

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

A special meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Friday, February 28, 2020 at 9:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lakes Wales, Florida 33859.

Present and constituting a quorum:

Mike Costello	Chairman
Borden Deane	Vice Chairman
Robert Plummer	Assistant Secretary
Bob Ference	Assistant Secretary
Harry Krumrie	Assistant Secretary

Also present:

Jillian Burns	District Manager
Jan Carpenter	District Counsel
Edward Brandt	Lawyer
Christine Wells	Community Director
Numerous Residents	

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

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

SECOND ORDER OF BUSINESS

Approval of Meeting Agenda

Mr. Costello: We need a motion to approve the meeting agenda. Before we go any further, I would like to make a motion that we move something up to where our attorneys can give a history to what is going on and where the problems lie.

Ms. Carpenter: I would also suggest moving up number 5 – Consideration of the Request of the Current Restaurant.

Mr. Costello: Okay.

On MOTION by Mr. Plummer seconded by Mr. Deane with all in favor the meeting agenda was approved as-amended.
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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)*

Mr. Costello: We have public comments. We have one request from Steve Realmuto.

Mr. Realmuto: Lot 1031. I will keep this very brief in consideration of everyone's time. I hope it is obvious, but the definition of insanity is repeating the same thing and expecting a different outcome. I just want to urge you to get off the merry-go-round and do something different with the restaurant. It is time to consider much more. I don't want to say radical, but substantial ideas or changes to change what has been happening every year since the developer's restaurant left. Every two years we seem to be getting a new restaurant for various reasons. You really need to consider other ideas such as perhaps owning the restaurant and having a management company operate it or something else but if you repeat the same process we are likely to have the same result. Thank you.

Mr. Costello: Alright. Jan, if you could present us with what you have.

FOURTH ORDER OF BUSINESS

Discussion Regarding Plans for Future of the Restaurant

- A. Overview of Restaurant History**
- B. Options for Future Restaurant Operation**
- C. Supervisor Discussion**

Ms. Carpenter: I guess first let's start with the current restaurant. Is Mr. Bryant here? The attorney for the restaurant had said that he was going to come. I don't see him here. I will fill in what we understand he was going to say. When he received the certified letter terminating the lease, he wrote an email to Andrew indicating that he thought his client would be amenable to terminating the lease well before the 90 days with the return of the security deposit. He called and followed up with Andrew and said that if she could get the security back she would leave quickly. I think the Board should consider that under the assumption, that is still a current offer. That was just a couple of days ago when he called. Given the situation now with lack of insurance and all, it seems from a liability perspective it would be in the Board's best interest to terminate that lease, and perhaps delegate a Board member the ability to go over the inventory and the

decisions needing to be made for return of the lease or portions thereof. I think that is probably the first thing for the Board to consider so the Nini's lease can be completely dealt with.

Mr. Krumrie: Do we have a date?

Ms. Carpenter: No, we don't, that is why I was looking to see if he was here. I guess that would have to be negotiated. I got the impression it would be as soon as they could get things wrapped up, get the inventory done, and all the things necessary to return a lease.

Mr. Krumrie: Because there are some things out there. For example March 17th, they have a show in the restaurant.

Ms. Carpenter: We will just keep repeating what we have been saying, without the liquor liability and the other protections that the lease affords, the District is at liability for as long as they keep running and are in possession of premises owned by the CDD. If there is an issue, the CDD would be sued and would be responsibility for failing to require them to have that and could have monetary damages and those would be assessments on everyone.

Mr. Krumrie: I understand that, but she has received deposits from residents here to attend a show, so how is she going to return those deposits?

Ms. Carpenter: We will have to get with her attorney to come up with an agreement as to how she is going to wrap up to make sure there is no remaining liability. Same with timing, return of the lease and that is where we suggest delegating to one Board member so those kinds of things can be wrapped without need for another meeting if possible.

Mr. Deane: I think it can be done, but it is going to take some time. We have to take an inventory. I know they have been cleaning the restaurant as per normal and they have been doing a good job of that. The inventory has to be taken, and things like that. Maybe we set a date here that it could be wound up by March 30th.

Ms. Carpenter: It could very well be after that because we also have to make sure there are no outstanding invoices so if she leaves, the District is not hit with a bill that is unexpected. It probably would take a little bit of time, but any reduction from the 90 days would certainly be a good thing in our view from a legal perspective.

Mr. Deane: I think it can be done, it is going to take a little bit of time.

A resident: Has anybody talked to Nini's directly?

Ms. Carpenter: Just so you know, their counsel contacted us. We don't talk directly to the client. It is prohibited by ethics rules. The attorney now is representing her. Just so the Board knows that is who we are talking to.

A resident: The attorney is on his way.

Ms. Carpenter: In the meantime, if he is here and the Board wants to hear from him, is that what you would like to do? I will give you quick history of what has gone on at the restaurant for background.

Mr. Costello: That would be good.

Ms. Carpenter: For the Board members, most of you probably know this, but for the residents and the Board members that don't, the facility, the ballroom in the clubhouse, was built primarily with bond proceeds. Bonds were issued back in 2005/2006. The developer ran the restaurant as an amenity for his sales. He ran it. He always claimed he ran it at a loss. The District in about 2011 or so terminated the developer running the restaurant and began leasing the restaurant. There has been lessors that we have written leases with. The Plaza Café ran for about a year in 2011, defaulted in 2012. The Cayenne Group had leases in 2012/2013 and it was terminated in February 2014. Jose Restaurant, 2014 and there were multiple defaults and breaches. Fire Restaurant 2015 with a renewal through 2018 and then Nini's began in 2018 with breaches. Just the history of the current lessor we have never received the insurance, or any of the requirements to move in and occupy the premises.

Mr. Costello: Could you explain that because I know, but I have been told that there was an insurance policy put out by her through the internet, and could you explain the different insurances that she is not in compliance with?

Ms. Carpenter: Sure. There are a number of insurances that you have to have for running a business, which the District requires, and just about all landlords would require some additional umbrella policies and other things. This is about the least we could ask for to be reasonable for a facility this size. The policy is her general liability insurance policy. That covers the slips, the falls, property damage and all the basic things like you have on a homeowner policy. That is your property insurance. The second requirement and it is a requirement of law is workers compensation insurance. That is required by the

state so that her employees are covered by workers compensation should they be fired or have any other event that under the law needs to be covered by the workers compensation laws. That one we have not received. So that is state violation as well as a lease violation. The District, when we know we don't have these things, we are put in the position of hey, we know someone is violating the law and we are letting them stay there. That is one of the reasons we need to get this terminated as quick as we can. The third and probably the most serious from a liability and cost perspective is liquor liability. You have all probably heard if somebody gets overserved or drunk and goes out and hits someone the person who overserved them is liable. There are insurance policies that cover specifically that. We do not have that policy. Serving alcohol without an insurance policy is a huge liability. Again, the District is aware of that. We have asked over and over and over in writing and verbally, we have been promised it, and we have never seen it. We have asked her lawyer for it. We have never seen it. Again, the District is being faced with a liability for them not having it, and also for the knowledge that we know they don't have it, or at least have been unable to provide it. That is a very big liability because if someone is hurt, the District could be sued and would probably be liable because she doesn't have insurance. They would come after the District. I don't want to guess, but I would think any insurance of the District would not want to cover something that should have been covered somewhere else. I would see a coverage denial probably pretty quickly.

Mr. Costello: Would it be true that the argument more than likely would be that since we had not enforced our contract of her having insurance that we would be liable?

Ms. Carpenter: Yes. That would be the argument that would be made and it would probably be very tough to get around that. That is just my gut feeling, and again I don't want to say a whole lot more, but the District has been more than reasonable with her saying she has it, but you get to the point when you don't have it, we have to enforce the lease. If she had, there is no reason why we wouldn't have it or why her lawyer couldn't have provided it to us. Those are the different types of insurance policies. The one that we saw, the picture on the internet was just the liability policy.

Mr. Plummer: Isn't there a fourth policy, as well, required in the lease? Aren't there four policies in the lease?

Ms. Carpenter: I think we asked for an umbrella to raise the amount to cover. The umbrella, basically as you all know, an umbrella policy that a lot of folks have is to increase the limit to make sure the limits are high enough. Generally, commercial policies you can buy a very low amount that wouldn't cover a normal slip or fall accident.

Mr. Costello: How much of that has she complied with, as far as giving us proof of insurance?

Ms. Carpenter: We have only seen the general liability. We have not seen the other three. I know there have been some meetings and discussions with getting this into compliance, but it never happened, so that is why the Board acted to terminate formally because we just got to the point of there is no more talking. The Board had to take action.

Mr. Plummer: The one that we have seen, have we seen that because she turned it in to us?

Mr. Deane: She gave it to us.

Ms. Carpenter: That is really where we are. That is the history. Since we are still waiting, I will get into a little bit of some of the issues of the restaurant and leasing. Because the facility was built with tax-exempt bonds, there are issues associated with making a profit. Profit rules, management agreements have very specific rules that if you don't follow those rules you could lose the tax-exempt status of the bonds. Any structure of leasing and management we need to run past bond tax counsel to make sure that the amount of profit, the amount of bonds used to build that facility don't rise to a level that would cause the bonds to be taxable. Those rules have become a little more stringent and are being observed more recently. The management contract rules have been revised and there has been some guidance on those. If the Board runs it themselves they don't run into, because the Board generally does not own it themselves and is a governmental entity, but for private, we would suggest that any other type of arrangement we need to run it past bond counsel. The bond counsel who did the original bonds unfortunately passed away a year or two ago, so his office would probably have to get up-to-speed. I think some of his associates or partner dealt with the last one. That would be the recommendation is either that same firm or another firm take a look at whatever structure comes up that would be different to make sure there is no issues there on the bond tax compliance. That kind of wraps up the restaurant in five minutes or less.

Mr. Costello: Does anybody have any questions?

Mr. Ference: Is that an argument in favor of?

Ms. Carpenter: I think your question is that an argument in favor of running it ourselves? No? I think yes, it could be, but I think that is probably an analysis that should be done anyway at this point, so the options are out there and the Board knows those options. Just considering a management contract, that is where you hire someone to come and manage that structure is something that has to be run past bond counsel, so that would be a little bit more expensive in putting together a management contract. It is probably an analysis that we should have done anyway because it has been quite some time since the District went through this concept with structuring the restaurant.

Mr. Ference: With your experience with other CDDs, other communities, have you found there is an advantage or disadvantage to the community running the restaurant?

Ms. Burns: So, you are really looking at three options.

Mr. Ference: My question is in your experience with other communities, have you found that there is a more favorable answer to the question as to who should run the restaurant? Has there been more success one way or the other, or how do you determine that there is a better choice?

Ms. Burns: If the District decides to operate the restaurant themselves, you are more at a risk for mitigating the losses. You are financially responsible for the losses.

Mr. Ference: My question is, what do other communities do?

Mr. Costello: I think what Bob is trying to say is where have you found success? Have you found success in having somebody manage the restaurant, or have you had more success with people bringing in outside entities as we have?

Ms. Burns: Sure. I think it depends on what you are looking at. Are you looking at stability or are you looking at all options?

Mr. Costello: Stability, number one. Personally, I think that we are sick and tired of seeing the revolving door. Quite honestly, they want to see people come in here who are going to be part of the community. I am not trying to say that any one of these groups that were listed didn't try to become a part of the community.

Ms. Burns: It is a cost benefit. You would have more stability if the Board is operating it themselves; however you are open to the losses. If the restaurant is operating

at a loss, it is not a tenant who has those losses, it is the District. The residents would essentially be supplementing that restaurant if it is operating at a loss. With a lease option you are not on the hook for the losses, if you are looking for stability versus cost.

Ms. Carpenter: Bob, I think the answer is it depends on the CDD. If the District wants to hire a manager and say our fixed cost is going to be this much money, and we are going to hire a manager and they are going to run it, that is one way to do it. You lose some control. You have some tax issues, but your cost is fixed. The District chooses to run this the way we want it, open the days we want it, then the answer is to run it yourself. It depends on the community, the number of users, and the amount of control that the District wants and what works. It is different for every District and the type of District and the size of the facility. This one is a little bit different than most because it is a very large facility as opposed to a snack shop or snack bar, which is more typical.

Mr. Ference: So, are you saying if we ran it we'd be exempt from property taxes?

Ms. Carpenter: No. That is separate from the bond tax-exempt opinion I am talking about. Property taxes, we would file for an exemption. The property tax appraiser for Polk County, given history, would say no, you are still making a profit. We would challenge to try to show that it was not profit-making. If we could win that challenge, then we would not have property taxes. It is worth the argument, but there is no guarantee. They may say you're running a commercial operation, so you have to pay but it certainly is worth the argument particularly if we can show a history of losses.

Mr. Costello: My question also on this would be as far as the liquor license goes, I think that would become a rather large part of the equation in the fact that selling liquor today you are taking a major risk, putting yourself in jeopardy a little bit there. Would we be able to get the protection for the residents that we know we want them to have?

Ms. Carpenter: With the liquor liability, again, that would be getting the right policy and for a decision of umbrellas and whatever else the District could get to add the protection. It probably would be somewhat similar to having somebody in place because the District would always be named in a lawsuit if the lessor or manager or your own person was running it. When you own the facility as a landlord, you are probably involved no matter what, so it is really a matter of the amount of protection the District wants to pay for and the amount available in the marketplace that we could get.

Ms. Burns: The policy that we just got Lake Ashton II was about \$2,000. It was about \$2,000 to get the liquor liability policy added to their insurance just for an estimate.

Mr. Costello: Nobody wants to collect on insurance, but on something like you could have major problems.

Ms. Carpenter: We would certainly recommend that we seek out to see what umbrellas and what else is available that wouldn't disclaim the liquor liability portion of it because it is hard to fit that in. I think Mr. Brandt is here. Come on up. I work with Andrew. He is not here today. I think I presented what you discussed with Andrew, but it is great that you are here so you can present it better than I did.

FIFTH ORDER OF BUSINESS

Consideration of Request from Nini's for Early Termination

Mr. Brandt: Good morning. I have had extension conversations with email, personnel, with Mr. Krumrie, with my client, Sandra Joyner, who manages Nini's Café. There has been some misconceptions that have been brought to my attention. I just want to clarify this. At no time have we voluntarily surrendered for lack of a better word the lease. In other words, Mr. d'Adesky and I, and it is probably known to a lot of people and that is okay, because sometimes when lawyers discuss things we are not allowed to broadcast our clients and in that situation it was never brought up to my knowledge about, this is confidential and it is just something that I have been told, that Ms. Joyner was willing to just give her business away and just leave the lease. I can't discuss some of the negotiations that we had in place. Negotiations you know, nothing is set in stone, but it was a surprise when Ms. Joyner sent me the letter informing me about the rumor on the eviction. I am not sure she has been served yet. It was supposed to be a 90 day eviction notice. I read the lease in entirety and I don't think there is necessarily per se anything wrong with that clause in the lease. She did sign in. I heard something when I walked in about liquor liability and insurance issues and to my knowledge, again Ms. Joyner has provided to me all the necessary insurance documents, but that is neither here nor there. I get what the end game is here, now you want to replace Nini's Café with someone else, a management company or something of that nature. I get that. We get that. However, we are still trying to negotiate a way pursuant to my last conversation with Mr. d'Adesky and Ms. Joyner, a nice separation, if you will, an amicable separation where

I don't want to get in to the details, but in other words she wouldn't be running Nini's Café in here anymore. On the other hand, though we would be pursuing a complex and long litigation, there are lot of issues that I talked to Mr. d'Adesky about. I am sorry he couldn't be here today, but none-the-less, I wish we could talk about that, but again, the Board is making a decision today. I think that the Board, with all due respect, needs to inform us as to the nuts and bolts of my conversation with Mr. d'Adesky. I think that is only fair to Ms. Joyner and quite frankly it is fair to everybody, full disclosure.

Ms. Carpenter: Andrew's office is next to mine, and the discussion which I presented to the Board was that Nini's Café would agree to leave early with a return of the deposit, her security deposit.

Mr. Brandt: That has been floated around and that was likely at a time or plausible a decision that we come to, but again without talking with Mr. d'Adesky...

Ms. Carpenter: I am going to cut off there. The Board has terminated the lease pursuant to the lease and sent the required notice. There really has not been any other negotiation. I know you have spoken with Andrew and I have a copy of the email and spoke to him. The suggestion was that she leave early for a return of the security deposit. I think if there is other issues, or other possibilities, the Board would like to hear them, but any discussion about settlements, I think we are past that in that we had several proposals that didn't work, so the Board had to take the termination route.

Mr. Brandt: That is understandable. A lot of decisions were made without my advice of counsel. I spoke with Ms. Joyner and explained to her some avenues we could take, withdrawal strategy for lack of a better word. She is not going to stay here, that has been determined just by the circumstances as they are. I feel we still have worked on that, and again, a settlement is perhaps too generic a term to use, but she would leave and you would find someone else, maybe a management company or another private entrepreneur, I don't know. That is beyond my realm. But, at this point I think I would like to speak to Mr. d'Adesky, and you as well, Ms. Carpenter about possibly talking about the return of the deposit, getting her out of here, the sooner she is gone, the sooner you can find someone else to replace her. She has 90 days.

Ms. Carpenter: That is what we presented to the Board. I spoke with Andrew just before I came in here, and at length and that was the message when you weren't here

earlier to the Board, the proposal was she would leave before the 90 days with the return of the security deposit. We don't have any authority to negotiate anything without the Board okaying it, so if that is what you are presenting, the Board can consider that, and decide yes, that is the right thing or subject to inspection the typical items. That is what we would ask the Board to determine. Andrew and I don't have authority to make those decisions. That was the last proposal we had, so if that is it, the Board once you finish with anything you would like to add, they can certainly consider that and come up with a way to make this as easy as possible for your client.

Mr. Brandt: And for you all, as well. I am not here just to overwhelm what the Board is doing here, of course, that was never our intention. There was hope for a resolution. Obviously, the resolution didn't work as we would have liked it to work out, but be that as it may, the offer for lack of a better word, being the security deposit and she would be out of here, it is not any more difficult than that. I don't know if the Board gets to take a vote for that or exactly how they want to deal with this, but I think it would benefit everybody. It is win-win situation. She will leave. There will be no more issues about this and emails about that. I am getting 900 emails about a newsletter being published for a meeting. All that drama. It is tiresome.

Ms. Carpenter: We all certainly agree, and yes, there has been a lot of misinformation and all that. I guess the way it normally works is you present it, and then I guess does the Board have any questions for him?

Mr. Krumrie: Do you have a date in mind?

Mr. Brandt: Well, I would imagine Ms. Joyner for less drama, pursuant to my conversation with her I would say half the time, 45 days I think, would be fair and I am looking at both here. You all can be fair to her. Again I think 45 days is half of what you originally wanted or half is what she is required to do and furthermore you can move on.

Mr. Costello: One of the things that I questioned, you are saying that she has the liquor liability insurance. Can we get a copy of it? You are saying you turned it in and our attorney is saying that we haven't seen it. Quite honestly, the liability shouldn't be on our shoulders. It is something that the people, the residents of this community deserve the protection of knowing that she has the insurance.

Ms. Carpenter: To date, all we have is the liability policy so if you can get that to us, I think the Board, upon receiving the other insurance, it would certainly be a condition, now having the proper insurance, to stay in place.

Mr. Brandt: Understandable. I don't know why it was not sent to you all. I will obtain that as soon as possible. My knowledge is there is a liquor liability policy. At this point any proof of insurance, lack of a better word would be moot because once she is out of here, liability on her is gone.

Ms. Carpenter: But, if she is still operating for another 30 days or so, we still need to make sure.

Mr. Brandt: I understand there is exposure. Again, she is not here in this room. I can talk to her about it. I can get it to you all and we can go from there, however, you want to do it.

Ms. Carpenter: I don't mean to cut you off, but I think my suggestion would be for the Board to consider the offer and accept it conditioned upon her staying with the liquor policy, and perhaps delegating to one Board member the terms whether it be 30 days, whatever days, to have the least impact on the community for her already booked items, and 45 days from the day of the letter would be about the end of March, but again, as someone mentioned there are things that are booked, so a day one way or the other, it is the kind of thing I don't think you or I can decide exactly what day. One day, one way or the other, might make a big difference. Those are my thoughts on how best to get an approval for this.

Mr. Krumrie: Can the Board buy liquor liability insurance and name the restaurant as the insurer and us as the additional insured?

Ms. Carpenter: Unlikely not, because the policy is in her name. We can certainly find out if she is not paying. Is there a way for her to get it and we pay it to keep her in place.

Mr. Krumrie: If we are that concerned about the next 45 days, then let's get our own insurance.

Ms. Carpenter: And that is where I say let's have somebody so we can work through these details to see if there is a way to keep it.

Mr. Costello: The attorney has said that he has been told she has the insurance.

Ms. Carpenter: We have heard that for months.

Mr. Costello: I realize that, but all I am saying is give us proof of the insurance, or give up the liquor license and stop serving liquor. It is the only other choice.

Mr. Brandt: Liquor licenses are not free. They are usually about six figures.

Mr. Costello: I realize that, but insurance isn't free either, and quite honestly, if she didn't pay for the insurance and we end up with a problem, the residents of this community are going to end up eating the bill due to the fact that she didn't comply with the insurance.

Mr. Brandt: Exactly, but again, we are talking about what if's and what could happen.

Mr. Costello: If you didn't worry about what was going to happen, you would never buy insurance for anything. Nothing. You wouldn't have car insurance.

Mr. Brandt: Again, what you are talking about, sir, is that basically I will get the liability proof of insurance, but I don't think it is a proper punishment to lose her liquor license.

Mr. Costello: I will tell you what, you are in the business of defending people on stuff like this and quite honestly, you have never heard of cases where somebody went out of a bar and got in a crash. Unfortunately some person lost their life and their family came back and said we want a few million dollars. You think that people in this community that we are trying to protect should sit back and accept this liability? I don't.

Mr. Brandt: And that is a great point you make. I will look at getting the insurance proof to Ms. Carpenter or Mr. d'Adesky.

Mr. Costello: That is what we are asking for. Proof of liability on the liquor license.

Mr. Brandt: Not a problem. I'll look into it, but again, when that is taken care of, we also would like to revisit our discussion regarding getting her security deposit back, etc., and calling it a day. I don't think there is anything egregious to either party about that.

Ms. Carpenter: Okay, thank you. The Board finished with questions? I think that is probably maybe the Board wants to discuss things a little now. Bob, do you have another question for him?

Mr. Plummer: Are we to understand that you are speaking for the owners of Nini's that they want to terminate their lease hurriedly?

Mr. Brandt: They don't want to have their lease terminated period.

Mr. Plummer: That was not my question.

Mr. Brandt: If you give me a chance I will answer it. People jump to conclusions by way of these late night newsletters. I am getting abreast at 9:00 p.m. at night, 12 hours before the meeting, had to read them over, analyze what the meaning is behind them, and as far as there was never a volunteer to leave the establishment, but the fact of the matter is sometimes you have to take your ball and go home. That is basically what I am going to do here. Nini's is basically having to close up shop here. What I am suggesting is that within 45 days, she will no longer be here in any capacity and provided she provides proof of liquor liability insurance to everybody's satisfaction, then I don't think we are asking too much for a security deposit to come back to Ms. Joyner. That is my position. That is our position from the get go since she thought she was being evicted. To answer your question fully, we didn't know about the eviction notice since until I was informed approximately around Valentine's Day from Ms. Joyner that she was being indeed evicted. At that point, I was in conversations with Mr. d'Adesky.

Mr. Deane: Sir, we always return deposits for every person who has rented that restaurant, and they are no exception once the inspections are done and the inventory is taken, the deposits will be returned. As long as we have proof that all the bills are paid and everything else.

Mr. Brandt: That is reassuring, I appreciate that, sir.

Mr. Deane: That has always been done. I have been on this Board for eight years and we never held up anybody's deposit.

Mr. Brandt: Then it was a moot point for Mr. d'Adesky and me to discuss that matter if it was going to be a typical business as usual type operation.

Mr. Deane: That is correct.

Ms. Carpenter: Okay, thank you and I think we will let the Board talk a little bit. You can sit, so you are not standing in the hot seat. It does seem that the issue is they are willing to leave early, so does the Board want to agree to early termination, and then delegate to someone to help set a schedule with us and Mr. Brandt and Nini's of when they are going to leave, when the inspections will be, so they can know exactly when the deposit will be returned and how that will all work. I think that is what is being asked now. The Board needs to decide if they would like to accept the early termination and then delegate to someone the authority to work with us. We will try to keep the lawyers out of

it as much as possible, but to work out the day, the timing, and the return of the deposit for the inspections and all to work with staff.

Mr. Plummer: Are you asking for a motion to accept?

Ms. Carpenter: Yes, a motion to accept the offer to leave early and delegate to a Board member to work with staff to set up inventory and come up with the deposit to be returned or if something isn't returned why and to help confirm that the bills are paid, and everything needs to be done to finish up the termination. There are always those little pieces that we don't want to have to come back and have a full Board meeting for a piece of equipment or something.

Mr. Costello: I think that after the last one left that we did have a situation where we had to pay a substantial amount of money in order to have it cleaned and everything else. Quite honestly, we did deduct that from their deposit. I think that this restaurant here, I hope and I think they are going to leave it in the same condition that they found it in. I don't think that they are going to be leaving us a mess that we were left last time.

Ms. Carpenter: I am not intimating that it is not going to be returned, I am just being the lawyer that has to say we need to make sure that there is someone to help staff document what is going back and why.

Mr. Deane: I will make that motion.

Ms. Carpenter: We need a person to be delegated to that job.

Mr. Krumrie: How do I verify that she has paid all her bills?

Ms. Carpenter: You would work with staff for what the various bills are and ask to see copies of the last statements.

Ms. Wells: I would think it would just be rent.

Ms. Carpenter: There is nothing else they are paying?

Mr. Costello: Christine, do you have copies as far as the inventory of what is in the restaurant?

Ms. Wells: Yes.

Mr. Krumrie: You are saying that I have to make sure that they paid their food bill?

Ms. Burns: No, we didn't do that. I think what inventory we are talking about is the CDD owned plates and things like that.

Ms. Carpenter: Everything that is left in the inventory that there is nothing that has an outstanding invoice. She should be able to know what would come to the District, as opposed to the restaurant operator.

Mr. Costello: We have a motion on the floor. We need somebody to take up this?

Mr. Deane: The motion is to accept their proposal for early termination and we will return the deposit once we perform all the activities that have been performed in accordance with the lease, that is taking inventory and invoices and making sure everything has been paid for properly and everything else. Harry is the one that is designated to do it.

Ms. Burns: And 45 days from the date the letter was sent is March 27th.

Ms. Carpenter: I would recommend that whoever is delegated also has the ability to move that date a few days either or so they can make sure it is not disruptive.

ON MOTION by Mr. Deane seconded by Mr. Plummer with all in favor an early termination date with Nini's Café with the return of the security deposit in accordance with the lease agreement with Harry Krumrie from the Board of Supervisors acting as a delegate to work with staff was approved.

Ms. Burns: I think the next thing would be discussing moving forward on what the Board's desire for another lease, an agreement with a restaurant management company, operating the restaurant yourselves, and if you want to do a workshop to discuss these moving forward, or have further discussion today what the plan should be moving forward. The lease option would be a RFP similar to what we have done in the past. We would also could do a RFP option for a restaurant management company and also have Jan look into if you wanted to do that, the tax liability issues that she discussed and then the CDD operating the restaurant would be another option, as well. Those are kind of the three areas we can look at.

Mr. Costello: We have already heard an overview of the history.

Mr. Deane: I think that it is time that we take over the restaurant ourselves. That is my opinion. We have not had success with an operator. It is my opinion that we should get the liquor license for the CDD because I believe that with the liquor, I know this is a

drinking community. We should be able to at least bring it here, and I think that is the procedure that we should move on. I am open to any suggestions from anyone.

Mr. Costello: Bob, how do you feel about it?

Mr. Ference: I think Borden makes very good sense. Trial and error. Nothing is written in concrete forever, but I think this may be a very viable and logical step to take since the history we have had has not been successful. So, I think going forward with a new model might be warranted. I think it makes a lot of sense that having had the experience with this new model of managing it ourselves. What are we to lose?

Mr. Plummer: Well, it is obvious we have not had success with what we have been doing. I agree with Bob, it is time to look at something new whether this proposal is the new route, I am not sure I totally understand a restaurant management company. I would kind of like an explanation if you could give me one in that regard, Jill.

Ms. Burns: There are companies we could hire. I believe in talking to George, it was an option that was looked into before Nini's was hired, and they got a quote that I think he said off the top of his head was around \$80,000, so if you are looking for a cost that is just a rough estimate of an annual contract for a company to come in and provide the management for the restaurant, they would hire the employees and oversee the restaurant, so the District wouldn't have the direct employees of the restaurant. You would hire a company to oversee that similar to how you operate this facility. You hire GMS employees to operate this facility. The District doesn't have the liability of having the direct employees. It would be more of that structure that this Board has looked at in the past as opposed to hiring a chef directly. That person reports to the Board. You would hire a management company that would oversee the operations of the restaurant. It would give you more input with regards to say the menu or hours because that could have Board input whereas right now if you are leasing, that is somebody else's business. They are purely our tenant. If you hire a management company you would have a little bit more input on some of those issues on the operation of the restaurant as the manager would report to you guys, but wouldn't necessarily have day to day operations or the exposure of owning those, of hiring those employees directly.

Mr. Costello: Did that \$80,000 include the restaurant and liquor, or just the restaurant?

Ms. Burns: We can get some proposals or ideas, put some options together. If you want us to come back with additional information, perhaps some quotes on what a restaurant management contract would look like, I think that is a blended option between the two where the District still has some costs associated and some liability for losses but not necessarily direct employees of the CDD.

Ms. Carpenter: I am going to jump in, as I see we have Borden who has a lot of experience, perhaps while GMS is looking into a management contract Borden could sort of rough out for the District a budget if you hired a manager and employees because I think you could probably guess numbers of employees and all. Just very rough numbers, so if we hire people this is what we think it would cost for the first year and then a management contract to kind of look at the two, to see and again, it would be very rough numbers until you actually brought somebody in and figured it out. It might help just from a broad brush of looking at those two options to give the Board an idea of where you might want to go with it.

Mr. Ference: Jill, are there management companies that you are familiar with in our county who are doing just that? Is there a community that has a management company running its restaurant in our area?

Ms. Burns: I don't know of in Polk County specifically.

Mr. Ference: In the general area? What has your experience been in other communities?

Ms. Burns: Arlington Ridge hires the employees themselves. They have gone through several options.

Ms. Carpenter: Arlington Ridge is in Lake County and it is probably the most similar CDD we can think of with a large facility golf course. They went through the process and ended up hiring their own after having a management company running golf and the facility for a while.

Mr. Deane: Let me try and understand this management company. You are talking \$80,000 over and above the cost of labor, the cost of food and everything else so what you are talking about is adding an \$80,000 expense to the operation of the restaurant.

Mr. Costello: Yes, but you have to understand that anybody who would run this restaurant, I would hope would be able to expect an \$80,000 a year salary, so even if we

come down to a breakeven situation, we win as long as we can keep these people within this restaurant and maintain them for a long period of time and we don't go through this every two years.

Mr. Ference: Again, what you are saying is this restaurant, they have been successful with a management company?

Ms. Carpenter: They had a management company for years but then they decided to do in house.

Mr. Ference: What is the result?

Ms. Burns: They operate at a loss. The residents subsidize the restaurant through assessments.

Mr. Ference: With the management company or since they have taken it over?

Ms. Burns: Since they have taken it over. It operates at a loss now. There was a loss both ways.

Ms. Carpenter: It is really whether the loss is direct and you have total control or whether you cap your loss and the manager can operate. Again, in a management contract we have to look if they can make profits, but there are certain ways we have to structure it so it works under the tax law. The cost of a management contract is probably about equivalent to the loss if you ran it yourself. That is because you realize it is the same restaurant managers doing it either way. They are not going to make a proposal to not make money, and if the District runs it themselves you can hope things are going to work out better, but then you have to be prepared in case it doesn't.

Mr. Costello: Mr. Krumrie, we haven't heard from you. What do you think?

Mr. Krumrie: I am not sure if I am in favor of one or the other. I certainly am in favor of trying something different. I probably would lean towards the direction of the management company as opposed to Borden doing it simply because we have not demonstrated we can do anything very good. The other thing I would add though, I would certainly like to see so that this Board can develop a long term plan for the restaurant that we hire a consultant to come in and take a look at the kitchen and the restaurant and tell us all the things that are good about it and all the things that are not so good about it. That restaurant is 20 years old. We are operating with obsolete equipment, they are trying to run a restaurant with not the proper equipment. There is a meat slicer in there that

wiggles around. You can't ask somebody else to come in and run your restaurant for you with a bunch of stuff in the kitchen that doesn't work. We need to have somebody come in and tell us what we actually have in that restaurant, what our capacity is to provide meals. We service 100 meals a night in that restaurant. I don't know. Trying and succeeding are two different things especially when it comes to catering.

Mr. Costello: I agree with you. The only thing that I can honestly say there is the fact that when Nini's came in, they looked at the kitchen, we asked them what improvements they would want. We moved some of the equipment around for them. Yes we did know that the meat slicer needed to be replaced. I believe that we had agreed to pay a lot of money for that at the last meeting or so.

Ms. Wells: We tabled it because we terminated the lease.

Mr. Costello: Okay, I am sorry. But, by the same token, when they came in we asked them what changes would you like and they said to us after they went in and looked at the kitchen we would like to move this here and this here, do this and do that and we did all of that. I agree with you, 20 years, we are at a point where we are going to have to replace some of the equipment that is in there. There are no two ways about it. I think it would be up to the management company or whomever we choose to have to come in and run this place that they would come in, look at the kitchen and tell us this has to be replaced, this has to be done and move on from there. One of things that I did when I sat in this chair was I assigned one Supervisor to deal with the restaurant. I was so tired of hearing people say to me five of you go in, and five of you have five different things. We have one person, I can only speak for myself, I never said a word to Sandy about anything other than, geez, and there are a lot of people in here. It looks good tonight. How is business, but I never asked her anything other than that. I don't know what anybody else did. I don't think any of you did anything different. I think it is about time that yes, we look at the fact that we keep doing the same thing. We are just not making any progress unless we change the way we are doing things. It is about time we look forward into maybe bringing in a management company and moving on from there.

Mr. Krumrie: I would like to make a motion that we contact and send out a RFP, especially involve the Florida Restaurant Association, and seek a request for proposals on an analysis of the restaurant, hire a consultant to come in and tell us what we have.

Mr. Costello: The only thing there is the fact that they are going to come in and make changes, and then whoever is going to manage this place is going to ask us to put everything right back to where it was prior. I think we are better off making our decision as far as how we are going to move forward, who is going to move forward in this restaurant and let them be the ones to make the decision to what they want to work with.

Ms. Carpenter: There was a motion is there a second before discussion? The motion failed for lack of a second. Just for some history and again, this isn't legal advice, just history, depending on the various people that are running the restaurant, there has been different requirements. If you recall with Jose, he wanted more burners so he can do pan fried and sautéed foods. Whoever runs it is going to want something different. That has happened every time. There has been different requirements. The other option, just because I am a grumpy one today, the other options are closing the restaurant, limiting service, or just doing catering only whether you just have various caterers.

Mr. Costello: I agree with the residents, I want a restaurant.

Ms. Burns: Just to finish the conversation, is closing it the way it is operating now, whether you have catering operated on certain nights, there are other options to think about when you get to the budget. There may be choices to make at some point.

Mr. Ference: First things first, I make a motion that we advertise and put forward the fact that we are looking for a restaurant management company however that is done. I am not sure what sources of information or how we advertise that we are looking for a management company but I think we should try to get two or three people to come and look and bid and tell us what they think about the prospects etc. etc., and make a decision afterwards. However we go about getting those restauranteurs to come to look at us, let's go forward with that and see where it leads us.

Ms. Carpenter: I think the process for that would be for us to put together a RFP or RFQ qualifications for a management company and then bring it back to the Board for review and comments so you can make sure it covers what you want. Then, at the same time allow us to talk to tax lawyers. I know we had to restructure one in Reunion recently with the new tax laws on management agreements. There are certain ways of getting profit but just to make sure that we have that ready so we can enter into an agreement.

Mr. Deane: I will put together a budget for employees and for management of the restaurant and have it for the next meeting.

Ms. Carpenter: That might be a good side-by-side while staff is putting together a proposal and counsel is getting a tax analysis, having a budget for running it yourselves.

Mr. Costello: How quickly can we get something to the management companies?

Ms. Carpenter: I think you need to bring it back to the Board to look at because this is very particular and you are going to have to decide how many days a week you want it open, hours, facilities, this is a big thing. This isn't just a 'hey, come in and give us your ideas' type of thing.

Mr. Deane: I've never seen a restaurant that didn't run seven days a week. I'm sorry.

Mr. Costello: I think a lot of people would like eight days a week.

Mr. Deane: I think it should operate seven days a week. Maybe we should open for breakfast and lunch to start with. I don't know. I haven't looked into it or haven't thought about it.

Mr. Costello: I think that bringing a management company hopefully, or they should be verse in how to get this place up and running and keep it running. In the beginning maybe we could limit it to lunch and dinner, but I think dinner is probably the most important meal where people at the end of the day, they like to go out, sit down and enjoy a dinner.

Mr. Ference: First things first, we have a motion to get management companies to come and look at what we have and give us some idea of what it would take for them to run our restaurant.

Ms. Burns: I think the motion is for staff to put together a RFP to bring back to the Board at your next meeting to approve and then we will publish and send out and they will come back.

Mr. Ference: So be it. I adjust my motion to reflect exactly what you have said.

Ms. Carpenter: To clarify a motion to have staff bring back a RFP to come back to the Board.

On MOTION by Mr. Ference seconded by Mr. Costello with all in favor staff was authorized to draft a RFP for restaurant management companies and bring it back to the Board for approval at the next meeting.

Ms. Carpenter: Can you just give me an okay for us to get a quick tax analysis for the agreement so we are prepared? The reason why it is important is we have to make sure in the RFP we specify how they can make a profit and all that is part of the RFP.

On MOTION by Mr. Plummer seconded by Mr. Deane with all in favor authorization to allow District Counsel to obtain a tax analysis for the agreement for the RFP was approved.

Mr. Plummer: I would also like to see Borden's idea bringing the numbers back so we can see those side-by-side, as well.

Mr. Deane: I will have them at the next meeting.

Mr. Krumrie: April 15th Nini's is done?

Ms. Carpenter: We don't know for sure. The proposal that was approved was 45 days, but it gave discretion to negotiate a date exactly of when it works best for the inventory and all but that would probably be a last date.

Mr. Krumrie: So what happens to the restaurant going forward from that date on?

Ms. Burns: It is closed.

Mr. Costello: We are hoping to have a reasonable period of time that we are going to have a management company or somebody in there to operate the restaurant.

A resident: What happens if you don't get the liquor license insurance today?

Mr. Costello: As far as I am concerned until they get the liquor license and I would think, but I am going to ask my attorney here, should we ask them to stop serving liquor? I believe we have to.

Ms. Carpenter: We have stated that before, yes, if they don't have the proper insurance they shouldn't be serving liquor.

Mr. Costello: I think if they cannot give us proof of insurance that they are going to have to stop serving liquor.

Ms. Carpenter: So cancelling liquor service if there is no insurance.

Ms. Burns: I think we need to discuss catering once Nini's leaves for events and how we want to handle that, allowing people to bring outside caterers in for events that have been booked. We do have some reservations or things booked outside of that 45 day period. Is there anything we wanted to do or put a time limit how far out?

Mr. Deane: The lease states that they can bring in their own caterers.

Ms. Carpenter: If a management company wants to be exclusive that might be something you need to consider in the RFP, so the question is how far out to do you want to allow other bookings so you don't impact the cost of getting in a new company.

Mr. Deane: I understand what you are saying, Jan, but if we get the liquor license for the management company to run the restaurant, we own the liquor license, right? We would be the ones responsible with regards to liquor in this building.

Mr. Costello: The only other thing I am assuming is they would have to terminate their license prior to us being able to get a license.

Ms. Carpenter: The management company would likely have their own liquor license and insurance. If the District runs it themselves, then the District gets its liquor license. If you have a management company, they generally get it because they are usually already approved at other facilities, so they get it and have it under their insurance.

Mr. Plummer: I think the question that you asked before was just how far out outside catering can schedule prior to us deciding which direction we are going.

Ms. Carpenter: Yes, and we also recommend bolstering our catering agreement just so we make sure that caterers have a liquor license for that event and insurance and all the things that we need to make sure of since we don't have someone else with a liquor license on the premises in the interim.

Mr. Plummer: I think what we have to do is continue booking outside catering like we are doing and whenever we sign an agreement, if we sign an agreement with a management company, those are exempt and we move forward with one plan and what will be in writing.

Ms. Burns: Anything booked between now and then, they can bring in their own catering business if they are booking for the fall.

Mr. Plummer: Even if it is down the road whatever the changes may be. I think you have to stick with that.

Ms. Burns: We just wanted to get some direction for Christine because she does have people contacting her about events and catering options so we want to make sure that is being offered and taken care of.

Mr. Costello: One of the things that we may want to look at in any kind of agreement is that whoever has an affair in here is not subject to using one caterer. Let them make up their mind because that has been a real thorn in our side for a while. I think any contract that is written by either to a management company or to another individual I quite honestly think that if you want to bring XYZ, bring in XYZ as long as they are insured and everything else. We will recommend them as a preferred caterer but by the same token I don't think we should bind anybody to using one caterer. We have lost jobs due to that.

Mr. Plummer: That is okay for the food, but the liquor will have to come from whoever the liquor license is.

Mr. Costello: Yes. We have lost revenues due to the fact that they didn't want to deal with XYZ Company.

Ms. Carpenter: As a point of note historically that was something that anyone who wanted to lease the facility required that because they didn't feel they could make sufficient proceeds in the restaurant so that is why that exclusive catering was put into the leases.

Mr. Costello: That would come back to us anyway if we had a management company either way. Like I say the money that we are going to lose from not having them use our caterer we are going to get that back in rental of the room.

Ms. Burns: So, you are good with that discussion?

Ms. Wells: Yes.

Ms. Burns: Any other direction you need from the Board as far as booking, catering or anything?

Ms. Wells: Not right now.

Ms. Carpenter: So I think we are to general public comments.

SIXTH ORDER OF BUSINESS

General Public Comments

A resident: I worked in insurance for over 30 years and I want to make sure that the public understands how easy it is to get proof of insurance. You call your agent. You

ask them to send proof of insurance. They fill out a form and it notes on there the different types of insurances you have. They fax it to whoever has asked for proof of insurance. It is that simple. I have also been a small business owner and have done just that repeatedly for events that we have participated in. It is a five minute phone call. Call your agent, say I need an acord form, this is who you send it to. This business about yes, we will get you proof of insurance is bull.

Mr. Costello: Any other comments?

Mr. John Castelli: Lot 8. I would like to thank Borden Deane because he worked a lot with the restaurant stuff and I would think Borden should work with Harry on inventory. The other thing is don't rush into this thing, get as many bids as you can because we will be better off that way. I don't think we need to get a consultant because the management company will have that expertise. I also think that while the restaurant is shut down, we should run it like HFC. Bring our own booze in, cater it this way. I don't think there is anything wrong with that. That is my opinion. Thank you.

Mr. Tom Scali: 3084 Dunmore. I would like for you to make contact with the company, an equivalent community and get some details on how they are running it themselves and maybe any feedback to Borden so that we can have an understanding. We can learn from their mistakes and hopefully we can improve our own positions. Secondly, if this is going to be a lot of work I personally am willing to volunteer my time to help anybody who needs help. I am a retired engineer, I know computers and I can do a lot of work. I suspect there are a lot of other people in the community who feel the same way. Please lean on us. You are foolish if you don't. Thank you.

Mr. Costello: You had something else, Mr. Brandt?

Ms. Carpenter: He doesn't have a comment. If you don't want to speak to the Board, I can get with you after the meeting; that is fine.

Mr. Brandt: I did take a civics class once, please guys calm down. I am working with the people on the stage right here along with Ms. Carpenter. There has been a lot of rhetoric and a lot all this and all that and I did not feel that I am ethically able to talk to Ms. Carpenter about a potential counterproposal above what we have talked about already. That is all I am talking to Ms. Carpenter about. She relates it to the Board and I relate it to my client so as everybody having a right to know, they don't. So, a few out here in the peanut gallery that are saying let's do this right now, I was asked to speak.

Mr. Costello: Please.

Ms. Burns: This is public comment. You have three minutes to say whatever you would like. You have two and ½ minutes left.

Mr. Brandt: What I do want to do, and that is what I am trying to do, the best for my client and help you all out, too. Ms. Carpenter, I wanted to speak to you off the record.

Ms. Carpenter: That sounds fine.

Mr. Brandt: As two attorneys here I don't think anyone else here is an attorney or authorized representative of either party here besides yourself, Mr. d'Adesky and myself.

Ms. Carpenter: That is fine, we will talk in just a minute as soon as the public comments are over. Is that okay? Thank you.

Mr. Brandt: Okay. To be quite honest, Nini's is out of here. I know one lady came up here about insurance. I am proud of her, that is awesome, but at the same time we are beyond that point. That is something for me and you to address. You don't need to hang Ms. Joyner out to dry or her husband. They are leaving.

Ms. Carpenter: Everyone, I believe wants to make this as easy as possible to get it done for both parties.

Mr. Costello: I personally don't feel that it is anything personal. This is business. I respect the fact that you want to talk to our attorney. The two of you can get together and she can bring it back to us.

Mr. Brandt: Thank you, sir.

Mr. Costello: Do we have any other general public comments?

Mr. John Gallagher: My wife and I first started to look at neighborhoods to retire to, almost all of them had country clubs and restaurants and golf courses and all that. Every place had a meal minimum that you had to eat at the restaurant. If it is going to operate at a loss, the potential that we are looking at assessments anyway, right? Why not consider just having a \$50 a month meal minimum that people can come in and eat and seriously that is one meal with a couple of drinks. It wouldn't be that painful. People would be getting something for the money.

Mr. Costello: I personally don't feel that I should obligate anybody to have to pay out money that they may not use. We would have on a basis of a year round thing. Some of these people are snowbirds. They are not going to use it, so why would we obligate? If you put a good product, people will be here.

Mr. Gallagher: I am just asking to consider it.

Mr. Costello; Thank you for your comment.

Mr. Alan Goldstein: I agree with John. I belonged to three country clubs up in Jacksonville area and all of them had minimums and they are all successful. The restaurants, two of them have been operating for over 30 years with the same management. I feel that if we don't go to a management company we are looking at assessments automatically. I don't think these people want to see that. As far as John was saying it could be \$25 a month instead of \$50 a month. There are many people who

have complained about the restaurant that never use the restaurant for whatever reason. Here we will be obligated to support the restaurant so we don't have to go through this again in two years. I think really we need to have a solid contract and I don't think a contract should be for five years. I think it should be for three years to begin with a proposal that the following contract if successful can be extended to five years after that. Now that we made the decision to rid ourselves of the restaurant I think we have to start working quickly because I look at this building as being empty probably till next season. I don't want to see that. I use the restaurant a lot and if you go after a restaurant to come in here rather than a management company, that is what we are going to end up with. Our reputation on the outside is horrible right now. If we go with this RFP please extend it to most of the state. Go after these companies. They operate all over including Orlando who we have some very successful in St. Johns County, Palm Beach County, I am sure can operate here in Polk County. Thank you.

A resident: The reason why these restaurants aren't successful is because when they put 1,600 homes and half the people weren't using it. I don't know what the reason is. We are going to have an assessment somewhere along the line for a restaurant because restaurants are hard to manage believe me. None of us have expertise in managing a restaurant. I think you need to go to an outside source. I do believe strongly like the gentleman before me that we need to be a commitment of \$25 or \$20 a month. There needs to be a commitment from every household in this community. Thank you.

A resident: I am speaking not only as a resident but as a healthcare provider. There are a lot of people in this community who have dietary restrictions and that is why they eat in the restaurant. There are people who have religious restrictions and that is why they don't eat in the restaurant. If you put an assessment on, you are opening a whole different can of worms. Thank you.

Ms. Brenda Van Sickle: I wasn't going to say anything, but I felt the need to. I think there are two things that you have to remember. When you have an assessment yes, that helps the restaurant, but what does it do to motivate them to do a better product? Any restaurant that is worth their salt can bring people in. The food has to be good. There are enough people in here I think they can support it. The Eagles Nest is doing just fine from what I have seen. My second thought is before you consider doing an assessment,

remember you only have the right to do the assessment on one part of the community. You cannot assess everybody in this community and that could cause more division that we don't need.

Ms. Debbie Landgrebe: Lot 71. I agree with Brenda, we can only assess the Lake Wales residents. I will move on from that, but I would encourage you all to maybe take a road trip to some of these places that are successful and ask face-to-face with some of these places and ask them because we don't have a very good success record. Every other year that we put bids out we have gotten less and less interest because they know this has not been a successful area for us. So, I encourage you to brainstorm and listen to all the proposals and as Tom said, use some of the residents. I know we all aren't very good with Sunshine laws, the residents, but some are. Thank you.

Ms. Sheila Blue: 4072 Dunmore. First of all, I would like to tell the Board that through the years, I have been here 15 years. The community has handled the finances very well for 15 years that I have been here but when we are hiring restaurants we should not open the doors to a restaurant until you have the documentation. You should have everything before you. You had plenty of time. I have been here listening to this for four different restaurants and every time of year we go through the same situation that they don't understand what we need. Now we are hearing from the attorney that there are special needs we have to do. I have never heard that discussed before. I know the insurance situation because I was an insurance agent for 25 years so I understand that totally and it is very simple to come up with the documentation as the lady said. Let's do this right this time if we are going to do it and if we hire a management company we cannot have them do parties and things because our kitchen is not fit for that. We can't handle it as well as have a restaurant open. If they are going to cater an event they are going to have to close the restaurant while they do it. I don't think we need to do that. I think what we need to do is have open catering and do that. Thank you.

Ms. Hope Jones: 4421 Strathmore. If the Board considers an assessment I have to say my husband and I wouldn't be entirely opposed to that. We wouldn't be thrilled, but we wouldn't be opposed; however what we would like is a restaurant that be worth going to that has some variety. More variety than what we have seen and that has some specials that were actually specials if they going to offer specials so that we would want

to go rather than feeling that we had to go out of obligation or we were just spending our money for no reason. Thank you.

Mr. Scali: Can I make a correction to what I said? Ms. Van Sickle is correct in what she said, that if we assess right now that we would only be able to assess the Lake Wales side. I have to take back what I said. I would like to see a membership to all of us where you can join and possibly get a discount in the restaurant. There are other clubs that do that all over the place. If we are going to be a club, we would like to basically keep it private but if we go to a management company they are probably going to try to keep it open like we have now. It is an open club. We have to really wait to see what the proposal is from the management company so then the Board can make the right decisions. We can throw these dollars all over the place but nothing is going to matter until we get some of these RFPs answered. Thank you.

A resident: Regarding the liquor license insurance and the guy telling us he is going to get it, if I understand correctly we are on the hook until they actually vacate for that. Why couldn't we not hold the security deposit, take it out of the security until they do come up with it?

Mr. Costello: I believe our attorney spoke with their attorney. We are going to resolve that.

Mr. Scali: One more comment about the assessment. If we all agree that an assessment is the right thing to do, then I think it would behoove us to get cooperation from the West and make it a universal assessment.

Mr. Bob Alfano: 4115 Muirfield Loop. I hear a lot about this management company that we should be out soliciting but I am hearing it kind of one way. The management company trying to tell us what to do instead of us trying to tell the management company what to do. I think when we approach a management company we should have a criteria of what we intend and what our public wants, not what they want us to do.

Mr. John Savala: 4291 Ashton Club Drive. While I understand the frustration in keeping a consistent restaurant in here I don't think we need to run to managing our own that fast. The young lady said that the place that did manage one lost money and when they hired a management company they lost money as well. I think we need to take this

slow. With regard to an assessment I really don't appreciate anybody telling me how to spend my money and where to spend it. Thank you.

Mr. Frank Kennedy: 3065 Dunmore Drive. With the agreement that Nini's would terminate the lease and leave early and anything would be settled as far as their deposit, would that also resolve any further litigation that might take place between either Nini's or Lake Ashton?

Ms. Carpenter: It depends on how it is structured. That is for the Board to know. We certainly would hope that we could get a release and get it all done but until we get to the end we don't know at this point. We terminated pursuant to the lease so pursuant to the lease we return the deposit.

Mr. Realmuto: 3624 Blackmoor. I guess I came back up to speak because I am cringing when I hear our own attorney and manager tell you that hiring a management company limits your ability to control things. The whole thing we are trying to get here so my message is directed to the Supervisors basically if I could summarize, you have a lot of options and opinions from people but you are our elected leaders and it is your turn to take charge and lead. I think what you have heard loud and clear today is they want you to provide the leadership and the guidance and specify what is most important. I am not saying the nitpicking details but the general operating guidelines of the restaurant. For example, operating seven days a week. For example, not doing exclusive catering, although I realize there may be a difference of opinion about that and other things you have heard from residents. You need to create a framework that you provide in the RFP to the potential management companies and tell them what you want in terms of the general principles and things like that and not allow yourself, you certainly want to take the advice. The reason why you are paying for a management company is to get the benefit of their experience but you need to set the overall parameters for that in conjunction with the input you are getting here at meetings like this. Thank you.

Mr. Scali: One more time. When we finally close the contract there should be a clause in there that states that Nini's cannot pursue any legal action against the Lake Ashton community.

Ms. Carpenter: We don't want to discuss anything on the record as to the lease and the issues that we have had. Thank you.

Mr. Costello: Okay, nobody else.

SEVENTH ORDER OF BUSINESS

**Supervisor Requests/Supervisor
Open Discussion**

Mr. Costello: Not withstanding any other Supervisors suggestions or discussions, the only thing I would like to say is that any RFP that would be put out we would spell out the hours of operation, right down the line. I don't understand how you said that we would lose control.

Ms. Burns: That is exactly why it is coming to the Board for approval of the RFP.

Mr. Ference: That was part of the motion.

Ms. Carpenter: Jill was discussing the levels of control.

Mr. Costello: I realize that, but we had somebody come up and say that we are going to lose control.

Ms. Burns: No.

Mr. Costello: Totally out of the question as far as that goes. We are going to read through it and we are going to make sure that it holds all the things that we want in it. We are going to make sure we are covered one way or another.

Ms. Carpenter: Exactly. That is why it is coming back to the Board so you have time to review it and get all the input you need.

Mr. Ference: Are you going to have that ready for our regular scheduled meeting next month?

Ms. Burns: Next month.

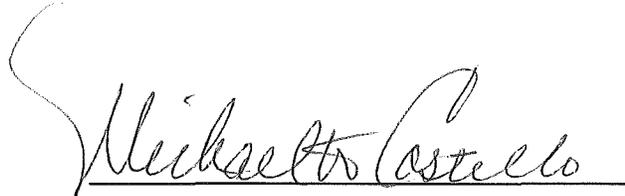
EIGHTH ORDER OF BUSINESS

Adjournment

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



Assistant Secretary/Secretary



Chairman/Vice Chairman