

**Lake Ashton**  
**Community Development District**  
**and**

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

Seat 4: Carol Pontious – (C.)	
Seat 5: Borden Deane – (V.C.)	
Seat 3: Mike Costello – (A.S.)	
Seat 2: Brenda VanSickle – (A.S.)	
Seat 1: Bob Ference – (A.S.)	

Seat 4: Doug Robertson (C.)	
Seat 1: James Mecsics (V.C.)	
Seat 3: Daniel Murphey (A.S.)	
Seat 2: Stanley Williams (A.S.)	
Seat 5: Carla Wright (A.S.)	

Friday  
October 5, 2018  
9:00 a.m.

Lake Ashton II Health & Fitness Center  
6052 Pebble Beach Boulevard  
Winter Haven, FL 33884

1. Roll Call and Pledge of Allegiance
2. 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*)
3. Update and Discussion Regarding the Potential Purchase of the Golf Courses
4. Supervisors Requests and General Public Comments
5. Adjournment

## **Lake Ashton Golf Course Preliminary Term Sheet**

The below reflects our current understanding of the various items as presented by the Lake Ashton Golf Club (referred to herein as the "Golf Club" or "Seller") to the joint committee formed by Lake Ashton I Community Development District ("LA I CDD") and Lake Ashton II Community Development District ("LA II CDD", collectively with LA I, the "Buyers"), and the understanding of staff. This information is compiled to present a summary of potential terms for discussion by the respective Board of Supervisors.

### **Base Price**

1. \$477,000 for fee simple ownership of the Golf Club parcels (including the Pro Shop and Eagles Nest) to be conveyed by Seller via warranty deed to Buyers;
  - a. \$477,000 amount payable in multiple payments up to 3 years
  - b. Payable with a smaller deposit up front followed by larger payments.
2. Long term lease to the Buyers on the storage area utilized for current Golf Club equipment storage, which shall last for as long as Buyers maintain ownership.

### **Other Terms**

1. Seller and Buyer to 50 / 50 split pro-rated membership fees as of date of closing
  - a. Pro-rated membership fees will vary based on date of closing, but 50% would be allocated to Seller, 50% would be allocated to the Buyer.
2. Date of Closing to be Negotiated. Seller expressed preference for date of closing to be before December 31, 2018 but flexible on closing date so long closing date does not extend far into the future.
3. Seller to pay the following taxes, assessments and fees such that the :
  - a. The total outstanding LA I and LA II debt assessment balance through maturity and operations and maintenance assessments through to date of closing.
    - i. **Seller to settle total bond debt** (\$425,000), no reduction in purchase price (Buyers still must pay \$477,000 over the course of up to 3 years).
    - ii. Note: The 50 / 50 split of pro-rated membership fees is due to the fact that Seller must settle the bond debt.
  - b. Any homeowners association fees, charges or other costs due and owing through the date of closing
  - c. Any city, county or other local government assessments, fees, charges and costs through the date of closing
4. Seller to provide Survey and Title (title work done by Golf Club but from a title insurance company acceptable to the District) to provide marketable title
5. Seller to provide Phase I Environmental Study with a copy acceptable to the District using ASTM Standard Form 1527-13 or otherwise acceptable

6. Seller to provide Member Retention Information from the past 2 to 2 ½ years.
7. Seller to pay off balance of any current equipment contracts (including golf carts) and transfer the equipment.
8. Seller to provide a one-time up-front payment of \$240,000 to the Buyers in order to accommodate for the free golf requirement for new homes (based on a calculation of 28% %, rounded to 30%, of homeowners which actually play golf, which would be 60 golfers out of 200 remaining new homes to be sold, thus 60 golfers at \$4,000 per membership), Buyers would be responsible for providing a year of free golf membership to all new homeowners regardless of how many actually play golf, however, a refund would not be due to the Seller if less than 60 homeowners play golf. Seller to release or otherwise terminate free golf for resales and provide the Buyers satisfactory proof of such termination of free golf for resales. Buyers to honor any free golf memberships issued by the Seller prior to the date of closing.
9. Seller to provide copies of Current Membership Information
10. Seller to provide all existing appraisals for the property
11. Seller to provide copies of all permits, licenses and other authority governing the Golf Club and to pay for the cost of transferring such permits.
12. Seller to provide copies of all contracts, leases, and any other agreement to be assigned.

# LA I and LA II Golf Course Joint Committee

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SUMMARY OF JOINT COMMITTEE SCOPE, MEMBERS, BASIC  
CONTRACT TERMS AND OTHER CONSIDERATIONS



# Overview

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Scope of the Joint Committee

Members of the Joint Committee


Basic Terms

Future Considerations




# Scope of the Joint Committee

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- Issue: Prior to Joint Committee, Districts did not have clear terms
  - **Work with District Staff to meet with Seller and determine basic terms for potential golf course purchase**
  - Committee was NOT authorized to make any authoritative decision or enter into any agreements
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# Members of the Committee

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- **Mike Costello**, Supervisor, Lake Ashton Community Development District
  - **James Meccics**, Supervisor, Lake Ashton II Community Development District
  - **Jillian Burns**, District Manager, Governmental Management Services
  - **Darrin Mossing**, District Manager, Governmental Management Services
  - **Andrew d'Adesky**, District Counsel, Latham Shuker, Eden & Beaudine
  - **Jan Carpenter**, District Counsel, Latham Shuker, Eden & Beaudine
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# Note

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Seller expressed willingness to further negotiate terms, Districts may “counter-offer”

Preliminary Term Sheet is a draft summary of terms and not binding as of date.

Even if Districts proceed, further negotiation is needed to establish final terms





# Basic Terms

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Terms in detail in Preliminary Term Sheet, summarized here as:

**\$477,000 for fee simple ownership of the Golf Club Parcels (including Pro Shop and Eagles Nest)**

- Payable in multiple payments up to 3 years
- Payable with a smaller deposit up front

**Long Term Lease on the Storage Area utilized for current Equipment Storage**

- Lease to last as long as Districts maintain ownership
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# Basic Terms (continued)

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Seller and Buyer to 50 / 50 split pro-rated membership fees as of date of closing

Date of Closing to be Negotiated

- Seller desires to close before December 31, 2018 but flexible if closing date not too far out

Seller to pay outstanding taxes, assessments and fees

- All O&M, debt Assessments, HOA Fees, city, county taxes to be paid through closing
  - Buyer to take title free and clear
  - 50/50 split of pro-rated membership fees due to Golf Course paying \$425,000 in Bond Debt
- Seller to provide Phase I Environmental Study
    - Commercial Standard ASTM Form


# Basic Terms (continued)

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- Seller to provide Member Retention Information for past 2 to 2 ½ years
- Seller to provide up-front payment of \$240,000 for free golf for new homes
  - Based on calculation 200 new homes, 30% golfing rate, 60 golfers, \$4000 per membership
  - Buyer would be liable to provide free golf for up to 200 homes but no refund is less than 60 golfers
  - No more free golf offered for resales after date of closing
  - Any free golf granted before date of closing to be honored
- Seller to pay off balance of any current equipment contracts and transfer equipment

# Basic Terms (continued)

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- Seller to provide copies of Current Membership Information
  - Seller to provide existing appraisals
  - Seller to provide copies and pay for the cost of transferring all permits, licenses, etc
  - Seller to provide copies of all contracts, leases and any other agreement to be assigned
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# Other Considerations

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Considerations either beyond Joint Committee Scope or future considerations:

- Operational Cost Analysis
  - Assessment Analysis
  - Proposed Management of the Golf Course if acquired
  - Renegotiation or Consolidation of Golf Course Contracts with CDD Contracts (i.e. landscaping)
  - Alternative Uses For Golf Course Property
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