

**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 November 8, 2019 at 11:00 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	Lake Ashton CDD Chairman
Borden Deane	Lake Ashton CDD Vice Chairman
Bob Ference	Lake Ashton CDD Assistant Secretary
Bob Plummer	Lake Ashton CDD Assistant Secretary
Harry Krumrie	Lake Ashton CDD Assistant Secretary

Doug Robertson	Lake Ashton II CDD Chairman
James Mecsics	Lake Ashton II CDD Vice Chairman
Stanley Williams	Lake Ashton II CDD Assistant Secretary
Carla Wright	Lake Ashton II CDD Assistant Secretary
Bob Zelazny	Lake Ashton II CDD Assistant Secretary

Also present:

Jillian Burns	District Manager
Jan Carpenter	Lake Ashton CDD District Counsel
Sarah Sandy	Lake Ashton II CDD District Counsel
Alan Rayl	Lake Ashton II District Engineer
Christine Wells	Lake Ashton CDD Community Director
Mary Bosman	Lake Ashton II CDD Community Director
Numerous residents	

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

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

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

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Ms. Burns: The first thing we have is Approval of Meeting Agenda. Anybody have any additions? It is fairly short for us today. If not, do we have a motion from Lake Ashton?

Mr. Williams: We did say we were going to add that due diligence item, right?

Ms. Sandy: We did say were going to. Can Bob speak on it? Alan left.

Ms. Burns: Alan is here. I think we were planning to discuss how Alan did an inspection report of the golf course and I think perhaps both Boards wanted to discuss that jointly, so if you are so inclined to add that after we discuss the interlocal, I think we would be looking for a motion to approve the agenda with the discussion of Alan's inspection.

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the meeting agenda was approved as-amended by the Lake Ashton CDD Board to include the discussion on the inspection report.

Ms. Burns: And Lake Ashton II CDD?

On MOTION by Mr. Mecsics seconded by Mr. Robertson with all in favor the meeting agenda was approved as-amended by the Lake Ashton II CDD Board to include the discussion on the inspection report.

THIRD ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda

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

Ms. Burns: That brings us to Public Comments. I only have two. The first is Mr. Steve Realmuto.

Mr. Realmuto: Hello. I am still Steve Realmuto from Lake Ashton in Lake Wales and the Lake Ashton community. I will keep my comments very brief since I have made most of them before, but I did want to repeat just a few, since I don't believe all of the CDD Supervisors were here earlier. Basically, I would just like to urge both Boards to consider the benefits to both CDDs and our entire community of approving the interlocal. I also want to urge both Boards to take the steps necessary to close on the entire property in December if possible to minimize the closing costs for the entire community. It is time to get it done. Thank you.

Ms. Burns: Next is Mr. Richard Sutherland.

Mr. Sutherland: My name is Richard Sutherland and I live on Pebble Beach Boulevard in Winter Haven. I simply want to say thank you for what I think is the action that you are taking that will save our community. I think it is so significant that I would suggest that it could be posted at either club or at both clubs because you have actually saved our community in my opinion and I thank you very much.

FOURTH ORDER OF BUSINESS

Approval of the Minutes from the September 27, 2019 Meeting

Ms. Burns: Up next would be Approval of the Minutes from the September 27, 2019 Meeting. Unless anybody has any changes, we would be looking for a motion to approve them from each District.

On MOTION by Mr. Deane seconded by Mr. Plummer with all in favor the Minutes from the September 27, 2019 Meeting were approved by the Lake Ashton CDD Board.

Ms. Burns: And for Lake Ashton II CDD?

On MOTION by Mr. Robertson seconded by Mr. Zelazny with all in favor the Minutes from the September 27, 2019 Meeting were approved by the Lake Ashton II CDD Board.

FIFTH ORDER OF BUSINESS

Consideration of Draft Interlocal Agreement between Lake Ashton CDD and Lake Ashton II CDD Regarding Acquisition, Operation, and Maintenance of the Golf Club

Ms. Burns: Up next is Consideration of Draft Interlocal Agreement between Lake Ashton CDD and Lake Ashton II CDD Regarding Acquisition, Operation, and Maintenance of the Golf Club. I am going to turn it over to Sarah, who is going to introduce and I think Jan will also jump in, as well as the two Supervisors who are designated to negotiate this agreement.

Ms. Sandy: Hi, good to see you all again. I know it has been a couple weeks, and since I have last seen the Lake Ashton Board, my office has been working diligently with your counsel to come up with an interlocal agreement that we think would be acceptable to both of our Boards that would be in the spirit of the goal that both of the Boards have

expressed and the acquisition moving forward. The draft that you have in front of you, we were working on up until yesterday, so apologies for sending it out late. We also included a one page summary that you have hopefully been able to go through. I will briefly discuss the structure. Forgive me if you were here before. I went through this just before at our meeting before this, so I will be repeating myself somewhat.

Ms. Carpenter: Excuse me, Sarah. I will just let you go through, then I will go back to my Board and talk about anything rather than interrupting you during your explanation. That is probably the easiest way.

Ms. Sandy: Okay. So, under this interlocal agreement, at the December closing this year, Lake Ashton CDD would receive ownership of the East course, which is the 18 consecutive golf holes located within Lake Ashton CDD, and Lake Ashton II CDD would receive ownership of the West course, the 15 holes within Lake Ashton II CDD, plus the 3 related holes that are in Lake Ashton CDD and the pieces of the golf club parcels that are also within Lake Ashton CDD. Lake Ashton CDD would pay Lake Ashton II CDD a total of \$230,000 over two payments with the first one being due in December of this year. The second would be a year later. Lake Ashton CDD would also be responsible for its remaining due diligence costs. That \$230 number was calculated based on the amount that Lake Ashton CDD said they were comfortable with, \$250 less the estimated amount of due diligence that would be left. Lake Ashton CDD would receive a title policy for the East course in the amount of \$250,000 as well as we would confirm that the seller would convey marketable title. Under the purchase and sale agreement, Lake Ashton CDD and Lake Ashton II CDD would enter into a long-term, what we are proposing lease agreement relating to Lake Ashton II CDD's lease of the East course from Lake Ashton CDD. Under that lease agreement, Lake Ashton II CDD would be responsible for the maintenance repair, replacement, and operation of the golf club in both the East and the West, except for the pathways, ponds, and bridges in Lake Ashton CDD, which Lake Ashton CDD would retain responsibility for the maintenance of. There would additionally be equal use and access rights to the golf club for both the landowners and residents in both communities to both of the courses in each of the Districts. There would be an obligation under both Districts to maintain the pathways, bridges, and ponds in their respective boundaries. Lake Ashton II CDD would maintain the pathways, bridges, and ponds in the

areas in Lake Ashton CDD until such a time if we can receive a boundary amendment to bring them in, those 3 holes that we could bring into Lake Ashton II CDD's boundaries. Lake Ashton CDD would agree to support Lake Ashton II CDD's efforts to request recreational powers from the city, additionally its efforts to have the boundary amendment for the parcels I just discussed. Additionally, Lake Ashton CDD and Lake Ashton II CDD would cooperate to set equal fees. Lake Ashton II CDD would set these fees with Lake Ashton CDD, agreeing to support or set the same fees and rates for the landowners, residents, and golf club users for the East course. Additionally, both Districts would record a perpetual nonexclusive easement to the benefit of the other District, landowners, and residents over the pathways and bridges within its ownership. So, those are kind of the highlights. I don't know if you have anything else to add, Jan?

Ms. Carpenter: No, I think you did a good job summarizing. There are a couple things I want to point out to our Board because I didn't get to talk to all of the Board members. Things are little different from the exact wording of how the Board approved it to make sure you are understanding everything here, and there are a couple things we didn't see the first time, so we want to make sure everybody is aware of where we are. I think we are actually in a good place. A couple more things I just want to make sure there is full understanding. On the first part, the ownership of the East course versus the West course, I think our Board had originally thought they would take title to everything in Lake Ashton CDD, and later convey those 3 holes and parcels to Lake Ashton II CDD, but the way the agreement is structured, Lake Ashton II CDD wants to take title to those immediately and then work on the CDD boundary amendments and approvals for operations by Lake Ashton II CDD. So, that is a little different from what you originally approved and I want to make sure that you are all aware of that. One thing we may need to think about is if you can't get the powers or change the boundaries of the CDD.

Ms. Sandy: I think we are comfortable with property outside of our boundaries and because there was consent included within the interlocal agreement.

Ms. Carpenter: So, you are comfortable with that?

Ms. Sandy: Yes.

Ms. Carpenter: Okay. Just wanted to make sure because that is a difference and I wanted our Board to be aware of it. The second thing is the purchase price. We said

this District will pay \$250,000. Because the survey and environmental work are not done, it seemed more appropriate for Lake Ashton CDD to have its own survey and review, so they cut the cost back to \$230,000 with approximately \$20,000 to be paid for by Lake Ashton CDD directly. So, the cost is still \$250,000 and that is why we still marked the \$250,000 title policy because that is what you are paying, but it saves them for having to have the work done on Lake Ashton CDD's behalf and review it for us and we have to review it, too. The long-term lease agreement, we want to look to see if a contractual agreement or other type of agreement would be appropriate, would contain the same terms. Lake Ashton II CDD would take care of the golf course, operate it, and have full control over the day-to-day operations of the golf course. We just want to take a quick look at statutory case law to see if there is harm from one District to the other by calling it a lease rather than a contract or some other type of agreement. We want to ensure we are not imposing income tax, sales tax, or additional liabilities or costs by calling it a lease because a lease under state law has some nuances. A lease probably will be fine, but you don't want to commit it will be a lease and not a contract of some kind that does everything we talked about where Lake Ashton II CDD completely runs the golf course, controls it, and is responsible for everything but the paths. So that is the only caveat that we have with the word lease, if we wanted to change it to contract or agreement, but they wanted to keep calling it a lease. I can't say it is in your best interest at this point, and I would need a little more time to look at it and do some research on the law to check. Everything else is the same. We will maintain our ponds, paths, and bridges. Equal use, equal rates. We specifically wanted to put taxes, if we don't receive anything from the tax collector, Lake Ashton II CDD will pay those taxes as part of operating for the golf course. Those are things that will be addressed in a lease agreement and there are a few of those ideas, but everything else is the same. We have come a long way. The only issues we really have from a legal perspective are the fact that because this is happening so late in the contract that Lake Ashton CDD has with the seller, the due diligence periods have just about run out. November 15th is the date for any property-related issues and it would pretty much be impossible to have a property inspector go out and look at the property. You can't get an environmental report done in time. The environmental concerns me for necessary legal issues, and it is somewhat important there is some understanding that

under state and federal law, there is an innocent landowner defense that if someone buys real property and does environmental due diligence that is customary for the area they are in, there is a standard and the proposals are requested and included in that standard and it is clean, then you have that defense if someone buys it down the road. You are an innocent landowner, you did what you should do. Because you are doing this, if something comes up and there is a problem, one it would be after the 15th, so we couldn't get out of the deal, and two, there would be liability because we didn't finish the due diligence before we got out of the contract. So, we still recommend the due diligence be done. I have gotten the impression from everyone that you don't feel there are any problems, but as a lawyer, I know there is a historical review that is done and you sometimes find things you don't expect to with real estate acquisitions. We will get it done, but we may not be able to get out of the deal if there are problems found. Hopefully there won't be any, but that is a potential risk.

Mr. Deane: So, we would have to pay for it if anything is found?

Ms. Carpenter: Yes. Lake Ashton II CDD will have theirs done I think within the next day or two, so we will be able to look at theirs.

Ms. Sandy: It will be done by next week.

Ms. Carpenter: Okay. So, we will be able to look at theirs before the 15th. If they find anything, we can certainly hope that it is going to be the same historic records, but there is a slim chance that there could be something else. Also, I understand Lake Ashton II CDD has found some issues on the cart paths and all. They are asking for repairs.

Ms. Sandy: We can address that afterwards. Alan did an inspection with Supervisor Zelazny and there is an email with some pictures in our agenda that we will get to after the interlocal agreement.

Ms. Carpenter: Okay. Does that cover both golf courses?

Ms. Sandy: Yes, they did both.

Ms. Carpenter: Okay. If it covers both, that is great and we will be able to take advantage of the work we have done so far. If this Board wants to have our engineer go out and double-check things to see if we can get somebody to run out there quickly or have the Board do it, we can. The title and survey, we will be able to look at the title and survey, but again, we are probably past the point where we can object too much. Again,

Hopping Green has a good real estate attorney reviewing their title, and they have sent us their comments. We still need to finish looking at it. I don't think there is anything, it has been financed and refinanced, so the odds of there being anything are really slim, but the lawyers felt we really need to make sure everybody understands the risks and benefits, and I think we are all clear and everybody is happy with the benefits, but there are some typical real estate risks.

Mr. Costello: Environmental issues. I know you said there could be some.

Ms. Carpenter: The standard environmental Phase I audit is done under a standard where the environmental professional, who should be a properly licensed engineer or similar permitted people can do this, will walk the property, look to see if they see any stained soils or potential problems out there, do a survey, look at title, do record searches of all of the environmental jurisdictions the city and the federal government, they will do searches on the property descriptions so they will find any problems with storage tanks, pesticide, insecticide, and arsenic issues, etc. Again, this was refinanced I think around 2009 by the developer, so assuming there was nothing there, and the odds are really good that there are no problems, but it is something to be aware of that something could show up and then you have to deal with whatever it is. Title and survey we can deal with, again, marketable title means clean title, but it doesn't mean that there is nothing out there that you don't like. We are past the point of saying you don't like something so we will be limited to being aware of what is out there. I don't foresee any problems, but we will look at everything that is out there. I just wanted you to be aware because it is so late in the game, we are a little bit behind things. Lake Ashton II CDD's attorney had volunteered to see what we have. The only other thing, any other inspections, we have passed the time, that is where the bridges and things come in. We don't have any buildings, so we don't need any building or construction inspections. So, that is where we are. The issue on the interlocal, we are looking for the Boards to approve the interlocal, subject to approving the form of contract for operating it.

Ms. Sandy: We are trying to finalize that within the next week.

Ms. Carpenter: Okay. That is included as an attachment to the interlocal. There are two ways we can do this. We can approve the interlocal, or approve it subject to that other contract being approved and the Board can delegate someone to handle that. If

that is the case, we can just talk as a Board about certain parameters, or the Boards can meet again, which I know folks probably don't want to do, to approve the lease agreement once it is finalized.

Ms. Sandy: We continued our meeting earlier to next Friday, albeit with the due diligence period ending then, we figured we would need to anyways, and also to allow us to execute the lease agreement and approve that. If the Boards wanted to do that, as well with this meeting, we could. Part of the reason we wanted to include the agreement as an exhibit to the interlocal agreement, it would be executed at closing, but it would give both Districts comfort that we have negotiated it, it is in final form, it is attached to the interlocal, and it is this document not in substantial form, but this version to be executed at closing so everybody is clear on the terms.

Ms. Carpenter: And that does make sense. That is an intricate part of this. Lake Ashton CDD is giving over control for operations to Lake Ashton II CDD and will cover some of the provisions we talked about with taxes and operations.

Ms. Sandy: I know Jan went through this already, but what we have recommended to our Board and what we feel very strongly on, is asking for a long-term lease agreement that has lease-hold interest on the property. There are several different reasons for that. I know Jan has raised some issues of concern that she wants to look into on behalf of Lake Ashton CDD, and she will, but we feel strongly that a lease is needed in order to fully commit to operating this as a golf club, doing it long-term, we are showing our commitment to investing in this golf course and in this golf club and community, putting a lot of money into it, so we want to see the commitment on both sides as a long-term lease that would bind both communities.

Mr. Costello: How long before we can get copies of the agreement? We didn't receive the information for this meeting until late last night. It is not as if it is a long document, but by the same token, we need time to go through it thoroughly. I am hoping that we won't get another document next Thursday night for a Friday meeting.

Ms. Carpenter: I think Sarah said they have a draft about ready. If we can get it by tomorrow, we can commit giving initial comments. I think we need time for the attorneys to get through the legal issues before the Boards have to deal with them. I think that it would make sense to send it to the Boards by Monday afternoon, and perhaps

delegate to someone else if there are other issues that we need to work through. Then, if we need to call on the delegated person, we can always do that Tuesday, or soon after, but at least the Boards would have the information earlier that way. I think we are there on the interlocal, we pushed both sides as hard as we could. I think we are good on both sides and I think we have everything we need, or at least I think we have everything this Board needs from a property standpoint of owning, having the obligations to maintain our side, and to have the other side operate. So, I think we have what we need.

Mr. Costello: My other question is you said a lease agreement will take CDD #2 as far as operating the golf course tax-free so we do not get them into a situation where they are spending more money than they have to.

Ms. Carpenter: Exactly. And no matter what we call it, Lake Ashton II CDD will have the same rights. I just don't want to call it a lease and find out we have to put an income tax, property tax, sales tax burden on them under that agreement. I am not strong enough on some of those tax and accounting issues to be able to say that off the top of my head. I know sometimes we structure things and we call them contracts, and we are looking for a 30 year term. Again, there are issues related to tax and accounting that may make a difference. They are looking for a 30 year contract to operate, and as long as they're operating the golf course, both sides would be operated together as a joint facility. They couldn't stop operating the East side or the West side, unless it was part of a renovation or repair, which the residents would be given notice on. I don't think we have any issues with the terms of it, but we want to make sure we don't make it something that applies an obligation on one side or the other that we didn't anticipate. Sometimes insurance rates are also different when you are lessor or owner. It shouldn't take more than a day or two, but again, we want to make sure we don't step into something inadvertently that could've been avoided.

Mr. Robertson: We are all in this together. We just want to have a single community golf course and operate it together. We need to come to that conclusion because we are one community.

Ms. Carpenter: Exactly. We are a little behind the 8 ball on our side, so we just need to make sure it is right for both parties. We will do that as soon as we can.

Mr. Mecsics: I would recommend having Bob and myself continue on.

Ms. Carpenter: I think it worked well last time where we had a call first with the lawyers, got through some of the initial issues, and then we had a call with both Board members. I think that works. I would like to get this to our Boards early so they can give us any input because we didn't have time with the interlocal to do that.

Ms. Sandy: I think we are looking at this time to approve the interlocal agreement in substantial form, subject to finalizing the lease over the next week, with authority to Mr. Mecsecs for the Lake Ashton II CDD Board to work with myself to finalize the lease.

On MOTION by Mr. Robertson seconded by Mr. Zelazny with all in favor the interlocal agreement was approved by the Lake Ashton II CDD Board in substantial form; subject to finalizing the lease; and Mr. Mecsecs was delegated authority to work with District Counsel to finalize the lease documentation.

Ms. Burns: And we would be looking for a similar motion from the Lake Ashton CDD Board, with the caveat that instead of Jim, it is Bob Plummer to negotiate.

On MOTION by Mr. Deane seconded by Mr. Costello with all in favor the interlocal agreement was approved by the Lake Ashton CDD Board in substantial form; subject to finalizing the lease; and Mr. Plummer was delegated authority to work with District Counsel to finalize the lease.

Ms. Burns: Our next item is the inspection report, and apologies to the Lake Ashton CDD Board since this was not originally on the agenda. I do have iPads for you where I brought this up so you can view the photos. The inspection report has lots of photos. All right. We will turn things over to Alan to kind of go through what he found and then you can ask him any questions.

Mr. Rayl: Thank you, Jill. As the email says, Supervisor Zelazny and I took a cursory golf cart tour around the golf courses and looked at the overall condition of the infrastructure. We looked at areas of erosion, we looked at the drainage areas that carry the runoff and fairways into the ponds, we looked at areas of cart paths, undermining areas where some of the cart paths were broken, there is a section of a cart path that was never completed, and then we also looked at bridges, mainly the bridge encroachments. There was a theme of similar issues we saw that can be covered through some regular maintenance. I didn't see anything that was in a fully failed condition that would permit

continued use where we would have to shut down the golf course holes to resolve anything, but there are issues that deserve some attention, and I would expect are some things that will continue as part of regular maintenance of the golf course infrastructure. We took some photos and I have attached them from specific locations that represented general examples of some of these things you are going to find throughout the golf course. What I stated in our previous meeting, I spoke with a resident since when I was under the impression that I didn't think some of these needed to be attended to, but now I think that they do. It isn't to any such degree that I feel we are buying that wasn't appropriate, these are just regular maintenance items. The first photo shows a poorly repaired area of erosion under a cart path. You can see at the very top of the photo the erosion on the other side of the cart path, and what they have tried to do to try to stabilize the downstream side, it doesn't appear that they addressed the source of the problem so that would be something that I would recommend be approached to resolve this and not just try to keep band aids on what is happening and really analyze what is going on that is causing this and affecting that repair. Other photos attached are pretty common around the golf course, the flumes that carry runoff, flow from the fairways into the ponds, many of them have failures of the downstream discharging in. None of these things would put them out of compliance with any of the S.F.W.M.D. permits, it is just maintenance issues. Honestly, many times when water levels are up and these broken areas of the flumes are below water, there is no additional opportunity for the erosion to continue undermining.

Mr. Robertson: In many cases you have discussed that you would like to slow the water down rather than speed it up, and going forward, we would look at that differently so that it would cascade down. As we address these things going forward, we will take a slightly different approach.

Mr. Rayl: Correct. The fifth photo had minor erosion at Pond #15N, which is Hole #5, you can see there is a gravel landscaping area on the upstream side and erosion going into the pond on the downstream side. Areas like that are very simple to fix and resolve, and they will occur on their own through just the natural course of maintaining things, but it is not an irreversible situation and it is not hard to fix, either. There are more photos of flumes and bridge approaches were another area where we saw consistent issues with erosion both outside of the structure of the bridges where the cart paths meet

the bridge approaches, and abutments the bridge sit on that are held with some landscaping timbers for the most part in a lot of areas. They are losing soil out from under those timbers. Again, it is a reparable condition. The last photo I have there is one of them where the erosion has grown and is starting to take some concrete with it. That repair would involve a little more than just the approach because it would involve the concrete, as well. Again, it is not anything that can't be resolved.

Mr. Robertson: We had a similar issue on the bridge on Hogan where those exact things were happening. It is a simple design project and addressed it as normal maintenance and solved it.

Mr. Plummer: These issues, as well as the ones you talked about the other meeting on the West, are all of those in totality being negotiated as part as getting those repairs prior to purchase?

Mr. Zelazny: We have brought it up to Sarah and the other lawyers to negotiate to see if we can get a reduction in the price of the golf course based on the necessary repairs, or have them repair it before we take over. They might not accept them as necessary to be repaired. As Alan was saying, nothing puts us in an unsafe or unusable manner, so we are trying to negotiate either to have them fix them, or to give us some kind of compensation on the purchase price, and as a result of those negotiations, we will know what happens.

Mr. Robertson: And our Board authorized Jim to continue with Sarah and your Board authorized you, so it is your call to continue to negotiate that.

Mr. Plummer: My question was because you are addressing issues you found on both the East and West courses. That is the main question.

Mr. Robertson: Yes. We have canvassed the entire 36 holes.

Ms. Carpenter: From a procedural standpoint, we can't negotiate directly with the developer. They have a contractual right.

Mr. Plummer: I am aware of that. I understand that. I just wanted to make sure that they are all included within that negotiation, both East and West because we would like to start with the slate as blank as possible as far as maintaining everything as well as you do on the other side. I think you have come to that with your inspections, and I have the upmost confidence that you are negotiating for both of them.

Mr. Williams: You may want to look at it yourself a little bit closer because in the negotiations there are no considerations for ponds or bridges.

Ms. Carpenter: What I would suggest for our Board, whether one Supervisor wants to walk through or our engineer wants to, just to see if there is anything else to add to the list. You may not need to do it since Alan has done it, but it is something to consider. There is only a tiny period of time to discuss this.

Mr. Plummer: I am comfortable with the inspection done by Alan and Bob and going through it. I don't know if we have much time to do what you are suggesting.

Ms. Carpenter: No. I think the only issue is just because it was said publicly that there are no health or safety issues, we just want to make sure that is something this Board agrees with, that there is nothing hazardous on our side because again, if they are going to operate it on Lake Ashton CDD's behalf, you have to make sure we are not turning over any unsafe conditions. There are some obligations on our side.

Mr. Zelazny: Bob, I would just suggest that you take Alan's report and take the drive around. We did it about two hours, something like that. Just make sure those areas you are concerned with are included in Alan's report to the seller. I know Stan does have some concerns. Just so you know, we looked at the fact that the golf course in your case is around 17 years old. Ours is around 12 years old. This isn't a brand new golf course. There is fair wear and tear. Alan and I didn't address those things. We didn't address the ponds because the ponds are one of the reasons we are in the situation we are in today. He is not going to spend the money to get it up to get rid of it. The bridges we found to be structurally sufficient, but there are boards that are dry rotting that need to be replaced, but it didn't appear to us to be critical. Stan believes that it is and should be looked at, though.

Mr. Rayl: And to be clear, where I stood on health and safety and existing hazardous conditions, I didn't see anything like that. There are areas that if not given some attention will turn into that, the undermining cart paths and things like that. As it sits today, I don't see that we are buying an area where we know we have a liability issue sitting there right now. We identified the areas that deserve some ongoing regular maintenance attention, and certainly an undermining cart path has the opportunity to become a hazardous condition if it is not addressed.

Mr. Ference: Having said all of that, is it appropriate for us to approve the interlocal agreement as-spoken?

Ms. Burns: We already did that.

Ms. Carpenter: This is just a walk-through from Alan and what his view of what is out there so they could approach the seller about. If the Lake Ashton CDD Board chooses to go out and look at the places themselves to see if there is anything else they would like to add or address, you can.

Mr. Deane: If the settlement goes within the next week, I don't want to get a call from the operators of the golf course saying we have to replace 6 cart paths or something. That is what I am concerned about.

Ms. Carpenter: And that is probably something you are going to want to have a full inspection at some point in the future built into the budget for next year because there is some work that needs to be done. I think it has been a while since that has been done.

Mr. Deane: There is a lot of work that needs to be done. I understand, none of it may be health related at this present time, but I don't want them to say next year we need to replace 7 cart paths or something like that which is going to be a large expense because we are responsible for the cart paths and expenses. If they are purchased today, they should last more than a few months or a year I think. That is my opinion at least.

Ms. Carpenter: And that is something Alan said, there is nothing right now that needs immediate work. There is some normal wear and tear, but from a total protection, you may want one of the Board members or the engineer go out and do a quick walkthrough to confirm that there is nothing else. Then, you can think about putting something in the next budget for repairs of cart paths and ponds in case it is needed, but you might still want to have somebody go out there on Monday just to quickly see if there is anything else that was missed or that they feel is more dangerous. Is there somebody who would like to do that? Bob? You can also ask the engineer to accompany you. Just let Jill know and she can arrange that. I think that can fall under Bob's lease work. We just have to have something that if any health or safety issues are found, they would have to be remedied. That is a standard under any kind of operating agreement. The actual repairs, we would have time to put that together to come up with a capital improvement plan for the paths and things so they can be budgeted for.

Mr. Costello: And I think we realize that there are going to be repairs that are going to have to be done, but it is not like we are going to have to replace everything all at once. We will have to take care of the areas that are as you said, are a hazard where somebody could get hurt, but as far as the rest of it goes, I think piece by piece you can probably take care of it in a reasonable amount of time.

Ms. Carpenter: That is what it appears from Alan's report. There is nothing that needs to be addressed immediately. Again, it will be helpful for Bob to go through that walkthrough, too, so our Board feels comfortable with everything.

SIXTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Ms. Burns: Next we are on to Supervisors requests and general public comments. Is there anything from the Board to discuss before we turn it over to the audience?

Mr. Williams: Just something on our side, the due diligence, what about the ADA report? Was that on the list to be done?

Ms. Sandy: To be discussed with the seller?

Mr. Williams: Yes. Or are we going to be paying for that?

Ms. Sandy: Originally when we were discussing the budget, we were including the costs to fix it in our operating budget. Lake Ashton II CDD, when they purchase it, the golf course would pay to make those changes.

Mr. Williams: Is it going to come out of our reserves or the golf course operations?

Ms. Burns: That is up to the District.

Mr. Williams: Okay.

Ms. Carpenter: We should have an approval for the District Manager and Bob to authorize a survey and environmental contracts to be signed and begun immediately.

On MOTION by Mr. Deane seconded by Mr. Krumrie with all in favor Supervisor Plummer and the District Manager were authorized to enter into agreements for the survey and environmental work to be done for Lake Ashton CDD.

Ms. Carpenter: In the event that either should need a little bit of extra work, would the Board be comfortable delegating authority to Bob up to \$3,000 for doing additional due diligence if needed?

Mr. Costello: I would say it should be a \$5,000 limit.

On MOTION by Mr. Costello seconded by Mr. Deane with all in favor Supervisor Plummer was authorized to spend a not-to-exceed amount of \$5,000 for Lake Ashton CDD for any additional necessary survey or environmental due diligence.

Ms. Burns: Anyone else before we turn it over the audience? General comments?

A resident: A comment was made that there were no buildings on the Lake Wales side. I believe there is at least one, which is the bathrooms, and the reason I bring it up is because on the other side the water wasn't actually connected, so those are the kinds of things you might want to be aware of. Also, there was question about whether to call this a lease agreement or something to that effect? Why not simply call it an operating agreement and let it be that?

SEVENTH ORDER OF BUSINESS Adjournment

Ms. Burns: I think we were thinking about continuing the meeting until 10:00 a.m. next Friday? Do we have a motion to continue the meeting from Lake Ashton CDD?


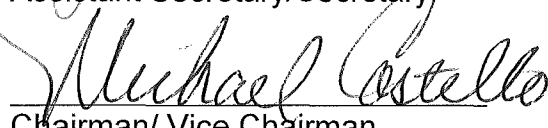
On MOTION by Mr. Costello seconded by Mr. Deane with all in favor the meeting was recessed to reconvene on November 15, 2019 at 10:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.


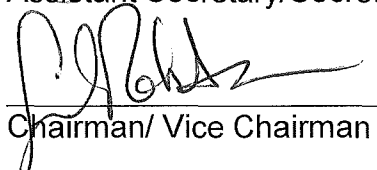
Ms. Burns: Do we have a motion to adjourn from Lake Ashton II CDD?

On MOTION by Mr. Robertson seconded by Mr. Zelazny with all in favor the meeting was recessed to reconvene on November 15, 2019 at 10:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Lake Ashton CDD

Lake Ashton II CDD


Assistant Secretary/Secretary

Chairman/ Vice Chairman


Assistant Secretary/Secretary

Chairman/ Vice Chairman