somebody who has management skills and somebody who has knowledge of what goes on here and save a lot of money.

Mr. Eckert: I just want to comment about having the golf manager on the committee. That would prevent the golf manager from having private conversations with committee members, which I think would be helpful at the end of the day, so please just keep that in mind.

Ms. Carpenter: For ease of just moving this forward, I think that at this point it looks like there may be some question as to the three versus two. Perhaps we can leave that as an open issue on the three versus two on alternating years and how that is appointed and kind of get through the rest so at least we can say we've got a substantially final agreement. I think the important part is really the apportionment of costs and if that committee hires a management company, hopefully the committee will have very little to do if they are comfortable with who is managing things. With that, I will move on to Section 7, which is a clarification that the golf club is going to be controlled by this interlocal agreement and not the other interlocal agreements among the Districts for sharing of amenities and the residents of Lake Ashton I and Lake Ashton II will have equal use and access to the golf club and there will be rules and regulations from the golf

club that neither Lake Ashton I nor Lake Ashton II will be able to set different rules or allow other people to use the club. So that is what that provision talks about. The rest of it are a lot of legal things you pay us money to do. The no waiver of immunity is our sovereign immunity. We are not waiving by any discussions in here. Section 9 is conflict resolution that how the District will try to resolve those through joint meetings, through mediation at the worst. Section 10 is the merger of the Districts. If the Districts merge, the surviving entity would be able to basically undertake the obligations in this agreement as one merger. Also, prohibiting a sale because the golf club is really one cohesive golf club that if one District wants to sell, they can sell to the other District, but they cannot go out and try to sell their share of the golf club without the District being a party to that. Then finally, the termination of the agreement, if the golf club doesn't provide, this would terminate on its own so we don't have to go out and do anything additional or incur additional fees, plus a bunch of other typical legal stuff. It sounds like the Districts have gotten very, very far on here. I think really the agreement is in fairly good shape after your input from the last meeting, and other than the committee idea and how to make up that committee, I haven't heard anything else, and I don't think Mike has gotten any other comments or questions, but we would like to hear everything, questions, concerns, that you all might still have.

Mr. Mecsecs: I would like to make a motion to accept this like it is.

Ms. Burns: We have a motion from Jim to accept the interlocal in substantial form for Lake Ashton II. Is there a second from Lake Ashton II?

On MOTION by Mr. Mecsecs seconded by Mr. Zelazny with all in favor the Lake Ashton II CDD Board approved the interlocal agreement in substantial form with the inclusion of the changes presented at the meeting.

Ms. Burns: Does anyone from Lake Ashton want to make a motion?

Mr. Plummer: Yes, I will make that motion and I would also like to say that in the absence of much common sense at times, getting moving on the fact, if we find there are errors in it we have the option to modify it at a later point and time. I understand the

Sunshine Laws hamper how we can talk either in that committee or at this one, which is another common sense issue, but anyway, my motion is to accept it as-presented with the changes we have presented today.

Mr. Plummer moved for the Lake Ashton CDD Board to accept the interlocal agreement in substantial form with the inclusion of the changes presented at the meeting.

Ms. Burns: A motion from Supervisor Plummer. Anyone want to make a second? No? Okay, then the motion fails.

Ms. Carpenter: And what we would suggest, since we are almost there, Mike Eckert and I will make the changes we talked about and if members of the Boards want to separately give us your input, we can try to think about some other options, but I do think the Boards have a substantially final agreement and I think the committee makeup is probably something that can be resolved.

Mr. Zacharia: I just want to say I think the moans and groans are totally uncalled for. I believe that actions or inactions by CDD I go back to the composition of the proposed golf committee. I may be wrong, but that is my feeling here. If that was not part of the motion, the motion would have gone differently. If we had said for example that should we go forward with this document, the interlocal agreement pending further discussions about the composition of the golf committee, I think you would have gotten full support from CDD I. I believe that.

Mr. Costello: Lake Wales CDD has a meeting on the 11th of February. Is there any chance that you can bring us a change and we can vote on it at that time to try to get this moving forward?

Ms. Carpenter: I don't see this as being anything major. I think it is important for everyone to feel totally comfortable. The big issues are done. We can send this to the Boards. The Board members are going to meet with the seller, so there is going to be another meeting fairly soon to talk about that, so hopefully Lake Ashton I can talk about it at their meeting and Mike and I can answer questions in the meantime and this can be

adopted at the next meeting. It sounds like there is really only one issue left. This is not a killer of the deal. I think it just shows actually how far you've come along.

Mr. Robertson: Jan, I thought that was the purpose of what we discussed 20 minutes ago, that we were going to allow the committee go forward so it is necessary for us to accept something that they are going to continue to discuss individually because they may not accept it as done.

Ms. Carpenter: You have made huge leaps forward and it sounds like it is all but one issue that still needs to be discussed and thought out. This is not holding up anything in the transaction. This has to be in place before the purchase and sale agreement is finalized. We still don't have a letter of intent or a transaction, so at the next meeting, it can come up again and you will all have had time to look at it and have your questions answered and hopefully it will be adopted without much more discussion.

Mr. Zelazny: Let me just ask you how you see this going forward. If you bring in proposals for another interlocal agreement that they can vote on at their meeting on the 11th, which you know we are not going to accept because we have already accepted this one. So then we come back here to the next joint meeting in two or three months, and you have a nine member group or five member group, but we are not moving this ball down the road at all. This committee makeup was discussed at the workshop, it was discussed at the last joint Board meeting, and there were no issues associated with it at that time. I don't know why at this point it is, but there has to be a way to move ahead. If they are going to work independently with their five member group, not with our group, we are just spinning our wheels.

Mr. Costello: I agree with you. Since Lake Wales is paying 59% and Winter Haven is paying 41% can we have it on a five year basis where for two of the years Winter Haven wouldn't select three people and for three of the years Lake Wales would.

Ms. Burns: That is what it is now.

Ms. Carpenter: Yes. The way it is now, and the reason I think having some time to talk through with the Boards is it is alternating years that Lake Ashton would have

that and Lake Ashton II would. What you are saying is for three years Lake Ashton, Lake Wales would control, then two years Winter Haven to give a majority.

Mr. Costello: Exactly. Would that be agreeable?

Mr. Zelazny: Isn't that still considered alternating years? I don't know what is so difficult about this. The golf committee doesn't make all of the decisions. They have to come to the Boards to vote on it. You are not losing any authority by the golf committee.

Ms. Carpenter: The concern of Lake Ashton, Lake Wales is the idea that Lake Ashton II is controlling the day-to-day operations so Lake Ashton has conceded a big part in allowing that control. I am just explaining, I am not arguing, but I think it sounds like Lake Ashton wants to look at some alternatives or get comfortable with how the actual operations would work under this agreement.

Mr. Costello: Well the reality of it is I would like to settle it today. I would like to walk out of here with the agreement in place. There has got to be something that we can do that will make everybody happy.

Mr. Zelazny: Actually, Mike, with the alternating years in the first five years with Lake Ashton starting the first year with three, it is exactly what you said. Out of the five years it is three and two.

Mr. Zacharia: Allow me to suggest that the people sitting up here represent Ashton West, I suspect talk mostly with their constituents in Ashton West. If you are one of those constituents, based on that document, it is wow, this is good. Put yourselves in the seats and the bodies of CDD members in Lake Ashton. The questions that come at me in particular, and I suspect others every day since the publishing of this document and its various iterations over the last month or so, is why are we responsible for 60% of the costs of acquisitions and operations and have only 40% of the seats? I am not asking you to understand it because you can't unless you are put in that position. We are not doing this as a matter of stopping our movement forward, we are doing it in order to get clarification as best as we can for the people who we are trying to get to agree with the idea of acquiring and operating the golf course. I have heard the speech made numerous times even before I was sitting up here, you have no vote, you voted for us to tell you

what is best for you. I don't agree with that and I am trying to avoid imposing further ill-will among residents of Lake Ashton by suggesting that they have no input.

Ms. Burns: I think unless anybody on the Lake Ashton CDD Board has a motion to make in regards to the letter of intent, the best use of our time would be to pick our next joint meeting date. Give Mike and Jim some time to negotiate with the seller, we will come back in a couple weeks and go from there. Is that okay?

Mr. Eckert: Just to be clear, what the relative positions are, Lake Ashton II is comfortable with the interlocal agreement as-is, and Lake Ashton I is not comfortable with the composition of the committee at this point. Is that the issue that I am supposed to negotiate with Jan?

Ms. Burns: Correct.

Mr. Robertson: The assumption right now is that there will be no added cost for Lake Ashton I and if that were to occur once the transition is over with, we will have a problem we will have to deal with. Right now it is 60% for nothing, which is reasonable. To change the dynamics of no cost, doesn't make a lot of sense.

Mr. Eckert: If I can just make sure to clarify what our charge is, I would not recommend to my Board that they agree to a five member Lake Ashton I and four member by Lake Ashton II because there is no point in having a committee. You might as well just have Lake Ashton I run everything because that is essentially what that means so I can't support that to my Board. Certainly I can talk to Jan about other alternatives, but the Boards aren't really giving us a lot to go on because the system that was proposed was designed to be fair in terms of making sure that each District has input and it will be alternating control so each District felt like their concerns would be heard. That way if one District went on a spending spree or did something they shouldn't, then the next year the other District would be able to remedy that. At this point, if anyone anticipates that we will come back in two weeks and I am going to suggest to my Board that they agree, then that is not going to happen.

Ms. Carpenter: I don't think that is the suggestion, Mike. I think the suggestion is one, there needs to be some comfort in looking at the agreement and what the committee

does and how it does. I agree with you that a committee of five is probably appropriate and look for us to look at some ways to come back. Perhaps Lake Ashton, Lake Wales could have the three members for the first two years during the startup to get comfortable with the way it is running with Lake Ashton II running it. I think there are some alternatives we can try to think of and after that have alternating years because that would be the title management company would be in place. I think there are some alternatives that we can think about and maybe none of them will work and we will come back and this will be accepted after looking at the agreement.

Mr. Mecsics: I get really upset when I hear Lake Ashton II is going to be running things. The management company or whoever we hire is going to be running it. The golf course committee will be giving advice for things that are budgeted and everything will come back to the Boards so I don't want to hear any more about Lake Ashton II or Lake Ashton. This way it gives everybody a chance to vote and it still comes back to the two Boards. This is fair across the board and something we agreed upon so if we are not going to move forward, and I am going to be as honest as possible, in a couple days or weeks, Mike and I are going to meet face-to-face with the owner and if he hears this going on right now, we don't look like we have our act together and he and I are going to have a hard time negotiating. So please I don't want any more of this that Lake Ashton II is going to control everything. I am tired of hearing this. I am sorry.

Mr. Zacharia: Assume for a moment that we were one community of 1,600-something assessable units that own 200 acres of greenspace that includes the golf course and all of the properties and whatever else we decide to buy. We are one group of people and we want to create a committee to run the golf course and oversee the golf enterprise create the budget and manage it. How would we select that golf committee?

Mr. Costello: But we are not one CDD, we are two. You are imagining things. We are two. Can we vote two, two, and take a fifth person as being a person who is elected by the golfers, by the paying golfers who is also a resident in this community?

Ms. Carpenter: No. I think the way it is set up is fair. I think it is probably an education and thinking about the first year was set up so Lake Ashton I would have

control and that is probably the most important year because that is the year you would decide to hire a management company, enter into contracts, put out RFPs, etc. So I think that was part of the design and Mike came up with a lot of that design, but that does I think resolve a lot of questions and why I suggested when this came up that maybe it is just some education and talking through with Lake Ashton I to get comfortable with this so that at the next meeting when we have a LOI and we are going forward it can be voted on or discussed further. I think right now it is just raising a lot of angry issues that aren't going to be resolved sitting right here today.

Ms. Burns: Do we want to discuss a date for the next joint meeting?

Mr. Plummer: Actually can I make the same motion I made before?

Ms. Burns: Absolutely.

Mr. Plummer: I would like to do that.

Mr. Costello: I will second it.

On MOTION by Mr. Plummer seconded by Mr. Costello with all in favor the Lake Ashton CDD Board accepted the interlocal agreement in substantial form with the inclusion of the changes presented at the meeting.

Mr. Zelazny: If anyone has frequently asked questions about why we are doing it, why we just made that decision, if you can get them into a system, we can answer all of those so the people are comfortable with the decisions that are made. If you have a question as to why we did something, submit the question and you will get an answer at the next Board meeting. It might not be the answer you want, but at least it will give you an explanation to what we did and why we did it.

FIFTH ORDER OF BUSINESS

Discussion and Consideration of Joint Amenity Facilities Policies

Ms. Burns: So that brings us to Discussion and Consideration of Joint Amenity Facilities Policies. At the last meeting, Murray and Bob were tasked with going through these so I am going to turn things over to Bob because he has an update, but we do not expect to take action on these today.

Mr. Zelazny: Let me tell you that Murray and I worked with staff from both East and West and met a number of times. There are two things that need to be resolved by the Board at Lake Ashton I, which is alcohol and food use at the ballroom and the building.

Mr. Deane: It is already done, isn't it?

Mr. Zelazny: No, it is not. That needs to be done. Decisions need to be made that were not agreed to at our meeting, which need to be resolved through the District, through the lawyers, and through the Boards. When those things get resolved we can put it in the document and finish it off. The draft document is about 90% complete. We gave those to the community directors to look at. There have to be substantive changes in the document in terms of the amenities policies so you should take the time to review them. The major point right now is alcohol and beverage in the ballroom and associated areas. That needs to be addressed at the next Lake Ashton CDD Board meeting.

Mr. Deane: The liquor license for the restaurant includes the facility at 4141 Ashton Club Drive, including the outside area and the pool. That is all the license includes. That comes from the state of Florida. As far as the pavilion goes, there is no rule that I know of regarding people bringing alcohol in there.

Mr. Zelazny: That is specifically why we need to talk about it. There are no rules, no policies associated with the pavilion. There are three different published policies on alcohol and beverage and food in the ballroom area. We just need consolidation of those policies on the use of alcohol and the use of food in the ballroom and a clear definition of the pavilion to be included in the amenities policies.

Mr. Costello: We have to get a proper definition because we do not want to jeopardize that liquor license. We don't want to do that so we are going to have to get a definite definition on how we do that because we have an obligation to them to make sure we are doing everything within our power.

Mr. Zacharia: The issue about the alcohol as Bob mentioned is probably our biggest stumbling block to finishing the words and reordering them, which has been a major battle, but we are very, very close to being completed. There was one other issue that is probably never ever going to come up, but it is in the document and that is

nonresident fees. I was charged with looking through the interlocal agreement to see what is mentioned about the fees, and I was not able to find anything in the interlocals or the rules. There are statements about how much the fee is, which is \$2,400 charged by both CDDs, but there is nothing that says who collects the money and where does it go, and who holds it. So again, it is not likely that is going to happen, but if we can get an answer to that while both of us are present here, it would be very helpful.

Ms. Burns: Sure. The decision would be essentially up to the Boards. Generally when you have two Districts that have cost-sharing of amenities regardless of who the user goes to pay, it would be split either 50/50 or on a per lot basis, whichever you choose. Most do 50/50 so if somebody pays \$2,400 to Lake Ashton II, then \$1,200 would go to Lake Ashton. And it is just to offset revenue to operate both facilities.

Mr. Zelazny: Jill and I talked about it a little bit beforehand, but what we really need to do is look at the interlocal for the nonresident fees for a couple reasons. One is there is no mention of how we are going to share that cost and two, with the increase of operations and maintenance assessments based on the amenities and the golf course, there should probably be an increase in that nonresident member fee, as well. So that needs to be looked at in the interlocal.

Ms. Burns: If we are going to increase it, both Districts would need to hold public hearings, but if you wanted to look at increasing that we can do that.

Mr. Robertson: Can we do it at the same time?

Ms. Burns: Yes. Any other questions on the amenities policies before we move on?

SIXTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Ms. Burns: Moving on, before we go on to public comments, do we have and Supervisor requests?

Mr. Zelazny: Just one thing. I checked after the workshop to see if we had minutes or anything from that and talked with staff. They indicated that normally we don't do minutes from the workshops. I know it does cost money, but I would ask the Boards to consider that we probably should have minutes from that because while we can't make

decisions, there is a lot of discussion that might apply to the decisions being made at the next meeting so I would ask for us to consider spending money to get minutes of any workshop as a record document.

Ms. Burns: The recordings are always available if anybody has questions and wants to listen to those. A lot of times, like when we did the budget adoption there are comments from the audience and by design that is the point of a workshop because it is not as structured as a meeting. There are no motions to record. It is pretty much the point of the workshop is that it is more of a free discussion. If anybody wants to request the recordings, they can always do so, but if you are allowing free comments from the audience, we don't have names, there are no request to speak forms, so I am not sure how detailed they could essentially be. That is kind of the point of a workshop. If you want to have minutes we can, but you might as well just have a regular meeting if that is what you want to do.

Ms. Burns: Any other Supervisors requests?

Mr. Williams: Are we going to set the next joint meeting?

Ms. Burns: We can do that now before public comments if you would like. Do we want to discuss when to set our next joint meeting? We have already continued this one once, so I think we should probably just advertise for a new meeting.

Mr. Costello: First of all, we are going to have to set up a meeting with the owners of the golf course before we do that. I think we are putting the cart before the horse. I would think we would be better off trying to get a meeting with Mr. Maxwell, see which way it is going to go, and then go from there and set a meeting date.

Ms. Burns: And once we have an answer from them, I can get with the Board members, set up a date, and advertise. That brings us to public comments if anybody has any comments.

A resident: In regards to the last paragraph of 5.1 and the \$5,000 in the interlocal, recommendation that either a per item, per occurrence, or annual or some other stipulation be added to that \$5,000 so that a series of \$5,000 contracts couldn't be drawn

up for a \$100,000 expense. I have done construction projects so I am familiar with using that type of situation. That is just something for you to consider.

Ms. Carpenter: Yes. That is the one provision we are still working on and we will send everyone that change.

Ms. Burns: Any other public comments?

SEVENTH ORDER OF BUSINESS Adjournment

There not being any further business to discuss,

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

Assistant Secretary/Secretary

Chairman/ Vice Chairman

**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, February 11, 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
Murray Zacharia
Bob Ference
Robert Plummer

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Jillian Burns
Marcia Calleja
Andrew d'Adesky
Rey Malave
Matt Fisher
Numerous residents

Governmental Management Services
Governmental Management Services
District Counsel
District Engineer
Field Operations Manager

FIRST ORDER OF BUSINESS

**Roll Call and Pledge of
Allegiance**

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

**SECOND ORDER OF BUSINESS
THIRD ORDER OF BUSINESS**

**Approval of the Meeting Agenda
Public Comment on Specific
Items on the Agenda** *(speakers will fill
out a card and submit it to the District Manager
prior to the beginning of the meeting)*

Mr. Costello: We are going to open with public comments. I have several requests here. We are going to start with LouJean Steenberg.

Ms. Steenberg: Good morning. LouJean Steenberg, 4196 Dunmore Drive. I want to comment on the amenities alcohol policy. Having worked in the office and rented out this room and been here when we didn't have a restaurant between the Fire and Nini's

coming, I know we had a change in our alcohol policy for the residents that they were able to bring alcohol at any events and I think unfortunately a few of them still think they can do that. That needs to be policed a little bit more. Also for people renting this place we very much try to explain that they need to do all their alcohol purchases through Nini's and I know for a fact that several of them have tried to bring in things, have snuck in things and it is very hard for our security people to police this. I would like to see more of a presence of actual police force that we hire an off-duty police officer to be present especially at events that are hired by outsiders so that they may have some more force with these people to get them to stop this. I know because some of these situations there is actually been damage done in the clubhouse and we have of course refused to return their security deposit because of that. I think this is an issue that really needs to be looked at and given a lot of consideration. Thank you.

Mr. Costello: Thank you for your comment. We have Nancy Ebner from Muirfield Loop.

Ms. Ebner: I am Nancy Ebner from 4151 Muirfield Loop. I am the first house from the clubhouse that backs up to the hedge. We are the only house that hedge backs in that section. I have complained before about the maintenance of the hedge and I have learned since then through Nancy Hevel who has done a lot of background checking and working that Yellowstone has to have a bucket to trim the top of the hedge which doesn't happen often enough. I feel like the hedge needs to be cut down to a maintenance level because it hasn't been maintained properly for years. We sit on our lanai looking at the back of this hedge with vines growing on it. It is ugly. They need to maintain it. I don't want to cut it all the way down but a couple of feet so they can maintain it regularly. That is about all I have to say other than we as residents are expected to maintain our properties. We will be told about it if we don't. I expect the hedge to be maintained.

Mr. Costello: I agree with you and thank you for your comments. Ok we have Nancy Hevel.

Ms. Hevel: That is me again. Good morning. I am Nancy Hevel from 4175 Muirfield Loop just down from Nancy Ebner a bit. I printed off this morning the

Yellowstone landscape proposal for cutting down the hedges that was on the CDD website. There are a few pros which maintain it for landscaper height where they don't need to do the bucket. Afternoon sun on the back of houses certain times of the year that would be nice to get some sun and a better view of the golf course since we are paying or did pay for golf course view homes. It would be nice to see the golf course. There are cons. It says there was an unbiased con but I don't know about that. It says to shield golf balls from the houses. We have had two golf balls barely hitting the hedge in the last three years. They have to cross two roads plus a median to even get to our backyard. Also it shields noise and constant traffic from the homes. My husband worked in an auditorium of a high school for 30 years. It was all about sound and lighting, staging and everything else. He has a decibel marker. He went out on our side of the hedge, which is ten foot tall, got the decibel reading for several minutes and then went on the other side of the hedge and did the same thing with traffic. No discernable change. Nothing. No spikes, no nothing. It was still the same. There are holes all in the hedge. You can see daylight through it. It can't be a proper sound barrier. Anyway then it says to block the sight of the homes from the golf course. I know at the last meeting a young lady got up and said she didn't want to look at the back of our homes driving in. That is all you see when you drive in at either gate. You drive in the west gate, back of homes. You drive in the east gate, it is all back of homes. This is all back of homes. You don't see a front of a house until you reach the corner of Berwick or until you pass the Health and Fitness Center. So why are our houses so ugly to look at compared to everybody else's houses in Lake Ashton and everybody else's houses on a golf course? That was another thing to provide privacy. I think that should be up to the resident as to how much privacy they really want, not up to a landscaper. It says to beautify the drive in and out of the property, well if you start with the hedge behind Nancy's house it is like this and then it goes like this, then it goes like this, this and this. It is scraggly. It has sprouts sticking up from it all the time. They don't trim it because they can't climb on a ladder. They have to have a bucket.

Mr. Costello: Time is up. Thank you.

Ms. Hevel: Thank you.

Mr. Costello: Colin Campbell from Muirfield Loop.

Mr. Campbell: Colin Campbell, 4211 Muirfield Loop. I am against trimming the hedge row along Lake Ashton Drive. My wife mistakenly gave my approval of that. I was out of town when Ms. Hevel was going around and canvassing the neighborhood. It does not back up to the golf course. It backs up to Lake Ashton Drive, which backs up to the golf course. This is a public road, which at times is very busy. When the trades come in to do whatever they do, it becomes even busier. As it is a public road, safety becomes an issue. If the hedges are lowered anyone in all of Florida can come into my neighborhood and look into my house. I shudder to think of the consequences of a resident along Muirfield Loop being a victim of a crime. These trades do not get vetted. We have no idea who is coming in on that road. The privacy these hedges provide is priceless. Some people may want people looking into the back of their house, but I don't. It is beyond me why anyone would want anyone looking into their house. And most important, the value of all the houses along Muirfield Loop would be lowered. Try selling a house with a busy highway as your backyard. The only other houses in CDD I with a backyard backing up to a main road is on Thompson Nursery Road. Check out the prices of those homes. Lastly the hedges in the gaps where the palm trees are I would like for them to be raised not lowered. That is all I have to say. Thank you.

Mr. Costello: Thank you for your comments. Ok that is the end of that. We have to go back one though because I forgot the approval of the agenda. Do I have a motion?

Mr. Deane: Motion.

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

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the Meeting held on January 14, 2019

Mr. Costello: Approval of the Minutes of the Meeting held on January 14, 2019.

Mr. Plummer: I have a correction, page 8, the discussion about the drainage on Dunmore, down here you have a Mr. Muller. That was a Mr. Wallner.

Ms. Burns: Thank you.

Mr. Deane: That goes through the whole thing.

Mr. Plummer: Yes.

Mr. Costello: Do we have any other corrections or additions?

Mr. Deane: Motion to approve the minutes as corrected.

Mr. Ference: Second.

Mr. Costello: Motion by Mr. Deane seconded by Mr. Ference. All those in favor?

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the Minutes of the January 14, 2019 Meeting with corrections was approved.

FIFTH ORDER OF BUSINESS

Engineer's Report

Mr. Costello: Engineer's report.

Mr. Malave: Good morning. Just a few things. One, you all probably have noticed the parking on the west side of the community center has been paved. We came to a consensus and agreement with the contractor on where the areas that were the most needed. He basically concluded with us that he would fix it. He was going to repave the entire roadway driving surface area. There are a couple areas, that work is all complete and we are satisfied with the paving work that has been done now. We do have a year warranty on their work in case we have any other complaints or concerns in the near future. We don't foresee any, but we should have that in our back pocket. They also paved Waterford, the area that was dug up where the new pipe was put in. I also looked at that and am satisfied with that work and a few other areas that he threw in there for us. We are very grateful to the fact that he did not charge us for those. We will continue to work with him the best we can with any of the other work that we have. The Dunmore drainage issue, we have contacted three additional contractors who are willing to give us prices and do the work. We are coming up with a couple other alternatives to get the prices at the same time so that we can give ourselves options on trying to reduce the cost there also separating the landscaping, the sidewalk, the golf cart as separate prices. We are going to do the prices even though we might not do that work at least we will know

what it costs. In addition, we are looking at the option of maybe going with the replacing of the existing pipe with a bigger pipe and see what that cost is. If we are going to be digging that whole area out and it is going to cost the same, one bigger pipe is better than trying to have those two pipes in there. We are trying to get the prices on that so that we can come up with alternatives that we can say here is what they are. We expect to bring that back at the next Board meeting so that we can go over those and see what prices we can get. Now having four contractors will give us some good competition and we should see what the prices come in at.

Mr. Costello: I like the idea that we are going to have competitive bidding because that usually does bring prices down. I had a phone call over the weekend by one of the prior members of this Board who told me that there is a pipe that goes from the retention pond where this is flowing out to the main lake and that they have had a problem with it before where it was simply vegetation that was growing at the end of the pipe. Is there any truth to this? I have no reason to disbelieve them.

Mr. Malave: That was a concern about seven or eight years ago that occurred. That was cleaned. We do not see an issue between the two. It is really hard to review with the lake levels as high as they both are on both sides. If you noticed that pond behind the lots, which is number 19, goes to another lake. There is a little golf cart bridge or something like that, that is the actual control structure. That goes into another wet area and that wet area is the one that goes into Lake Ashton. There are a lot of things that can happen in there. I think we can easily do a quick look at that.

Mr. Costello: I'm just thinking it's a lot cheaper to clear vegetation than do this.

Mr. Malave: The analysis that was done by the prior engineer and our office concluded that the problem is the additional drainage area that drains to that street. The two inlets that are on Dunmore cannot handle the quantity of water that drains to that point during large storms. Because of that it requires adding more inlets and getting a bigger pipe to the pond to at least get it off the street. That is a clean analysis.

Mr. Costello: You have the education in this area. One of the things that I would like to see though is as you get the estimates from the different companies if you could

get it over to us as quickly as possible so that we could review exactly what they are looking at doing, what the cost is going to be and more or less have time in order to take a better look at what is going on. This is going to be an expensive project. Like I said I would like to bring it in as cheaply as possible.

Mr. Malave: We will bring that back a week or two before the next Board meeting.

Mr. Costello: Thank you.

Mr. Zacharia: Rey, I have been asked by a resident who is retired road engineer with DOT a simple question, but I haven't been able to answer him. Have the inlets and the pipes been videoed or whatever it is you do to see whether or not they are clear?

Mr. Malave: We have cleaned them at one point. That was one of the things that was done quite a while back. When you look at the manhole located at the corner of that property before you make the 90 degree turn, if you were to follow the golf cart sidewalk alongside that house and make a 90 degree turn behind those lots, there is a manhole there. We have looked at that structure and you can tell when during the low season it has been cleaned and water has been flowing very well. We do not see any issues of there being any obstructions. Now one of the things that we can add to our bid is for them to TV it as we have done on previous jobs that we have done in the beginning so that we can use that as a way of saying yes we are good. Again, based on the analysis that we have done even with the pipes totally clean, we believe the inlets do not have the capacity for the quantity of water that gets to that intersection. That is really the main problem.

Mr. Costello: I realize that and it doesn't happen all that often, but there are times when we have severe rainstorms and quite honestly I know of one instance where two people had to replace their cars due to the fact that they attempted to drive through the water and as they are driving through the water, they are pushing the water up this person's driveway into the house. I saw it happen. Nobody should have to live in that manner worrying about a torrential downpour. Do you have anything else?

Mr. Malave: That is all I have. Thank you again.

Mr. Costello: Anybody have any other questions? Ok, we will see you next month.

Mr. Malave: Thank you much.

SIXTH ORDER OF BUSINESS

Unfinished Business

A. Consideration of Quote to Replace Quarterly Planted Annuals with Permanent Plants

Mr. Costello: Unfinished Business. Consideration of Quote to Replace Quarterly Planting Annuals with Permanent Plants. We have some pictures here from Yellowstone.

Ms. Burns: Do you want me to go over it?

Mr. Costello: Sure.

Ms. Burns: There is a quote in your agenda package. This is a follow up on an item discussed previously, the amount being spent to replace the annual flowers. Christine or Matt reached out to Yellowstone to get a quote to replace with perennial peanut that is in your package. It is \$12,988.10. That is a one-time cost. I did speak to Christine. She sent an email regarding this. We are reaching out to Yellowstone to get warranty information. A couple of options if we do decide we want to go ahead and not do the annuals and go ahead and replace them with something. Just a plant that could stay in place and not have to be replaced on a quarterly basis. Given the cost of over \$12,000 we can get additional quotes and bring them back to the next meeting if you want to look into other vendors but then the warranty information because Yellowstone, if the one maintaining those, we might be better off going with them. Also, she said that if perhaps we want to look at changing the annual schedule so they are replaced two to three times a year instead of the four, then that is also an option. I think Matt has some additional information.

Mr. Fisher: As you see there is different options in there. On our drive through we talked about putting in peanut which may not be the direction we want to go. It was the first idea. It is a ground cover. It's the same cost for a one gallon plant which there is a variety. Al Goldstein mentioned we can get with some gardeners that are volunteers Diane Taylor, and Barbara Cassidy. We can get ideas from them as well. Whatever direction the Board wants to take. Those are what visuals we had. It is an initial cost of \$12,900. That would be the upfront cost but if we decide to go for a more permanent plant it would be a \$12,000 savings on the current contract with Yellowstone yearly.

Mr. Costello: In other words we spend \$12,000 to save \$12,000 the first year and then after that we would be riding pretty much free and clear.

Mr. Fisher: Exactly.

Mr. Costello: Sounds like a bargain to me.

Mr. Fisher: It would be \$1,000 a month savings off the contract which would equal \$12,000 yearly with a permanent plant.

Mr. Costello: You are saying that there are different plants.

Mr. Fisher: They are all one price for a one gallon plant. It doesn't matter what it is.

Mr. Deane: They could be mixed and matched.

Mr. Fisher: Exactly. At the entrance to the community there is a couple of beds there and out front of the clubhouse. We can mix and match, whatever the Board would like. We would be more than happy to do that.

Mr. Costello: Before you leave, the hedges have you spoken to them at all on that?

Mr. Fisher: Spoken to Yellowstone? Yes, we have spoken to Yellowstone about the hedges.

Mr. Costello: What I am talking about it is, is it detrimental to cutting them down.

Mr. Fisher: It won't kill the plant if that is what you are asking. His opinions were listed in that email. My opinion, I don't have the bias either way. It depends on what each one of your viewpoints are. It won't kill the plant if that is your question is what Chris informed me.

Mr. Deane: Matt, his proposal is to cut four feet off, will that change if we change it to just cut two feet off?

Mr. Fisher: It won't change the price of the \$2,000 because they have to bring the machinery out. They can't just use a hedge trimmer. They have to bring chain saws and cleanup so that is \$2,000 to cut it at whichever height the Board decides.

Mr. Ference: Before we go there did we decide whether we are going to do the one-time permanent planting?

Ms. Burns: That is on the agenda later.

Mr. Ference: Did we decide that?

Ms. Burns: No. Let's do that. The hedges are on later.

Mr. Costello: That is my fault.

Mr. Ference: Let's resolve that issue before we move onto the hedges.

Mr. d'Adesky: Is that a motion?

Mr. Ference: Yes I would like to see us decide that we are going to do this one time for \$12,988.10. The variety of plants, are you going to allow or should we allow Yellowstone to do that because they have a better idea of what variety etc.?

Ms. Burns: Let Matt.

Mr. Fisher: We have the option to go to other vendors and landscapers and bring back competitive prices. It doesn't have to be Yellowstone that does that. We got with Yellowstone just to get an initial price on the savings.

Mr. d'Adesky: So you can do a not-to-exceed and then competitive price it out and try to get under that.

Mr. Deane: I don't think we should do it. I think we wait to get competitive prices. Someone may come in and do it for \$5,000 or \$6,000. Wait till we get the bids and then make a decision not make a decision at this time.

Ms. Burns: Do we want to have Matt instruct Yellowstone not to do the next annual if it is scheduled between now and the next meeting? Then we can bring competitive bids back to the March meeting.

Mr. Ference: Yes.

Mr. Zacharia: I had occasion this past week to attend the CDD II meeting where this same subject came up, not the hedges but the annual plantings. I don't think anybody else from CDD I was there at the time. The conclusion they reached is something I would like to share with you all. Someone other than me thinks it is a good idea then I would encourage you to offer it up as a motion, but what was decided for CDD II specific to the annual or the quarterly replacement of pretty flowers along the buildings and entrance ways was that staff in the form of Mary Bosman and anyone else, there were some master gardeners there just as we have master gardeners who live in Lake Wales. They were going to investigate other possibilities. They are also concerned that it be a plan that not

just looks at the pretty flower beds but also looks at the more permanent plantings and hedges such as those that go around the entry drive here and those that go up and down the driveways, that there be a site plan developed on what we are talking about replacing when, where and at what cost. Is that correct on what they decided to do?

Ms. Burns: Yes, they were going to investigate it further and bring back options.

Mr. Zacharia: I will ask the question as I do with so many subjects, are there any advantages or disadvantages to CDD I and CDD II approaching this subject together?

Mr. Costello: I don't know of any. Let's face it, strength in numbers. I think that we could do it, but in the meantime if Matt was to go out and investigate other prices.

Ms. Burns: I think the price given to both Districts was a price per plant. I think you are looking at you have a certain amount of plants and they have a certain amount of plants we are paying per plant so I don't know that there would necessarily be an advantage to bidding it together.

Mr. Plummer: Is Yellowstone bidding that one as well? So it is the same company. What you are asking is to do it community-wide instead of east and west?

Mr. Zacharia: I am asking whether or not there is any advantage or disadvantage to using the same one, two or three pretty flowers on the entranceways, Thompson Nursery and 653, in front of the clubhouse and the HFC and any other place pretty flowers are going. The same thing with the hedges. We have been talking about replacing those hedges along the entrance drive. I am not sure where we are with that but they have about used their usable life. Same situation as along Ashton Drive. They are talking about the same thing over there. I don't know whether again Mary and our Community Director should get together with anybody else that cares to join in as we have done with the amenity policy and as we have done with other things and ask them to tackle this particular subject together.

Mr. d'Adesky: I think that is something that can be accomplished with discussion between Mary Bosman, the Community Director here, and Matt. They can just get together to make sure it is cohesive and it is getting into one aesthetic image. I don't think it needs something practically like a joint bid. I don't think that is called for in this case.

Mr. Zacharia: Do we need further action?

Ms. Burns: If we are just bringing back additional costs to the next meeting it is fine. We will put it on the March agenda.

B. Discussion and Clarification of Amenity Facility Alcohol Policy

Mr. Deane: I would like to speak to this. The alcohol license for Lake Ashton is very specific, it includes this building, the patio and the pool area only. That is what the alcohol license includes. I would like to speak to having a replacement for the guards for this building. Have it done by off-duty police officers who wouldn't be in uniform, who would have arrest power, who would have a radio if they needed additional help all they have to do is get on the radio. This past weekend the affair that went on in this building was horrible. There were kids running everywhere. At the end of the day when the hall was cleaned up there was over three cases of empty cans of beer picked up. Nini's does not sell canned beer. It was brought in by the people in the party. There was also almost a case of empty tequila bottles picked up. The people at Nini's went to look for the guards and they were nowhere to be found. We get charged for two guards for watching this hall, but one of them was acting as a rover through the development. I believe this is ridiculous. I do not believe that we should use our security company to guard this building for outside affairs. The cost differential is only \$5.00 an hour. We get \$1,700 to rent this hall. If we have to have two guards for five hours that is \$50 that we wouldn't collect on the rental fee that would come out of the rental fee instead of the guard fee because we are only charging \$25 an hour for guards. The police officer costs \$30 an hour. I had a long conversation at this week's meeting in Lake Wales with the Chief of Police and he will guarantee us having off-duty police officers as many as needed for any affair and the cost is \$30 per hour. That is a difference of \$5.00 an hour from the cost of the guards. I believe it is something we have to do to stop people from bringing alcohol illegally into this building. I would like to make that as a proposal.

Mr. Costello: I agree with you. We have people who are security guards who quite honestly don't have the authority that they should have to be doing this job in here.

Sooner or later something is going to happen. They are going to end up unfortunately having their license suspended. We are going to end up in a lawsuit and whoever brought the liquor in we are going to ask them to join us in the lawsuit. Quite honestly if you want to continue that practice be prepared. We are not going to shoulder it on our own. One of the proposals that I made to Christine was or one of the things that I told her I would like to see is on every ticket for every affair it will say on the back of the ticket do not bring any alcohol into the building or you will be asked to leave. Period. This is a state law. This isn't our law but we have to abide by it and sooner or later somebody is going to say the wrong thing to the wrong person and we are going to end up with more aggravation than we need. I agree with you wholeheartedly that we need police officers in this building.

Ms. Burns: Christine has already revised it. The previous language on there said no outside food and beverages. She has clarified it to specifically state you can't bring alcohol and circulated that draft to everybody last night around midnight. That has already been taken care of on all the forms going forward.

Mr. Costello: Another thing that maybe our attorney can answer this question is in the contracts can we put in there if anybody is seen bringing outside alcohol into the building they will forfeit the entire deposit?

Mr. d'Adesky: We could absolutely write that in.

Mr. Costello: Maybe that would be an initiative where people think twice and they will tell people.

Mr. d'Adesky: I want to make one comment because I know we did receive an email on this issue as well and there has been some public comment in the past that has been of the opinion that you should be able to bring alcohol in the clubhouse. It is not an issue of opinion. Like Supervisor Costello and Supervisor Deane have stated, it is an issue of law. We cannot have other people bringing alcohol in this building. That is going to violate their liquor license and it is going to end up like you said with legal issues.

Mr. Costello: I can't blame them. God forbid they do get their license suspended. Quite honestly that is their livelihood. They are going to look to be reimbursed in some

way shape or form. We are going to be the party that is going to reimburse them. I think we have to make it very evident that if you bring alcohol into this building from outside of Nini's let the buyer beware.

Mr. Ference: Let's go back to what Borden suggested in replacing this security staff already with retired, not retired but off-duty?

Mr. Deane: Active police officers.

Mr. Ference: I beg your pardon. I think that is a great idea regardless of how we spell out on tickets and contracts etc. etc. I do think that a presence will enhance the safety and the security of this building so if that requires a motion that we replace the security that we have with the Lake Wales Police Department then I make that motion.

Mr. d'Adesky: Is there a second?

Mr. Deane: Yes.

Mr. Costello: Well actually Borden had made the proposal.

Mr. Ference: Then I make the second.

Mr. Costello: We had a discussion with the motion that was on the floor. Murray did you have something on this?

Mr. Zacharia: Yes. The subject of alcohol consumption ownership has been discussed by the work group charged with joint amenity policy revision on numerous occasions. I heard all of which you said about Nini's license. I understand that, but that still leaves open a number of questions that we need to have answered for purposes of the amenity policy and for our own knowledge. I don't know whether you want to discuss that now under discussion and clarification of amenity facility alcohol policy?

Mr. d'Adesky: Are there a lot of them?

Mr. Zacharia: I have handed out a discussion document and I think we can quickly answer a lot of the questions. Bottom line, the top half of what you have basically gives us a history of where we have been in our discussion. We have a number of things we need to do looking forward, one is that the Supervisors, all of you and the Supervisors in CDD II have been asked for comments and suggestions as have the community directors. There is seven definitions in the document which we looked at several times and in a

recent review of the inter-local agreement trying to find the answers to another question. I have come to realize that the definitions in our amenity policy and the definitions used in our interlocal agreement and rule #3 rules about using stuff aren't exactly the same. I am going to try to make them the same. There is a question on accounting for the money that comes in if we have any nonresident users, which there have been none since 2002. It needs to be addressed if we have a joint policy. If someone pays \$2,400 to use our pool, bowling alley etc. where does the money go?

Mr. d'Adesky: To that CDD.

Mr. Costello: Right now we are getting a little bit off. This is something that next week we are probably going to address.

Mr. Zacharia: The group was hoping to have a joint response prepared for next week. If we don't want to talk about it that is fine.

Mr. d'Adesky: On that specific issue I will reassure you that is kind of like waiting for Santa Claus because of all of the CDDs that we currently represent, we have not had a single person pay the nonresident user fee in any District. It is highly unlikely.

Mr. Zacharia: The last thing on the list is clarification of alcohol related statements to ensure compliance with both the law and our contract.

Mr. Costello: I agree with you but the thing is we are talking about quite honestly they don't have a liquor license in their building and we do. We are the ones right now that are in jeopardy if it continues. Sooner or later we are going to end up with a problem so I would rather end the problem before it begins.

Mr. Zacharia: I don't appreciate being cut off before I was finished.

Mr. Costello: I am not trying to cut you off. I am trying to say that you are going into the joint amenity policy. We realize that you worked on it and we appreciate it, but by the same token right now we are getting away from where we should be because we are looking at what is happening in this building. We are looking at how we are going to control this with either police.

Mr. Zacharia: You just said this building. Last Friday this entire community received an email through the blast that said Nini's at Lake Ashton holds the liquor

license to serve and sell alcoholic beverages at the clubhouse which means no alcoholic beverages can be brought into the clubhouse and surrounding outdoor amenity. Can the Tuesday afternoon golf group which sets up in the pavilion every Tuesday afternoon bring beer cans? Can the bocce ball players drink beer and wine? Wine goes well with bocce. Can the shuffleboard players bring their Crown Royal and the list goes on. I understand the address. This document published last Friday says surrounding outdoor amenities. To me those three or four places I just mentioned are surrounding outdoor amenities. If they are not just tell me they are not.

Mr. d'Adesky: Murray, you can always feel free to contact us to ask these questions because some of them are a little bit case-by-case, but Borden has had extensive conversations with us.

Mr. Deane: The only areas that apply to the liquor license are this building, the patio, and the pool. It does not pertain to the bocce ball court, to the pavilion, to the BBQ area, to the shuffleboard areas, to the tennis courts. It only pertains to in this building, the patio, and the pool. That is directly from the liquor board.

Mr. Zacharia: Thank you. I have heard that before and I repeated it, but we have seen evidence in writing of other interpretations, which has confused the joint amenities work group. We are just trying to get it straightened out. There is also in the document something that says that the amenity manager can make exceptions to the requirement that all alcohol brought into and served in the building be from meetings and it goes on to say that is potluck, bingo events and private functions held by patrons.

Mr. Deane: Not true, cannot.

Mr. Zacharia: That has been in the policies for years. I understand you are saying it is not true, well remove it.

Ms. Burns: The reason that was in there, my understanding is because when there was no restaurant that was the policy because there wasn't the issue of the liquor license on the building. So while there was no restaurant open that was the policy.

Mr. d'Adesky: Also generally we like to give the amenities manager discretion even if they don't end up exercising that discretion.

Mr. Costello: From what Mr. Deane is saying, they have the right to exercise it once we have a current active license in the building.

Mr. Zacharia: That statement about the amenity manager should be expunged.

Ms. Burns: Correct.

Mr. Zacharia: We have an annual event attended by 200 people, it is called the Thanksgiving potluck where we are encouraged to bring a bottle of wine for Thanksgiving. That is now a no-no, correct?

Mr. Deane: You cannot do any alcohol in this building unless it is purchased from Nini's. Period. That is the law.

Mr. Zacharia: Regardless of whether Nini's is open during those hours or not?

Mr. Deane: That is correct.

Mr. d'Adesky: We haven't looked into this, but it is possible that there is a corkage fee that they could charge if you bring your own wine.

Mr. Costello: Quite honestly, I realize what you are saying and I know that on New Year's Eve we had a problem. Due to the fact that, I talked to Sandy and asked if there was any way to hire somebody who will work these and she told me that she is going to look to get somebody so that when events come up they can work with them.

Mr. Plummer: What I eventually was going to say is back to the original question for a vote, but I was going to make one remark in regards to it as far as law enforcement being present in this facility during any type of event. The first thing that we have not talked about is the fact that our security people are not trained to deal with the issues that we talked about here as far as security of the building when it comes to physical issues. If you have law enforcement here that issue will be taken care of. If you have intoxicated people here they are trained to take care of those and alleviate those problems which will cause you the larger liability in the long run. My belief is that having law enforcement here for those outside events to enforce those laws because that is what they are going to do and our security people cannot enforce those laws. It is a wise decision. I'd like to call for a vote on the question in regards to the law enforcement at the events.

Mr. Costello: One other thing that you have to look at also is right now we may be eating \$10 an hour on it but for any event that is booked from this day on we will pass the expense onto the renter.

Ms. Burns: Just to clarify one thing. If we are raising the security fee that has to be done through a public hearing. At this point we can hire the security, the District can eat the \$5 an hour out of that \$1,700 as Borden had expressed. When we want to do a public hearing to increase that fee from \$25 to \$30 it is a wash because the people who are renting will be able to take care of that fee. If you want to start that as a requirement going forward we can.

Mr. Costello: We have a motion on the floor right now so what we will do is we will pass that motion then move on. Then the second part of it, where we are going to increase the fee for security? We have a motion and a second. All those in favor?

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor proposal to hire Lakes Wales Police Department to replace security guards at all outside events held at the clubhouse was approved.

Mr. Costello: I will make a motion that we amend the fees.

Ms. Burns: No. It has be advertised, a public hearing. I think we can wait until we have other fees that maybe discussed as part of the joint amenity policies. The point of my discussion was that if you wanted to require the police now we can do that and the District is out the \$5 an hour which is a not a huge expense.

Mr. Deane: The size has already been set. Up to 150 people there is one officer and over 150 is two officers and over 200 is three and that is already set in the policy with the charges. The extra charges that would be given to us from the security company. Like this event on Saturday they charged us for 12 ¼ hours, which we paid for which the renter paid for. It is part of his contract in the rental.

Mr. Zacharia: The same size tiers which apply now would apply to officers from Lake Wales.

Mr. Deane: Right, exactly.

Ms. Burns: We have already reached out to the Lake Wales Police Department, but they require a minimum of two if alcohol is served no matter the size of the party.

Mr. Deane: The fees we have to change in the future but at the present time I think we should eat the fee. Instead of getting \$17,000 we will end up with \$1,650. I don't think it is going to make any difference in our income but it sure will make a hell of a difference in our liability protection and everything else pertaining to alcohol.

Mr. Costello: Do you have anything else, Murray, at this time?

Mr. Zacharia: No, I think the discussion and attorney and staff clarification on the alcohol will go a long way towards us concluding our assignment.

Mr. Costello: In reality this is not our decision, this is the State of Florida and quite honestly we have to abide by the law. We can't be a sanctuary CDD.

SEVENTH ORDER OF BUSINESS New Business and Supervisor Requests

A. Consideration of Copier Lease Renewal

Mr. Costello: New business and Supervisor Requests. Consideration of Copier Lease Renewal.

Ms. Burns: The lease on the current copier is up. Under this we will save \$15 a month and get a new copier. The current payment is \$180 something a month and this payment is \$162.50.

Mr. Deane: Motion to approve the new copier and lease agreement.

Mr. Zacharia: Second.

Mr. Costello: Motion by Mr. Deane and a second from Mr. Zacharia. All in favor?

On MOTION by Mr. Deane seconded by Mr. Zacharia with all in favor the copier lease agreement for \$162.50 per month was approved.

B. Consideration of Facility Agreement with City of Lake Wales to Use Clubhouse as a Polling Place

Mr. Costello: Consideration of the Facility Agreement with the City of Lake Wales to Use Clubhouse as Polling Place.

Mr. Zacharia: I would like to move that we adopt the proposed contract that was in our agenda package for the upcoming April 2019 City elections.

Mr. Plummer: Second.

On MOTION by Mr. Zacharia seconded by Mr. Plummer with all in favor the facility agreement with the City of Lake Wales to use clubhouse as polling place was approved.

C. Consideration of Fitness Center Prevention Maintenance Quotes

Mr. Costello: Consideration of Fitness Center Preventative Maintenance Quotes.

Ms. Burns: There are two quotes here. One is for Fitness Services of Florida. The amount is \$216.04 per visit. The additional visits are \$100 a visit and labor is billed at \$65 an hour. There is a quote from Fitness Smith which is \$185 per visit with the extra visits at \$25 an hour. The labor fee is \$55 an hour. The Fitness Smith proposal is for quarterly maintenance but they can do every other month as well for the same price if we wanted to do that. We currently use Fitness Services of Florida for the preventative maintenance but we have also used Fitness Smith for equipment purchases as recently as 2018. Both of the contracts have a 30 day termination. Staff, this is from Christine, is comfortable with either provider. If you are looking for a recommendation the Fitness Smith is less. If we want to try the quarterly maintenance we could save some money there. If we needed to add back in to have them come every other month we could do that. The Fitness Smith would save us a little bit of money.

Mr. Deane: I make a motion to accept the Fitness Smith quarterly proposal.

Mr. Ference: Second.

Mr. Costello: I have a motion from Mr. Deane seconded by Mr. Ference. All those in favor?

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the Fitness Smith quarterly proposal was approved.

EIGHTH ORDER OF BUSINESS

Monthly Reports

A. Attorney

Mr. Costello: Moving onto monthly reports. Attorney.

Mr. d'Adesky: My other comments on the facilities agreement that is updated as pursuant to my comments. Obviously bringing the policies we will review those once that shapes up. Does anybody have any questions for me on the government issues?

B. Community Director

1) Monthly Report

2) Consideration of Quotes for Outdoor Furniture

Mr. Costello: Community Director.

Ms. Burns: I am actually going to give Christine's report today. Marcia is here and I am sure many of you have seen her around a few days a week filling in for Christine while she is out. The community director's report is in your package if anybody has any questions I would be glad to answer them. Just a couple things to point out. The joint resident feedback survey was sent out electronically on Friday, February 1st. There is hard copies available at either activity desks and as of February 3rd approximately 142 surveys have been submitted. Christine and Borden met with Nini's on the lease compliance audit. There are a couple of things that are outstanding. Nini's is aware of them so we are waiting to get those but just wanted to keep you updated on that. We are going to follow-up with them and make sure that they are compliant with the issues in their lease. Other than that unless anybody has any questions on the community director's report, we have a quote for outdoor furniture included as well as a memo. Outdoor furniture was approved as a capital improvement project for fiscal year 2019. The amount budgeted was \$5,000. There are quotes here for three benches. One of the benches being installed would be at the entrance to assist with pickup and the other one would be at the tennis courts. There is a quote from Belson Outdoors for \$3,067.18 for three benches. This quote includes the shipping and handling charges. There is a quote from Keystone Rich Designs for \$3,044 for the three benches. It does not include shipping. We haven't received their shipping quote at this time. The quote received from the Park Facilities catalog is \$3,206.02. It includes shipping and handling charges. The low quote here is from Belson Outdoors. You will see there is photos included as well of the design of the benches.

Mr. Ference: Well all this being equal I think the Belson quote is all inclusive handling, etc. etc. so I would make the recommendation that we accept that quote for three benches \$3,067.18.

Mr. Zacharia: Second.

Mr. Costello: We have a motion and a second. All those in favor.

On MOTION by Mr. Ference seconded by Mr. Zacharia with all in favor proposal from Belson Outdoors in the amount of \$3,067.18 for three benches was approved.

Mr. Costello: Do you have anything on the pump?

Ms. Burns: That is under Matt's report.

C. Field Operations Manager

1) Monthly Report

2) Consideration of Hedge Height on Lake Ashton Boulevard

3) Consideration of Quotes to Replace the Pump on the Entrance Fountain

Mr. Fisher: Good morning. In your agenda package is my report. Any questions I would be happy to answer. Some other items is the pump that you were asking, Mike, we have three quotes for the pump to the fountain off Thompson Nursery Road. That pump has been shortening out causing that water not to flow through the spouts tripping the breaker. We need a new one. That one is at its end of life. Kincaid came in the cheapest, 1 horsepower submersible pump. Spies was a little high.

Mr. Ference: You have worked with all of them before?

Mr. Fisher: We have. Each one is fantastic so I would just go with the cheapest.

Mr. Ference: So be it. I suggest your recommendation we go with the cheapest submersible pump.

Mr. Zacharia: Second.

Mr. Ference: The name of it again is?

Mr. Fisher: Kincaid.

Mr. Costello: Kincaid, they did the lighting on the Boulevard didn't they?

Mr. Fisher: They did replace all the up lighting. If you noticed they put the two lighting on the building, it looks great. They are a great company.

Mr. Costello: We have a motion on the floor. All in favor.

On MOTION by Mr. Ference seconded by Mr. Zacharia with all in favor the proposal from Kincaid Electrical to replace the submersible fountain pump was approved.

Mr. Costello: Anything else?

Mr. Fisher: Yes, sir. We want to wrap up the hedge issue.

Mr. Costello: That would be a good idea.

Mr. Fisher: The Board has all the information in front of you. It is up to you guys what you want to do with that.

Mr. Costello: Any comments?

Mr. Zacharia: Just again clarification. The report we received talks about cropping four feet off the top of the hedge. I am assuming four feet from the ground where the trunk of the hedge comes out and it sets up on the berm.

Mr. Fisher: That is four feet from the top down.

Mr. Zacharia: Would that then take it to six feet from the top down?

Mr. Fisher: In essence in certain areas yes. That land that the podocarpus sits on is not even. It is hilly. We walked it at the peak of the edge from the naked eyes when they trim seems level. It would be from the top down four feet off.

Mr. Zacharia: Am I to understand that if there is a quote of \$2,000 to take four feet off the top?

Mr. Fisher: You don't have to do four feet. You can do whatever the Board wants.

Mr. Zacharia: I am just saying we have a quote that says that is what it costs to cut four feet off the top of the hedge. Are we now paying \$2,000 each time Yellowstone comes in to trim the hedge.

Mr. Fisher: That is a good question. This is a one-time fee to the tree service they use Butch's Briggs. Yellowstone can help them maintain the shrub at that height on a normal occurrence. In the same breath Yellowstone absorbs the cost from Briggs to have them trim the top when they are out to trim the palms on the Boulevard which is a \$500 fee. There was some confusion there that the CDD covered that cost but Chris informed

me that they absorb that cost to alleviate their crew from having to get on ladders on that uneven land. I didn't want you to think that the community paid for that service where Yellowstone absorbed that to maintain it at that current height.

Mr. Zacharia: So going forward forget who is paying for what. If we left the height of the hedge the way that it is but the CDD maintained it through whoever Briggs, Yellowstone or whatever, what would it cost the CDD to maintain that hedge and how often would the hedge be maintained.

Mr. Fisher: To maintain that hedge right now is worked into the contract. That is the sides of the hedge. The side on the road and the side on the resident's houses. I have heard some deficiencies that I can deal with the Supervisor and have it done more often. Now the tops that is done when Briggs comes out and trims the palms on the Boulevard. That is \$500 twice a year that Yellowstone absorbs that cost. They pay it so their employees don't have to do it and risk falling off the ladders. It is twice a year that way. Outlined in the opinions from Chris was that if it is cut down they can trim it more often. Their crew can.

Mr. Deane: How long is it going to take for the bushes to get tops on them again if you cut four feet off of them? It will look kind of scraggly.

Mr. Fisher: As outlined in the opinions from Chris it looked like chopped shrubs, like a buzz cut.

Mr. Costello: The big question is taking the four feet off the shrubs they are saying that they are not going to damage the shrubs and are they going to take responsibility, should we start losing a lot of those shrubs? I think we got the answer right there.

Mr. Fisher: It happens to them.

Mr. Costello: It just seems to me that you are taking a considerable amount of, you are almost cutting them in half for God's sake. Quite honestly I find it hard to believe that it is not going to have a detrimental effect on the shrubs.

Ms. Burns: No motion? Nobody wants to approve it?

Mr. Costello: Do we want to move forward with this right now at this time? Does anybody have any further comment?

Mr. Deane: The only comment I have is we have a comment from a resident that it is not being maintained. We have to do something about that immediately.

Mr. Fisher: This was addressed last month and actually they are being maintained. I will walk them with Chris tomorrow or Wednesday. The sides should be done every time the Boulevard is trimmed. I will be on top of that more.

Mr. Deane: I am sure the resident will show you.

Mr. Fisher: Feel free. If there is anything being neglected, feel free, I am always here. I know Mike had some concerns awhile back about the shrubs on the Boulevard.

Mr. Costello: A while back you could ride in here and look like the place was abandoned. It looked terrible. They were not doing their job period. They were collecting a check every month or whatever but it did look terrible pulling in here.

Mr. Fisher: It looks good now.

Mr. Costello: It has looked a lot better.

Mr. Fisher: Whatever direction the Board wants to take I am on board with. I will definitely make sure those hedges are maintained on the sides.

Mr. Zacharia: For clarification we have no height requirements on those particular hedges. They could go to 25 feet if they would withstand that.

Mr. Fisher: I am not sure. I don't have the answer to that.

Mr. Zacharia: There is a six foot hedge height for every homeowner in Lake Ashton.

Ms. Burns: That doesn't apply to the CDD.

Mr. Costello: Ok does anybody want to make any action or any further questions?

Mr. Zacharia: I think what we are struggling with is what height.

Mr. Costello: I believe you are right and as usual we have different opinions. We have different opinions from different residents. Some want them high. Some want them low. We have to make the decision though. Do we make the decision to bring it down? There will be eventually some savings by us bringing them down in height.

Mr. Fisher: There won't be no.

Mr. Costello: They are still going to have to bring in a bucket?

Mr. Deane: No they won't have to.

Mr. Fisher: Yellowstone pays that. We don't pay to have a bucket.

Ms. Burns: It will save Yellowstone money.

Mr. Costello: If they are paying it I guarantee we are paying it somewhere along the line. It just isn't listed on the bill.

Mr. Zacharia: My concern is that we are not going to do anything and then we are going to continue to have no specifications for the maintenance of those podocarpus hedges going down Lake Ashton Boulevard. We talked about six feet. We talked about ten feet. We talked about a whole bunch of numbers none of which is in any document that presents standards and specifications for the maintenance of the hedge. I know from years of personal gardening experience, not expertise, that if I cut a hedge twice a year and I don't hat rack it because I don't want it to look like it has been hat racked that eventually a four foot hedge becomes a five foot hedge becomes a six foot hedge and then becomes a 25 foot hedge. We need to if nothing else say something like the hedge must be maintained at a cut trimmed height of ten feet and that the trimming shall be done no less often than X times per year. That would be my suggestion is that we at least develop standards that could be built into whoever's contract.

Mr. Ference: I appreciate exactly what you are saying, Murray, at least it will keep us from hedging on the whole thing.

Mr. Fisher: The current hedge is being trimmed twice a year. I can bring back proposals and I am just letting you guys know what I am being told and what Christine was told that they were absorbing that \$500 cost from Briggs twice a year. Just relaying what I am being told.

Mr. Costello: I fully understand that. The thing being that I would like to see a decision made on this. Are we going to bring it down to seven foot?

Mr. Deane: I make a motion that we cut the hedges to 8 feet. Keep them at 8 feet and maintain them at 8 feet.

Mr. Zacharia: Second.

Mr. Costello: We have a motion from Mr. Deane and a second from Mr. Zacharia. All those in favor.

On MOTION by Mr. Deane seconded by Mr. Zacharia with all in favor the hedge height on Lake Ashton Boulevard be cut down and maintained at eight feet with a cost from Yellowstone for \$2,000 was approved.

Mr. Deane: So we have the \$2,000 cost to bring it down to eight feet.

Mr. Fisher: Eight feet should be sufficient for them to get on a ladder. That takes off almost two feet.

Mr. Costello: Anything else?

Mr. Fisher: That is it. Anything else for me guys? Thank you very much.

Mr. Costello: Thank you.

D. CDD Manager

Ms. Burns: There is a joint meeting scheduled for February 19, 2019 at this location to discuss the outcome of the golf course committees discussion with the seller. If anyone is interested in that they should attend the joint meeting. Other than that I do not have anything to add.

NINTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Run Summary

B. Combined Balance Sheet

Mr. Costello: Financial reports. Approval of check run summary.

Mr. Deane: Motion to approve check run summary.

Mr. Plummer: Second.

Mr. Costello: I have a motion from Mr. Deane and a second from Mr. Plummer. All those in favor.

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the check run summary was approved.

Mr. Costello: Combined balance sheet. Nothing required on that. Any questions? How about Supervisors requests which isn't on there?

Mr. Zacharia: I do have two items that have been verbally brought to my attention by residents. I had one resident that suggested that the Thompson Nursery entrance

specifically the gate house area is very difficult for him to see when he is eastbound on Thompson Nursery Road. It comes up when you are traveling 45 mph, it comes up rather quickly because of the preserve area whereas when you are westbound you see old Number 11 and the island green and lights and I think there is lights on the fence. He is just suggesting to put a big beam of light on top of the gatehouse. I am not sure if that is a good answer but he is asking for some consideration of additional lighting that would help him see the gatehouse as he approaches Lake Ashton.

Mr. Costello: God forbid we blind somebody and they get into an accident. I hate to say it but I don't want the responsibility of that.

Mr. Deane: I just think you have to watch the way the road changes. I understand it comes up fast and there is a turn lane that is over 200 feet long. I mean it is there.

Mr. d'Adesky: You will have light pollution nuisance issues if you are shooting up a beam of light.

Mr. Zacharia: I don't know if that was the answer. It was readily admitted that during the holiday season when the place was a glow it was not a problem. He wasn't suggesting that we need little twinkle lights in all the trees or bushes all year long but something that would help him find his way home at night when he is eastbound.

Mr. Costello: I don't know what we can do that we wouldn't be accused of taking away from, I mean God forbid there is an accident. They are going to blame us period. I understand because there are times when you come up and it is a lot quicker than what you thought. By the same token anybody have any suggestions? We will take it under consideration and if somebody can come up with an alternative by all means we will look at it. I don't know what we can do that we wouldn't be accused of something.

Mr. d'Adesky: The engineer may have some creative solution for that.

Mr. Zacharia: Second request that I received was from a couple of residents here who have enjoyed going to restaurants in and around Polk County for years where they are invited to have their animal, their dog sit outdoors curbside with them at the restaurant. There are a lot of pet friendly facilities. They have asked whether we could allow dogs on the patio of the restaurant in Lake Ashton.

Mr. Costello: I would not be in favor of that, the reason being is number one, what if some dog bites somebody? Number two, dogs have a habit that wherever they are is their restroom. Number three, I don't even know if that the health laws would allow it.

Mr. d'Adesky: Correct. That is probably the number one issue.

Mr. Costello: I have a dog, I love the dog dearly, but she eats at home. Unless I have something I bring home in a doggy bag for her.

Mr. d'Adesky: Of course the different analysis if it is something required by law. If it is a blind person with a service animal, which is treated differently. Nowadays everybody has an emotional support animal. That is completely different analysis.

Mr. Deane: Also they are not allowed in the clubhouse area. You have to go through the clubhouse area to get to the patio. The answer is no as far as I am concerned.

Mr. Costello: Like I said I have a dog and the dog is with me most of the time when I am home or the dog park. I know that Borden has a dog and we all love our animals dearly but I don't know that there is a place for them at a restaurant. Any other Supervisor requests?

Mr. Deane: I was requested to find out about solar. The only thing that I have to tell the Board at the present time was that I was shocked that our monthly electrical is between \$16,000 and \$18,000. The electric bill for the clubhouse is high \$4,000 to low \$5,000. I don't know where all the other electric bills are coming from. I haven't gotten that information yet but I am going to get them. I am going to get the information on the other electric bills to find out where all the other electric bills are coming from. I am sure this clubhouse is about 30% of our electric bill. If we can find it economically feasible we could probably eliminate that \$5,000 bill a month with solar. If not more but I have to get with the office to find out where the rest of the electric comes from.

Mr. Costello: Some of it is streetlighting.

Ms. Burns: Irrigation.

Mr. Costello: Like you said if we can eliminate \$5,000 a month let's face it everybody would like to have an extra \$60,000 a year to spend. One of the things that I would like to bring up and it is a little bit early in February but April is a month where

we honor volunteers. We have a lot of volunteers here that do a lot of things for us and saying thank you doesn't cost anything. It is kind of like having your hedges with a bucket according to Yellowstone but at the same token I would like to see us start something now through our people that we have, some sort of a day that recognizes the people who do the volunteer work for us. They do a great job. All it has to be is something as simple as just a way of saying thank you. I would like to see our director come through with something that we can thank the people who do so much for us. Maybe at the next meeting we can have something or some suggestions as to maybe a volunteer appreciation day or whatever. These people do a lot of work for us and saying thank you doesn't cost a penny. Just something to think forward to.

TENTH ORDER OF BUSINESS

Public Comments

Mr. Costello: Ok public comments.

Mr. Goldstein: Al Goldstein. I have a problem here. We have a problem here. I made the City of Lake Wales City Commissioner aware of it at the meeting last Tuesday night. Approximately February 1st the City of Lake Wales Water Department came in and dug some holes to get to a pipe. I only have one picture. This hole here is ten inches deep and about a foot wide. Some of them are on the easement for the city and some of them are on the middle of lawns. Last weekend I must have gotten ten phone calls from people that I know because they know I have a big mouth and I go to the meetings. I mentioned to the young lady at the utility department. She absolutely ignored me. She said what do you want, the grass grew up? If you look at the picture that isn't just grass it was dug down. What they need to do is build up that pipe. I made Matt aware of it on Wednesday morning after I met with the city commission. He called the utility department, he is yet to hear from them. What I would like the CDD to do is to instruct our attorney to write the city manager and the city attorney letting them know that possibility of litigation if somebody falls in this hole to protect our residents and ourselves on that. I think it is very important.

Mr. Zacharia: Where is this?

Mr. Goldstein: It is about ten or twelve residents.

Mr. Costello: All they are doing is marking the valves to the hydrants because I have a hydrant right on my property for the mains and all that. Bob you being a firefighter.

Mr. Plummer: What they are doing to locating the shut-off valves.

Mr. Costello: Right in case there is a problem they can isolate the problem and not cut off the water to an entire section.

Mr. Goldstein: I understand that but it has created a problem.

Mr. Costello: I understand that.

Mr. Zacharia: Basically is where it that thing that you took a picture, that hole?

Mr. Goldstein: This is one on Heathland Lane on both corners.

Mr. Costello: Thank you.

Mr. Perez: Pete Perez. I have two issues. Number one is the fact the CDD Board only waiting eight months to fix the problem I had in front of my house and as I said it took eight months although eventually it was fixed. Even though now the street, my section of the street is black and the rest is whatever is natural. Thank you for at least getting it done. I thank Mike for all the help he gave me during that time trying to get out of my driveway. Number two and perhaps because I am old I think you indicated park benches were about \$1,000 a piece am I correct?

Mr. Deane: It is close.

Mr. Perez: I looked up three companies and I put in there heavy duty metal park benches. The most expensive one I saw was \$600. I know you have already approved it but I would like to ask you in the future to do your due diligence before you except prices from people even though in other areas they are much less expensive.

Mr. Deane: What style and size were the benches? They come in different lengths.

Mr. Perez: They were park benches. I will try and find it for you. All I am asking is that you do your due diligence. You may have but that is what I found. Thank you.

Mr. d'Adesky: Just to be clear the price that we quoted included installation and shipping.

Ms. Steenberg: LouJean Steenberg, 4196 Dunmore Drive. Just a follow-up on the conversation with the alcohol and the amenity policy. I would like to see in the amenity policy in case we do not have a restaurant with a liquor license that there is guidance as to how alcohol is brought into this facility and who has the right to approve it and what the rules around it would be. Some of this stems from when the Fire left us and before Nini's came in. I think as long as we are working on the amenities policy that should be as part of it. Thank you.

Mr. Costello: Thank you. I would think that we would cover that by saying that state laws would be followed at all times.

Mr. d'Adesky: We can work on the specific language to carve that out. That is not an issue. That is very easy.

Mr. Deane: If we are renting the facility and somebody is using it they have to have a license operator serving the alcohol. Whereas if it is a community function and you bring it, it is completely different.

Mr. d'Adesky: Right.

Mr. Costello: Do you have anything else?

ELEVENTH ORDER OF BUSINESS Adjournment

There not being any further business to discuss,

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

Assistant Secretary/Secretary

Chairman/Vice Chairman



To: Lake Ashton CDD Board of Supervisors

CC: Lake Ashton CDD District Manager

Re: Community Director's Report

Date: March 18, 2019

Activities & Resident Services

- Upcoming activities and special events set up by staff include Bloodmobile Blood Drive, Bookmobile, Blood Pressure & Glucose checks, Think and Drink, Health Fair, Travis Turpin/Troy Thirdgil show, Pool Party, Rocketman show, Assisted Living Musical, At the Drive-in with Johnny Wild, Johnny Cash and Crew, Alter Eagles, Tarpon Springs bus trip, Bubbles and Broadway bus trip, wire wrap jewelry class, acrylic paint pouring class, Birds of Lake Ashton presentation, and more .
- There are still individual tickets available for the Entertainment Series and Featured Shows. Featured Shows are now open to residents and their non-resident guests. Entertainment Series tickets are being sold to Lake Ashton residents only and Guest passes issued at the Activities Desk for residents that have sold or given away their tickets are only being issued if the resident has given or sold their ticket to a resident of Lake Ashton, per the Board of Supervisors direction.
- The next New Resident Orientation will be held on Thursday, April 25.
- Bus trips for the months of May – December were announced at Monday Coffee on March 11. May – Ybor City and Columbia Restaurant, June – Craft Brewery Tour, July – Sleuth's Mystery Dinner, August – Anna Marie Island, September – Smokey Mountain Extended Tour, October – Military Heritage Museum and the Fisherman's Village, November – Mt. Dora Craft Fair, December – St. Augustine Holiday Jubilee,
- The joint resident feedback survey was sent out electronically in the weekly news blast on Friday, February 1. Hard copies of this survey are available at either Activities Desk for anyone that cannot complete the survey electronically. As of March 11, approximately 512 surveys have been submitted electronically and 55 paper surveys were turned in to the Clubhouse. The date to turn these in has been extended to March 31 to try and secure more results.

Room Rental

- The Ballroom was rented out seven (7) times in February. Rental revenue is \$4,700.

Restaurant

- Two (2) receipt printers have been installed to complete the conversion to using the Square POS system in the Restaurant. One system is completely up and running while the second has the receipt printer installed and is just waiting on a 2nd iPad to be purchased by the Restaurant and the menu to be loaded to allow them to use the second system.
- NiNi's at Lake Ashton is providing sandwiches for sale at Bingo every Monday.
- NiNi's at Lake Ashton continues to offer weekly specials that are posted on a board at the entrance to the Restaurant.
- A lease audit was completed on January 8 with Sandy and Supervisor Deane. An email was sent on February 16 outlining the items still outstanding with a due date of February 28. Supervisor Deane met with Sandy to go over the items needed. Staff received a copy of the fire suppression system inspection that was completed on February 18, 2019.
- New 12-ounce coffee mugs were ordered for the Restaurant.
- Third quarter financials will be due on March 20 for December 2018 – February 2019. Once received staff will distribute to Supervisors.

Security, Guest Registration, & Public Safety

- The pool emergency phone was tested in February and no problems were reported.
- Thompson Nursery Road Security Officers processed 7,472 guest vehicles in February.
- Staff and Security Officers registered 347 guests in February.

Capital Projects & Other Updates

- The approved meeting schedule for FY 2019 is posted on Ashtonliving.net. The Board is scheduled to meet next on April 15 at 10:30 a.m. in the Clubhouse Ballroom.
- Construction on Waterford and Dunmore are now complete. The total for the Waterford project was \$97,521.65 and the total for the Birkdale/Dunmore project was \$66,577.50 (\$34,004 less than the quoted amount). All Terrain took care of some curbing repairs, various pavement concerns throughout the community and the filling in of the drop-in pipes on various inlets on Dunmore Drive while in the community.
- Staff is working on gathering quotes to live stream CDD meetings and will be presenting to Supervisors once multiple quotes have been gathered.
- There will be a letter going out soon to all residents that back-up to a conservation/wetland area in Lake Wales advising residents to not do any maintenance in these areas. Any maintenance concerns should be brought to staff for verification and proper course of action.
- Quotes to correct the drainage issue at Dunmore and Mulligan are being gathered and will be disseminated to Supervisors as soon as multiple quotes are provided.
- Paver walkway lights and flood lights were installed. Many compliments have been received by staff.
- The Bocce Ball Court carpeting has been replaced. Payment is pending some additional repairs that need to be done to complete the project to staff satisfaction.
- The City of Lake Wales Municipal Election will be held in the Clubhouse Ballroom on April 2, 2019.
- At the January Board of Supervisors meeting, staff was instructed to look into a piece

of property bordering the east parking lot for the potential addition of a pet play park. Staff is working with SWFWMD to determine the area available for this potential project since the area borders a wetland. Staff will present the findings at the April meeting.

- Installation of a bench at the entrance to the Clubhouse as well as two benches to replace the broken Tennis Court benches is pending.
- As requested at the January Board of Supervisor's meeting options for replacement of the annuals at the Clubhouse and quotes will be sent out under separate cover for Board consideration. There will not be an annual change-out in March.
- The new Dex copier has been installed in the Club Office.
- Quotes for the replacement of the ice machine in the Clubhouse Fitness Center restroom area will be sent out under separate cover. The ice machine will be a larger machine to accommodate the increased usage over the past year.
- Quotes for the addition of gutters in the front of the Clubhouse will be included under separate cover.
- Quotes for the replacement of two sets of windows in the Fitness Center and the replacement of all wooden sills with granite sills (same as the sills in the Ballroom) will be included under separate cover.

Lake Ashton Community Development District
135 W Central Blvd. Suite 320, Orlando Florida 32801

Memorandum

DATE: March 18, 2019

TO: Darrin Mossing **via email**
District Manager

FROM: Matthew Fisher
Operation Manager

RE: Lake Ashton CDD Monthly Managers Report – March 18, 2019

The following is a summary of activities related to the field operations of the Lake Ashton Community Development District:

Ballroom:

1. Staff replacing lights and ballast as needed.
2. A/C working properly.

Pool/Spa:

1. The Pool and Spa are operating properly.
2. Pool filter grids replaced.
3. Pavers and coping pressure washed.

Lakes/Ponds:

1. Lakes are being treated according to our contract with Applied Aquatic.
2. Algae is being treated in Litchfield/Blackmore pond. This is black algae and takes longer to get under control.

Landscaping:

1. Staff has been meeting on a weekly basis with Yellowstone Landscape to review CDD property.
2. Two feet was removed from the Podocarpus hedge along Lake Ashton Blvd. Complaints have been received stating the hedge looks uneven. Staff has reached out to Yellowstone to correct the problem.
3. New Loropetalum were installed along Lake Ashton Blvd replacing dead ones.

4. Queen Palms along Lake Ashton Blvd have been trimmed. The Madjool Date Palms are due to be trimmed in June.
5. The first phase of the Madjool preventative injection program has been completed. Yellowstone will inform me when the second phase is completed.

Other:

1. New led spot lights installed on the exterior of the clubhouse.
2. Main hallway and restroom tile scrubbed.
3. Lights replaced in fountain in front of Gate House.
4. Carpet cleaned in Ballroom.
5. New motor installed in fountain in front of Gate House.
6. Leaking toilet in men's Fitness Center restroom repaired.
7. Clogged drain in Craft Room sink cleared.
8. New carpet installed at Bocce Ball court. Received a complaint that the subfloor was not leveled and holes are present. Staff met with a Nidy representative with Orlando Martin concerning the issues.
9. Fire sprinkler system tested.

Should you have any questions please call me at 863-956-6207

Respectfully,

Matthew
Fisher

Lake Ashton Community Development District

Check Run Summary

March 18, 2019

<i>Date</i>	<i>Check Numbers</i>	<i>Amount</i>
<u>General Fund</u>		
2/12/2019	6412-6420	\$1,438,340.64
2/19/2019	6421	\$10,300.00
2/25/2019	6422-6448	\$97,331.98
3/6/2019	6449-6454	\$62,096.36
General Fund Total		<u><u>\$1,608,068.98</u></u>
<u>Capital Projects Fund</u>		
2/12/2019	267	\$69,808.91
2/25/2019	268-270	\$11,158.05
3/12/2019	271	\$7,972.58
Capital Projects Fund Total		<u><u>\$88,939.54</u></u>

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YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/11/19
LAKE ASHTON CDD - GF
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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
2/12/19	00522	1/10/19 30872887	201901 320-57200-43200		*	618.20	
		PROPANE REF# 642631832					
		1/17/19 30875630	201901 320-57200-43200		*	1,130.04	
		PROPANE REF# 642846815					
		1/19/19 30876595	201901 320-57200-43200		*	461.79	
		PROPANE REF# 643504276					
			AMERIGAS				2,210.03 006412
2/12/19	00062	1/25/19 05794960	201902 320-57200-41000		*	1,052.98	
		FEB 19 - CABLE/INTERNET					
			BRIGHT HOUSE NETWORKS				1,052.98 006413
2/12/19	00215	2/01/19 335	201902 310-51300-49200		*	1,250.00	
		FEB 19 - MGMT FEES GOLF					
			GMS-CENTRAL FLORIDA, LLC				1,250.00 006414
2/12/19	00036	2/01/19 169	201902 310-51300-34000		*	4,873.50	
		FEB 19 - MGMT FEES					
		2/01/19 169	201902 310-51300-35100		*	83.33	
		FEB 19 - COMPUTER TIME					
		2/01/19 169	201902 310-51300-31300		*	83.33	
		FEB 19 - DISSEMINATION					
		2/01/19 169	201902 310-51300-35101		*	55.56	
		FEB 19 - WEBSITE ADMIN					
		2/01/19 169	201902 310-51300-51000		*	7.21	
		FEB 19 - OFFICE SUPPLIES					
		2/01/19 169	201902 310-51300-42000		*	67.81	
		FEB 19 - POSTAGE					
		2/01/19 169	201902 310-51300-42500		*	138.30	
		FEB 19 - COPIES/PRINTS					
			GMS - SO FLORIDA, LLC				5,309.04 006415
2/12/19	00038	2/12/19 02122019	201902 300-15100-10000		*	1,200,000.00	
		XFER EXCESS FUNDS TO SBA					
			LAKE ASHTON CDD				1,200,000.00 006416
2/12/19	00429	2/12/19 02122019	201902 300-20700-10200		*	202,736.88	
		XFER TAX RECEIPT 2015-1					
		2/12/19 02122019	201902 300-20700-10200		*	24,140.59	
		XFER TAX RECEIPT 2015-2					
			LAKE ASHTON CDD				226,877.47 006417
2/12/19	00369	2/04/19 02042019	201902 300-22000-10000		*	1,000.00	
		DAMAGE DEPOSIT REFUND					
		2/04/19 02042019	201902 300-36200-10500		*	37.50	
		DAMAGE DEPOSIT REFUND					
			LAKE WALES CHARTER SCHOOLS				1,037.50 006418
			LAKE ASHTON SROSINA				

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YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/11/19
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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
2/12/19	00217	1/31/19 854890 JAN 19 - PICK UP SERVICE	201901 320-57200-43300	REPUBLIC SERVICES #654	*	387.62	387.62 006419
2/12/19	00430	2/01/19 50058500 FEB 19 - COPIER LEASE	201902 310-51300-42502	WELLS FARGO FINANCIAL LEASING	*	216.00	216.00 006420
2/19/19	00063	2/15/19 02152019 PHIL DIRT AND THE DOZERS	201902 320-57200-49400	WILLIAM CLARE ENTERTAINMENT	*	10,300.00	10,300.00 006421
2/25/19	00522	1/23/19 30878016 PROPANE - REF# 643587437	201901 320-57200-43200		*	374.81	
		1/31/19 30881699 PROPANE - REF# 643237817	201901 320-57200-43200		*	1,010.05	
		1/31/19 30882803 PROPANE - REF# 644234861	201901 320-57200-43200		*	530.10	
		2/06/19 30884185 PROPANE - REF#644032917	201902 320-57200-43200		*	644.07	
		2/13/19 30888034 PROPANE - REF# 644342338	201902 320-57200-43200	AMERIGAS	*	676.59	3,235.62 006422
2/25/19	00057	1/31/19 175102 FEB 19 - AQUATIC MGMT SVC	201902 320-53800-46800	APPLIED AQUATIC MANAGEMENT, INC.	*	1,545.00	1,545.00 006423
2/25/19	00310	2/02/19 33977618 FEES FOR FY 2019	201902 320-57200-54000	BMI	*	358.00	358.00 006424
2/25/19	00502	2/01/19 1480 FEB 19 - SECURITY SERVICE	201902 320-57200-34501		*	16,213.50	
		2/01/19 1480 FEB 19 - SECURITY SERVICE	201902 320-57200-34502	COMMUNITY WATCH SOLUTIONS, LLC	*	729.00	16,942.50 006425
2/25/19	00466	1/31/19 40856 FEB 19 - NEWSLETTER	201902 310-51300-42501	CUSTOMTRADEPRINTING.COM	*	3,332.00	3,332.00 006426
2/25/19	00329	2/08/19 1648727 JAN 19 - ENGINEERING SVC	201901 310-51300-31100	DEWBERRY ENGINEERS, INC.	*	3,280.00	3,280.00 006427
				LAKE ASHTON SROSINA			

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
2/25/19	00214	1/31/19 AR395488	201901 310-51300-42502	SERVICE THRU 01/21/19	*	1,183.78	
				DEX IMAGING			1,183.78 006428
2/25/19	00003	2/12/19 64587523	201902 310-51300-42000	DELIVERIES THRU 2/12/19	*	41.59	
		2/25/19 64649766	201902 310-51300-42000	DELIVERIES THRU 2/19/19	*	37.71	
				FEDEX			79.30 006429
2/25/19	00576	2/12/19 02122019	201902 300-36200-10200	LAT ADVERTISEMENT REFUND	*	275.00	
				ALLEN GOLDSTEIN			275.00 006430
2/25/19	00067	11/08/18 180296	201811 320-57200-34500	SECURITY DAIGNOS/TRIP FEE	*	79.50	
		11/08/18 180296	201811 320-57200-34500	SECURITY DAIGNOS/TRIP FEE	V	79.50-	
				THE HARTLINE ALARM COMPANY, INC.			.00 006431
2/25/19	00059	1/01/19 17562	201902 320-57200-45300	FEB 19 - POOL SERVICE	*	206.00	
		1/01/19 17573	201902 320-57200-45300	FEB 19 - POOL SERVICE	*	1,365.00	
		2/02/19 17812	201903 320-57200-45300	MAR 19 - POOL SERVICE	*	206.00	
		2/02/19 17823	201903 320-57200-45300	MAR 19 - POOL SERVICE	*	1,365.00	
				HEARTLAND COMMERCIAL POOL SERVICES			3,142.00 006432
2/25/19	00098	1/07/19 6560562	201901 320-57200-52000	SUPPLIES	*	240.45	
				HOME DEPOT CREDIT SERVICES			240.45 006433
2/25/19	00504	2/05/19 94412	201902 320-57200-54500	GENERAL REPAIRS	*	542.69	
		2/15/19 94460	201902 320-57200-54500	FOUNTIAN MAINTENANCE	*	1,650.00	
				KINCAID ELECTRICAL SERVICES			2,192.69 006434
2/25/19	00512	2/01/19 1611409	201902 320-57200-41000	FEB 19 - EMERGENCY PHONE	*	43.68	
				KINGS III OF AMERICA, INC.			43.68 006435
2/25/19	00429	2/25/19 02252019	201902 300-20700-10200	TRANSFER OF TAX RECEIPTS	*	1,255.06	

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
		2/25/19	2252019 201902 300-20700-10200	TRANSFER OF TAX RECEIPTS	*	10,540.16	
				LAKE ASHTON CDD			11,795.22 006436
2/25/19	00014	2/08/19	L060G0IR 201902 310-51300-48000	NOTICE OF MEETING DATES	*	29.50	
				LAKELAND LEDGER PUBLISHING			29.50 006437
2/25/19	00164	2/22/19	84471 201901 310-51300-31500	JAN 19 - ATTORNEY FEES	*	9,122.43	
				LATHAM, SHUKER, EDEN & BEAUDINE,LLP			9,122.43 006438
2/25/19	00361	1/16/19	I55498 201901 320-57200-54500	A/C MAINTENANCE	*	1,375.00	
		1/22/19	I55880 201901 320-57200-54500	INSTALL 2 DOOR GASKETS	*	218.60	
		1/22/19	I55885 201901 320-57200-54500	INSTALL 3 DOOR GASKETS	*	243.49	
		1/22/19	I55895 201901 320-57200-54500	A/C MAINTENANCE	*	357.80	
				MILLER'S CENTRAL AIR, INC.			2,194.89 006439
2/25/19	00217	2/14/19	00085701 201903 320-57200-43300	MAR 19 - REFUSE SERVICE	*	488.10	
				REPUBLIC SERVICES #654			488.10 006440
2/25/19	00571	1/30/19	26045 201902 320-57200-54500	FEB 19 - JANITORIAL SVC	*	3,030.00	
		2/14/19	26224 201902 320-57200-54500	CARPET/FLOOR CLEANING	*	1,552.00	
				SERVICEMASTER CLEAN			4,582.00 006441
2/25/19	00470	2/02/19	02022019 201902 320-57200-52000	33 OZ. COFFEE	*	25.17	
				SHUFFLIN'S SQUARES			25.17 006442
2/25/19	00399	2/20/19	10076 201901 320-57200-54500	LEAGUE PINSETTER MONITOR	*	1,478.75	
				ALEX SMITH			1,478.75 006443
2/25/19	00234	1/25/19	16226678 201901 320-57200-51000	OFFICE SUPPLIES	*	436.24	
				STAPLES BUSINESS CREDIT			436.24 006444
2/25/19	00500	2/11/19	02112019 201902 320-57200-54000	SUBSCRIPTION THRU 3/4/20	*	47.99	
				SUN COAST MEDIA GROUP, INC.			47.99 006445

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
2/25/19	00061	2/13/19 02132019 FEB 19 -	201902 320-57200-43000 ELECTRIC SERVICE	TECO	*	16,073.42	16,073.42 006446
2/25/19	00445	2/15/19 4475 FEB 19 -	201902 320-57200-46200 LANDSCAPE MAINT	YELLOWSTONE LANDSCAPE	*	14,667.25	14,667.25 006447
2/25/19	00346	1/16/19 2114651 AUNNUAL	201901 320-57200-54100 MAINTENANCE	4TH ELEMENT FIRE & SAFETY, INC.	*	461.50	461.50 006448
3/06/19	00062	2/25/19 05794960 MAR 19 -	201903 320-57200-41000 CABLE/INTERNET	BRIGHT HOUSE NETWORKS	*	955.94	955.94 006449
3/06/19	00055	2/15/19 20735 FEB 19 -	201902 320-57200-43100 WATER/SEWER SVC		*	870.68	
		2/15/19 20740 FEB 19 -	201902 320-57200-43100 WATER/SEWER SVC		*	37.45	
		2/15/19 22109 FEB 19 -	201902 320-57200-43100 WATER IRRIGATION		*	243.55	
		2/15/19 37767 FEB 19 -	201902 320-57200-43100 WATER IRRIGATION		*	163.04	
				CITY OF LAKE WALES			1,314.72 006450
3/06/19	00003	2/26/19 64732564 DELIVERIES THRU 2/26/19	201902 310-51300-42000	FEDEX	*	30.36	30.36 006451
3/06/19	00215	1/04/19 331 NOV 18 -	201811 320-57200-54000 DUES & SUBSCRIPT		*	57.39	
		1/04/19 331 NOV 18 -	201811 320-57200-51000 POSTAGE		*	42.47	
		1/04/19 332 OCT 18 -	201810 320-57200-54000 DUES & SUBSCRIPT		*	163.17	
		1/04/19 332 OCT 18 -	201810 320-57200-49400 SPECIAL EVENTS		*	105.56	
		1/04/19 332 OCT 18 -	201810 320-57200-51000 POSTAGE		*	41.74	
		1/04/19 332 OCT 18 -	201810 320-57200-52000 OPERATING SUPPLY		*	205.78	
		2/21/19 336 FEB 19 -	201902 320-57200-34000 PAYROLL REIMBURSEM		*	24,413.22	
		2/26/19 337 DEC 18 -	201812 320-57200-54000 DUES & SUBSCRIPT		*	162.53	

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YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER
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RUN 3/11/19

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CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK..... AMOUNT #
		2/26/19 337	201812 320-57200-51000		*	542.94	
		DEC 18	- POSTAGE				
		2/26/19 337	201812 320-57200-49400		*	1,183.24	
		DEC 18	- SPECIAL EVENTS				
		2/26/19 337	201812 320-57200-52000		*	266.25	
		DEC 18	- OPERATING SUPPLY				
		2/26/19 337	201812 320-57200-54500		*	1,483.58	
		DEC 18	- CLUBHOUSE MAINT				
		2/26/19 337	201812 600-53800-60089		*	168.74	
		DEC 18	- CAP INDOOR FURN				
		2/26/19 337	201812 300-13100-10000		*	168.74	
		DEC 18	- CAP INDOOR FURN				
		2/26/19 337	201812 600-20700-10000		*	168.74-	
		DEC 18	- CAP INDOOR FURN				
		2/26/19 337	201812 320-57200-51000		*	19.94	
		DEC 18	- OFFICE SUPPLIES				
		2/26/19 337	201812 320-57200-52005		*	103.29	
		DEC 18	- DECORATION				
			GMS-CENTRAL FLORIDA, LLC				28,959.84 006452
3/06/19 00577		3/03/19 03032019	201903 320-57200-49400		*	165.00	
			OFF DUTY SECURITY/EVENT				
			MICHAEL SMITH				165.00 006453
3/06/19 00063		3/05/19 03052019	201903 320-57200-49400		*	13,500.00	
			CONTRACT FOR PERSONAL SVC				
		3/06/19 03062019	201903 320-57200-49400		*	17,250.00	
			CONTRACT FOR PERSONAL SVC				
			WILLIAM CLARE ENTERTAINMENT				30,750.00 006454
				TOTAL FOR BANK A		1,608,068.98	
				TOTAL FOR REGISTER		1,608,068.98	

LAKA LAKE ASHTON SROSINA

AP300R
*** CHECK NOS. 000267-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 3/11/19
LAKE ASHTON CDD - CPF
BANK B LAKE ASHTON - CPF

PAGE 1

CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
2/12/19	00088	9/02/18 1147	201809 600-53800-60076	EAST/WEST PARKING LOTS	*	69,808.91	
							SUNRAY PAVING & CONSTRUCTION CO. 69,808.91 000267
2/25/19	00015	2/01/19 101600	201902 600-53800-60097	FLUER SOUP PLATE 8"	*	524.60	
		2/01/19 101601	201902 600-53800-60097	SPOON 15" BAST	*	11.45	
							CENTRAL FOOD EQUIPMENT, INC. 536.05 000268
2/25/19	00067	2/08/19 94429	201902 600-53800-60093	GENERAL REPAIR	*	1,750.00	
							KINCAID ELECTRICAL SERVICES 1,750.00 000269
2/25/19	00028	2/15/19 10691	201902 600-53800-60092	RESURFACE 2 BOCCE COURTS	*	8,872.00	
							NIDY SPORTS CONSTRUCTION 8,872.00 000270
3/06/19	00089	2/22/19 2423	201902 600-53800-60093	CLUBHOUSE LAWN LIGHTING	*	7,972.58	
							SIGNATURE LANDSCAPE LIGHTING 7,972.58 000271
TOTAL FOR BANK B						88,939.54	
TOTAL FOR REGISTER						88,939.54	

LAKA LAKE ASHTON SROSINA

LAKE ASHTON CDD
FY 2019 CASH RECEIPTS

	October-18	November-18	December-18	January-19	February-19	March-19
ENTERTAINMENT	\$ 103,946.00	\$ 18,210.00	\$ 5,660.00	\$ -	\$ -	\$ -
BALLROOM RENTAL	\$ 2,200.00	\$ 4,600.00	\$ 3,700.00	\$ -	\$ -	\$ -
DAMAGE DEPOSITS	\$ 1,000.00	\$ 2,000.00	\$ (500.00)	\$ -	\$ -	\$ -
NEWSLETTER INCOME	\$ 19,821.76	\$ 7,312.38	\$ 7,237.89	\$ -	\$ -	\$ -
COFFEE INCOME	\$ 750.00	\$ 300.00	\$ 100.00	\$ -	\$ -	\$ -
CLERICAL	\$ 196.00	\$ 178.25	\$ 157.00	\$ -	\$ -	\$ -
SECURITY FEE	\$ 1,562.50	\$ 1,312.50	\$ 306.25	\$ -	\$ -	\$ -
CLICKERS	\$ 296.00	\$ 444.00	\$ 222.00	\$ -	\$ -	\$ -
RESTAURANT LEASE-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESTAURANT LEASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INSURANCE PROCEEDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MISCELLANEOUS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SALES TAX PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 135,722.26	\$ 34,357.13	\$ 16,883.14	\$ -	\$ -	\$ -

	April-19	May-19	June-19	July-19	August-19	September-19
ENTERTAINMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ENTERTAINMENT-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALLROOM RENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BALLROOM RENTAL-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DAMAGE DEPOSITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEWSLETTER INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEWSLETTER INCOME-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COFFEE INCOME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
COFFEE INCOME-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CLERICAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SECURITY FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SECURITY FEE-DEFERRED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CLICKERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INSURANCE PROCEEDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MISCELLANEOUS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RESTAURANT LEASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SALES TAX PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FISCAL YEAR 2019 TOTAL	
ENTERTAINMENT FEES	\$ 127,816.00
BALLROOM RENTAL	\$ 10,500.00
BALLROOM RENTAL-DEFERRED	\$ 5,950.00
DAMAGE DEPOSITS	\$ 2,500.00
NEWSLETTER INCOME	\$ 34,372.03
COFFEE INCOME	\$ 1,150.00
CLERICAL	\$ 531.25
SECURITY FEE	\$ 3,181.25
CLICKERS	\$ 962.00
INSURANCE PROCEEDS	\$ -
MISCELLANEOUS	\$ -
RESTAURANT LEASE	\$ -
SALES TAX PAYABLE	\$ -
	\$ 186,962.53

LAKE ASHTON CDD
JANUARY 2019 CASH RECEIPTS

ENTERTAINMENT

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
9/21/2018		Performance Plus Carts	\$ 750.00	Sponsorship - Jan 25 & 26 2019 ETS
1/2/2019	729	John Brodzik	\$ 25.00	Tony Orlando - 1/9/19
1/2/2019	729	Laurence Lisowski	\$ 100.00	Tony Orlando - 1/9/19
1/2/2019	729	George Cater	\$ 50.00	Tony Orlando - 1/9/19
1/2/2019	729	Peter Morash	\$ 20.00	Tony Orlando - 1/9/19
1/2/2019	729	Katherine Caswell	\$ 50.00	Tony Orlando - 1/9/19
1/2/2019	729	Dan Schwartz	\$ 40.00	Tony Orlando - 1/9/19
1/2/2019	729	Donald Collins	\$ 40.00	Tony Orlando - 1/9/19
1/2/2019	729	Diana Matlack	\$ 40.00	Tony Orlando - 1/9/19
1/2/2019	729	Randall Carpenter	\$ 40.00	Tony Orlando - 1/9/19
1/2/2019	729	Pat Huelsman	\$ 20.00	Tony Orlando - 1/9/19
1/2/2019	729	Denise Firkus	\$ 40.00	Tony Orlando - 1/9/19
1/2/2019	729	Robert Clark	\$ 40.00	Tony Orlando - 1/9/19
1/4/2019	731	Metzner	\$ 40.00	Tony Orlando - 1/9/19
1/4/2019	CK 131	Jeffrey Neal	\$ 35.00	NYE Party - 12/31/18
1/4/2019	CK 2091	Steven & Karol Pinnick	\$ 50.00	Tony Orlando Show - 1/9/19
1/4/2019	CK 132	Priscilla Brock Family Trust	\$ 40.00	Tony Orlando Show - 1/9/19
1/4/2019	CK 8243	Leo & Cathy Boruschewitz	\$ 70.00	NYE Party - 12/31/18
1/4/2019	CK 507	Gisela Spadaro	\$ 35.00	NYE Party - 12/31/18
1/4/2019	CK 8327	Edward Hackrd & Wanda Kellum	\$ 35.00	NYE Party - 12/31/18
1/4/2019	CK 2796	Nancy Pladziewicz	\$ 40.00	Tony Orlando Show - 1/9/19
1/7/2019	732	Guay	\$ 70.00	Valentine's Dance - February 14, 2019
1/7/2019	732	Guay	\$ (70.00)	Refund - Valentine's Dance - February 14, 2019
1/7/2019	732	Franckowiak	\$ 40.00	Tony Orlando - 1/9/19
1/7/2019	732	Saurers	\$ 40.00	Tony Orlando - 1/9/19
1/7/2019	732	Nicholson	\$ 20.00	Tony Orlando - 1/9/19
1/7/2019	732	Hines	\$ 80.00	Tony Orlando - 1/9/19
1/7/2019	732	Hammond	\$ 30.00	Pottery Paint - 1/31/2019
1/7/2019	732	Conners	\$ 30.00	Pottery Paint - 1/31/19
1/8/2019	733	Matlock	\$ 40.00	Tony Orlando - 1/9/19
1/8/2019	733	Pratt	\$ 50.00	Tony Orlando - 1/9/19
1/9/2019	734	Creek	\$ 20.00	Tony Orlando - 1/9/19
1/9/2019	734	Barbieri	\$ 40.00	Tony Orlando - 1/9/19
1/9/2019	734	Williams	\$ 40.00	Rocket Man - 4/5/19
1/9/2019	734	White	\$ 40.00	Tony Orlando - 1/9/19
1/9/2019	734	Smithgall	\$ 50.00	Tony Orlando - 1/9/19
1/10/2019	735	O'Neil	\$ 30.00	Pot Painting - 1/31/19
1/10/2019	735	Huelsman	\$ 80.00	ETS
1/10/2019	735	Hanley	\$ 30.00	Pot Painting - 1/31/19
1/11/2019	CK 4173	Mistretta	\$ 40.00	Tony Orlando Show - January 9, 2019
1/11/2019	CK8020	Medlin	\$ 100.00	Phil Dirt February 15, 2019
1/11/2019	CK 1046	Meigel	\$ 25.00	Tony Orlando Show - January 9, 2019
1/11/2019	CK1221	Jameson	\$ 60.00	Pot Painting - 1/31/19
1/11/2019	CK832	Strassberg	\$ 30.00	Pot Painting - 1/31/19
1/14/2019	736	Donaldson	\$ 90.00	Pot Painting - 1/31/19
1/14/2019	736	Giesige	\$ 30.00	Pot Painting - 1/31/19
1/14/2019	736	Dacquisto	\$ 60.00	Pot Painting - 1/31/19
1/15/2019	737	Conners	\$ 30.00	Pot Painting - 1/31/19

LAKE ASHTON CDD
JANUARY 2019 CASH RECEIPTS

ENTERTAINMENT (CONTINUED)

1/17/2019	739	Pfeilller	\$ 50.00	Rocket Man - 4/5/19
1/18/2019	740	Brown	\$ 100.00	ETS
1/18/2019	740	Boruschewitz	\$ 30.00	Pot Painting - 1/31/19
1/18/2019	CK 1150	Fisher	\$ 50.00	Phil Dirt - 2/15/19
1/18/2019	CK 631	Cooke	\$ 40.00	Phil Dirt - 2/15/19
1/18/2019	CK 1181	Greer	\$ 50.00	Tony Orlando - 1/9/2019
1/21/2019	741	Buono	\$ 40.00	Rocket Man - 4/5/19
1/23/2019	743	Kokochak	\$ 40.00	Phil Dirt - February 15, 2019
1/23/2019	743	Innacone	\$ 20.00	Rocket Man - 4/5/19
1/23/2019	743	Mutz	\$ 20.00	Rocket Man - 4/5/19
1/25/2019	745	Fleming	\$ 40.00	Phil Dirt - February 15, 2019
1/28/2019	746	Golding	\$ 40.00	Phil Dirt - February 15, 2019
TOTAL			\$ 3,245.00	

RENTALS

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
4/23/2018	586	Milorme	\$ 1,250.00	Ballroom rental - wedding 12/22/18
4/25/2018	588	Crosby	\$ 1,250.00	Ballroom rental - wedding 1/12/19
6/22/2018	ck 33139	Lea Maria L Manlicic	\$ 1,250.00	Ballroom Rental 12/23/18
7/16/2018	625	Nadine Innocent	\$ 625.00	2nd 1/2 of Room Rental Fee for Wedding 11/4/18
8/3/2018	Ck 286425	Bond Clinic, P.A.	\$ 1,250.00	Room Rental - 12/1/18
8/8/2018	639	Chiline Dugar	\$ 250.00	Ballroom Rental Fee - balance owed - 1/5/19
10/31/2018	CK 322	Prevention Plus	\$ 200.00	Craft Room Rental 11/17/2018
1/4/2019	731	Velencia Pagson	\$ 1,500.00	Ballroom Rental Fee - 6/29/19 Wedding
1/4/2019	Money Order 2198730358	Zondraya Stubbs	\$ 1,000.00	Ballroom Rental Fee - Wedding 10/12/2019
1/4/2019	Money Order 2198730359	Zondraya Stubbs	\$ 500.00	Ballroom Rental Fee - Wedding 10/12/2019
1/11/2019	CK 002580	Kegal LLC	\$ 1,750.00	Ballroom Rental Fee - 12-12-2020
1/11/2019	CK 002580	Kegal LLC	\$ 1,750.00	Ballroom Rental Fee - 12-18-2021
1/11/2019	CK1158	LA Bingo	\$ 1,600.00	Ballroom Rental Fee - 01/2019 Rent
1/15/2019	737	Mendez	\$ 1,500.00	Ballroom Rental Fee - 07-27-19 Wedding
1/18/2019	740	Matteson	\$ 1,750.00	Ballroom Rental - Matteson/Danley Wedding 11/9/2019
1/24/2019	744	Edd Dean	\$ 1,750.00	BR Rental - Publix Luncheon - 4-17-19
1/25/2019	CK 1079	LA Republican Club	\$ 750.00	Ballroom Rental Fee - May 4, 2019
TOTAL			\$ 19,925.00	

NEWSLETTER

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/18/2019	CK 50368	United Refrigeration & AC	\$ 250.00	LAT Insert - February Issue
1/18/2019	CK 3188	Fat Sam Enterprises - HCA	\$ 175.00	LAT Insert - February Issue
1/18/2019	CK 3187	Fat Sam Enterprises - HCA	\$ 175.00	LAT Insert - March Issue
1/18/2019	CK 727	LA Realty, Inc.	\$ 5,400.00	LAT Ad - Mar 2019 - Feb 2020
1/21/2019	741	Art's Golf Carts	\$ 360.00	LAT February Issue Ad
1/21/2019	741	Blackburn's Interiors	\$ 400.00	LAT February Issue Ad
1/21/2019	741	Family Elder Law	\$ 332.31	LAT February Issue Ad
1/21/2019	741	Florida Dermatology	\$ 350.00	LAT February Issue Ad
1/21/2019	741	Performance Plus Carts	\$ 395.00	LAT February Issue Ad
1/21/2019	741	Servpro	\$ 187.50	LAT February Issue Ad
1/22/2019	742	G & M Drywall	\$ 90.00	LAT February Issue Ad
1/25/2019	CK 4957	Jim Lee	\$ 175.00	LAT Insert - February Issue
1/25/2019	CK 4957	Jim Lee	\$ 175.00	LAT Insert - March Issue
1/25/2019	CK 2002	Core Rehabilitation	\$ 175.00	LAT Insert February Issue
1/29/2019	747	Dan's City Fan's	\$ 175.00	LAT February Issue Ad
1/30/2019	748	Miller's Central Air	\$ 175.00	LAT February Insert
TOTAL			\$ 8,989.81	

LAKE ASHTON CDD
JANUARY 2019 CASH RECEIPTS

CLERICAL

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/4/2019	Cash	Clerical	\$ 24.00	Directories, Copies, Faxes
1/11/2019	Cash	Clerical	\$ 25.00	Directories, Copies, Faxes
1/25/2019	Cash	Clerical	\$ 19.00	Directories, Copies, Faxes
TOTAL			\$ 68.00	

COFFEE

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/15/2019	737	Wallner - Moore Shelving	\$ 125.00	Monday Coffee 1-21-19
1/16/2019	738	Collins - Window World	\$ 125.00	Monday Coffee - 1-28-19
1/25/2019	CK 601201340	Fat Sam - C. Graves	\$ 62.50	Remaining bal. Quarterly Invoice Jan - Mar 2019 - Monday Coffee
1/25/2019	CK 06248783	Edward Jones - Matt Simpson	\$ 100.00	Monday Coffee - December 10, 2018
1/25/2019	CK 06253421	Edward Jones - Matt Simpson	\$ 125.00	Monday Coffee - January 14, 2019
1/25/2019	CK 1504	Avery	\$ 187.50	Quarterly Invoice - Monday Coffee - Jan- Mar 2019
TOTAL			\$ 725.00	

DEPOSITS

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/2/2019	729	Nathan Crosby	\$ 150.00	DD - 1/12/19 Wedding
1/3/2019	730	Elicet Berruquin	\$ 500.00	Alverdo Wedding - DD - 2/2/19
1/4/2019	731	Maricel Baker	\$ 500.00	DD 1/12/19 Wedding
1/4/2019	CK 0360176	Polk County Public Schools	\$ 500.00	Fort Meade Event - DD - 4/20/19
1/15/2019	737	Baker	\$ (500.00)	DD Refund - 1/12/19 Wedding
1/16/2019	738	Dugar	\$ (500.00)	DD Refund - 1/5/2019 Wedding
1/18/2019	CK 1555	Polk Co. Police Chief's Association	\$ 1,000.00	DD 1-24-19 event
TOTAL			\$ 1,650.00	

ENTRANCE GATE OPENERS

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/8/2019	733	Provost	\$ 37.00	Gate Opener #58
1/31/2019	748	Meccics	\$ 37.00	Gate Opener #59
1/31/2019	748	Barr	\$ 37.00	Gate Opener #60
TOTAL			\$ 111.00	

SECURITY

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/3/2019	730	Elicet Berruquin	\$ 425.00	Alverdo Wedding - Security Fee - 2/2/19
1/8/2019	733	Cianne	\$ 50.00	Dugar Wedding 1-5-19 Security Deposit
1/15/2019	737	Baker	\$ 25.00	DD Refund - 1/12/19 Wedding
1/25/2019	CK 1079	LA Republican Club	\$ 125.00	Security Fee - LA Republican Club Event - May 4, 2019
TOTAL			\$ 625.00	

MISCELLANEOUS

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
1/25/2019	CK 43970	Viking Recycling	\$ 32.40	Re-cycling scrap metal
TOTAL			\$ 32.40	

TOTAL CASH RECEIPTS - JANUARY 2019	\$ 35,371.21
---	---------------------

SUMMARY	
ENTERTAINMENT	\$ 3,245.00
ROOM RENTALS	\$ 14,050.00
ROOM RENTALS-DEFERRED	\$ 5,875.00
NEWSLETTER	\$ 8,989.81
CLERICAL	\$ 68.00
COFFEE	\$ 725.00
DEPOSITS	\$ 1,650.00
ENTRANCE GATE OPENER	\$ 111.00
SECURITY	\$ 625.00
MISCELLANEOUS	\$ 32.40
TOTAL	\$ 35,371.21

Lake Ashton CDD
Special Assessment Receipts
Fiscal Year Ending September 30, 2019

Date Received	Collection Period	O&M Receipts	Debt Svc Receipts	O&M Discounts/ Penalties	Debt Discounts/ Penalties	Commissions Paid	Net Amount Received	\$1,690,408.26 .36300.10100 General Fund 100.00%	\$454,109.47 2015-1 Debt Svc Fund 89.360%	\$54,072.40 2015-2 Debt Svc Fund 10.640%	\$508,181.87 Debt Total 100%
11/14/2018	10/01/18-10/31/18	\$ 1,714.41	\$ -	\$ 68.58	\$ -	\$ 32.92	\$ 1,612.91	\$ 1,612.91	\$ -	\$ -	\$ -
11/20/2018	06/01/18-10/31/18	\$ 26,617.65	\$ 9,016.16	\$ 1,403.73	\$ 476.16	\$ 675.08	\$ 33,078.84	\$ 24,694.88	\$ 7,491.88	\$ 892.08	\$ 8,383.96
11/23/2018	11/01/18-11/04/18	\$ 24,001.74	\$ 8,564.24	\$ 960.12	\$ 342.57	\$ 625.26	\$ 30,638.03	\$ 22,560.89	\$ 7,217.71	\$ 859.44	\$ 8,077.15
11/30/2018	11/05/18-11/11/18	\$ 303,798.09	\$ 72,740.32	\$ 12,148.93	\$ 2,907.96	\$ 7,229.63	\$ 354,251.89	\$ 286,090.59	\$ 60,908.69	\$ 7,252.61	\$ 68,161.30
12/11/2018	11/12/18-11/21/18	\$ 434,057.24	\$ 124,992.97	\$ 17,312.39	\$ 4,971.36	\$ 10,735.33	\$ 526,031.13	\$ 408,490.88	\$ 105,033.54	\$ 12,506.71	\$ 117,540.25
12/27/2018	11/22/18-11/30/18	\$ 685,782.71	\$ 215,517.99	\$ 27,389.31	\$ 8,603.13	\$ 17,306.17	\$ 848,002.09	\$ 645,087.38	\$ 181,323.85	\$ 21,590.86	\$ 202,914.71
1/14/2019	12/01/18-12/31/18	\$ 72,331.73	\$ 25,152.20	\$ 2,191.02	\$ 752.40	\$ 1,890.81	\$ 92,649.70	\$ 68,686.94	\$ 21,413.03	\$ 2,549.72	\$ 23,962.76
1/31/2019	INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,496.59	\$ 1,929.68	\$ 506.59	\$ 60.32	\$ 566.91
2/15/2019	01/01/19-01/31/19	\$ 39,431.43	\$ 11,693.82	\$ 788.67	\$ 233.90	\$ 1,002.06	\$ 49,100.62	\$ 37,872.31	\$ 10,033.57	\$ 1,194.73	\$ 11,228.30
		\$ 1,587,735.00	\$ 467,677.70	\$ 62,262.75	\$ 18,287.48	\$ 39,497.25	\$ 1,937,861.81	\$ 1,497,026.46	\$ 393,928.86	\$ 46,906.49	\$ 440,835.35
BALANCE REMAINING		\$102,673.26	\$40,504.17								

Date	CK#	2015-1	2015-2
12/10/2018	6329	\$ 75,618.28	\$ 9,004.13
12/19/2018	6338	\$ 105,033.54	\$ 12,506.71
		\$ 180,651.82	\$ 21,510.84

Due To DSF 2015-1	\$ 213,277.04	V# 429 001.300.20700.10200
Due to DSF 2015-2	\$ 25,395.65	V# 429 001.300.20700.10200

Gross Percent Collected	93.49%
Balance Due	\$143,177.43

LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
January 31, 2019

	Major Funds			Total
	General	Debt Service	Capital Reserve	Governmental Funds
ASSETS:				
Cash-Wells Fargo	\$1,569,248	---	\$1,793	\$1,571,041
Assessments Receivable	\$37,872	\$11,228	---	\$49,101
Due from Other Funds	\$974	\$226,872	---	\$227,846
Investment - State Board	\$153,429	---	---	\$153,429
Investment - State Board Capital Reserve	---	---	\$360,868	\$360,868
Investments:				
<i>Series 2015</i>				
Reserve A	---	\$235,063	---	\$235,063
Interest A	---	\$2	---	\$2
Revenue A	---	\$202,299	---	\$202,299
Prepayment A-1	---	\$14,595	---	\$14,595
Prepayment A-2	---	\$6,075	---	\$6,075
TOTAL ASSETS	\$1,761,524	\$696,134	\$362,661	\$2,820,320
LIABILITIES:				
Accounts Payable	\$26,614	---	\$69,809	\$96,423
Due to Other Funds	\$226,872	---	\$974	\$227,846
Deposits-Restaurant	\$6,000	---	---	\$6,000
Deposits-Room Rentals	\$5,475	---	---	\$5,475
Deferred Revenue	\$23,700	---	---	\$23,700
TOTAL LIABILITIES	\$288,661	\$0	\$70,783	\$359,444
FUND BALANCES:				
Restricted:				
Debt Service	---	\$696,134	---	\$696,134
Assigned:				
Capital Reserve	---	---	\$291,878	\$291,878
Unassigned	\$1,472,863	---	---	\$1,472,863
TOTAL FUND BALANCES	\$1,472,863	\$696,134	\$291,878	\$2,460,875
TOTAL LIABILITIES & FUND BALANCES	\$1,761,524	\$696,134	\$362,661	\$2,820,320

LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2019

	ADOPTED BUDGET	PRORATED BUDGET THRU 1/31/19	ACTUAL THRU 1/31/19	VARIANCE
REVENUES:				
Special Assessments - Levy	\$1,572,079	\$1,497,026	\$1,497,026	\$0
Rental Income	\$50,000	\$16,667	\$23,675	\$7,008
Entertainment Fees	\$130,000	\$130,000	\$132,374	\$2,374
Newsletter Ad Revenue	\$55,000	\$18,333	\$43,362	\$25,029
Interest Income	\$1,000	\$333	\$1,514	\$1,181
Miscellaneous Income	\$5,000	\$1,667	\$7,480	\$5,813
Restaurant Lease	\$0	\$0	\$0	\$0
Insurance Proceeds	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,813,079	\$1,664,026	\$1,705,431	\$41,404

EXPENDITURES:

ADMINISTRATIVE:

Supervisor Fees	\$3,000	\$1,000	\$1,500	(\$500)
FICA Expense	\$230	\$77	\$115	(\$38)
Engineering	\$15,000	\$5,000	\$11,738	(\$6,738)
Arbitrage	\$600	\$200	\$0	\$200
Dissemination	\$1,000	\$333	\$633	(\$300)
Attorney	\$25,000	\$8,333	\$25,009	(\$16,676)
Annual Audit	\$4,223	\$1,408	\$0	\$1,408
Trustee Fees	\$4,310	\$1,437	\$0	\$1,437
Management Fees	\$58,482	\$19,494	\$19,494	\$0
Computer Time	\$1,000	\$333	\$333	\$0
Travel & Per Diem	\$0	\$0	\$0	\$0
Postage	\$3,500	\$1,167	\$1,030	\$136
Printing & Binding	\$1,350	\$450	\$612	(\$162)
Newsletter Printing	\$35,000	\$11,667	\$13,369	(\$1,702)
Rentals & Leases	\$5,000	\$1,667	\$2,444	(\$778)
Insurance	\$40,411	\$40,411	\$36,737	\$3,674
Legal Advertising	\$500	\$167	\$254	(\$87)
Other Current Charges	\$1,250	\$417	\$389	\$27
Contingency-Golf Course	\$0	\$0	\$3,750	(\$3,750)
Property Taxes	\$12,500	\$12,500	\$13,180	(\$680)
Office Supplies	\$100	\$33	\$38	(\$4)
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
TOTAL ADMINISTRATIVE	\$212,631	\$106,268	\$130,801	(\$24,533)

LAKE ASHTON

COMMUNITY DEVELOPMENT DISTRICT GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending January 31, 2019

	ADOPTED BUDGET	PRORATED BUDGET THRU 1/31/19	ACTUAL THRU 1/31/19	VARIANCE
<u>Field:</u>				
Field Management Services	\$332,000	\$110,667	\$105,839	\$4,828
Gate Attendants	\$209,457	\$69,819	\$72,252	(\$2,433)
Pool Attendants	\$12,495	\$4,165	\$1,742	\$2,424
Pest Control	\$1,800	\$600	\$492	\$108
Security/Fire Alarm/Gate Repairs	\$5,100	\$1,700	\$2,711	(\$1,011)
Telephone/Internet	\$13,600	\$4,533	\$4,423	\$110
Electric	\$216,000	\$72,000	\$68,162	\$3,838
Water	\$12,000	\$4,000	\$4,694	(\$694)
Gas	\$17,000	\$5,667	\$12,211	(\$6,545)
Refuse	\$10,000	\$3,333	\$3,423	(\$90)
Clubhouse Maintenance	\$110,000	\$36,667	\$27,308	\$9,358
Pool and Fountain Maintenance	\$20,000	\$6,667	\$6,579	\$88
Landscape Maintenance	\$176,007	\$58,669	\$58,669	(\$0)
Plant Replacement	\$7,000	\$2,333	\$1,114	\$1,220
Irrigation Repairs	\$3,500	\$1,167	\$0	\$1,167
Lake Maintenance	\$18,540	\$6,180	\$4,635	\$1,545
Wetland Mitigation and Maintenance	\$34,800	\$11,600	\$7,300	\$4,300
Permits/Inspections	\$1,500	\$500	\$462	\$39
Office Supplies/Printing/Binding	\$5,000	\$1,667	\$2,008	(\$342)
Operating Supplies	\$25,000	\$8,333	\$2,908	\$5,425
Credit Card Processing Fees	\$3,500	\$1,167	\$2,320	(\$1,153)
Dues & Subscriptions	\$8,500	\$2,833	\$2,055	\$778
Decorations	\$2,000	\$667	\$303	\$363
Special Events	\$130,000	\$55,353	\$55,353	\$0
Storm Damage	\$0	\$0	\$2,016	(\$2,016)
TOTAL FIELD	\$1,374,799	\$470,285	\$448,980	\$21,306
TOTAL EXPENDITURES	\$1,587,429	\$576,553	\$579,780	(\$3,227)
<u>OTHER SOURCES AND USES</u>				
Capital Reserve-Transfer Out	(\$225,650)	\$0	\$0	\$0
TOTAL OTHER SOURCES AND USES	(\$225,650)	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$1,125,651	
FUND BALANCE - Beginning	\$0		\$347,212	
FUND BALANCE - Ending	\$0		\$1,472,863	

⁽¹⁾ Assessments are shown net of Discounts and Collection Fees.

LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
Capital Projects Reserve Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2019

	ADOPTED BUDGET	PRORATED BUDGET THRU 1/31/19	ACTUAL THRU 1/31/19	VARIANCE
REVENUES:				
Interest Income	\$100	\$33	\$3,084	\$3,051
Capital Reserve-Transfer In FY 19	\$225,650	\$0	\$0	\$0
TOTAL REVENUES	\$225,750	\$33	\$3,084	\$3,051
EXPENDITURES:				
Capital Projects:				
Sand Filtration System for Pool	\$25,000	\$8,333	\$0	\$8,333
Pool Heaters (2)	\$20,000	\$14,914	\$14,914	\$0
Pool Tile Replacement	\$15,000	\$5,000	\$0	\$5,000
Activities Desk Upgrade	\$8,000	\$2,667	\$0	\$2,667
Clubhouse & Gate House Camera System Upgrades	\$6,000	\$2,000	\$0	\$2,000
Door Replacement	\$5,000	\$1,667	\$0	\$1,667
Indoor Furniture	\$10,000	\$5,949	\$5,949	\$0
Outdoor Furniture	\$5,000	\$1,667	\$0	\$1,667
Gate Entry System	\$0	\$0	\$0	\$0
Bocce Ball Court Refurbishment	\$10,000	\$3,400	\$3,400	\$0
Clubhouse Lawn Lighting (Front of Clubhouse)	\$15,000	\$5,000	\$0	\$5,000
HVAC	\$31,000	\$10,333	\$0	\$10,333
Ice Machine Replacement - Clubhouse Fitness Center Restroom	\$9,000	\$3,000	\$0	\$3,000
Pavement Management	\$165,000	\$55,000	\$0	\$55,000
Restaurant Equipment Allowance	\$15,000	\$5,000	\$215	\$4,785
Ballroom Sound Equipment	\$7,000	\$2,333	\$0	\$2,333
Stormwater Management	\$25,000	\$8,333	\$2,800	\$5,533
Other Current Charges	\$500	\$167	\$160	\$6
Capital Reserves	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$371,500	\$134,763	\$27,438	\$107,325
EXCESS REVENUES (EXPENDITURES)	(\$145,750)		(\$24,354)	
FUND BALANCE - Beginning	\$317,610		\$316,233	
FUND BALANCE - Ending	\$171,860		\$291,878	

LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT

SERIES 2015

DEBT SERVICE FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending January 31, 2019

	ADOPTED BUDGET	PRORATED THRU 1/31/19	ACTUAL THRU 1/31/19	VARIANCE
<u>REVENUES:</u>				
Interest Income	\$0	\$0	\$255	\$255
Assessments - Levy	\$472,609	\$440,835	\$440,835	\$0
TOTAL REVENUES	\$472,609	\$440,835	\$441,090	\$255
<u>EXPENDITURES:</u>				
<u>Series 2015A-1</u>				
Interest - 11/01	\$104,750	\$104,750	\$104,750	\$0
Interest - 5/01	\$104,750	\$0	\$0	\$0
Principal - 5/01	\$210,000	\$0	\$0	\$0
Special Call - 11/01	\$5,000	\$5,000	\$35,000	(\$30,000)
<u>Series 2015A-2</u>				
Interest - 11/01	\$14,500	\$14,500	\$14,500	\$0
Interest - 5/01	\$14,500	\$0	\$0	\$0
Principal - 5/01	\$20,000	\$0	\$0	\$0
Special Call - 11/01	\$0	\$0	\$5,000	(\$5,000)
TOTAL EXPENDITURES	\$473,500	\$124,250	\$159,250	(\$35,000)
EXCESS REVENUES (EXPENDITURES)	(\$891)		\$281,840	
FUND BALANCE - Beginning	\$141,984		\$414,295	
FUND BALANCE - Ending	\$141,093		\$696,134	

**LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT
Long Term Debt Report
FY 2019**

Series 2015-1, Special Assessment Bonds		
Interest Rate:	5.000%	
Maturity Date:	5/1/2025	\$1,690,000.00
Interest Rate:	5.000%	
Maturity Date:	5/1/2032	\$2,500,000.00
Reserve Requirement:	50% Maximum Annual Debt Service	
Bonds outstanding - 9/30/2018		\$4,190,000.00
	November 1, 2018 (Special Call)	(\$35,000.00)
	May 1, 2019 (Mandatory)	\$0.00
Current Bonds Outstanding		\$4,155,000.00

Series 2015-2, Special Assessment Bonds		
Interest Rate:	5.000%	
Maturity Date:	5/1/2025	\$145,000.00
Interest Rate:	5.000%	
Maturity Date:	5/1/2037	\$435,000.00
Reserve Requirement:	50% Maximum Annual Debt Service	
Bonds outstanding - 9/30/2018		\$580,000.00
	November 1, 2018 (Special Call)	(\$5,000.00)
	May 1, 2019 (Mandatory)	\$0.00
Current Bonds Outstanding		\$575,000.00

Total Current Bonds Outstanding		\$4,730,000.00
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Lake Ashton
Community Development District
General Fund
Statement of Revenues and Expenditures (Month by Month)
FY 2019

	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	TOTAL
<i>Revenues</i>													
Maintenance Assessments	\$0	\$743,450	\$715,704	\$37,872	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,497,026
Rental Income	\$2,200	\$4,600	\$3,700	\$13,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,675
Entertainment Fees	\$103,946	\$17,960	\$5,723	\$4,745	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$132,374
Newsletter Ad Revenue	\$19,822	\$7,312	\$7,238	\$8,990	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,362
Interest Income	\$494	\$340	\$333	\$348	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,514
Miscellaneous Income	\$2,805	\$2,260	\$854	\$1,561	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,480
Restaurant Lease	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Insurance Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$129,266	\$775,922	\$733,551	\$66,691	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,705,431
<i>ADMINISTRATIVE:</i>													
Supervisor Fees	\$500	\$250	\$350	\$400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500
FICA Expense	\$38	\$19	\$27	\$31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115
Engineering	\$2,350	\$0	\$6,108	\$3,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,738
Arbitrage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dissemination	\$383	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633
Attorney	\$7,792	\$3,525	\$4,570	\$9,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,009
Consulting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trustee Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Management Fees	\$4,874	\$4,874	\$4,874	\$4,874	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,494
Computer Time	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$333
Travel & Per Diem	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Postage	\$135	\$556	\$111	\$228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,030
Printing & Binding	\$165	\$157	\$116	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$612
Newsletter Printing	\$3,284	\$3,284	\$3,289	\$3,511	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,369
Rentals & Leases	\$699	\$187	\$187	\$1,371	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,444
Insurance	\$36,737	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,737
Legal Advertising	\$0	\$65	\$189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$254
Other Current Charges	\$99	\$136	\$154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$389
Contingency-Golf Course	\$0	\$2,500	\$0	\$1,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,750
Property Taxes	\$0	\$13,180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,180
Office Supplies	\$13	\$15	\$3	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$38
Dues, Licenses & Subscriptions	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
Total Administrative	\$57,328	\$28,914	\$20,142	\$24,416	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$130,801

Lake Ashton
Community Development District
General Fund
Statement of Revenues and Expenditures (Month by Month)
FY 2019

Field:	OCT 2018	NOV 2018	DEC 2018	JAN 2019	FEB 2019	MAR 2019	APR 2019	MAY 2019	JUN 2019	JUL 2019	AUG 2019	SEP 2019	TOTAL
Field Management Services	\$23,080	\$35,266	\$24,175	\$23,317	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,839
Gate Attendants	\$17,921	\$17,614	\$18,397	\$18,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,252
Pool Attendants	\$0	\$0	\$878	\$864	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,742
Pest Control	\$123	\$123	\$123	\$123	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$492
Security/Fire Alarm/Gate Repairs	\$704	\$1,710	\$298	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,711
Telephone/Internet	\$1,213	\$1,079	\$1,149	\$981	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,423
Electric	\$17,236	\$17,144	\$17,657	\$16,125	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$68,162
Water	\$1,010	\$1,293	\$1,177	\$1,214	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,694
Gas	\$709	\$2,094	\$4,545	\$4,864	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,211
Refuse	\$775	\$882	\$1,379	\$388	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,423
Clubhouse Maintenance	\$5,050	\$8,399	\$6,031	\$7,828	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,308
Pool and Fountain Maintenance	\$1,490	\$1,490	\$1,565	\$2,034	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,579
Landscape Maintenance	\$14,667	\$14,667	\$14,667	\$14,667	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,669
Plant Replacement	\$0	\$1,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,114
Irrigation Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lake Maintenance	\$1,545	\$1,545	\$1,545	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,635
Wetland Mitigation and Maintenance	\$0	\$0	\$0	\$7,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,300
Permits/Inspections	\$0	\$0	\$0	\$462	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$462
Office Supplies/Printing/Binding	\$163	\$509	\$901	\$436	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,008
Operating Supplies	\$1,102	\$1,060	\$506	\$240	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,908
Credit Card Processing Fees	\$191	\$1,590	\$287	\$252	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,320
Dues & Subscriptions	\$445	\$255	\$998	\$358	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,055
Decorations	\$0	\$0	\$303	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$303
Special Events	\$8,168	\$125	\$9,860	\$37,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,353
Storm Damage	\$0	\$0	\$2,016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,016
TOTAL FIELD	\$95,592	\$107,959	\$108,456	\$136,974	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$448,980
OTHER SOURCES AND USES													
Capital Reserve-Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER SOURCES AND USES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Operating Expenses	\$152,920	\$136,873	\$128,597	\$161,390	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$579,780
Excess Revenues (Expenditures)	(\$23,654)	\$639,050	\$604,954	(\$94,699)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,125,651