

***Lake Ashton II
Community Development District***

December 4, 2018

Lake Ashton II

Community Development District

5385 N. Nob Hill Road, Sunrise, Florida 33351
Phone: 954-721-8681 - Fax: 954-721-9202

November 27, 2018

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

Dear Board Members:

A *special* meeting of the Board of Supervisors of **Lake Ashton II Community Development District** is scheduled for **December 4, 2018 at 9:45 a.m. at the Lake Ashton Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.** Following is the advance agenda:

1. Oath of Office for Newly Elected Supervisors Elected at the General Election for Seat #1 and Seat #3
2. Roll Call and Pledge of Allegiance
3. Approval of Meeting Agenda
4. 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*)
5. Organizational Matters
 - A. Consideration of **Resolution #2019-01** Confirming the General Election Results
 - B. Consideration of **Resolution #2019-02** Electing Officers
6. **Recess (*meeting will reconvene immediately following the adjournment of the joint meeting*)**
7. Approval of the Minutes of Lake Ashton CDD and Lake Ashton II CDD Joint Meeting held on October 5, 2018 and Minutes of the Lake Ashton II CDD Meeting held on October 5, 2018
8. Unfinished Business
9. New Business / Supervisors Requests
 - A. Consideration of Enhancement Proposal from Yellowstone Landscape
 - B. Consideration of Preventative Maintenance Plan Agreement from Commercial Fitness Products
 - C. Approval of Disposal of Lake Ashton II CDD Disposal List of Surplus Property
 - D. Budget and Miscellaneous Items for Discussion (*requested by Supervisor Wright*)
10. Staff and Board Reports
 - A. Attorney
 - B. Engineer
 - C. CDD Manager
 - D. Lake Ashton II Community Director
11. Financial Reports
 - A. Approval of Check Run Summary
 - B. Combined Balance Sheet
12. Public Comments
13. Adjournment

RESOLUTION 2019-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT RECOGNIZING AND ACCEPTING THE POLK COUNTY CANVASSING BOARD'S DECLARATION AND CERTIFICATION OF THE RESULTS OF THE NOVEMBER 06, 2018 GENERAL ELECTION FOR SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Lake Ashton II Community Development District (the "District"), is required to hold elections for membership of the Board of Supervisors of the District (the "Board"), pursuant to the provisions of Section 190.006, Florida Statutes; and

WHEREAS, an election of Board members was held at the same time as the General Election in Polk County; and

WHEREAS, on November 06, 2018, the Supervisor of Elections of Polk County appointed inspectors and clerks of elections, prepared and furnished ballots, designated polling places, and held elections for members of the Board of Supervisors of the District; and

WHEREAS, the Supervisor of Elections of Polk County canvassed the returns of the election of District Board members by the qualified electors of the District; and

WHEREAS, the Polk County Canvassing Board has declared and certified the results of the election for Board members which the District desires to recognize and accept.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT;

1. The Board of Supervisors of the District hereby recognizes and accepts the results of the November 06, 2018, election of members of the Board of Supervisors as certified by the Polk County Canvassing Board as set forth in **Exhibit A** attached hereto and incorporated herein by reference.

2. Having taken the oath of office as prescribed by Section 876.05, Florida Statutes, the Board of Supervisors hereby recognizes the election of the following persons to a four year term of office:

3.

A. James Joseph Mecsecs Seat # 1
B. Bob Zelazny Seat # 3

4. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS, _____ DAY OF _____.

Chairman / Vice Chairman

Secretary / Assistant Secretary

Exhibit A

James Joseph Mecsecs (NON) Seat #1

Office: Lake Ashton II Community Development Dist. Seat 3

Bob Zelazny (NON)

(Active-***Unopposed***)

RESOLUTION 2019-02

A RESOLUTION ELECTING OFFICERS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT

WHEREAS, the Board of Supervisors of the **Lake Ashton II Community Development District** at a regular business meeting held on _____ desires to elect the below recited persons to the offices specified

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LAKE ASHTON II COMMUNITY DEVELOPMENT DISTRICT:

1. The following persons were elected to the offices shown, to wit:

_____	Chairman
_____	Vice Chairman
_____	Treasurer
_____	Secretary
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary

PASSED AND ADOPTED THIS _____ DAY OF _____

Chairman / Vice Chairman

Secretary / Assistant Secretary

**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 October 5, 2018 at 9:00 a.m. at the Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida.

Present and constituting a quorum:

Carol Pontious
Borden Deane
Mike Costello
Brenda VanSickle
Bob Ference

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary

Doug Robertson
James Mecsecs
Daniel Murphey
Stanley Williams
Carla Wright

Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary (by phone)

Also present:

Jillian Burns
Andrew d'Adesky
Jan Carpenter
Christine Wells
Mary Bosman
Numerous residents

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

FIRST ORDER OF BUSINESS

**Roll Call and Pledge of
Allegiance**

Ms. Burns called the roll and everyone recited the Pledge of Allegiance.

SECOND 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. Robertson: Next we have public comments. I will note that we received a speaker card from Bob Zelazny as the first person to speak. Bob?

Mr. Zelazny: I am Bob Zelazny and I live at 5192 Pebble Beach Boulevard in Winter Haven. First I would like to thank the negotiating team for where it got to this point so far. Many of you have heard my comments before, but I am going to reiterate them again because I think they are important. I am a strong advocate for the purchasing of the land. I view the land, golf paths, the bridges, and the ponds as amenities enjoyed by all residents of Lake Ashton. Having said that, there is an inherent cost to maintain them that should be shared by every resident whether they golf or not. This is no different from any amenity offered at Lake Ashton. Now I will address the costs in a minute. The golf club itself should be viewed as an activity, no different than pickleball, the pet parks, and bocce ball. The CDD has expended resources to provide these activities with lands and facilities. These activities continue to self-fund themselves with little or no additional resources from the CDD. With that in mind, the golf club as an activity should be self-funding through membership and be no burden to the non-golfing residents. To the non-golfers, it will just offer an additional economic incentive to support the continued operation of the golf club. Based on an earlier analysis presented to the CDDs, the annual assessment to minimally maintain the land associated with the amenities could run an excess of \$600 per household per year. If we continue to operate the golf club, those same annual assessments could be reduced down to approximately \$200 per year per household. I would now like to address today's presentation. I have two concerns from the basic terms that are discussed. First is the agreement to split the pro-rated membership fees. I feel that if they accept it, the golf course could have a first year operating deficit in excess of \$400,000. I understand that the pro-rating of the dues is to offset the seller paying off the bond. I would propose that in lieu of accepting the pro-rated dues option that these dollars be added to the cost of the land thereby allowing

those funds to be spread out over the payment period and leaving the golf club with the operating revenues necessary. To ensure the golf club has sufficient funds to operate through this year, all revenue resulting from the collection should be transferred to the buyer obviously less those revenues extended between October 1st and the closing date. The second issue is the upfront payment for the free golf memberships. Based on the operating figure, the golf course received \$4,000 per new home that accepts first year membership. This is estimated to be sixty homes based on 30% acceptance of golf memberships as a part of the contract. I would not object to taking less than the full membership being for new members, but I feel that the anticipated percentage of new residents that take the free golf should be verified based on previous years' sales records. To me it certainly would not be a deal breaker for me, as it does sever all financial ties between the current owner, the builder, and us. Three quick thoughts in closing, first there must be an acknowledgement that if we move forward there will be an assessment on every home. The question only is how much? The Board has done a great service today by not increasing fees while maintaining our community standards, but to think that we can purchase and maintain 200 acres of greenspace, approximately ten miles of bridges and paths, and approximately twenty lakes and mitigation ponds without an increase would be irresponsible. Secondly I need to make sure you do not focus only on the offered price when making the decision. You need to determine the total cost, which would include lot revenues from shared dues, non-reimbursements for free memberships, and taxes. We should ensure that the total amount does not exceed the appraised value of the property. And lastly, let me just remind the members of the Board that many of us believe the responsibility to be, and that is to maintain, protect, and improve our community assets that would ensure that we protect our property values and maintain our lifestyle. Thank you.

Mr. Robertson: Janice Gordon.

Ms. Gordon: My name is Janice Gordon. I live at 5525 Hogan Lane. Thank you for allowing me to speak. On the preliminary term sheet provided to the residents, I'd like the Boards to address in their discussion today: 1) the information provided seems

like there is an assumption that the purchase provides for keeping the golf courses functioning as they are currently. Is this the case? If so, does the purchase include the paths and take into consideration the suggested improvements made by the consultants? What are the exact time limits for the 50/50 split of membership fees, especially resales? Will HOA fees paid by the seller be put into an escrow account? How will the HOA fees be credited to CDD I and CDD II since they are separate entities? 2) While you have provided us with information about the golf courses, there is no information on the two businesses included in the purchase. What are the current operating expenses for the Pro Shop and the Eagle's Nest? Are the furnishings included in the sale? How many employees both full and part time are currently employed? Once the sale is finalized, there will be an immediate outlay of funds for these expenses. Where will that money come from? I know my time is limited so I will stop here, though I have other things, but I appreciate consideration of what I mentioned in your discussion. Thank you.

Mr. Robertson: Steve Realmuto.

Mr. Realmuto: Steve Realmuto, 3624 Blackmoor Lane. First off, I want to thank the community for putting onto paper the context of the proposal that was distributed with the agenda today. I understand that it is essentially what the developer is putting forward as a proposal and it is not an offer yet. It seems to capture a lot of the current thinking about the purchase price and the acquisition of the golf course. It is very useful for us to see that on paper, but I want to point out that the acquisition cost is really only one piece of the total picture. It is probably relevant so far as it affects the yearly operating expenses as some others have pointed out. I think before you come to any decisions, we have a couple facts before us about the developer losing money operating the golf course. So your focus really needs to be on developing a plan if you think you can actually operate the golf course at least at breaking point. That is what most of us are concerned with, the operating expenses and how much to keep the increase in assessments minimal. Golf course as an amenity, I object to the characterization that it is like any other because no other amenity costs over a million dollars a year to operate and will affect our assessments by hundreds of dollars. So please focus on the total operating costs also

going forward and only move forward if you feel you can do it with minimum impact to our assessments. Thank you.

Mr. Robertson: Jarrett Thomas.

Mr. Thomas: My name is Jarrett Thomas. I live at 5361 Hogan Lane. Purchasing the golf course, I would like to ask that you consider that any say in purchasing the golf course be put on ballots produced by the Supervisor of Elections of Polk County and given to everyone who is a resident of Lake Ashton and Lake Ashton II so they can participate regarding changes in their lifestyle to pay for something they are not currently paying for entirely. Thank you.

Mr. Robertson: John Velebir.

Mr. Velebir: I am John Velebir, 5205 Green Drive. A couple things people already talked about but I would just like to emphasize again that there is a big difference between the golf course as an amenity and everything else. Yes we all pay for the amenities we don't use or rarely use, but the difference between those and the golf course is if I want to play racquetball or pickleball, I can. I just go and do it at no additional cost. The golf course is an additional cost, so it is not the same kind of amenity. And like Steve said, it is going to cost us a considerable amount of money. At the meeting on the 24th here, it was said that a detailed plan, not only on the purchase but also the operations on how we would be able to afford all of these things. I think before we move forward we should have a detailed plan for residents to actually see what this thing is going to cost us and I would endorse what Mr. Thomas just said that this should be put to a vote on by the residents. Thank you.

Mr. Robertson: Alan Cinquino.

Mr. Cinquino: My name is Alan Cinquino. I live at 5413 Hogan Lane and have been a resident here for nine years. I am absolutely opposed to the purchase of the golf course. I don't see any reason to. I didn't move here to own or operate the golf course. I think we moved here to retire, or at least most of us did anyway, and retirement doesn't involve being involved in the operations. As I understand it, there is a very valid offer from an outside party to purchase the courses and I think we are very lucky to have that.

I lived in Jersey and we had a similar circumstance up there. The difference was that when the developer decided to sell the course, the neighborhood was nowhere big enough to support the purchase of a four star golf course so the issue never came up as a homeowners issue. The golf course was sold and it has now changed hands four times. That sounds bad, but guess what, it has been with the same person now for the last six or seven years. The price kept coming down as people decided they couldn't make money on it and now everyone is fine. None of the residents have anything to do with it at all, except that if they want to become members they have a discounted price. So I think we are very lucky that we have a good valid outside offer. I don't see any reason that we should get involved with this. It certainly isn't an amenity as compared to other amenities like the basketball courts. So that factor and most important possibly if we are going to do this, I think a purchase of this magnitude certainly requires the residents approval and if not approval, at least a referendum so you can get input from every resident in the community. That is pretty much all I have. Again, I think we are lucky to have somebody that wants to buy it. People buy things to make money. I have no problem with people making money on our property. That is what the restaurant does. We want good functioning operations. We don't care if people make money. We want things to run well. We are not in the business to be operating money and worrying about profit. Profit, big deal. Loss is the thing we are all worried about. I think we really should look at the offer that is on the table and consider it that we are very lucky and in addition, whatever we decide to do, I think we should get the chance to vote. Thanks.

THIRD ORDER OF BUSINESS

Update and Discussion Regarding the Potential Purchase of the Golf Courses

Mr. Robertson: Mr. d'Adesky? Your presentation is next.

Mr. d'Adesky: I will read everything as I go through the PowerPoint presentation that was included with the agenda so everyone can hear it even if you can't see the projector perfectly. For those who don't know me, I am Andrew d'Adesky, I am District Counsel along with Jan Carpenter. I am going to be presenting the facts that were

collected as part of the Lake Ashton and Lake Ashton II Joint Golf Course Committee. So what I am presenting is a summary of the term sheet, which is a quick two page preliminary term sheet that we put together based on our discussions with the seller of the golf course. I am going to go through the scope of the committee, which I think addresses some of the questions as to why we are presenting what we are presenting today, why it appears to have some limitations, why certain things are excluded from what we are presenting, talk about the members of the committee, who was there, the basic terms of the agreement, and also future considerations or other considerations such as things that should be thought about or could be thought about as part of the consideration of the purchase. The scope of the committee and the reason behind the committee was prior to the CDDs coming together and authorizing folks to meet with the golf course owners, nobody had been authorized by either District to actually meet with the seller and come up with terms, real actual terms that we can kind of move forward on. We heard things from individuals, there have been different offers, thanks to our consultants, NGF, and some of these things have been reconciled, but we needed more than that to move forward. Both Boards, as part of the joint meeting and pursuant to the respective authority, authorize certain individuals to work with District staff, which was myself, Jillian Burns, Darrin Mossing, and Jan Carpenter, to meet with the seller to determine the basic terms for the golf course purchase. The committee was not authorized to make any decisions or enter into any agreements so nothing we did, and we made this clear throughout the process and subsequent to the meeting, constitutes an offer or any sort of negotiated agreement that we are bound by at this point. So once again, I have talked about staff, but we also had Supervisor Jim Mecsics on behalf of Lake Ashton II CDD and Supervisor Mike Costello on behalf of Lake Ashton CDD. Also not included in this list because they are not part of the committee were the folks who were in the room. So during our meeting with the seller, Larry Maxwell was in the room and Jim Lee was also in the room physically to negotiate the basic terms. Subsequent to that meeting, they engaged Mike Workman of Clark Campbell as their attorney. That is important because he also was in the room during the negotiations. And we did receive

subsequent phone calls from Jim Lee following this deal kind of eliminating different details and flushing out the deal. So those are all of the individuals involved. First of all, the seller willingness to further negotiate terms so the Districts at this point have the ability to counteroffer. There isn't really an offer so we can come back with different terms or change the terms. And certainly this is a draft summary so it is not binding at this point, but there are also certain things we need to negotiate. For example, they agreed that they were flexible on how the fees were paid. They said we could pay them over time over a series of years. They didn't get into specifics and the committee didn't get into specifics so that is something that if we are going to have an actual legally enforceable contract that we would need to go back and talk to them about. That is just one example of something that needs to be further negotiated. Once again just to reinforce, this was preliminary. So we will just go right in to the basic terms as detailed on this sheet and go through that. I will present that and if everyone has any questions, if we can wait until the end we can deal with all of them that way. The first term is basically the purchase term for a fee simple ownership of the golf club parcels, which includes the Pro Shop, the Eagle's Nest and all of the golf course parcels on both Lake Ashton and Lake Ashton II. There are two separate entities that own those parcels, but all of those together that constitute the golf courses would be included. Of course once again we need to get a detailed list from the seller of exactly which ones are included. We have not received that yet, so that would be part of any contract we would finalize. They agreed for the payments to payable in multiple payments up to three years. This was important because the Districts might want to fund them in smaller payments followed by larger payments over time. They were agreeable to take a smaller deposit upfront given that the Districts don't have extremely large reserve funds. The second portion was a long term lease on the storage area utilized for the current equipment. The current equipment is stored on a parcel which would not be included in the sale of the property. The intent would be for the lease to last as long as the CDDs maintain ownership. The sellers, Mr. Maxwell and Mr. Lee, were concerned that we would potentially assign that lease to a private entity or to another entity and they didn't want

that to happen so one of their terms was that it remained within CDD ownership. The next one came up later as part of negotiations, which is related to the payment of the bonds. Because there was \$425,000 in bond debt on the parcels between Lake Ashton and Lake Ashton II, which would need to be settled before we acquire fee simple ownership because the District cannot acquire the property while it is still encumbered with that bond debt. So that was a major term that needed to be negotiated as part of the deal. Considering that they have to pay that debt, which in their view was something they didn't anticipate and they put forward a 50/50 split of the pro-rated membership fees as counted from the day of closing. So whatever the date of closing is through that to the financial year we will split those evenly between the seller and the CDD as the buyer. The next term was the date of closing, which needs to be negotiated. Now this has been updated since I put up the PowerPoint in speaking with the committee that is with Supervisor Mecsics and Supervisor Costello. There was a follow-up conversation from Mike Workman, the attorney for the developer who was not in the room during the negotiations. Pursuant to subsequent conversations, they clarified that they don't desire to close before December 31, 2018, but they demand to close before then. That is a term that they are requiring as part of their current offer. Another term, which is not included in this, but I will bring up now is that they also want a signed contract before October 15, 2018. That was a term that they brought up subsequently. Two or three days ago their attorney contacted me with that term and I communicated that to the Board of Supervisors and they wanted us to relay this as part of the presentation today. The next term is for the payer to pay all of the outstanding liens, taxes, and assessments, all operations and maintenance debt, HOA fees, city and county taxes, and anything else outstanding would be paid so we would be getting it free and clear of any assessments. Once again, the CDD cannot have those once we obtain the land. We want it to be completely free of all of this. The next one is the environmental study. There was some clarification on that. The seller said they would provide it; however they said they would provide the latest study they did and they would not provide a new study. The latest study was done in 2009 so we would probably need to obtain a new environmental study

as to that one is a little outdated at this point. The next one was about retention information. We had previously had the first demand was to get all membership retention information throughout time. The point was made to us that the only retain information for the last two to two and a half years, but they would provide that to us in order to verify some of the numbers they have been giving us. For example, the number that was used in the calculation of 30%. According to the seller, the membership retention information indicates a 28% resident to golf membership ratio according to the information they said they would provide to us and have not provided to the District as of yet. The next provision is regarding the new homes. During our meeting in person, Mr. Maxwell explained that he handle the new home situation and the payments on that. Subsequent to that meeting, they came back with the offer to provide an upfront payment for free golf for the new homes, that there is an obligation currently that the seller currently has to provide free golf for one year to new homes. So the proposal is for the CDD to undertake that burden and exchange for a \$240,000 upfront one-time payment to settle that obligation. The calculation as explained to me by the seller was based on the fact that there are 200 new homes and an approximately 30% golfing rate based on the 28% rounded up to 30%, which would equal sixty golfers at \$4,000 per membership. However, the proposal is that we would be liable to provide up to 200 members with free golf. So if more came in than the rate, we would still be liable to provide that. However, if it is less than sixty, we wouldn't be liable for a refund to them of that \$240,000. It was assured that there would be no more free golf offered for a resale after the date of closing, however any free golf offered up until the date of closing we would have to offer. So if they were granted a membership on 12/30 and we closed on 12/31, we would be obligated to honor that for a full year. The last provision is paying off the current equipment contracts and transferring equipment. According to the seller, the only equipment, which is currently under contract, are golf carts, which have approximately two years left on a lease-to-purchase agreement. They said they would be willing to pay off those so they would be fully purchased and transfer those to the CDD, along with any other current existing equipment utilized from the golf course. The last few terms is to

provide copies of all current membership information, to provide existing appraisals, and copies of any permits, licenses, and any other official regulations or rules they are bound by to transfer to us and pay the cost to transfer those, which is part of the general commercial deal, as well as providing copies of all contracts, leases, and other agreements to be assigned. Now the CDD would be able to choose whether we want to assume those contracts. Certain contracts we can certainly say we don't want to assume or we want different vendors to assume those at a lower cost. So given to the public considerations, this is very important because I think a lot of the questions from the audience that were raised during public comment involve things that are other considerations or future considerations. The reason why we are presenting this information today is very important. This is what the committee was asked to do. This was under our scope of authority which we are bound to in our scope of authority, which is to obtain the basic terms of the real estate deal. There are other considerations, which I am not going to go into as part of this presentation. That is not to say that they might not be important. That is not part of this particular presentation. And some of those things are listed here, which are an operational cost analysis, an assessment analysis, proposed management of the golf course or how they will be run, structured, and managed, which will also include the interlocal agreements between the CDDs to operate that if both chose to purchase that. It does include renegotiation or consolidation of the golf course contracts. It has been brought up that there are certain contracts like landscaping that might be able to be consolidated. We don't have those numbers today, though. Also alternative uses for the golf course property have been suggested, which could be reducing the size of the golf course or number of holes for alternative use. That is not part of what we were asked to do or had authority to do, therefore it was not part of this presentation. We did receive some resident comments that we did want to address that were involving the acquisition of the property and how it will be dealt with in terms of an amenity. And once again, if the golf course were purchased, the CDD would have full leverage on how to deal with this, so they can manage it any way they want to, including a way that might differ from other amenities, including charging fees and costs, and dealing with this in terms of the

nonresident user fee, which is currently assessed on any nonresident user, which are individuals outside of the District that might want to use the facilities within the District. So that can fall under operational cost of management. The Boards have a lot of flexibility on how to answer that. At this time I am going to ask the committee members Mike and Jim, if they would like to elaborate on any of this.

Mr. Costello: Pretty much I think Andrew has told you through his PowerPoint what is going on and it seems that some of the things that were agreed to verbally changed dramatically since we met with them. One of the things that someone spoke with me was the fact that there was an agreement that we were going to have a ten year payout on this, which would have made this a very simple choice that we do it. To try to squeeze all of this in, we did talk about closing as early as the first of the year, but it seems that now they seem in agreement that it was probably going to take a little longer than that, but now all the sudden they want a contract by the 15th of October and to close by the 31st of December, not giving us a lot of time to figure out exactly how we are going to manage it, and what our costs are going to be to run it. Andrew, have we heard from them any more as far as changes?

Mr. d'Adesky: Those were the material changes, having a contract signed by the 15th and to be clear the explicit factual reason for that they said was because they had a pending listing contract to list the property. Let's be clear, list the property does not mean sell the property. That means to put it on the market for them on their behalf. They wanted to try to get a contract before that on the 15th. The reason for the 31st date and the reason why they came down hard on that was apparently because of taxes. They claimed that they would have to pay next year's taxes if it went to the 1st, which is why they drew a hard line on the 31st.

Mr. Costello: I can understand that. They are trying to cut their costs. Another thing that sits with me is the fact that they want half of any dues that have been collected. This should be on a per diem per day basis. The rest of the money should be capital for the golf course. You can't walk into this without operating capital and they are going to

take away half of what was paid out for a quarter of the compensation so it becomes a little bit unrealistic.

Mr. Mecsecs: First of all, I just want to thank Mike Costello as a fellow Jersey boy because as the attorneys and our management company have been burning up a lot of the airways on emails and back and forth and many different facets about this, we really did work very hard on this in good faith representing all of you. As Mike said, there are some things that changed from our original face-to-face meeting. The 15th date was made very clear to us that if we did not have something whether it be a commitment or a contract by the 15th they would go ahead and list it with that company. There are some portions of this that need to be flushed out, especially the 50/50 pro-ration. We have to make sure our interests are still protected and our operating capital and how we work within this community and protect it. Having said all of that, this was initially what we had as a draft, and there is still a lot to be worked out, but I don't want to give anyone false promises. I know we thought we had some of it worked out and we will keep going at it. We had a spirited discussion but the bottom line is this impacts the future of Lake Ashton and we need to be truthful when we say we are committed. We have to look at it as do we want control or leave control of Lake Ashton in someone else's hands. It is as simple as that. How we manage it, we will figure it out. I had a gentleman come by last night and we sat and talked. He reiterated some stories he had in the past with golf courses. He is very interested in the golf course. We have a lot of talent in this community. I think we need to keep open minds on this and keep in mind if we want to have control over our community. Again, thank you to everyone for allowing us to represent you. We thank you.

Ms. Carpenter: For those who don't know me, I am Jan Carpenter. Andrew works with me. I just want to make a couple comments. The one issue that hasn't been discussed between the two Boards is the relationship between Lake Ashton and Lake Ashton II. The property is within the boundaries of both Districts. The way Florida law works is the District that owns the property needs to buy it. You can only buy property outside of your District with an agreement of the other or some other statutory

agreement. So the Districts will need to work that issue out as to buyer and seller and how things will be allocated. That is another overriding issue that makes this timing a little bit difficult. Also, just for the record this is a joint meeting of Lake Ashton and Lake Ashton II and this is the only item on the agenda so these Boards will be considering this now. Lake Ashton II does have another meeting this afternoon, but this item is not on that agenda so the issue will be discussed here and it is unlikely that it will come up later because it is not on the agenda. It can be discussed later then, too, but I think we anticipate that these issues will be raised here with both Boards. One other quick item in Andrew's discussion, I will reiterate that the Boards have talked nothing about assessments, payments, setting fees, etc. To set any kind of fees, there has to be a public hearing notice in the newspaper. There is a process for governments to charge fees so should the golf course be acquired, they need payment, and the way that will be structured will be in the public and will be noticed by both Boards if that is the case, and there will be input on that in the future. The one other item is once the seller engages in counsel under Florida ethics laws for lawyers, we cannot talk to anyone but the counsel. We can no longer talk to Mr. Maxwell, Mr. Lee, or anyone else. And their lawyer cannot talk to any of our Board members. So at this point all communication should be coming to us, and I know we keep hearing comments and commentary so there seems to be a lot of talk and things going on so just so everyone understands that, we can't be talking to Mr. Lee and they should not be contacting our individual Supervisors for information because that kind subterfuges the attorney-client relationship. I think that is all I have at this point. I had a couple other notes, but I think most of them have been covered. The other thing Andrew mentioned, we do a lot of bond work and work with the state lending. The timeframe is really not reasonable for the due diligence you need to do. An environmental report needs to be done within six months to allow the purchaser time to get a survey. Ninety days is applicable in the commercial world. Surveyors are very backed up right now. There are quite a few things the Districts have to do to protect themselves, just like any other purchaser would have to do. We are not advising slowing down, but there are things the Boards have to consider to protect everyone in the CDDs.

Mr. d'Adesky: For the record, Supervisor Wright from Lake Ashton II CDD has joined the meeting by telephone. I think at this point it would be appropriate for Supervisors to engage in discussion along the lines of the initial proposal and if there is any desire to do a counteroffer and scope of that, or where to go from here because at this point the joint committee has accomplished its initial paths. In order to do more, you would need to re-task the members, what the scope is, etc. That is something that needs to be determined by these Boards today. So with the facts presented to you, if there are any questions staff is willing to answer whatever we can answer right now.

Mr. Ference: Andrew if I understand correctly from what Jan just said before any valid agreement organizational plan goes forward, we must answer some questions about the existence of CDD I and CDD II and their relationship and how that collusion can come together to enter into an agreement. Until we understand how CDD I and CDD II are going to operate together independently and jointly to come together, finding out more information about purchase and negotiation, pales in the light of the fact that we don't know how the organizational part of this Lake Ashton can manage that. It sounds like we have some work to do between CDD I and CDD II before we can move forward. Is that not correct?

Ms. Carpenter: The Districts could decide today to go forward and jointly enter into a contract. You can decide on terms as they are under the current interlocal or by number of lots or set up some sort of pro-rata sharing that you can adjust along the way. You can make that decision during your due diligence period as one of the items while you are doing your environmental and other terms. But yes, that has to be decided because right now both CDDs need to enter into the contracts since you each own property, or one would have to enter into the agreement with the other to have another interlocal to allow them to buy property in the other's District. So there are certainly some discussion items and also we represent both CDDs and should there become discussion or adversarial positions, we would recommend that other counsel assist so you have totally unrelated people negotiating on both sides.

Mr. Ference: But CDD I has not decided to buy the property and neither has CDD II so unless we resolve this relationship we can't really go forward and make an offer that will be supported by either. Am I understanding that correctly?

Mr. d'Adesky: Yes. It is an issue, but you have the ability to clarify it today.

Mr. Ference: How do we clarify it today to decide today?

Ms. Carpenter: There was a current interlocal agreement for the sharing of the costs with the amenities so you could go under that same plan, which is either constructed lots or built units. Generally interlocal that are sharing for a couple CDDs and for similar situations where two CDDs will share amenities and they generally do it on the number of platted lots.

Mr. d'Adesky: And to the extent that any of that calculation in terms of lot numbers, if you directed the Board to do something, just like you direct the Board to do on a regular basis, direct staff to do an analysis, or just direct Jill to do that. Based on that, even if she hasn't put it all on a spreadsheet it is something for staff to be directed to do.

Ms. Carpenter: It has been done because it is part of the calculations. The amenities are shared on a per lot basis between the two CDDs.

Mr. d'Adesky: There are different systems out there and the Boards could adopt us to direct a specific system.

Mr. Deane: I think we are putting the cart before the horse. I have said this the whole time that we have to make a decision to operate as one CDD not two. That would eliminate the interlocal agreement and would make us one CDD. The state tells what the CDD Board is supposed to be and how they are elected and there will be no discrepancies between I and II then and decisions can be made on how to operate and purchase items. I think purchasing a half a million dollar item when we can't even agree on security companies is ridiculous.

Mr. Mecsics: Let me qualify that, sir. While we all want to act and work as one community, and keep in mind we have talked about this before, but it isn't cheap to do that and it doesn't happen overnight. We have to go to Tallahassee and do that. Right

now we need to push that aside and let's start working together as a community to confront what we have in front of us today and stop this with all due respect silliness.

Ms. VanSickle: My concern is that we don't have enough information. I think the things on the other considerations are some very important items that we need to come to resolution before we go forward. I think the October 15th deadline is ridiculous. I think we need to know about the other costs. I was looking at another community that purchased the golf course and there was \$200,000 in addition to the price on the other items. I want to know what those other items are and what kind of money we are talking about. I think we owe it to our residents to let them know exactly what this is going to cost them. We don't know what the cost is right now and we need to have a plan. We need to know how it is going to be operated, how it is going to be paid for, and I don't think we can move forward without knowing that. I wouldn't buy a house without knowing how much it is going to cost me. This money is going to come out of all of our pockets and I can't do that unless I know how much it will be.

Mr. Costello: I think one of the biggest things here is the fact is that he is not going to close by December 31st. There is no way he is going to close that quickly. We need more time and he should be told that. We need time to investigate it.

Mr. Murphey: Timing is a concern. Jan, I heard you say it will be virtually impossible to close by December 31st in any case.

Ms. Carpenter: You could close by December 31st, but that wouldn't allow you sufficient time to get a survey to be able to check if you have title issues or environmental. There is no way you can get all of that done in that time period.

Mr. Murphey: I am sure we all have a lot of questions here, I have a few. For instance, the environmental thing. Can we put in the contract that the environmental study is not done for three months after closing and anything that comes up, any mitigation we have to do the costs would be borne by the seller or something like that?

Ms. Carpenter: You could put really anything in a contract. The part that would concern me is under certain federal and state laws, there is something called the innocent landowner defense that says to do all your due diligence before you take title to property.

So you would have a contractual claim against them, but you could be liable for any problem that was there.

Mr. Murphey: The costs and dues. It says we split 50/50 pro-rated. Could you give us an example if we didn't close by January 1st, then that would be one quarter of the membership here so if the owner has collected \$1.6 million in dues like we all just paid, would they get just one quarter of that, or half of that?

Mr. d'Adesky: Whatever the date is. It is 50% a split a year. So that is a quarter and a quarter. It is pro-rata. Instead of transferring the balance to the membership, whatever the membership funds are through the fiscal year, they would transfer half of that amount. Once again that is supposed to be compensated and I will bring up that is one of the terms they specifically said they are flexible on. However the flexibility is based on us paying the bond debt. If we were to pay the bond debt, they would be willing to give us membership fees. It is going to be one way or the other according to their position currently. I am not saying we couldn't counteroffer, we can.

Mr. Murphey: My understanding, and someone can correct me if I am wrong, but for every lot that is sold, and they claim there are around 200 lots left, the builder pays the golf course owner an excess of \$9,000 for each lot that is sold. So even at \$9,000 times 200 that is \$1.8 million. Is the builder still going to be paying that to the seller and only \$240,000 of that is coming to us?

Mr. d'Adesky: That is correct. This is allowing the seller to continue to reap that benefit while we would have obligation to deliver the free golf with a one-time payoff of \$240,000.

Mr. Murphey: That seems way short of what we should be getting. That is just what I think. I am sure everybody has a lot of questions so I will stop there, but I think that is a number we need to further negotiate. As far as that October 15th thing, I am sure there are a lot of real estate people in the room that can tell me that they can go ahead and list it and have a provision in there that they do have a possible buyer, right of first refusal or something like that, that being us. I don't know if it is really something we

have to rush into and I am sure we are not going to because there is no way we can sign a contract by the 15th of October.

Mr. d'Adesky: Like I said before, a listing is not a sale. It doesn't prevent a subsequent contract to be entered into; however, from the seller's perspective, they have to pay a fee for that to be listed.

Mr. Robertson: If you have somebody who wants to market something like this, and it is a \$2 million contract, they are not about to spend \$50,000 to \$60,000 in marketing this thing to the potential golf course buyers of the world and expect to just lose that money. If they list it, they are going to pay a significant amount of money. We can say we are going to exclude it, but if his costs go up, I don't know why he would say if you are going to wait, we just lost \$60,000. That is one issue. The second item is if it goes into January, my understanding is that the owner of record on the 1st of the year determines what the property is in terms of its usefulness and therefore if they own it on January 1st it is a private entity and taxes are assessed based on the owner of record on that date.

Ms. Carpenter: That is correct and that is under the assumption that the property appraiser will consider the golf course a government amenity and not tax it. There is a chance that they may tax it. That is part of why they want to sell it before that so they wouldn't have any liability before taxes.

Mr. Robertson: If we avoid the taxes, then that saves another \$160,000.

Ms. Carpenter: It does, but if you recall we did have a dispute with the county early on, so we don't know for sure whether that will be or not.

Mr. Robertson: We don't, but we absolutely forego the \$160,000 for the first year because it is gone. It will be due if we close before the date, we have an opportunity to get rid of it. If we close after that date, it is a guaranteed \$160,000 more expensive purchase. And if the developer lists it, then that is another \$50,000 to \$60,000 so the price for the developer just went up by \$200,000 and I don't think he wants to pay all of that himself. So we can say we are not going to do anything, but it is going to be put on the market and the cost is going to go up and we just raised the price.

Ms. VanSickle: I think it would be negligent if we didn't do our due diligence before we make a decision.

Mr. Robertson: No one suggested we not do our due diligence.

Ms. VanSickle: By October 15th, I don't think we have had enough time to do it.

Mr. Robertson: The issue is if you write a contract, that doesn't mean that it absolutely closes all issues we have to work out in going through that process. We have time to do our due diligence during that timeframe. If we close by "X" date, we have time to do this analysis. All of these things are not done ahead of time. You can offer to buy a house and then you have to get a mortgage or an appraisal that matches your offer and then the contract falls through. This is not a contract. It is a contract to attempt to purchase the golf course. It is not a contract to absolutely buy it. That is why you have time after the initial offer to make those things. So everything doesn't have to be done by the 15th is all I am trying to say.

Ms. VanSickle: What I am trying to say is the fact that he is going to list it by a certain date is not our problem. That is his choice whether he lists it or not. Before we think about buying this, we have to know what the costs are. I didn't sign on the dotted line to buy my house with no idea what it was going to cost me. I had a pretty good idea. That is what I am saying. We have to know how we are going to do this. Where is the money going to come from? Where are all of the hidden costs that we don't know about? I am not one to sign a contract and then say okay let's now find out what it is going to cost. We don't know how to manage it. There are too many unknowns right now. I can't do it without knowing more.

Mr. Robertson: I understand that.

Ms. Pontious: I have a problem with this whole process. This gentleman has known for months now that he wants to sell the golf course and we are interested in buying it. He has sufficient information so why have we not been given this information? All of these things pending at closing is too late. We need to know what is happening before we get involved, not afterwards. I just think it is a very poor business practice on his part and expected better from the caliber of business man that he presents himself.

Mr. Williams: I have a couple questions and comments. If we want to proceed and take the next step, we have to do due diligence. I have heard all kinds of costs about what due diligence is going to be. I have heard anything from \$40,000 to \$150,000. I have no idea. I don't know if anybody does know. Can anybody answer that?

Ms. Carpenter: The next step, which I was just writing down, would be to go out and get some proposals. I would say between environmental and survey and some other basic due diligence, it will probably be in the \$100,000 range. It could be less. Without going out and getting proposals, it is hard to know. Surveyors are overwhelmed right now. It is really tough to get them. The other thing, the seller pays for the title search so it depends on how title and all match up. Perhaps the next step for the Boards would be to have us go out and get proposals for the various due diligence costs.

Mr. Williams: So let's say \$100,000 because that is somewhere in between. So now we are at \$577,000. Does that include any kind of combining of doing whatever we need to do to create this other entity that is going to manage it?

Ms. Carpenter: We don't need to create another entity. The interlocal will work.

Mr. Williams: Between now and then there are going to be many joint meetings. Would that number include those joint meetings? Like if we have to get another attorney, if we decide to split or something?

Ms. Carpenter: Probably not.

Mr. Williams: So that increases that item. So right now we have some unknown number that we have to deal with. Let's just assume we buy the course on the first. However we decide we are going to manage it, but in any case, from the time we start to manage it and until we come to some point of being profitable because we know it is losing money every month, from now until the time that we are actually able if we are able to get it profitable, we would also have to pick up the money every month from our reserves to pay it back. Am I saying that correctly? Does anybody disagree with that? From the day we buy it until we figure out how to get it profitable, whatever that entails we have to pick up the deficit through our reserves. I have given a lot of thought to this, and I am sure everybody else has also. I moved here nine years ago. One of my crazy

neighbors left two years after I got here and decided I should go out and play golf. I did and enjoyed it, but I used to go out to all of the other golf courses and play, too, that were a lot cheaper. A year and a half ago the golf course here offered a summer thing. I joined and took advantage of it because I wanted to see what it was like. I really liked it. I enjoyed playing on the golf course. This whole year I have played on the golf course and I signed up for another year. It costs me a lot of money, more than I should be paying, but I have looked at this from both sides. I wouldn't call myself a golfer, but I play golf here. The one thing I do remember is when I bought here, I was told I did not have to pay for the golf course. From the day this community was developed until the last house is sold, everybody was being told they do not have to pay for the golf course. We have an ongoing thing talking about the roving patrol. We have had disagreements on how it should be. One of your statements is when I moved here, it was here and it should always be here. Well this is kind of the same thing. Some folks have said that we should buy the golf course so we own the land and can do whatever we like with it. We could have nature walks, another outdoor pool. The problem with those things is they, too, cost money. What are they going to cost us? So take out nine of the eighteen holes, make it a nine hole, put in a nice swimming pool, do a nature trail. What is that going to cost us? We have no idea. So that is also a risk. At our point of life, I think most of us moved here with pensions, IRAs and other things, but most of us moved here to eliminate risk in our finances and investments. Now we are looking at adding risk. It is going to be a risk. There is a chance that at some point the course will be unprofitable. Until we get that point, we are going to be paying those fees. The other problem is our folks on the other CDD did a tremendous job dealing with the restaurant, but remember the problems we have had with that? Four or five different restaurants went through there. To add to that something that is much bigger, not managed by one CDD, but by two different CDDs. Think about what we are going to go through. Looking into the future I believe there are better investments for our money. At some point the RV park, the maintenance shack, the building across the street, they are all going to come up for sale. He has talked about that already. I believe our monies are better reserved for looking at purchasing those. If

we do purchase the golf course, I don't see where we would then have the ability or funds to possibly purchase those other ones. Probably the only reason to buy the golf course is because most people that I have talked to, and I have talked a lot of people out here, and a lot of them have told me that they are not interested. I believe the big reason is the risk. It is a retirement community, folks. We are retired. We are not looking to run a golf course. Subsequently if an outside company buys the course, and I have talked to an outside company who is interested. They have not made an offer, but they have said if we are not going to do it, then they are interested in talking to the builder to do that. I asked them about what happens to the golf cart paths. They said with insurance and liability, they would have to restrict walking and bicycling on the paths during the time that golfers are out there. If you are a golfer you want that anyway. If you are not a golfer, you shouldn't be out there risking your life doing that. They are not going to have rangers out there making sure people can't use it at night or in the morning. I think that any person who is coming in here is looking to make a profit. Literally his revenue is going to come from this building. Our biggest revenue source is the people in this community. Are they really going to tick us off? I don't think so. I agree with a lot of folks. I think you all ought to have a voice. The only thing that would maybe change my mind on this process is if I heard an overwhelming yes from this community. I think the only way to get that is with some kind of full input from you folks out there. I am not in favor of even going forward at this point and time. The process of overseeing it and not controlling it is another issue. This builder has 200 more homes he has to sell and he has to maintain this property for at least that amount of time. Anyhow, that is how I feel. I am not in favor of doing anything at this point. I think we need to offer to help him in any way we can to find a viable, good management company to buy it rather than us.

Ms. VanSickle: I agree with you 100% on everything you said.

Ms. Burns: Carla, are there any comments that you would like to add?

Ms. Wright: I sent my thoughts to Darrin and assumed he was going to read it.

Ms. Burns: I have it. It says: "My position on the golf course property acquisition, all things considered, 1) assuming we have negotiated the best possible terms, and 2)

those terms are within our financial ability and will not make long-term hardships to our residents, I believe it is in the interest of protecting the investment of all our residents, we should proceed with the purchase of the golf course property. Future use of said land will be ours to determine and not to nonresident owners to use or not use if they choose."

Mr. Ference: That brings up an issue that many folks have asked me, do we want other people to own our property so it becomes open to the public and where are they going to park their cars if they come and play golf on a publicly owned golf course or privately owned golf course here. How is that going to work? If somebody buys a golf course and runs the golf course down for profit, not to maintain them, then our property values are going to decrease. When you drive into Lake Ashton you look at how beautiful it is, how green and nice and well-kept it is, etc., etc., well if someone else is going to own the golf courses for profit, will they put as much money and effort into maintaining it? They don't have an interest in the housing. They don't have an interest in resales. They have interest in opening up to the public to come in and play golf. If the public comes in to play golf, as I said, where are they going to park when they come in to play? Where are they going to get the golf carts that they need? Where are they going to store them? What payouts will that provide? Where are you going to put fifty to 100 cars in here every day to play golf if it is open to the public? The possibility of someone else owning our property has little or no limitations as to how the property will be maintained. What happens if they decide they only have nine holes, then what will happen to the rest? The unknown in the third party ownership I think faces the questions that our primary decision to make is do we want to be responsible for our own property and whatever else it may take to do that, or do we want a third party to own our property where we would have little or no control over our future. So the question is, that big one. We can work out the details of ownership if we choose to own our own property. If we don't want to own our own property, then we will have to deal with who knows what where and when. So the big decision with the cart before the horse is, if we want to own our property, we can, but if we don't, who knows what will happen.

Mr. Williams: Bob, are you saying we will not run it for profit if we own it?

Mr. Ference: We certainly will.

Mr. Williams: So if we use the money for a profit and not run it down, but anyone else can do that?

Mr. Ference: If we own the property, it is not going to be open to the public.

Mr. Williams: Wait a minute. Isn't all of our property available to the public at a cost? Just like our clubhouses and all of our amenities?

Mr. d'Adesky: That is a good question that was asked. The roads are open to the public if they wish to venture upon our roads because they are funded by bond funds. The amenities; however, we are allowed to enact these charges. One of the most common things that is enacted is the nonresident user fee. We enact that to account for the amount of assessments that residents have paid for the benefit of those amenities. Anybody can pay that and come in and use our amenities. However, that being said, Jill, has anybody from either District ever paid that fee?

Ms. Burns: Not that I am aware of.

Mr. Williams: Would that be the same for the golf course?

Mr. d'Adesky: Yes. If you so choose you could apply that fee to the golf course in order to have that fee in place such that it would favor membership being resident only. However, if someone really likes Lake Ashton, they can pay that user fee and be entitled to use the amenities.

Mr. Ference: If someone buys it privately and owns it they can open it to the public because the roads are public. If it is a privately owned business it is not an amenity and people can come in here. If they come in here, where are they going to park? Where are they going to get golf carts? I am just thinking of congestion. It will be impossible.

Mr. Mecsecs: About the comments about control and risk, I don't intend to make risk. I manage risk. When I had a liver transplant, they gave me the risk factor. You could die or you could manage that risk. It is all about control. I know there are probably a lot of army veterans out there. The army told you that you control your destiny when you own it. I don't know who authorized anyone to go out with doing any kind of negotiations because that was not authorized and I am very saddened and disappointed

in that, but also take, because of my experience and background, any kind of talk like that with one huge grain of salt or sand, whichever. In the end I trust, but I also verify. My perspective is that we talked about just having the land. We have a golf course that we have to deal with. The future is in the hands of the ten people up here and how to run that, whether it is by an independent person or what have you. That is our next step. We had to get to first base, ladies and gentlemen because if we don't, we might as well close up what we have here for this issue and go home and enjoy the weekend. I am not a golfer, but I look at it from a different perspective. Each of you have all made very valid points, but let's be careful about what we assume because we all know what assuming makes us.

Mr. Williams: I am not authorized to talk to anybody, but I went out and talked to folks because I wanted to learn how people managed other golf courses. I did it as a member of the community, not as a Board member. I didn't negotiate anything. This group that I have talked to did talk to Jim Lee and expressed interest. They did it without me. When I questioned them about it, they said yes, they did talk to Jim Lee, and yes, they are interested. I didn't need an authorization to do that, though.

Mr. Robertson: You did need an authorization to go on private property and invite them in. Jim Lee gave me a formal protest of that behavior. You brought them on their property without telling them and that is inappropriate.

Mr. Costello: Doug, I disagree with you and I will tell you why. I was with Stan when we spoke with the pro at the Pro Shop, told him what we were doing, and he said going into it that if Mr. Lee didn't know about it, it was only because he wasn't told by one of his employees. We never negotiated anything. Nothing was negotiated and my Chairperson knew we were going out and meeting with these people to get an estimate or some sort of idea of what it was going to cost us to run this golf course. So I have to defend Stan in this situation.

Mr. Robertson: I didn't suggest for you to negotiate at all. Jim Lee said he would have much preferred if someone had told him they were coming in to do an assessment.

Mr. Costello: I saw Jim Lee that day. Quite honestly, like I said prior to going out on the golf course, Stan, did we or did we not talk to Paul? Paul said, go ahead and knew we were going out. There was not one negotiation and quite honestly if Mr. Lee did not know about it is only because Paul didn't tell him about it.

Mr. Robertson: Okay. That is good. In looking at the choices, there are a lot of things that aren't known yet. We did have an analysis by NGF that said with the recommendation of spending money, they would breakeven on this golf course at about 420 members. The current membership is about 360 and we talked about the sixty more that are coming in with the houses that are being built. That brings us up to 420 so NGF said we would be breaking even with 420 members and the golf course would be self-sustaining with 420 members. If we maintain our current participation rate that we have now, when we are all built out, we should have about 450 playing golfers, which means the golf course would generate a profit based on its current level of fee structure. We already paid for that analysis from NGF. So from there I look at the choices that we have. What happens if we increase our assessments by \$20 a month, which is \$240 a year for five years? That is \$1,200. That generates \$2 million worth of cash. In the next under five years, all of these members we need will all be here. They are running behind on the expenses because they don't have all of the memberships yet. I don't know how to spend that \$2 million to fill the gap in the costs we have right now. I can't spend \$2 million on the golf course in five years. It is just not possible. There is nothing that has to be done to fix it. So there is a reference point of that to look at it as an insurance policy. If we spend as individual residents \$1,200 we would generate \$2 million in cash to deal with a lot of the unknowns. A lot of the things we know about the golf course is that it doesn't cost anything like that. I have also heard people say they want to sell and not live here anymore. You can say you don't play golf and sell your house and pay \$12,000 for sales fees or \$1,200 and stay to help figure things out. We could also give it to a similar company that has much less interest in us than Mr. Maxwell. People came here because they like how it looks, they like the community. Mr. Maxwell still has the opportunity to make money from the new home sales so he has a vested interest in having this work out

properly. Anybody who comes and buys the golf course doesn't have the same vested interest in us. If you go talk to the community of Lake Wales Country Club, no trespassing on my property. You can live in the Lake Wales County Club, have a golf cart, but you are not allowed on their golf paths anytime. It is private property. So you can expect something like that could happen. There are no guarantees and it is quite a reasonable possibility with the level of animosity and things that go on that a new owner may decide to restrict his problems. Then we have the last option, which I think is a very low risk, but it is a risk, which is the golf courses get closed, in which case we have a problem with the property values. You can decide for yourselves how the property values will go down when a golfer's community closes its golf course. There are lots of examples from 10% to 30%. Well 10% loss in property value is \$20,000 if you own a house for \$200,000. Paying \$1,200 over five years generates \$2 million and solves all of these problems and will keep Lake Ashton exactly as it is right now. I don't need to spend the \$2 million. I think the \$2 million will go into the reserve funds and the golf course will be profitable and we will be very happy moving on. Everybody likes living in a golf course community that has an operating golf course. We like how that works. So a \$1,200 investment over five years, \$20 a month, gives us the opportunity to have sufficient funds to solve all of these problems. Or, we can just say no and roll the dice on letting somebody else come in and run this community for us. So my point-of-view is I think there is lots of risk, there are a lot of things that Brenda wants to figure out, and I agree, those are all things that have to be worked out, but if we say no, at this point and time, then the other clock starts ticking, the real estate taxes are still there next year, the cost to market it will be there, and all of the costs keep going up. We can put an offer in to say this is what we want, we can discuss it today. You still have the opportunities when you write a contract to purchase, but it doesn't mean you have to purchase it if things don't work out right. If there are problems with the survey, and I can tell you there are. You can go look at the fifth hole on the West and that piece of property, the cart path goes through Lot 880. That cart path is entirely on lots. Does that give a reason to cancel the contract if we don't like it when the survey comes in?

Mr. d'Adesky: If that is how we write it, but we would need to have a survey.

Mr. Robertson: If we complete the survey and we find that there is a variation, we can say we don't like that variation.

Ms. Carpenter: They generally have an opportunity so they can get easements from other people or some other way to fix it.

Mr. Robertson: So it is at their expense to cure the problem.

Ms. Carpenter: It depends on how the contract is written.

Mr. Robertson: If they don't want to cure it, we have an out. My point is it is just because we agreed to try something today doesn't mean we are absolutely committed if things don't turn out how we want. I don't have the survey yet, but there are things that are going to turn up. The environmental study could turn up something. We can say we don't want the risk and we can terminate the contract. So we have lots of outs if we need it going forward, as opposed to saying we are not going to do anything and now we are starting the clock on all of those other expenses. If we gave a contract that we had opportunities to manage, then the clock doesn't start and those costs don't kick in yet.

Ms. Carpenter: That is true. A typical real estate contract has a due diligence period of say 120 to 180 days to perform due diligence and we would request a very broad one that if we don't like we can get out. I am sure they will come back and want to tighten it up so the District can only get out of it for very specific things though it will only make them angry and not go through with the contract.

Mr. d'Adesky: Looking to Jim and Mike to confirm, but if I recall they made it clear during the meeting both in person and during subsequent calls, that one of the things they did not want was a long due diligence period. Is that correct?

Mr. Mecsics: It should be realistic.

Mr. Robertson: And we can decide if in the process we stop and look at it, the actual purchase price is around \$200,000. When we eliminate the bond debt, the money that comes in from the golf course, the fees for people to play, there is money in there to pay the bond debt, but the bond debt is already paid, so that is just going to be annual profit going forward and we will get that bond debt money back over time. That money

will come back to us over time because it is already baked into their cost of operations. So yes we have to pay off the bond debt, but that \$425,000 in bond debt comes back to us over time. So essentially real out-of-pocket we have to spend \$250,000 to buy the golf courses, Eagle's Nest and all of the machinery.

Ms. Burns: Doug, sorry to interrupt you, but Carla wanted me to let you know she has to board a plane in five minutes so if anybody wants to have any kind of vote in which you would like for her to participate it kind of has to be now.

Mr. Robertson: If necessary we can continue the meeting when Carla is available again. She is available again this afternoon at 2:30 p.m. If there is something we need to do, we can continue the meeting until that point and time when she is off the plane and available. So we are being asked to look at buying two golf courses, Eagle's Nest, and all of the machinery to run it for \$200,000 to \$250,000. I am suggesting that we risk as a community \$1,200 of our monies at the rate of \$240 a year because it gives us five years and \$2 million to figure out a problem that everyone is saying is about \$300,000 a year right now. Then when the membership turns up, it should be nothing. So this year it is \$300,000 and next year it is \$200,000 and then the following year it is \$100,000 if my math is right. For \$1,200 apiece we have \$2 million. What will we do with the rest of that money? What we will do is not have to increase our operating assessments. We can actually reduce them if that is what happens. The golf course should be profitable. That is what we paid NGF to do for us. We have a profitable golf course if we get to 420 memberships. We may actually be making money if we get to 450. So we are talking about risking \$1,200 versus risking the loss of the golf courses in general. That is what we are risking from my perspective.

Ms. VanSickle: I would like to address a couple of those things. First of all, I would like to say I recognize the appeal of the golf course. That is why I think a lot of us bought here. It is absolutely beautiful when we drive in. I also agree with Stan that just because an outsider buys it that may not be a bad thing because I think they will be onboard with the community. As far as cart paths go, part of the cart paths we own, so I think they will be willing to work with us to work that out. Do I think it would be best if

we had control of the land? Absolutely. Do I think it is a bad price? No. But you have to look at all of the other costs that you are not looking at. I am not sure your figures and guaranteeing that we will have all this money is going to work. There are no guarantees and we are being rushed into things. I think we are being bullied. If we want it, it has got to be now or not. I don't think this is a bad thing, but I think we need to take our time. I am not ready to make an offer. There is information I need to know. I need to know how it is going to be structured and how it is going to be run. The CDD Boards should not be running it. There are too many things we have not come to term on. We have to agree on that first. I can't see going forward in the time we have been given. I think it is ridiculous. I think we need to be allowed that time we need. He is rushing us.

Mr. Deane: I am not saying I don't think the CDD should own the property, but I think we have to do our own work to find out what it is going to cost us and then see a plan of how to breakeven because 90% of the golf courses don't make money today. They try to breakeven. Doug, I hear your numbers and I hear your membership and all of that, but that is based on estimates. NGF gave us no guarantee that we would breakeven in three years. There is no guarantee with regards to anything. I just think we have to have more information and more numbers before we can make any kind of decision.

Mr. Murphey: Doug, as usual we have a very persuasive argument and for once I agree with you, but I also agree with what the others are saying. I don't think we should be rushed into this. I do think we should proceed. I think it would be an advantage to the community that we do control that property as a golf course or whatever else, but I am really very hesitant for us to rush into it. I don't think we should let, like someone said before bully us into rushing into it. I do have one comment about if someone said if you buy into this community you don't have to participate in golfing. What they are talking about is you don't have to join the golf club. The members who want to play pay about \$5,500 to \$5,600 to play. I do think everybody in the community does have an interest in maintaining the looks, the beauty, and facilities. I think if it really does cost \$200 a year at most to maintain it, I think it is well worth it, but again, I agree with I think it was Carol and Brenda said the same things and I don't think we need to be rushed into

it because I think everybody here wants to see some more information and some more facts and figures and costs. I think your estimates are fairly reasonable to cover the initial losses that we will incur, but I think in a couple years we can pretty much breakeven.

Mr. Robertson: It is not a bullying issue. It a contractual issue. From their perspective, their costs go up by \$200,000 if we say no today, which is a choice we have, but our cost to buy the golf course goes up by \$200,000. The taxes are going to be in place for next year. The cost of the listing agent will be in place. Those are real costs the golf course owns and he is going to increase his price by that cost. He has already offered a price of \$200,000 for a property he thinks is worth \$1.9 million on the marketplace. He would rather sell it to us, but if we say no right now, he is going to say his price went up \$200,000. And he will still sell it to us, but he is not going to eat another \$200,000 in costs. When he first talked to us about the \$477,000 as being a reasonable number, he didn't understand the issue of the bonds being retired. At that point, he said okay, if there is \$425,000 worth of bonds, he would then negotiate another \$240,000 payback for the other. That was kind of an offset against the bond activity. At some point there is a limit of elasticity as to how long he is going to go. He will just say okay I can give it somebody else and then we live with the consequences of that choice. The insurance policy against all of these things happening is about \$1,200 so do you want to risk \$20 a month to eliminate those risks, or do you want to say let it ride and take those risks.

Mr. Meccics: I understand that and quite honestly you can't get to home plate until you get to first base. I am not saying we should rush into it, but we have to make some kind of commitment and then our due diligence goes forward with that. If something comes up, we can always say we are not interested and he can go on and find someone else. Does anyone watch Cash Cab? The first question he asks is "Are you in?" That is what we have to determine here. Are we in or are we not? If we are not, then we will close up shop, that is it, and we will have to deal with what comes in the future. If we don't even give it a shot, then we can never say we didn't have a dog in the fight.

Mr. Costello: Quite honestly, the figures you wrote out, Doug, I have to agree with you. Now would be the time to try to make a decision. The biggest problem, and I think

Jill and Andrew will also agree, that what we agreed on in that conference room was for Andrew to write it up, he did, sent it on to them, it came back, and there was so much red and it changed so dramatically it looked like somebody actually bled on the pages. And some of it was so minor that you wouldn't care, but some of it, they want to walk away with half the money for the dues. They are taking away a considerable amount of our property costs and operating capital. At this point can we afford that?

Mr. d'Adesky: We can't do anything without your explicit authorization and explicit terms you would like us to come to. Now whether or not those are from a delegated committee again, or direction of this Board, we do need that to go forward before we can do anything. We can come up with a contract tomorrow with our terms and send it to them, but they would probably throw it in the trash.

Mr. Robertson: I think the term of 10 years was one of the things that was on the table. So put it back in, put it where we want it and say you have got to go for this contract. If you don't want that contract, that is probably the last chance you get to sell it to us. And now we just put the pressure right back on them and we are bullying them.

Mr. Costello: I agree we cannot go forward with what we have in-hand right now. The entire time that we sat there, Mr. Lee I don't think said even 10 words for the hour and half, two hours that we sat there. I don't think he said 10 words. Then all the sudden when we got the document back, it looked like somebody bled on the page. That is how much red was on there in comparison to what Andrew had written up that was agreed upon at the meeting that day.

Mr. Robertson: So let's change it back.

Mr. Mecsecs: I was sitting alongside Mr. Maxwell and Mr. Lee was sitting across the table, we did talk about how we might need a little more time to pay for this. He asked how long? I said 10 years and he said that was do-able. My mouth dropped because I thought he was going to say no, four or five. We need the lawyers to go back and forth and flushing out what needs to be. If we cannot come to agreements it will just die. We might as well just close our mouths.

Mr. Ference: Andrew, do you have enough information for what we said about the environmental study and the 10 year period and the survey to be put in? Can you draw up again a do-able contract that you saw come back? Can you adjust that from what you have heard today in another contract to go forward so we would have something in black and white on paper?

Mr. d'Adesky: The conversation still hasn't addressed all of the terms in the agreement. There are still other terms. We need to talk about exactly what the payment plan would be. Exactly what the payment plan will be, not hey, we are going to do it over 10 years. We need specific numbers. And I haven't heard Board consensuses that have been agreed on by all five members of both Boards, or a majority of the members of both Boards.

Mr. Ference: Then let's take some consensus to get you that information so we can have something reasonable.

Ms. Carpenter: May I suggest, I think there are a couple things the Boards need to do. One, each Board needs to decide do they want to go forward with a proposed contract. If that is the case, after they decide that, then we would need an agreement as to how the Boards together want to propose the contract with an interlocal between the two sharing on a basis per lot, which would match statutory requirements, at least initially. Then you can work with me to direct specific terms, payments, due diligence period, and then probably delegate back to a committee on each side with a little room for us to negotiate the smaller terms. The second part would be to say no, we are not ready to make an offer, we want to move forward and do some more investigation. Another option would be we are not ready to go forward, let them go ahead and put it out on the market.

Mr. Ference: Let's get a consensus. Do we need a motion from the Board that we want to move forward with the contract?

Ms. Carpenter: I think the Boards need to each decide how they want to proceed from this point. Would you like to continue to look into it and go back and ask the seller if he would agree to exclude the CDDs from the listing contract so at least that fee won't

be incurred or to decide not to go forward? It is really up to each Board what they want to do. I think those are really your options, not go forward and see if there is some other due diligence you can do while he lists it, or enter into a contract and see if we can get to terms. Right now it doesn't sound like they are going to like our terms, but there is certainly no harm done to prepare a contract and submit if the Boards agree on the terms.

Mr. Ference: Are we intending to go forward before the end of the year so we do not incur property taxes next year? Isn't that why we want to get it on paper now?

Mr. d'Adesky: I think one of the points initially was the end of year date would not allow you to do enough due diligence. If we were to try to close by 12/31, it is commercially unreasonable to expect a survey or environmental report before that period of time.

Ms. Carpenter: And if you could possibly do it, it would cost an extreme amount of money because you would be paying super-rush fees. You could probably do the environmental, but I don't think you would get the survey and title work that quickly.

Mr. Ference: So if we don't close by the 31st, the possibility we incur a \$200,000 increase in the cost of the property because of his tax bill going up?

Ms. Carpenter: What happens is the taxes would be assessed for the year on their property at the level they are now. Let's say we close in April. He would be responsible for the first four months and the District would be responsible for the rest of it. It is pro-rated over time.

Mr. Mecsecs: When we first talked about this, it was the attorney that said the 31st of December with not too much after that. That is what we talked about and agreed upon. Now that has changed, the deadline, and I think that is causing most of us to go back and say we don't concur with that and would like to go back to those original terms we made at our face-to-face meeting. Is that a fair assessment?

Mr. Deane: What were the original terms?

Mr. d'Adesky: We didn't have a firm closing date in the agreement. He said a preference, but we said okay, we hear it, but how about later, he said okay, and Mr. Lee said no, we need to close before that.

Ms. VanSickle: I have one question and I think it is something we are going to have to determine and it comes back to the interlocal on a per house per lot basis. Currently our interlocal is not done that way. We changed our road interlocal where we paid \$191,000 to get out of that portion where we split it by lot number so first I think we need to agree whether this is going to be a 50/50 split or is it going to be 70/30. I don't know what the numbers are, but I think it is something our people need to be aware of.

Ms. Burns: There are 986 lots within Lake Ashton and 680 lots in Lake Ashton II.

Mr. Deane: Lake Ashton has 962 homes. That is it.

Mr. d'Adesky: We are talking about assessable lots.

Mr. Deane: So that includes the RV lot and other commercial ones?

Mr. d'Adesky: Yes.

Ms. VanSickle: Does that include the golf course?

Mr. d'Adesky: Currently yes.

Ms. Carpenter: Under statutory law in Florida, generally you base assessments on the benefit received by the property. That is the statutory requirement and why I suggested initially that it would probably be per lot, which seemed to be a better way for the Boards to equalize assessments rather than 50/50 unless there is another reason why 50/50 would work or some other amount.

Ms. VanSickle: We are two separate CDDs so the only way we could do this is to purchase our own, correct?

Ms. Burns: Yes.

Ms. VanSickle: So we would be paying a larger amount for the same thing? I see a problem with that.

Ms. Carpenter: There would be a lot of things to work out in an interlocal. It would probably be part of the contract you would have to negotiate based on an interlocal where each will pay a pro-rated share. Lake Ashton I might pay more than Lake Ashton II on a per acre basis to make it work out as part of the interlocal or 50/50 or per acre on the lot, those are all things up in the air. Acreage, number of holes, etc. There are a number of ways to look at it.

Mr. Costello: Well if we are going to have an equal say in this, then I would think it should be 50/50 quite honestly. If we are going to pay more money, we should have a larger voting. I can't see it working otherwise. It should be a 50/50 split.

Mr. Williams: Maybe I am misunderstanding, but if we do nothing and tell him to go ahead and go out on market while we do due diligence or whatever we have to do, the cost could go up based on that?

Mr. Robertson: Yes.

Mr. Williams: If we decide to go forward we lock in that price, but as we do due diligence, our cost to do due diligence is going to go up. I don't know why.

Ms. Carpenter: It is really uncertain. Some real estate contracts will allow to carve out parties that you talk to before you sign a listing so the real estate broker may agree to not charge if the CDDs end up buying, but you don't know along the way. If they get a lot of interest, the price could go up. If they don't get any interest it could go down. It is really market-driven.

Mr. Williams: But if we go forward our cost is definitely going to go up.

Ms. Carpenter: If we enter into a contract, then we are obligated to do the due diligence and at the same time I would probably recommend going out for management bids for running things so you would have administrative and legal fees for those.

Ms. VanSickle: I asked a question before and I don't think I got an answer. This property is intertwined between the golf course and the CDD. I don't see how an outside buyer could buy it because we own parts of the golf course. I see that as a major issue.

Ms. Carpenter: That is one thing we thought of and I wasn't sure to bring up, we are concerned that if we buy the property there will be a lot of title issues and if a private owner buys it they can prohibit use of the golf cart paths. If a private owner buys it, they will have to come to the CDD because the CDD owns some portions. So we have some leverage to try to work to make the paths public or sell the lots or paths or do something.

Ms. VanSickle: It is my understanding and Doug mentioned it before, there are cart paths on private residents' property. That is another issue we need to look at.

Ms. Carpenter: I understand that there will be quite a few title issues for whoever the buyer is, whether it's the CDD or anyone else, but I think some of the property is CDD-owned so if the buyer does, the CDD will be involved and we will have some leverage to try to work on some of those things and come to some agreement.

Mr. Robertson: Back to the cart paths, although some of the cart paths are owned by CDD I more-so than CDD II, it was set up with easements in it already for the golf course. There is an easement already in place that says they are allowed to use the cart path for golf course operations.

Ms. Carpenter: I remember with the boat dock issues there were paths that didn't have them. I am not sure on the golf course.

Mr. Robertson: My understanding is that there are easements already in place to allow them to use those paths.

Ms. VanSickle: Wouldn't the CDD have a record of that? If it is our property and they have an easement for that, wouldn't we be aware of that?

Ms. Carpenter: It would be on the plat or in the title report. We can find out.

Ms. Pontious: Is the S.W.F.W.M.D. property part of the environmental study?

Ms. Carpenter: Yes. The District has permits on the stormwater ponds and I think we have easements on the ponds to maintain those, so there are easements we can access through the golf course to maintain the ponds. They wouldn't have to get it changed in the permits to own the golf course.

Ms. Pontious: I was thinking more in terms of if there are improprieties in the S.W.F.W.M.D. rules and regulations. We have had several come forward already with different things that they have told us they owned and can give to us, then we find out that they really don't own it to give to us. So I am concerned about the environmental issues and whether or not we are going to find bridges in improper places and if so we need to find out ahead of time because I can see major dollars needed.

Ms. Carpenter: That is actually a separate study. Environmental generally covers the pollution side of it. Because we have those ponds, it may be helpful to have the water management people do a study on those ponds and assess those and the locations.

Ms. Pontious: I think that needs to be a part of the plan.

Mr. Robertson: Our permits for the ponds are inspected every 18 months to 2 years. We are due for another inspection this fall and we were in compliance the last time around so we are actually in good standing right now. They are going to revisit them in the next month or so, though.

Ms. Carpenter: And we also want to have a building inspection on the building. The other concern we have is the lease for the golf cart storage. We don't really want for that to be assignable. That is just an interesting term to us because a private buyer would probably not agree to that so that is something of concern that if the Districts bought it, then it would be impossible to sell without a place to store the golf carts. So that is a constraint we have to make a contractual term that would be assignable or that we have the right of first refusal to buy or do something to make it a term that would be reasonable for the Districts.

Mr. Deane: That is the storage of the equipment to maintain the golf course. We have a separate area for golf cart storage. It is just for the equipment.

Mr. Robertson: The issue there is he suggested at one point a 99 year lease. I think the only sticking point on that would be if we were to buy the golf course and then close it down immediately, which is not logical, but would put them at risk of their \$9,200 for the unsold lots. So the only issue there is how do you assure them that we will have the golf course in operation until the seller of the property can realize the income from that? I think that's the biggest issue. Once we figure that out, there will be no restriction on the maintenance building.

Mr. d'Adesky: We requested multiple times at this point that.

Mr. Costello: He said he'd give us a contract stating as long as we were the owners of the golf course the rental agreement would stay in place with no increase in fees.

Mr. d'Adesky: I think Doug brought up the new home sales at purchase contract, and once again, I haven't seen that contract yet. That is a good point that they need to have that contractual obligation. So actually, they really couldn't close the golf course

until they fulfill that contractual obligation. And vice versa, they want a guarantee that we would keep it open.

Mr. Robertson: And that's why I said the only thing about the maintenance building in the lease is really just tied to if the golf course remains in operation and I can make my money, you need to give me another way of solving that problem and I will absolve you of any restriction on the lease. It is only to make sure we stay in operation until we are sold out, which I think everybody wants anyway, but they want it in a contract form.

Mr. Costello: Right now in order for us to get together something that we can present to them, what do we have to do? Do we have to go through this item by item in order to? We don't want to just send it back to them the way we sent it to them originally or we will receive the same red marked pages back that we received before. Do we want to go through this item by item to make a decision on what we are going to keep and what we are going to throw out so we can present it to them and then have the Boards vote or what?

Ms. Carpenter: I think you should make the decision on whether you want to go forward with presenting a contract now because I think it should be a legal contract with the terms included or at least a finding terms sheet and not just a proposal because now we are talking back and forth and the terms keep changing.

Mr. Costello: Then I think that we should go through this real thoroughly and decide what we are going to keep and what we are going to throw out, we will present it with the contract, and fortunately for us we have a meeting on October 15th and then at that meeting we will have to make a decision whether we are going to go forward with whatever they bring back to us.

Ms. Carpenter: When you present a contract, they could accept and then you are bound to it. You have to be prepared that they could sign it and say we have a deal.

Mr. Robertson: Yes. That is fine.

Mr. Costello: If they come back with it and at that point agree with what we are saying, we have no reason not to accept the contract. If they don't like it, they will argue the slightest little thing and we can say no.

Ms. Burns: I think the best course of action right now would be for each District to decide if they want to move forward with the terms of the contracts or not. If both Boards agree they want to go forward with the contract, then we go to offering the terms. But I think that Step 1 is going to be #1, if anyone wants to make a motion to move forward with the contract, or #2 if nobody wants to make such motion than we aren't going to be moving forward with the contract. I think we need both groups onboard if we are going offer a contract or not at all.

Mr. Robertson: A lot of people don't like the idea of the December 31st deadline. We could make a March 31st deadline, which would be more acceptable to everybody and we would recognize that as we do this, the price will go up a little bit because there will be a new tax year and to expect the selling party to absorb all of those costs is probably not reasonable and we will have to accept that we will be spending a little more money, which is okay. It is a pretty good deal in terms of the pricing, and six months is a lot of time to resolve any issues we want to have resolved.

Mr. Ference: The motion is very simple. We either move forward or not.

Mr. d'Adesky: Yes. The date of closing is a term.

Mr. Ference: So I make a motion that we do go forward and issues of which will come afterward, but the motion is very simple, we go forward or not, so I make a motion that we go forward with presenting a contract.

Mr. Ference moved to move forward with presenting a contract to buy the golf courses.

Ms. Pontious: I would like to discuss the context of what's good for us and what's good for the Maxwell Group. What's good for them is of no concern to us. We are here for our residents and our finances and that is the end of the discussion. So if we move forward, it needs to be with no penalties for getting out of this, for all of these things to

be done, either they give it to us, or we are going to pay have it done, but Mr. Maxwell and his taxes and all of this is none of our concern and we need to separate that from what we need to do to support our community.

Mr. Ference: It is very simple, do we go forward with the contract or not? The conditions of which will follow. Do I understand that correctly?

Ms. Burns: We have a motion from Bob. Does anybody on Lake Ashton I want to second it?

Mr. d'Adesky: Not hearing any, the motion will die for a lack of second.

Ms. Burns: We have no second. Motion dies for lack of second.

Ms. Carpenter: And I would just suggest that the next thing to look at is do you want to continue to consider the golf course and look into options while he is listing it or ask for him to potentially carve the Districts out from his listing contract, or do you want to just let it die for now and see what happens over the next couple months?

Mr. Costello: I make a motion that we continue forward looking at it, but not that we enter any kind of binding contract.

Mr. Deane: Second.

Mr. Costello moved to continue investigation of the golf course purchase and continue delegation of Supervisor Costello and Supervisor Mecsecs to look into negotiations and authorize staff to do further research on operational costs and due diligence costs associated with the purchase of the golf courses, but not to enter into any binding contracts and the motion was seconded by Mr. Deane.

Ms. Burns: Motion from Mike, second from Borden. Any discussion on that?

Ms. VanSickle: We need to ask staff how this would go forward and what our costs would be. For me to vote yes on a contract, I need to know exactly what it is going to cost our residents. What is it going to cost us? Not we are going to project this but have a pretty accurate fee of what it will be now.

Ms. Carpenter: We can have one of our real estate paralegals go through and do a due diligence sheet so we can get some proposals for costs for surveys, environmental

studies, at least a range if not flat costs. I would also probably suggest that the Districts explore some management companies to be able to get a feel for how much it will really cost to have a professional management company come in and at that point you can get a pretty good idea of the costs.

Ms. VanSickle: That is what I want. To know what the expenses are.

Mr. Deane: That is what we need.

Mr. Costello: But unfortunately at this point even after talking to them, we are somewhat feeling blindsided on this. We don't need that. This could end up becoming a tragedy and we could end up with more problems than we ever anticipated so I think that is the right way to go right now. Let's have our people do what they can do.

Ms. Carpenter: And we will be happy to share with the manager to assist with keeping the costs lower for things like getting bids for building inspections and those kinds of things because that is time consuming and there could be some issues there also.

Ms. VanSickle: I think one thing that is very important we have the support of our residents because this is going to affect them. I know we have the responsibility for that vote, but I think we need to get their input on this. I know we had one meeting, but I think it needs to go further than that. This is major. We have never done anything this major before. Without the support of the community, I don't think that it is going to fly.

Mr. Costello: One of the first things we were told from another community that purchased their golf course about a year and a half ago was not to do it without the support of the community and to take your time, don't rush. We are being rushed.

Ms. Burns: I just want to let both Boards know that Jan's group charges by the hour and we charge a flat fee and since the work we have done to this point is well above and beyond the scope of the management contract and should we decide to go forward, we would present for authorization for additional funds towards the golf course purchase. Just so everybody is aware of that. There is going to be other staff fees involved, as well, like for the engineer if needed, but just so everyone is aware.

Mr. Williams: Did CDD I vote yet?

Mr. d'Adesky: No. They haven't taken a vote.

Ms. Burns: We have a motion and a second to continue to look into costs associated with the purchase of the golf course while the owner lists.

Ms. Carpenter: Are we continuing with the same delegated group to work with and answer questions?

Ms. VanSickle: I would like to suggest the same group because I think you have done an excellent job. Thank you Mike and Jim.

Mr. d'Adesky: That motion includes delegation? Mike and Borden, do you agree?

Mr. Costello: Yes.

Mr. Deane: Yes.

Ms. Burns: So we have a motion and second. All in favor?

On VOICE VOTE with all in favor the prior motion was approved.

Mr. Williams: I would like to make a motion that we join our colleagues for that endeavor and follow it just the way they have and have Jim and Mike work on that.

Mr. Williams moved to continue investigation of the golf course purchase and continue delegation of Supervisor Costello and Supervisor Mecsics to look into negotiations and authorize staff to do further research on operational costs and due diligence costs associated with the purchase of the golf courses, but not to enter into any binding contracts and the motion was seconded by Mr. Murphey.

Ms. Burns: Any discussion?

Mr. Robertson: Can you restate the motion?

Mr. d'Adesky: The motion was to continue investigation of the golf course purchase and continue delegation of Supervisor Costello and Supervisor Mecsics to look into negotiations and authorize staff to do further research into the operational costs and due diligence costs associated with the purchase of the golf courses.

Mr. Robertson: What is this going to cost us?

Ms. Carpenter: Probably around \$10,000 for each Board. Hopefully it will be less so that we can get proposals, costs, the terms sheet of what we believe appropriate terms will be. I think that will be close. There are probably contracts we would want to get proposals for to make sure you have an idea and good timeframe for the surveys, management companies, inspection contracts, etc. We need to find out how much all that is going to cost because it will certainly help with the price negotiation. The information they have is so old that it is really not usable to us. The reports are from 2008 and 2009. So that I would say it shouldn't be more than \$10,000 each and hopefully it will be less, but we won't know until we start talking to surveyors and the others. The surveyors are the most difficult right now to get information from.

Mr. Robertson: And what about GMS's price to do work on this?

Ms. Burns: We were proposing \$2,500 a month split between the two CDDs. Instead of doing an hourly fee we will use a flat fee for the Boards to consider. That is our proposal to work on this issue.

Mr. Robertson: For about six months because that is probably what it is going to take to do this? We just said it will be at least through the end of December.

Ms. Carpenter: We hope it will only take a month or two to get proposals so the Boards can make a decision as to what it will cost.

Mr. Costello: What extra is GMS having to do?

Ms. Burns: It is a lot of legwork with the contracts, committee meetings, conference calls that we have been a part of. We have had quite a few calls in the past two weeks and have spent several hours on the phone each time and coming here for additional meetings. There is a lot more going on than just the regular District management contract.

Mr. Mecsics: I think we have to go back to the seller and ask them if they will extend while we do our due diligence. That is still out there so I am just bringing this back to reality.

Ms. Carpenter: Our discussion with Lake Ashton was that we would go back and tell them the District is still interested and ask them to carve out the Districts from their

fees. They may say absolutely not, we are going to sell no matter what. We don't know what they are going to do.

Mr. Robertson: That is actually what they said that they were not going to do in prior discussions. They are not going to accept that as an option. So what we are looking at is spending \$26,000 to continue our investigation with no commitment from them to sell it to us at that point. So over the course of three months we may spend \$26,000 and have no idea if they will accept a contract at that point. That is what we are looking at.

Mr. Costello: I thought we were going to go back and present something to them. We do have a meeting on October 15th and we can see what happens around then.

Mr. d'Adesky: That is why I clarified regarding the delegation. The delegation allows Supervisor Costello and if approved Supervisor Mecsics to go back next week and try to schedule a meeting before the 15th with all of us in the room to try to negotiate that and see what we can do on that. At the same time, simultaneously we can do a lot of the work. Some of it is due diligence work that we have been doing regardless.

Mr. Robertson: What are the terms that we want to put in this so that we understand? What are some of the things we want to add to see if we have any hope of getting a contract?

Mr. d'Adesky: I think after this motion we were going to go through the terms to get the Board's feel about each term, go line-by-line through the term sheets. It is not very long. We can get a consensus. We can do that, or we don't have to.

Mr. Costello: Let's be honest. You don't buy something in this short amount of time. Prior to him accepting the contract, do you think we really should be doing any background work? I realize that a big part of it is the fact that we are so limited by time.

Ms. Carpenter: Yes, and this is a large purchase by two Boards. I think the basic terms have been somewhat laid out and the decision is are the Boards going to rush and put together a contract by the 15th without the complete knowledge of what it would cost to go forward or not. It sounds like Lake Ashton I made a decision to let's keep talking, tell them we are interested, and in the meantime we are working to get our proposals, costs, and are interested, so carve us out from this and hopefully we can get this ready to

go within the next month or so. In the meantime we will have to work out contractual terms based on what we know, and if questions come up and the folks want to meet together to weed out some of the issues, the delegation is there if there are any issues we think are pressing or they want pressed. The other part I hate to bring up, but it is going to be very important for the Boards to make a decision how they want to go forward together because it is impossible to figure out what the costs will be and how this will work without knowing if this is going to be 50/50, based on acreage, lot counts, etc. It all makes an impact on just about everyone. It is a pretty key issue. It is hard to know the costs until you know that. So you have a motion and have had discussions and it is a similar motion like Lake Ashton I to not present a contract today, but inform the seller that the Districts are interested and are moving forward to get the costs to be able to present a contract.

Mr. Robertson: One of the things is if in this process we come up with terms that are absolutely impossible we are going to spend around \$30,000 and he is going to say no again. Before we agree to spend that kind of money, I would like to know what the terms are. If the terms are something reasonable, then I would be willing to risk spending that money, but if the terms are so offline from what we think he might settle on, why would we spend any money at all? So the point is, if I knew the terms, and I thought the terms were reasonable, I would be much happier to spend \$13,000. I thought we were actually proceeding to a positive conclusion, but if we are just doing it as a delay factor, and just take the risk on somebody else buying it, why do we want to spend \$13,000 of our money for no reason? That is my perspective. So if we discuss the terms and get terms we like we can invest the money.

Mr. Mecsics: Andrew, you said we have the terms right here and it is not a long list. I know folks are probably getting hungry, but we have the terms right here and we can discuss it.

Mr. d'Adesky: Does everyone have a copy? We can go through them.

Mr. Costello: They have a motion still.

Ms. Carpenter: Currently there is a motion and second so I think you should vote on that motion that you don't present a contract right now and go forward with gathering enough facts to be able to present a contract. If you want to present terms within a contract, that is a different motion.

Mr. Robertson: It is a different motion, but it would be more appropriate to discuss the other one first then we can have that motion. Do we want to withdraw the motion and reinstate it after we discuss the terms?

Ms. Carpenter: If Mr. Williams will withdraw his motion. That is up to him. There is a motion and second very similar motion to Lake Ashton I.

Mr. Williams: We spent \$30,000 on this NGF study that gave us some information. What this motion would do if we went forward with it, for probably around \$13,000 you get additional information. Frankly I think we should vote on it. I think we should join our colleagues and go along with them and be a community.

Mr. Robertson: Okay. We have a motion. All those favor?

On VOICE VOTE with all in favor the prior motion was approved.
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Ms. Carpenter: I think we have good direction. Now the next issue before we go forward with talking any more details, and if the Boards want to talk more details on what the terms would be, the discussion of the relationship between the two Boards, if that is something that can be decided today, because that is a significant term in the work the manager put together on what the actual cost is going to be per resident. You have total costs and it really isn't possible to look at the issues per District.

Mr. Murphey: Are you talking about how to split them between the two CDDs? I think the only way to do it is per household. If you split it 50/50 then each household on the West is going to be paying a higher proportion than the people on the East.

Ms. Carpenter: The Boards can make the decision today, or we can present several options on what the cost will be based on 50/50 or acreage or lots. It is really up to the

Boards how they want to handle that. It is a pretty significant term in drafting the contract on how that will work.

Ms. Burns: If you'd like to see it both ways, I am happy to present it both ways.

Ms. Pontious: Well it is 50/50 or 60/40 or 41/59. It is not a significant difference.

Ms. VanSickle: If we did it by house number, we would be paying more for our golf course than they would be paying for their golf course so we would be paying a higher premium on ours. Am I understanding this correctly?

Ms. Carpenter: Yes. There are a lot of ways to look at it. We can bring up the purchase price on acreage, on the number of holes, on amenities, split the ongoing operations per lot. There are a lot of things to think about in the actual proration.

Mr. Costello: And the only thing there, if it isn't split 50/50 quite honestly shouldn't we have a higher say in what goes on? It should be a 50/50 split because in essence a lot of people from one side and from the other are going to be deciding which direction it should go.

Ms. Carpenter: An alternative also is can they be sold as two separate golf courses?

Mr. Deane: Part of the West's golf course is on Lake Wales property.

Ms. Carpenter: We are going to have to look at the surveys to resolve that. I guess it is not something the Boards can do now. We can present some different options, but it is something that needs to be decided really before you issue a contract because you cannot suddenly be bound to pay all of this money and not really know who is going to pay for what and how the relationship will work.

Mr. Robertson: If both Boards were combined at some point, you would have a higher operations and maintenance for one group for the West versus East if you don't do it by per lot. If you try to put the two Boards together, all the sudden you are representing everybody and the houses built in the West will have a higher operations and maintenance cost than the houses in the East based on a 50/50 split.

Ms. Carpenter: If you merged the Boards you could redo your assessment the way you have the interlocals and any relationship among the parties.

Mr. Robertson: So then the costs would go up for the East and the cost would go down for the West if we chose the 50/50 route.

Ms. Carpenter: I am not sure. Your administrative costs would certainly go down.

Mr. Robertson: We are talking about the golf operations.

Mr. Costello: Everything would be the same if it were per household.

Mr. Robertson: That is why I thought per household made sense, but if you say 50/50 then you are putting more of a burden on the West to pay for it than the East.

Mr. Williams: Didn't Jillian say she would look at it both ways and bring it back to us? Is it really necessary to debate this now?

Ms. Carpenter: Yes, and you may also want to look at acreage, so if for some reason there was a split at some point there would be an actual value for the purchase price versus acreage and operational by homes. There are a lot of different ways we can look at it and I know GMS has a lot of experience in assessments and we will look at the real estate part to come up with some options.

Mr. Williams: Then we don't need to discuss it any more. Let's wait until we get the information and then go from there.

Ms. Carpenter: Then I guess the last part, Mr. Robertson, you said you wanted to talk about terms. Did we want to discuss further the terms or continue them as they are?

Mr. Robertson: They are unacceptable as they are so we need to.

Mr. d'Adesky: We will start with the \$477,000 base price. So I think the thing that everyone commented on for this is the three year term for repayment and wanted it to go to 10 years. Can I get a general consensus on that?

Mr. Costello: How about we go to 6 years?

Ms. VanSickle: Are we talking an interest rate on this?

Mr. d'Adesky: It was presented with no interest.

Mr. Mecsecs: We talked about 10. You start with 10, then if we have to fall back, we fall back. I would say 10, then negotiate and get some leeway down to 6.

Mr. d'Adesky: Are there any other objections or comments on the base price, the \$477,000 for fee simple? Not hearing any, with regards to the long term lease, I think one

thing Jan brought up, and I think we want to demand is assignable. Is everybody amenable to that change?

Ms. Carpenter: And perhaps we can agree to a two year or very short term to make sure that is not expected to continue further.

Mr. Robertson: Perhaps it should be like 5 years for the time the golf course expects to sell the property?

Ms. Carpenter: I would suggest that we agree to a year or two and see what comes back. The initial contractual term should be a short term. He is probably not going to like it, but again, we don't know what his real deal is. I would hate to negotiate something we may not have to.

Mr. Robertson: Can we give the negotiating group a range to work with? Maybe between 2 to 5 years?

Ms. Carpenter: He has come back and said unassignable so I think we should come back and say we will agree to 2 years and see what he comes back with. We are not presenting a contract at this point. This is just the terms sheet to see if we can get close enough by the next meeting to be able to understand.

Mr. Deane: I think that what he is looking for is the security to build all of the houses. So why don't we say to build all of the houses?

Ms. Carpenter: No, we don't want to do that if all of the houses aren't built within a certain timeframe so I don't think you want to be tied to that, at least not unless we know a little bit more.

Mr. d'Adesky: Next is a bigger one, which is the membership fees. The 50/50 split of the membership fees.

Ms. VanSickle: No.

Mr. Deane: No.

Mr. d'Adesky: We want all of the membership fees?

Mr. Costello: Pro-rated at the time of closing. Whatever it is, that is what they would keep. Anything beyond that is ours. We need operating capital.

Mr. d'Adesky: Okay, so 100% of the pro-rated membership fees. The next one is the date of closing.

Mr. Deane: Negotiable.

Mr. d'Adesky: Do we want to set a minimum? Doug had mentioned the 31st.

Mr. Robertson: I said March 31st.

Ms. Carpenter: Yes, 120-180 days is reasonable.

Mr. d'Adesky: The next one is paying all of the assessment fees. I think he has agreed to that, city, county, local, HOA, O&M, bond debt. At this point he has agreed to pay the bond debt conditioned upon us 50/50 splitting the membership fees, so would you want us to come back and say no, we want you to give us the membership fees and pay the bond debt and not be flexible at all?

Ms. Pontious: Because we know he is still getting the \$10,000 per house.

Ms. Carpenter: As a part of the bond debt, one thing we will need to do is check when the bonds were refunded on both sides, there are restrictions on other financing. We have to look more carefully now at that language to see if we have to get bondholder consent to acquire the golf course and enter into any transaction. So we will explore that at the same time we can explore to see if there are any options on the bond debt.

Mr. Robertson: Is that restriction on CDD I only?

Ms. Carpenter: I think almost every set of bond documents includes that you can't have any other financing without their approval if the Districts are going to owe any money to the purchaser.

Mr. Robertson: If we acquire another asset what happens? Are we allowed to?

Ms. Carpenter: If you paid cash out of your operating expenses, then yes.

Mr. d'Adesky: If you would still owe money after closing, that is the debt.

Mr. Robertson: I understand that it is the indebtedness, but there is also an asset there as well. You can say I am indebted for \$200,000 for a \$1 million asset.

Ms. Carpenter: But if they foreclose, they won't get the golf course because that is not covered by the assessments because those will pay off and they will not be getting the benefit of it. We just wanted to tell you that because we have to look at the language

and make sure if we have to get the consensus that we do start that process because it is time-consuming.

Mr. d'Adesky: The next one is survey and title. They agreed to provide the title by a reputable national company, First American I believe. It has satisfied everything to our satisfaction. The survey, normally with typical commercial transactions, it requires a survey. So that will be proposed going forward. We also will be paying for the environmental study. They can provide us with an older updated one that will help with getting the current one quicker, but we are still going to have to pay for that to be done. We need a new one because it is too old.

Ms. VanSickle: How much is it going to cost?

Ms. Carpenter: That is one of the things we need to get pricing on. We need building inspections and additional reports to determine costs of anything else we are not aware of.

Mr. d'Adesky: Next was member retention information. They said they only had it for the last two and a half years. Are you comfortable with that?

Mr. Deane: No.

Mr. d'Adesky: We can ask for more.

Mr. Robertson: You would have to go back to the developer from Mark Schreiber's side and get information from him. He retained that information.

Mr. d'Adesky: We will try to see what they can provide us with, the seller to pay off the equipment contracts and transfer all of the equipment. The next one is a big one. The upfront payment of \$240,000 to satisfy the free golf requirement whereby we would be required to provide any new home purchaser with free golf for a year in exchange for a one-time upfront payment.

Ms. VanSickle: I think we need to have some sort of time limit on that. It could be dangerous if we find out we are continuing to lose half a million dollars on the golf course a year we might have to make some changes. This might pull us into a contract where we can't make those changes.

Mr. d'Adesky: So maybe a 3 year time limit?

Ms. VanSickle: Maybe 2?

Mr. d'Adesky: Start with 2 and if they don't agree to that, come back?

Mr. Costello: One of the things they have to remember is by them giving away a free membership it does entice people to join the golf course. People like Stan for example, who said he never golfed before he came down here, he started golfing and all the sudden he is a member. So you do have to remember that by giving it 3 years, you are taking the chance that you may have somebody golf here for 10.

Ms. Pontious: What about changing from a year to 3 or 4 months?

Mr. d'Adesky: No, because that is their contractual obligation. They are trying to have us assume their contractual obligation. They are trying to make sure that their obligations are fulfilled so they can still collect on that.

Mr. Murphey: How did they come up with \$4,000 per membership?

Mr. Robertson: That is the average membership.

Ms. Pontious: We have a single sitting behind you saying she has paid more than that.

Mr. Costello: Yes. I paid around \$4,200 with tax.

Mr. Murphey: I don't like this provision at all. He is still collecting \$1.8 million for those lots.

Mr. d'Adesky: I will say the justification is and this was expressed at our meetings, they have said we are getting a reduced purchase price that is offset.

Mr. Murphey: It is in his best interest if we do buy this course for us to keep it in good shape if he is offering people free memberships so it is actually worth something. I think he is getting off lightly there.

Mr. Mecsics: We do have a builder here that does have a vested interest and while that \$10,000 or whatever that amount is, that is between him and Mr. Maxwell, maybe there needs to be some discussion between the Boards and Mr. Schreiber saying we need some backup here, what can you do to help us.

Ms. Carpenter: That is part of the due diligence and I was planning to try to reach him to see if I can do that.

Mr. d'Adesky: So to be clear, the direction is to ask for a 2 or 3 year limit on that particular item. The next one is to provide copies of current membership information. We are going to get that since he already agreed to that. The next one is to provide all existing appraisals for the property, which he also agreed to do. The next one is to provide all of the copies of permits, licenses, and other authority governing the golf club and for them to pay for all of the transferring permits, which was also agreed upon. The last one is to provide copies of all of the contracts, leases, and any other agreements that will need to be assigned. That is it.

Mr. Robertson: Okay, so this is going to be presented to negotiation within the next 10 days?

Mr. d'Adesky: I will send it as soon as I get back to the office. I will send an email to their attorney and get it going.

Ms. Carpenter: We will put together the revised term sheet, have Mr. Mecsics and Mr. Costello review it, and once it is okay, we will tell them on Monday that we are interested, we are not ready to present a contract, but we are working towards terms for the Boards to agree at their next earliest meeting.

Mr. Costello: And prior to any agreement, you are not going to start any of the work, are you?

Ms. Carpenter: We will go ahead and get the costs for you so when you are deciding whether you want to present a contract with these terms, you will know what the cost is really going to be and you can decide how to proceed.

Mr. Robertson: What happens if in this process of the next 10 days and he says no and that he is going to sell it to someone else? Are we still going to spend the \$26,000? If he says no, those are unacceptable, do we continue to spend the \$26,000?

Mr. d'Adesky: No. We wouldn't do more work if it is clear to everybody to not proceed. Of course not.

Mr. Robertson: That was my point originally that I don't want to spend \$26,000 if he says thank you very much, I am going to sell it to someone else. We will cease any of those costs, right?

Mr. d'Adesky: Right.

Ms. VanSickle: However, if he does show interest in this, before we approve an actual contract I would want some of these other considerations taken care of. How do we do that?

Mr. Meccsics: That is part of the negotiations.

Ms. VanSickle: Okay, that's what I would need. Thank you.

Mr. Ference: Is there any other business that needs to be discussed?

Ms. Burns: Do we want to set another joint meeting? We can always cancel it if we don't need it, but we should get that coordinated because we will need to advertise.

Mr. Costello: We have a meeting on the 15th.

Ms. Burns: We can't advertise for a joint meeting on the 15th. It is too late to get an ad in by Monday.

Mr. Robertson: We can continue this meeting. We can legally continue the meeting to the 15th or another date. We just need to select when now so the public knows.

Mr. Deane: That is true.

Ms. Carpenter: The 15th is not a very long timeframe to be able to get proposals for costs for title and survey. I don't think we can reasonably if we are going forward have a good cost and get those so quickly.

Mr. Robertson: I am not suggesting it has to be the 15th. I am saying we can continue this meeting to a date of whenever it is convenient for us and to have all of that.

Ms. Burns: I think if we are not trying to get something under the advertising deadline I think staff's recommendation would be to advertise the new meeting, as we have time to advertise. It is a big issue. If it is beyond the 15th we will have enough time to advertise a new meeting.

Mr. Deane: Then we have to pick a date.

Ms. Carpenter: October 22nd or 29th? Those are Mondays. The 29th would probably be better. It is the 5th so that would give us 3 weeks.

Mr. Williams: I am not here on the 22nd.

Ms. Carpenter: The 29th perhaps? That shows good faith that we are trying to get this thing wrapped up, the contract issue by the end of October.

Mr. Deane: So can we make it the 29th after Monday Morning Coffee?

Ms. Burns: Christine, does that work?

Ms. Wells: Yes.

Ms. Burns: So 10:00 a.m. on October 29th. We will advertise for that joint meeting.

FOURTH ORDER OF BUSINESS Supervisor Requests and General Public Comments

Mr. Robertson: We will invite Supervisor Requests and General Public Comments.

A resident: I have a question for attorneys. How many CDDs do you operate with that have golf courses?

Mr. d'Adesky: That have them or own them?

A resident: Own them.

Ms. Carpenter: They are suggesting we take comments and answer the questions at the end.

A resident: Okay. My comment is there are 1,172 CDDs in the state of Florida. In a handful, and I don't know if that handful is 5 or 10, the first thing I want to say is that I am in favor of buying the golf courses, but I am not so sure I am in favor of buying the golf course by the CDD. The reason being is that tax dollars. Regardless of what happens, we are responsible for those tax dollars. We can't even agree, as you can see at this meeting today, so there has to be another way of doing this. I think moving forward to finding out what the ownership wants is one thing, but we don't even have a plan even if we get that back, how will we run the golf course? Are you going to lease it out to a golf management company? Are we going to have a Board of Governors? How are we going to do it? I think while we are looking at ways of buying it, I think we need to look at the ways of how we are going to spend our money operating it. I think we have to come together with those two plans at the same time. Then we can move forward. And if it comes out that the CDD proves that we can operate without upping assessments, let's look at it and present a contract. I have heard from one member here today that I don't

know if he represents the CDD, the neighborhood, or Mr. Maxwell, and I am not comfortable with that so I would like everybody to understand, let's move forward, let's do the investigation, but let's not spend another penny because I think the NGF report was not right. They didn't even look at or examine the water systems. The water system is 15 years old and about ready to burst. That is from experience of living on five golf courses in the state of Florida. That is a lot of money. They didn't even inspect the soil samples the University of Florida Agricultural Department provided to find out what we need to do with the greens in the very near future. Those are the things that need to be answered. Those are things that get expensive. I appreciate everybody's work. I definitely appreciate Jim Mecsics and Mike Costello getting involved in this situation, and the attorneys and the rest of staff and their time, but please let's make sure when we get together how we are going to buy it and operate it at the same time and where is the membership coming from. Mr. Robertson quoted the NGF report, but he didn't give the whole truth. NGF said it looks like it operates successfully.

Ms. Burns: That was 3 minutes.

A resident: Thank you. Let me just say to Brenda and all of those who are concerned about doing our due diligence. I 100% agree with you. Carla is right. I am in favor of the golf course, but we should not do it if it is not the fiscally responsible thing to do. I want to talk about the short timeline. You can go back to the first joint meeting in February, the joint meeting in May, and the joint meeting in August, and the same discussion points were made by everybody at this table and we have made no movement towards a decision. So now we are coming up at the 11th hour so I would ask how many meetings did the lawyers and our people meet with Mr. Maxwell's group? I assumed from the discussions it was once. There has been no dialogue, no back and forth. We are going into this with, accept it for a discount. We needed to go in with a position that these Boards in almost a year should have come up with a position that was acceptable to us and so whatever it is, we met for more than 2 hours today talking about the world and in 20 minutes you solved what was acceptable to the Board members here. In agreement of those things and new members, rather than 30% or 60% or whatever, I

would say be a cost certain, you pick the number, be it \$3,000 a home, \$2,000 a home, \$5,000 a home, whatever, and get your money upfront. That gives you an additional \$300,000 in your pockets because you are betting against people not joining. Bet against people joining is all I would say. Thank you.

Mr. Tom Scali: I just have a question on the taxes. If we were to purchase the course, because we are CDDs, are we liable for any state taxes or any taxes?

Ms. Burns: We will address all of the questions at the end. You have 3 minutes to ask questions if you have any others.

Mr. Scali: Okay. If we are not, which I believe we aren't but I don't know for a fact, then this whole issue of December 31st becomes our review because when we do take title, then the developer only has to pay that percentage and it is not \$300,000 or \$250,000. It is significantly less than that. So please keep that in mind when negotiating.

Mr. Steve Realmuto: I was glad to see the Boards give the management company direction to investigate and present the different options with regards to how this will be paid for between the two Districts. It is my understanding that the two options are by number of lots or 50/50. I would like to know if that is correct when you answer questions, but how you pay for it is only half of the equation. Personally I can live with either of those, provided, and this is a big if, if the ownership interests were proportional to how you were paying for it. So that is saying if you decide to do it by lot, then the ownership interest of each District should be proportional to that so that if you went with per lot, CDD I would own the greater portion of it than CDD II. On the other hand, if you went 50/50, each would own 50% of the assets regardless of which side they are on. That is important to point out because Eagle's Nest is entirely in CDD II and also the voting interests should be proportional to the payment. So those need to go together. I can live with either of those, but you have to make the ownership interest and voting interest proportional to those. Moving forward, you are going to need to decide. It might be simpler for each CDD to simply pay for it and own the golf course, or if you want to make this one community you need to look at a way of owning it jointly and not necessarily each CDD owning the piece that happens to be on its side. Perhaps you need

to form a separate corporation to hold it in the same proportion as you pay for it. So please consider this as you move forward as you present those options and I will be looking to see how that gets assigned. Thank you.

Mr. John Velebir: I am not opposed to owning the golf course. In fact I think Bob Zelazny makes a great point that it would be great to control that 200 acres of land and be able to do whatever we want to. The fact that it is operating as a golf course now provides some income stream to offset the operations costs. What concerns me is that we are just rushing along here, even though you have been doing this for like a year. I am not opposed to owning the golf course. What I am opposed to is rushing through this thing, taking it on when we don't have any real idea beyond the purchase price of what it is going to cost us. We don't know the cost of the operations and everything else. Yes, there is a ticking time bomb out there for assessments. There is a community over here that just had assessments of a million dollars to operate the irrigation system, which you need for the golf course. I would just like to see a plan as to how we are going to do this, how we afford to buy it, how we afford to operate, what the plan is. What does rushing headlong into this thing do for us? I cannot believe one single person up there would do this with their own money. It is other people's money. Jim said I am a risk manager. This is other people's money, though. I can't believe anybody up here would spend their own money as recklessly as what I see you proposing.

Mr. John Castelli: I am not in favor of buying the golf course. We have 75% of the people here in Lake Ashton up in age. Most of them can't play golf and most of them don't want to play golf. I don't think we should be forced into paying for this for the people who want to play golf. People who want to play golf spend \$5,000 a year to play golf. They can golf anywhere. If someone does buy this golf course, more power to them. This just boggles my mind and I am afraid because if we do go into this, you are going to assess me up the nose where I will need to sell my house. Everything keeps going up. You think running this golf course is high now? In a year or two it will be even more because you have so many unknowns. You don't even know what you are dealing with.

And if you do buy it, you will have losses against you. With the residents here, you will have a lawsuit. Believe me, not everyone is interested in owning this golf course.

A resident: As I was listening today, I was making notes, so I am just going to give you my notes and you can figure it out as we go along. My first question was has a proforma ever been done? It seems like no and there are no answers to comment on money. I keep hearing the same thing over and over again, what is this going to cost us? It has not been answered. I get a lot of it could be this much or scare tactics and rush to judgement to make this purchase. I don't understand for all of the time that has been spent as of this last meeting with Mr. Maxwell, all the sudden he wants it done by October 31st. We have been talking to him for a long time, and now it is October and close by the end of the year.

Mr. Costello: We haven't spoken to him all that long. We spoke to him only 3 weeks ago. Everything else was through different residents who have spoken to people from the golf course, but actually sitting down and speaking with Mr. Maxwell and Mr. Lee, it only occurred with myself and Mr. Mecsecs I think around September 24th. That was the only time we spent with them.

A resident: It sounded as if there had been conversations going on and now all the sudden it is just this once.

Mr. Costello: And you have to remember, I am sorry to interrupt, but I think everyone will agree that what we spoke about that day and the agreements that were made, had changed quite dramatically. So no, we are not trying to rush into it. He is trying to rush us through it. They are trying to push us through it. We are not trying to push doing it quickly.

A resident: That is not the feeling I was getting earlier in this meeting. It sounded as if oh my goodness we need to go through with this, ready, shoot, aim. That scared me.

Mr. Costello: Quite honestly I think maybe you misinterpreted some of that. It would be helpful if we had more time. He is trying to get rid of something that is costing him money. We are trying to look at it as how we could possibly buy it and at that point if we make money, great. If you look at some of the figures that were brought out today,

it is quite possible we might make this an asset. We don't know that this is going to be a deficit to us and I am sorry I ate up some of your time.

A resident: That is okay. If I misunderstood it, I misunderstood it, so thank you for the clarification. I agree that a lot of the same questions keep resurfacing and are not being answered.

Mr. Costello: We have been trying to get answers to the same questions.

A resident: This environmental study. Why are we paying for it? Why is it not included in whatever monies Mr. Maxwell may be getting per house? Typically when you are trying to sell a property you try to give your buyer as much information as possible. It seems like we are absorbing an awful lot of costs from Mr. Maxwell. If they put the golf courses on the market, are they such a hot ticket that he is going to have a rush of people coming in? I don't think so. I am not a golfer and when I first came to this meeting, I thought I understood after all of the conversations that yes, we should buy it for our own benefit. Today, I am not sure where I stand anymore. I don't have any answers. I feel like I know less now than I did coming in the door today. That bothers me. At one point I thought okay, let's do this, it makes sense, but I am not so sure now. I am also concerned about the idea of 50/50 or whatever. That is why we have the electoral college so California can't decide what the rest of the country is going to do and somehow we need to figure out how to do this so everybody has a say.

Ms. Carol Rowe: 1053 Sawgrass. I have lived in Lake Ashton for almost a year and when I bought my home it had this amazing greenspace. I don't play golf, but I do use that greenspace. When the golfers aren't out there I use my golf cart and take my daughters for a little drive. I think it is supremely important that we own that land. I am happy for it to be a golf course, other than that I really think it is an asset that I had when I bought in this community and I do not want to see somebody else have it and other residents here be denied the opportunity to use it unless we pay whatever the golf fee is. And I trust that the CDDs are doing an awesome job.

Mr. Williams: Anyone else?

Ms. Pontious: We have to provide answers.

Ms. Burns: The first question was how many Districts do we represent that have golf courses? GMS represents 3 that own golf courses right now and 1 that is considering and likely going to purchase it.

Ms. Carpenter: The ones we represent, we don't have any that the CDD owns it, but one has considered, projected the idea and it hasn't sold so it is still out there. The questions on the taxes, I think we answered that earlier. In Florida it is a case-by-case basis based on the county tax assessor. Governments generally are exempt from paying taxes, however if there is a question it is left to the county to decide whether amenities like golf courses and recreational facilities are actually governmental facilities and should not pay taxes. So it is uncertain. We had a lawsuit against the county appraiser for another amenity building to reduce the taxes to only the restaurant portion to be liable for taxes and the rest. So there is no certain area on that whether a golf course would be considered an amenity or if it would be looked at as a private facility. So I can't give an idea which way it would go or not. And just to respond to the other questions, I think the Districts have agreed to do pretty much what everyone has questioned, have some basic terms that have been bantered about. I think we finally have some actual terms to begin to look at and the Board directed us to go out there and get the costs for surveying and environmental and all of these various inspections. The costs they have offered to pay are the customary costs of the seller and commercial transaction in Florida. Unfortunately the purchaser is the one who pays for a majority of the inspections. That is very typical. We could ask, but it is probably not anything that they would sway on because it is not typical and anybody else would agree to pay those costs.

Mr. Robertson: I have a comment. With the golf course ponds that are within our permits, but within the golf course area, if they aren't maintaining them to the proper standards, what is our next recourse on that?

Ms. Carpenter: The District has easements so it is the District's responsibility to maintain those. The District will have to take on a vacancy of those if the golf course stops doing it.

Mr. Robertson: So they have no legal obligation to maintain the permits and ponds? They can just stop?

Ms. Pontious: If we don't like it we get to do it.

Ms. VanSickle: I would like to make one comment. A lady was concerned that we were moving forward with this. We are still looking into it. We are not entering into a contract. We are going to want to know what the costs are before we do it. Like I said earlier, if we do this, we have got to have the community's support just like whatever else we do. Like Mike said it was recommended by another community that did that. I wouldn't be willing to move forward on this until we had that. When I asked Jillian about how many CDDs that own golf courses are making money or losing money? She is checking into those figures for us, but I believe they are losing. This is important information. We need to know if we are going to do this how we are going to do it and we can't do it on the weight of everybody's back. I can see a small nominal fee per resident because we all enjoy how beautiful it is. We enjoy using the golf carts, but I think the golf course for the most part should be able to pay for itself.

Ms. Burns: Before we adjourn real quick I think we need to make a decision if we are going to continue this one? I think we are going to go right into Lake Ashton II's meeting since it is already past time for that.

Mr. Robertson: We will take a 10 minute break then we will have the CDD meeting. We will reconvene at 12:37 p.m.

FIFTH ORDER OF BUSINESS

Adjournment

There not being any further business to discuss,

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

Assistant Secretary/Secretary

Chairman/ Vice Chairman

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

A meeting of the Board of Supervisors of the Lake Ashton II Community Development District was held on Friday, October 5, 2018 at 11:30 a.m. at Lake Ashton II Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum were:

Doug Robertson	Chairman
Jim Meccics	Vice Chairman
Daniel Murphey	Assistant Secretary
Stanley Williams	Assistant Secretary

Also present were:

Jill Burns	District Manager
Andrew d'Adesky	District Counsel
Alan Rayl	District Engineer
Mary Bosman	Community Director
Numerous residents	

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the meeting to order, called the roll, and the pledge of allegiance was recited. All Supervisors were present with the exception of Ms. Wright.

SECOND 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. Gordon: My name is Janis Gordon and I live at 5525 Hogan Lane. I would like to address the minutes of the CDD II meeting from the last meeting. Upon reviewing the minutes of the August 10, 2018 Lake Ashton CDD II meeting, I identified numerous inaccuracies. For example, resident names were not just misspelled, but mistaken, mine being one of them. An exchange between Mr. Robertson and Mrs. Soberman, identified Mrs. Soberman as Ms. Thriller. Ms. Grower was also identified as Ms. Thriller and all of

Ms. Thriller's comments were attributed to her. Ms. Soberman's comments were also attributed to Ms. Thriller. Information was also excluded. For example, in my remarks to the Board, I clearly stated that I was a member of the 8:30 a.m. water aerobics class, but 8:30 a.m. was omitted. I clearly stated that Mary Dornhecker was the intended recipient of an apology letter from the Board, and her name was omitted. These omissions may seem minor or trivial, but I believe that they are representative of other inaccuracies in the minutes, many of which I will not go into. I take notes at the meetings, so I know that there are other inaccuracies. The minutes are a legal document, intended to provide an accurate verbatim account of the meeting. Not only do they inform those who are not in attendance, but they serve as extremely valuable information for historical reasons. They should not be an approximation or summary. When I identified a problem, I offered possible solutions; therefore, I suggest having someone present at the meetings to record it, either through shorthand or a legal transcription or a video or audio recording. Additionally, someone who is at the meeting, should proofread and fact check the minutes prior to their release. Thank you.

Mr. Robertson: The next public comment is from Bob Zelazny.

Mr. Zelazny: I just have two items; one is regarding the Ashton Drive improvements. This was going to be addressed to the District Engineer. Let me first say that I support the sand solution to preserve the long life of the road coming into Lake Ashton. I believe that it was the right solution. I am not a road engineer or an expert in concrete black top construction; however, I've done extensive research and discussed this with two residents that have been in the business for many, many years. From everything that I read and heard, the sand solution we chose, would not solve the problems of having wide cracks, of over one-and-a-half inches in depth, alligator cracking or uneven and improper cold patches. By not doing the necessary preparation work, we are not resolving the issues, so we have not accomplished our desired outcome. I should point out, that the previously repaired cold patches, actually came loose one week after we did it. The second issue is the tennis court paving, which is coming up for discussion. My concern is painting the tennis courts, as opposed to resurfacing. Industry standards say

that resurfacing should be done every three to five years. We have never done it here in the west. The procedure is more than just painting. It includes grinding the surface, to clean and smooth out existing cracks, fixing low spots with one coat of acrylic resurfacer and two coats of acrylic color and then re-lining the court. That is the proper way to resurface the tennis courts, and that's the way we should be doing it, other than just painting. Thank you.

Mr. Robertson: Ms. Gordon, would you get in contact with Jill after the meeting, to resolve issues with the minutes to your satisfaction, so we can get them amended?

Ms. Gordon: Yes, however, I think it's to everybody's satisfaction not just mine.

Mr. Robertson: Yes, I understand that. Please talk to Ms. Burns and get those comments into the record.

THIRD ORDER OF BUSINESS

Approval of the Minutes of Lake Ashton CDD and Lake Ashton II CDD Joint Meeting held on August 10, 2018, and Minutes of the Lake Ashton II CDD Meeting held on August 10, 2018

Mr. Robertson: We have approval of the minutes, with the modifications.

Ms. Burns: Supervisor Murphey also provided a couple of comments.

On MOTION by Mr. Mecsics seconded by Mr. Murphey with all in favor the Minutes of the August 10, 2018 Lake Ashton CDD and Lake Ashton II CDD Joint Meeting were approved as-presented and the August 10, 2018 Lake Ashton II CDD Meeting were approved as-amended.

FOURTH ORDER OF BUSINESS

Unfinished Business

Mr. Robertson: We have no unfinished business.

FIFTH ORDER OF BUSINESS

New Business/Supervisors Requests

A. Approval of Aquatic Plant Management Agreement with Applied Aquatic

Mr. Robertson: Under New Business we have the aquatic plant management agreement. Applied Aquatic maintains our ponds. They asked for no price increase and

would like to continue maintaining our ponds for next year, so we need a motion to accept the Applied Aquatic contract.

On MOTION by Mr. Williams seconded by Mr. Mecsics with all in favor the aquatic plant management agreement with Applied Aquatic was approved.

B. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2018

Mr. Robertson: Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2018. Grau & Associates have always prepared our audit, so we just need a motion to accept the engagement letter.

On MOTION by Mr. Mecsics seconded by Mr. Williams with all in favor the engagement letter with Grau & Associates to perform the audit for fiscal year ending September 30, 2018 in the amount of \$5,800 was approved.

C. Consideration on Parking Barrier across the street from the HFC

Mr. Robertson: Consideration on Parking Barrier across the street from the HFC. The Board received a memo requesting a parking barrier across the street from the HFC, which was an expense under \$1,000. The plan for parking, was that the original parking lot was the first priority, the second parking around the "Park and Share" was for golf carts, the third parking lot was Parking Lot #2 and the fourth parking lot was along the tennis courts. The fifth and final area, is the area that we are cordoning off. The only way to accomplish that is to have barriers in place. If you have a large event, we would have security remove the barriers.

Mr. Murphey: Where is this parking area going to be?

Mr. Robertson: Around the corner, where the palms are currently.

Mr. Murphey: It's across the street. So, this is going to be permanently out there?

Mr. Robertson: This will permanently be out there, and provide spaces for at least two cars between each space. Whenever there is a big event, our security people will take the chains down, so you can park there.

Mr. Murphey: But the poles are in permanently?

Mr. Robertson: The poles will be in permanently, but they will be nice black poles. So that has been taken care of already.

D. Consideration of Flooring Proposals (requested by Supervisor Robertson)

Mr. Robertson: Consideration of Flooring Proposals. At this point we are looking at all of the costs for buying the golf course, and I wasn't prepared to spend a lot of money fixing our floor at this point in time. I think we need to table that to a later time, if that's okay with everybody.

Mr. Williams: Super.

E. Consideration of Proposals for Tree Removal/Replacement on Ashton Boulevard (requested by Supervisor Robertson)

Mr. Robertson: Consideration of Proposals for Tree Removal/ Replacement on Ashton Boulevard. We lost several trees. Again, same issue, I suggest that we table this, until we know the costs for the golf course acquisition. We don't need to add those expenses at this point in time. Are there any objections to tabling this?

F. Consideration of Tennis Court Painting Proposals (requested by Supervisor Robertson)

Mr. Robertson: Consideration of Tennis Court Painting Proposals. As Mr. Zelazny said, there are a whole series of steps for this. We made an agreement with the tennis people, that when the pickleball courts were completed, we would remove the pickleball lines from the existing tennis courts, and it would revert back to a tennis court operation. If people wanted to play pickleball, they would have to put down temporary lines, as has been done in the past. So, the idea was to paint out those lines. In talking to the people that play tennis, they didn't see a need, at this time, to totally refinish it. They were happy with the performance of the courts, so we didn't come up with recommendations. We could then go back to the tennis people to see if they actually want us to remove the lines at this point because normally they are playing on one court. I don't often see two courts being operated.

Ms. Bosman: They want it done.

Mr. Robertson: Okay, because that's what we agreed to do.

Mr. Murphey: I informally talked to several people, and they do not want the pickle ball lines. The people also said that they were satisfied with the courts, and didn't feel like they needed to be resurfaced right now, but when we do resurface the courts, what Mr. Zelazny was talking about, needs to be done.

Ms. Bosman: If you look at the proposal, it talks about in detail what they are going to be doing and it includes resurfacing.

Mr. Williams: Do we want to vote on this?

Mr. Robertson: That's the question, because we said that we would give them back the tennis courts. I have an obligation to do this. The cost is \$6,887 for us to repaint both courts. Are there any further comments?

Mr. Williams: Are they looking at repainting both of the tennis courts and re-lining them?

Mr. Robertson: Yes.

Mr. Williams: I had a brief discussion with a tennis player. Is there a color issue?

Mr. Robertson: No. The issue is the yellow lines for pickleball.

Mr. Williams: So they are just repainting the lines?

Mr. Robertson: The suggestion was to repaint the entire court.

Mr. Williams: That's what I'm saying. I don't know if it's true or not, but they were talking about the color.

Ms. Bosman: Yes. A third color was requested, and the Pickleball Association gave a check to the CDD to have that implemented. It's directly off of a quote from Varsity, so we know the amount that it's going to cost to have that third color.

Mr. Robertson: So when the pickleball courts were painted, they added an extra color and the Pickleball Association. Now what you are suggesting, is that the tennis people don't like the look and now they want to spend more money.

Mr. Williams: I didn't hear that they wanted to spend more money. Maybe we can ask them if the tennis people want to get together and do that. This is something one of them asked me to bring up.

Mr. Robertson: Then the question is, should we do it and reimburse the Pickleball Association \$100, so that we're treating them all fairly? We can afford \$100. I'm just trying to be fair to both sides.

Mr. Williams: Yeah, I guess. I don't have a problem with that.

Ms. Bosman: Then we should refund them?

Mr. Robertson: Yes. They are going to give it back to us very shortly. I just want to be fair. Why should we do something for one and not the other? That was what my concern was. There should be a price increase of about \$100 to \$200.

Ms. Bosman: \$100.

Mr. Robertson: So with reimbursing them the \$100, and we are going up to \$6,987.

Mr. Zelazny: At the last CDD meeting when we talked about the budget, the capital project plan, and capital reserves, the resurfacing the tennis courts came up and we asked you to address it. When I saw this item on the agenda today, I assumed it was for the resurfacing of the tennis courts, not overpainting the lines for pickleball. Now, if you follow the reserve study when these things are supposed to be replaced, resurfacing is three to five years. We are going on 10 years. If you look at the courts, between 50 and 100 repairs have already been done to the courts. We are close to getting to the point where we are going to have to replace the courts, if you don't resurface them now. It's the same as the solution on the roads, where you can extend the life. If you choose to just paint them today and don't do the work right, you are going to end up replacing the entire tennis court within just a matter of years. I recommend that you go out and look at the fixes. I again give credit to the CDD, because they did the work themselves and did an incredible job. Don't listen to the tennis player who said that they play, okay. You are responsible for the infrastructure of this community, and you have to maintain it and be fiscally responsible. So, maintain it now, so you don't have to replace it in two or three years. I have a question for the District Engineer. What is the difference in cost between resurfacing and painting? Are we talking about a huge cost difference?

Mr. Rayl: Are we talking about the tennis courts or roadways?

Mr. Zelazny: The tennis courts.

Mr. Rayl: I'm not an expert in this, but they are only talking about surface treatments and nothing structural. It is just like staining and sealing roadways. It makes that surface look nice and black. It doesn't have anything to do with the structural integrity, so there are two different treatments.

Mr. Zelazny: I am not trying to ask you for any specific numbers, but it will cost almost \$7,000 for resurfacing, recognizing that we have no infrastructure on those courts. If we chose to resurface it, how much would it cost, so that we have a brand new surface?

Mr. Rayl: I would say that we could use our current numbers from our recent pickleball court construction. There's a guy for that. It would be essentially the same. Costs haven't changed that much, so we can look at the difference between resurfacing and constructing brand new courts. I don't know that number off the top of my head.

Mr. Williams: Maybe I misunderstood, but this proposal is to apply one coat of latex and two coats of four to five colors and primer on the entire surface. This was what Bob was talking about.

Mr. Robertson: Bob is talking about grinding the entire surface to remove cracks, filling in and repairing any cracks and putting a sand solution like there's supposed to be, a four to five color system with sand in it. It is a resurfacing process.

Mr. Williams: Exactly. That's what Bob said.

Mr. Zelazny: I agree. It's in the Request for Proposal (RFP) and the contract.

Mr. Williams: This proposal says "one", so is that two times that number?

Mr. Robertson: No. It's one job.

Mr. Williams: It says one double tennis court, so that's two. So, it's another \$100 to \$200 to get the color removed.

Mr. Robertson: It's \$100. I was trying to comply with the promise to get it repainted. This is for a complete resurfacing.

Mr. Williams: Is it a repainting?

Mr. Robertson: It's more than that, because my initial intent was to spend \$100 to buy some paint to try to match the current color, but we have a proposal from Varsity for everything. So, a motion to resurface the tennis courts, would be in order.

Mr. Williams: I don't know anything about the tennis courts. Did we ever get other estimates or is this the only estimate?

Mr. Robertson: We have been only working with Varsity. We could get a second one, but they have done a good job for us.

On MOTION by Mr. Williams seconded by Mr. Mecsics with all in favor the Varsity proposal for tennis court resurfacing and repainting was approved in the amount of \$6,987.

G. Discussion on Lighting for Pickleball Courts and Parking Lots and Consideration of Proposals (*requested by Supervisor Robertson*)

Mr. Robertson: Discussion on Lighting for Pickleball Courts and Parking Lots and Consideration of Proposals. We now have light poles to illuminate the pickleball courts. We also have a brand new street lamp directly opposite our new parking lot. The difference between the street lamps, is approximately 200 feet. Sometimes it's less, but normally it is 200 feet apart. If we took half of the lighting that we currently have, it's 100 feet. If we go 100 feet in from that lamp post, we are through 90% of the parking lot. We have the ability to add some spotlights on the back side of the pickleball lights, if we decide that we need it at some point. I did get a quote to put in fiberglass poles to add extra lighting, which is not required by the city and will cost \$5,475, but I'm not recommending that we do that. At this point in time, if we want to illuminate that area, we currently have street light poles on the pickleball court and when we have events, we could ask security to turn on the lights, the pickleball court lights to provide private illumination. At this point, I think we should go with what we have. It meets city standards, so rather than spending more money, we will try and refine it. If there's a significant issue, then we will re-address it at that time. I just wanted everybody to be up to speed on that, so, no action is required. I was just giving an update.

H. Discussion on Pond Mowing Request to Yellowstone for New Phase Pond Area (*requested by Supervisor Robertson*)

Mr. Robertson: Discussion on Pond Mowing Request to Yellowstone for New Phase Pond Area. I said at a previous meeting, that now that lots are being sold in the

new area, we should maintain the big rectangular pond area on Pine Crest Loop. We received a quote from Yellowstone to do a one-time cleaning and mowing on an ongoing basis. The initial price for a one-time cleaning of the area is \$650 and \$300 a month to keep it properly mowed down to the water line. It'd be a price increase to Yellowstone's contract of \$3,600 a year. Mary said that we also received a quote from IGM for \$800.

Mr. Murphey: For \$800 a month?

Mr. Robertson: No \$800 for the initial cleanup. I didn't think that we should be going to anybody other than Yellowstone, because they are doing that work for us, but I did get a price for comparison purposes, and Yellowstone's price was the best price.

Mr. Williams: That \$600 price that you are talking about, is it in here?

Mr. Robertson: There is a separate quote from Yellowstone for \$650 or \$675 for the initial cleanup, and an ongoing \$300 a month to maintain it. That seems to be in line with what they have been doing. The developer is asking us to maintain it. He has been paying us \$1,885 to maintain all of those lots for years, but he hasn't been doing it, because we didn't have a need, so I think that it's the appropriate time for us to do that.

Mr. Murphey: When would it start? Are you talking about the new area where they haven't started building any houses yet?

Mr. Robertson: Sometime next month. They haven't started building houses, but they've sold six lots. You have seen on the 5th hole, where they are already constructing, so they are saying that they would like us to start spending some money to maintain that.

Mr. Murphey: So this would be added to their current contract?

Mr. Robertson: It will be added to their standard contract, for an additional \$300 a month going forward. They are planning to start in December. We need a motion to modify Yellowstone's contract.

On MOTION by Mr. Murphey seconded by Mr. Williams with all in favor modifying Yellowstone's contract to add a one-time cleaning of the new phase pond area for \$650 and \$300 a month to mow down to the water line for a total amount of \$3,600 was approved.

Mr. Robertson: I'm going to interject and present a proposal to resurface the two hot tubs, for a little under \$5,000, because they are continuing to deteriorate. We already burnt out one filter system, due to sand. It's within my spending authority, but I didn't want to spend money without telling the Board. They'll do the resurfacing in December.

Mr. Murphey: Get them fixed.

Mr. Robertson: I don't think we need a motion. It is within my spending authority.

Mr. d'Adesky: Is there any public comment since this item is not on the agenda?

Mr. Robertson: Does anyone want to comment about fixing the hot tubs?

Ms. Gordon: Thank you allowing me to comment. I'm sitting here in disbelief that you would spend a little under \$5,000 to fix two hot tubs that not many people use, yet you tabled fixing the dance floor, which is used almost every day. I would rather see the money used for the dance floor. I understand that you are trying to be budget-wise, because of the pending golf course purchase, but my choice would be to spend money to fix the dance floor, and not table that, rather than using it for the hot tub.

Mr. Robertson: Thanks for your comment. We have money to do the floor, if we decide to. We never made the decision to redo the floor. It was a recommendation. We have been working hard to try and get a flooring that is equivalent to the walking track, so if anyone wants to come in here and do walking track activities, you will have the same compression ratio that we have on the track. It would cover the entire floor.

Ms. Gordon: I understand that, but it's really in bad condition, so I would like for you to do the flooring, rather than resurfacing the hot tubs.

Mr. Robertson: I understand, but it's not a matter of this or that.

Ms. Gordon: It kind of is, because you are allocating the money.

Mr. Robertson: Any further discussion before voting on repairing the hot tubs?

Mr. Murphey: Do you have any idea how much this new flooring is going to cost? It is a much larger amount, right?

Mr. Robertson: Yes. It is under \$30,000.

Ms. Bosman: It's \$28,700.

Mr. Murphey: So it's substantially more money.

Mr. Robertson: Yes.

Mr. Mecsics: Could we take care of the hot tubs? The golf course purchase is going to be resolved sooner or later, and once we get that resolved, we can come back and look at the flooring. I agree with you, Janis, it needs a lot of work, and I don't think that we should not do it, but it should be set aside, until we get a resolution on the golf course, and if we have room in the budget, then we will do it.

On MOTION Mr. Murphey seconded by Mr. Williams with all in favor the proposal for resurfacing of two hot tubs in the amount of \$5,000 was approved.
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I. Discussion of CDD II Progress (requested by Supervisor Mecsics)

Mr. Mecsics: As many of you know, I recently took a trip on a train, where I relaxed and reflected on things. One of the things that came to mind, was the group of dedicated individuals on our CDD II Board. Four years ago when the residents gained control of our community's destiny, we were faced with a truly uncertain financial future.

Mr. Williams: Jim, I'm sorry to interrupt, but I request that you table this until after the election. I know that is not the intent that you have, but since you are running for office, the other person running for office, could accuse you as trying to garner votes. We could have discussion and take comments on the progress, but it should be tabled until after the election.

Mr. Robertson: As Chairman, I am going to ask our lawyer if we are doing something that's inappropriate at this moment in time?

Mr. d'Adesky: Frankly, I don't know what's going on. Jim didn't distribute a copy of his speech, so I don't know what he's going to say.

Mr. Williams: I just took it based on the way he was speaking.

Mr. d'Adesky: Let me clarify that this Board cannot take any position on an issue or candidate to endorse a particular candidate.

Mr. Williams: Right.

Mr. Mecsics: I'm not trying to do that at all. Here's a copy of my statement.

Mr. d'Adesky: Thank you. This is the first time I've seen it.

Mr. Robertson: I will go to another subject while you read it and tell us if it's appropriate for us to discuss.

Mr. d'Adesky: Okay.

SIXTH ORDER OF BUSINESS

Staff and Board Reports

A. Attorney

B. Engineer - Discussion on S.W.F.W.M.D. Certification due for Permit #27710.004

Mr. Robertson: Since the attorney is busy, we'll move to the engineer. Mr. Rayl?

Mr. Rayl: Thank you. We learned that S.W.F.W.M.D. is still sending the Notice of Inspection Letter to the developer, even though we changed the address, so I will rectify that. The inspection for the #27710.004 Permit, which covers about 30 ponds, was due on September 1st, but I contacted S.W.F.W.M.D. to let them know that we are only now aware of it. In the next two weeks, I will be out here at different times, to re-inspect each pond and provide a Statement of Inspection to S.W.F.W.M.D. to re-certify them. We did that 18 months ago, and they sent the re-certification. I just wanted to make the Board aware that was going to be taking place again.

Mr. Robertson: Just to add to that, we've talked to Applied Aquatic. They were here yesterday, and are going to be doing extra weed control on the ballast. One of the biggest things that S.W.F.W.M.D. is interested in, is that our filtration system works, so that during a big rain, the water goes through our ballast, filters all of the water and flows into the Peace River. They want that ballast to be free of weeds, so that it can do its job. I reminded the golf course and Applied Aquatic, that they should take extra special care, in the next couple of weeks, so that when we come by and inspect it, it looks in tip top shape. Don't rush. We've been out there enough in the last year, to know that it is in good shape, but we want them to be able to say that there was no vegetation interference. If we don't do it, it becomes a structural issue, because the roots could go down and cause damage. It would be nice if the ballast was pristine.

C. CDD Manager

Ms. Burns: I have no report, but would be glad to answer any questions.

A. Attorney (continued)

Mr. d'Adesky: There's nothing inherently wrong with Mr. Mecsics statement, but in an abundance of caution, you can say that there is nothing problematic in there, inherently. There was a question about the minutes, and I just wanted to say that it's very important that the minutes are an accurate reflection, as adopted. It doesn't require legal action. It's a necessity. An attorney general's opinion, which is general guidance for us, defines minutes as "A brief summary or series of brief notes or memorandum, reflecting the events of public meetings in written form. Minutes taken, need not be verbatim transcripts of meetings. There's no requirement that voice recordings be made". That being said, if this Board chooses to record meetings, they may use voice or video recordings. It is very important that those be accurate reflections.

FIFTH ORDER OF BUSINESS**New Business / Supervisors
Requests (continued)****I. Discussion of CDD II Progress**

Mr. Robertson: With Mr. d'Adesky's opinion given, I'll turn the floor back to Jim.

Mr. Mecsics: This is not a political announcement. As I was saying four years ago, when we as residents, gained control of our community's destiny, we were faced with a truly uncertain financial future, with very little resources to accomplish our goals. Some examples of the things that we had to consider, were the closing of the gates at certain hours and reducing the hours of the HFC operations. In fact, some of us joked, that we didn't not have enough money to pay attention. Well we did face those challenges, to some degree, and made strategies, which also included using some of our own funds and District resources to maintain our community. Two of the original Board Members, David Harrison, who watched over our finances and even though he wasn't a resident, Scott Owens, who was instrumental in the transition, are no longer serving on the Board. To those two gentlemen, I say "well done". Through some very outstanding negotiating skills, our Chairman, Doug Robertson got us most of the monies that we were owed, and we as a Board, no longer had to worry about where our funding sources would be coming from. A strategy to repair and enhance our District resources was undertaken and

achieved as our own challenge. We also operated very successfully, our operational style, which started small and grew. We serve our community, not only during hard financial times, but fiscal ones, as evidenced by the operations during Hurricane Irma, a Category 5 hurricane that hit Lake Ashton directly. During that time, your group and our Board ensued that our facilities were open, in case residents needed them as shelters, and that our gates were manned to monitor our community's safety. Right after the storm, your Board instituted immediate action, to assist in the recovery of our community and coordination with our city government to clean up ahead of other parts of the community. You probably noticed some of our staff out there repairing fence posts, instead of using reserves. We look to the future, to get the voice of the people on our 2020 project, which is a first for the entire Lake Ashton community. I thank Bob Zelazny for being my point man on that. This project is used as an advisory tool, to focus on community desires that are fiscally prudent. Many points reflected at our budget workshop, used accepted budgetary processes, to ensure that our CDD funds were used in the right way. We worked very hard together through all of this, and while sometimes we don't always agree, we get the job done. Sometimes, there were some allegations of wrongdoing, and I can tell you right now, that's not true, because an analysis was done for the last 16 months; of the 70 votes, 65 were unanimous. If anyone wants to see that, I can get that for you. As we sit at our joint meeting and this meeting, we have some interesting challenges ahead of us. It will not be easy, but I'm confident that this Board, whether I serve on it or not, will help us to have a great future for this great community, which we proudly call Lake Ashton as our home. My only intention, was to show perspectives of the Board's success, which is also your success. I want to offer my fellow Board Members, all present and past, a hearty "well done" and salute them. Thank you.

SIXTH ORDER OF BUSINESS**Staff and Board Reports (*continued*)****D. Lake Ashton II Community Director**

Mr. Robertson: Next is Mary's report.

Ms. Bosman: What you see before you, is a list of things that have been accomplished since August. As you can see, we have been busy again. New tile was

placed in the shower bathrooms. The quality is wonderful, as well as the aesthetics. We had a lot of residents say that they love the new floors. Our OT, as a matter of fact, spilled some water on it and tried to slip, but couldn't do it. That gave us his vote of approval for the condition of the floors. That cost was \$7,278, which was approved by the Board. The mats that had been previously out in the hallway to prevent slippage, were cut to fit into the saunas, because the old rubber mats had gotten brittle from the heat. We thought we would repurpose those and they work wonderful, so that was a win-win. Kincaid finished the pickleball court lighting, which cost \$19,491. That required setting up another account through TECO. I arranged it, so that all of the street lights adjacent to the pickleball courts, are now working. The air handler in this room failed. Their normal course of life was five to seven years, and ours lasted over 10 years. That was replaced by Tradition Air, not without difficulty; however. I think they put the air handler in upstairs and built the rest of the HFC around it. They had to actually deliver the air handler in sections to get it up there. The replacement cost was \$14,543. Everything ages, including us, and the building is going to age. I already have James, our Maintenance Supervisor, going through item per item, noting the normal life span. We put monies into the budget for capital expenses, so we will be prepared. The expertise that James brings to Lake Ashton is to save Lake Ashton money. The Board Members work closely with James and they are well aware of all of his capabilities, or at least several of them. He recently completed his first year of employment at Lake Ashton; therefore, I would like to ask for a vote from the Board, for an increase in his salary, anywhere from \$1 to \$3 an hour. This is at your discretion, but I'm requesting that this be effective October 1st, which was his work anniversary. Just as a side note, he still gets calls from his old employer, wanting him to come back, so we want to keep him. Did you want to take action on that now?

Mr. Robertson: Yes. I want you to give me an exact number you recommend.

Ms. Bosman: Let's go with a \$2 increase. That would put him in the higher end of the average salary for Polk County. They always give a variance. Am I answering your question?

Mr. Robertson: Yes, that's fine. I didn't want to debate back and forth between \$1 and \$3, and since you are the person in charge, I want the number from you. Then we can decide what to do with your recommendation.

Ms. Bosman: There has already been money set aside for our employees.

Mr. Robertson: Yes. We put that into the budget.

Mr. Mecsecs: James is one heck of a guy. I have seen him pull miracles when fixing things. He is a good man and a true asset to Lake Ashton.

Mr. Mecsecs moved to increase the Maintenance Supervisor's salary by \$2 per hour as recommended by the Community Director and Mr. Williams seconded the motion.

Mr. Robertson: Does anyone from the audience want to comment, because this item is not on the agenda?

Mr. Zelazny: What does that make his hourly wage?

Ms. Bosman: It'd be \$18. The highest salary is \$21 an hour, so he's not at the top.

Mr. Robertson: If I understand correctly, after the hurricane, he wasn't happy with how things were done at his other location, and he decided, in all consciousness, that he couldn't continue that way, so he took a significant pay cut to come to us.

Ms. Bosman: Yes, definitely.

Mr. Robertson: He already proved his worth to other places, and he certainly proved his worth to us. That's why we are looking at that increase, at this point in time. Are there any further comments? Hearing none,

On VOICE VOTE with all in favor increasing the Maintenance Supervisor's salary by \$2 per hour as recommended by the Community Director was approved.

Ms. Bosman: New aggregate was placed in the washout area. This is the area by the pickleball court square. After a significant rain, James would be out there shoveling it back in. We put 1,000 pounds worth of aggregate, costing \$3,774. We haven't had any washouts since, so that was a very inexpensive fix. The kitchen upgrade that was voted on by the Board, has started and we are working on that. I moved recently and had an

extra microwave, so I donated one of mine. Another employee, Chuck Yeager, donated another one, so we have a total of three microwaves. We also purchased a commercial grade convection oven. It does everything from baking to toasting for \$449.99. A 12-cup coffee and tea maker was also purchased, which will suffice for smaller events. We already had a 100-cup server. The cost of the smaller coffee service and tea dispenser was \$89.96. I'm going to purchase a couple of slow cookers for when we have potlucks and so forth. They are around \$49 a piece. I'm still about \$1,500 under budget, so if anyone has anything that I missed, please let me know, as there is still money for that. Louise Creston is our new Activities Assistant. She has been doing a good job. In response to the 20/20 project, one of the significant recommendations, was that we start adding entertainment at this location. There are a lot of steps to take, before you get to that point. She has been calling, and asking what it takes to get entertainers here, not just pricewise, but what your requirements are and what you need. Having a water supply in the bathrooms, to fulfill our basic needs, was one of the items that keep coming up. For that reason, I'm asking the Board to consider us moving, at no cost, the current stage and the dance floor, to this end of the building, in preparation for future stage building and so forth. James has put together a plan for a stage area that is 15 x 25 and section for storage and a dressing room for under \$5,000. I'm not asking for a vote on that right now, as we are just trying to plan ahead. You have to look at what we have here, versus turning around and walking away. The reason for moving the stage and dance floor to the end of the building, is because we would have access to water for bathrooms. With the stage down there, we have to build a bathroom and they are expensive. We are taking baby steps, which is why I am asking for the Board to allow us to do that. Staff is going to pitch in and get it all done one afternoon, as soon as the Board says that it's okay.

Mr. Robertson: Do we want to move the stage from one end to the other?

Mr. Williams: I don't think we ever had discussions on the mission statement for this building, on what we expect this building to be. Is it a Health and Fitness Center or a place that we want to have stage shows? We have stage shows at the other clubhouse. Are we going to be in conflict with the other clubhouse?

Ms. Bosman: No.

Mr. Williams: We never had any discussions. Before we move anything, I think we need to have a long conversation and think about it before we do anything. My feeling would be to not to proceed at this point.

Mr. Murphey: I need to say goodbye, because I have to leave right now.

The record will reflect that Mr. Murphey left the meeting.

Mr. Zelazny: This was rejected, one or two years ago. It was brought up, discussed and rejected. We had the same conversation again. What is the function of this building? This building is a health and fitness center. Since we had that discussion, the stage was expanded, and now you cannot walk on the path with a walker, without having to go around. That was contradictory to what the Board discussed and voted on before. To do it now, would be wrong. I had no problem with you making the plans, but for someone to say, "We are going to put a 15 x 25 foot stage and then a dressing room", without having plans and documentation and without any idea of the impact, is wrong, but again, the Board rejected it years ago. That doesn't mean you have to continually reject it, but let's not jump forward, doing something just because you can do it for under \$5,000. Janis made a good point. There are a lot of things that need to be done before we start spending \$5,000, just because it's cheap.

Mr. Mecsics: Bob, I agree with you. I think we need to plan. I also agree with Stan that we need to have some more discussion about the use of this building. This community is evolving and those new houses going up, also see this as the center of their community, so this building's mission will evolve. That's just my personal opinion, but I believe that we should have a long discussion on the further utilization of this, but we have to start looking into the future.

Ms. Bosman: I would like to address Mr. Zelazny's concern about the stage. That stage was too small for my exercise instructors. It was built so that they could move laterally, as well as vertically, to lead their class instruction. We don't want instructors falling off the stage, which nearly happened a couple of times. Just two more things. An AED was purchased. Their lifespan is normally five to seven years, and this one lasted

10 years. The cost of that was \$1,275. In conclusion, along those lines, I would like to request that the Board approve staff, all five of us, to attend AED and CPR classes and get certified again. Our certifications have expired. I checked for availability, and Winter Haven has classes available between \$73 and \$113 per person. The class is approximately 3 hours long. Thank you.

Mr. d'Adesky: I would like to look into that, because there's extreme liability and concerns regarding staff engaging in emergency medical procedures. That's something we should probably look into, before we advise staff to go ahead and get that training and to use it in any particular circumstance.

Mr. Robertson: I'm not trying to get into a debate, but we have an AED in the building and we are maintaining that for people to use as they see fit. You can give me further direction, as to whether you want us to do further training of staff.

Mr. d'Adesky: Yes.

Mr. Robertson: Thank you for your report, Mary. I think that your direction to me, from a legal point of view, is well within normal operations. If you say to go ahead, I'm assuming that we should go ahead and do the training, and if you say no, we won't.

SEVENTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

Ms. Burns: We have the Check Run for August and September. For the General Fund, we have Checks 2167 through 2236 for a total of \$214,505.03. For the Capital Reserve Fund, we have checks totaling \$50,065.82.

Mr. Mecsics moved to approve the August and September Check Run Summary and Mr. Williams seconded the motion

Mr. Williams: Is three of us sufficient to have it approved?

Mr. Robertson: Yes, it's legal. We have a quorum.

On VOICE VOTE with all in favor the August and September Check Run Summary was approved.

B. Combined Balance Sheet

Ms. Burns: There is no action on this item and we would be happy to answer questions if there any.

Mr. Robertson: With no comments on the Balance Sheet, we will move on.

EIGHTH ORDER OF BUSINESS Public Comments

Mr. Robertson: Are there any public comments?

A resident: Mr. Mecsecs’s progress report was absolutely a campaign speech. This so happens to line up with his four years tenure on this Board. If you need further evidence that it was a campaign speech, he actually used that progress report to refute things that were brought up in the candidates’ forum. So that was a campaign speech. Furthermore, Mr. Mecsecs had been using the community dances here, which have never been hosted before, to campaign. He has become the host of these dances. I didn’t attend the last one, but I had some friends call me saying, “Oh, you should’ve been there. Jim was campaigning up a storm”, so yes he is getting support either willingly or on his own, from the Board for his candidacy. I am filing a formal complaint about that.

NINTH ORDER OF BUSINESS Adjournment

Mr. Robertson: If there are no further comments from the public, I will entertain a motion for adjournment.

On MOTION by Mr. Williams seconded by Mr. Mecsecs with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman



YELLOWSTONE
LANDSCAPE

Enhancement Proposal

Job Name:	Lake Ashton 2 Medjool Program	Proposal #	
Property Name:	Lake Ashton 2	Date:	October 17, 2018
Client:	Lake Ashton 2 c/o Doug Robertson		
Address:	6052 Pebble Beach Blvd.		
City/State/Zip:	Winter Haven Florida 33884		
Phone:	#N/A		

Yellowstone Landscape will complete the work described below:

Description

Inject Medjool Palms on Lake Ashton 2 Blvd. with preventative tree care program. (See attached program)

<i>Inject Medjools with preventative program.</i>	16	\$ 140.00	\$ 2,240.00
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TOTAL PRICE			\$ 2,240.00
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ACCEPTANCE OF TERMS

Signature below authorizes Yellowstone Landscape to perform work as described above and verifies that the prices and specifications are hereby accepted.

Payment terms: Net 30 days. All overdue balances will be a charged a 1.5% a month, 18% annual percentage rate.

Limited Warranty: All plant material is under a limited warranty for one year. Transplanted plant material and/or plant material that dies due to conditions out of Yellowstone Landscape's control (i.e. Acts of God, vandalism, inadequate irrigation due to water restrictions, etc.) shall not be included in the warranty.

Client: _____

Prepared by: *Chris Bower*

Date: _____

Date: October 17, 2018

Internal Use Only	
Project Number:	District: Davenport
PO Reference:	Date Work Completed:

CommercialFitnessProducts

PREVENTATIVE MAINTENANCE PLAN

Under the following Terms and Conditions, Commercial Fitness Products ("Servicer") agrees for the stated fees to perform Preventative Maintenance Service for one (1) year for the effective date for the **Lake Ashton** ("Customer") on the equipment listed by type, model and serial number.

This custom plan has been specifically designed to fit the needs of the Customer. The equipment covered under this agreement will be routinely maintained in accordance with manufacturers' recommendations. The maintenance provided will focus on increasing the life of Customer's equipment, decreasing or eliminating downtime, and maintaining the equipment at peak performance.

1. Upon the first PM Visit under this Agreement, an initial inspection will be performed. A detailed Estimate of equipment in need of repair will be submitted for Customer's approval. This estimate is provided at no charge. It is the Customer's responsibility for equipment under contract to be brought up to proper working specifications. Customer warrants the listed equipment is in proper working order on the effective date of this Agreement.
2. Each regularly scheduled preventative maintenance call shall include a complete function and safety inspection. Additionally, cleaning, lubrication, and mechanical adjustments determined as due by Servicer will be performed. Cost of routine supply items required for preventative maintenance service is included herein.
3. All service covered by this Agreement will be performed during Servicer's regular hours of 9:00 AM and 5:00 PM weekdays; excluding holidays. If emergency service is requested outside such regular hours, the Servicer's Non-PM Plan Standard Hourly Rates prevail. (Standard hourly rates = \$65.00 plus Service Charge = \$65.00).
4. If repair is needed, the Customer can call during regular hours to speak to a Service Representative or email CFP at any time or day. The Customer will be given a course of action to resolve the problem or Customer will be scheduled for a service call. All reasonable efforts will be made to repair the equipment as timely as possible.
5. Any necessary repairs (non-PM related service) during regular working hours will be billed at the following Discounted Rate for the term of this Agreement:
 - o Labor Rate - \$55.00 (1-Hour Minimum)
 - o Service Charge - \$50.00(per trip)

In the event a Technician is on site performing routine Preventative Maintenance and a repair service is required, the Discounted Labor Rate (\$55.00/Hour) will apply, but the \$50.00 Service Charge will not be charged. All repairs, including Diagnostic Service Calls, are billed with a one hour minimum charge. After the initial first hour, labor will be billed in half (1/2) hour increments. All repair labor and service charges shall be invoiced as Due Upon Receipt.

5034 N. Hiatus Road, Sunrise, FL 33351
P (954) 747-5128 F (954) 747-5131
www.commfitnessproducts.com

Commercial Fitness Products

6. Service Requests must be made in writing by the individual Property Manager. Service Request Forms will be provided in a format that can be faxed or emailed to CFP's Service Manager. Each form must contain essential information required for timely repair.
7. Repairs necessitated by casualty, acts of God (unforeseen, naturally occurring events that were unavoidable), voltage aberrations (high or low spikes in electricity to the product), abuse (misuse of product, vandalism, or any act which harms the product in any way), or negligence, are not covered by this agreement but will be provided at Servicer's hourly rate(s) plus parts.

Repair calls requested as a result of User Error, in which no actual repair is required, will be billed at the Servicer's hourly rate plus Service Charge.
8. All repair service done by Servicer will be warranted for thirty (30) days from service date and will cover specific parts and repairs written on service invoice.
9. All required Parts not covered by CFP's warranty will be billed at CFP's current Preferred Customer discounted price plus shipping charges.
10. A written Estimate will be presented for each billable part, and must be approved by Customer prior to ordering.
11. This agreement may not be amended except in writing, agreed to and signed by both parties. The agreement will automatically be renewed at the end of each term unless otherwise notified by the Customer.
12. This Agreement shall be construed in accordance with the laws of the State of Florida. In the event there shall be any litigation between parties, the prevailing party shall be entitled to recover from the other party its reasonable attorney fees, including any associated fees and court costs.
13. All unpaid balances under this agreement shall bear interest at the rate of 1.5% per month, simple interest, in the event that such invoice is not paid within thirty (30) days from date service is rendered.
14. Either party may cancel at any time for any reason provided a written notice has been received thirty (30) days prior to the next scheduled call. Customer shall render payment on any outstanding invoices within five (5) business days preceding cancellation of services.

It is understood and agreed that under this plan, CFP will be performing routine Preventative Maintenance procedures only, and CFP, its Directors, Officers, Employees, and Agents shall have no liability arising out of, or in connection with personal injury or property damage resulting from the use of the equipment by any person on the premises in which the equipment is located. This Agreement shall not be construed as an assumption by CFP of any risk of loss or liability due to the undersigned's failure to routinely inspect (or negligent inspection of) the equipment by its own staff. CFP shall not be responsible to any third party or ultimate user for harm caused by continued use of equipment and/or parts that are deemed unsafe by CFP.

5034 N. Hiatus Road, Sunrise, FL 33351
P (954) 747-5128 F (954) 747-5131
www.comffitfitnessproducts.com

CommercialFitnessProducts

Agreement Total: \$1060.00/Year (\$265.00/Visit) Plus Sales Tax; Total # of PM Visits: 4 Per Year

Property Name: Lake Ashton

Property Address: 6052 Pebble Beach Blvd. Winter Haven, FL 33884

Contact: Mary Bosman

Email: mbosman@lakeashton2cdd.com

Signature:

Title: Manager

Customer Contact expressly warrants and represents that he/she has the authority and right to enter into this Agreement.

Contact Phone: (863) 595-1562

Fax:

Terms: Prepayment Prior To 1st PM Visit

Effective Date: _____ **Ending Date:** _____

CFP Approval Signature: Casey Barnes **Date:** 10/31/2018

Explanation of Services:

During each preventative maintenance visit, ALL equipment covered under this agreement will be: Inspected for safety, thoroughly cleaned on interior as well as exterior, lubricated and adjusted in accordance to manufacturers' specifications and quoted for repairs if needed.

Equipment Covered:

QTY	BRAND	DESCRIPTION	MODEL #	SERIAL #
4	Star Trac	Treadmill		
2	Star Trac	Elliptical		
2	Star Trac	Bike		
1	Fluid	Upper Body Ergo		
1	Fluid	Rower		
11	Star Trac	Single Stations		
2	Misc	Free Weight		

5034 N. Hiatus Road, Sunrise, FL 33351
P (954) 747-5128 F (954) 747-5131
www.commfitnessproducts.com

Initial _____

CommercialFitnessProducts

Scheduled Maintenance (Frequency: 4/Year)

MAY	NOVEMBER
JUNE	DECEMBER
JULY	JANUARY
AUGUST	FEBRUARY
SEPTEMBER	MARCH
OCTOBER	APRIL

5034 N. Hiatus Road, Sunrise, FL 33351
P (954) 747-5128 F (954) 747-5131
www.commfitnessproducts.com

LA II CDD Disposal List of Property

Quantity	Description	Serial #	Model #	Make
1	Projector	M57F012599L	H310A	Epson
1	Monitor	ETL800C0377280E0F5B4024	AL1916WA	Acer
1	Monitor	ETL800CO77280E30C4024	AL1916WA	Acer
1	Monitor	ETL800C0377280E32B4024	AL1916WA	Acer
1	Monitor	ETL800CO377280E0F44024	AL1916WA	Acer
1	CD Player	8898165	CDP-CE275	Sony
1	Computer Tower	MXM740063M	P/N RT99OUT #ABA	HP
1	Computer Tower	MXM740062K	P/N RT99OUT #ABA	HP
1	Computer Tower	MXM74002LV	P/N RT991UT #ABA	HP
1	Computer Tower	MXM740062P	P/N RT99OUT #ABA	HP

BUDGET/MISC. ITEMS FOR DISCUSSION

01. Going forward for FY 2019, we would like the Monthly Transaction listings for all accounts under Field Expenses, Capital Projects, and also for Attorney and Management Fees under Administrative. (retroactive to Oct. 1 and thereafter at the end of each month.) Send as GL with detail to Carla Wright and Wendy Bachleda. Format: sort by GL, Excel if possible.
02. Send check run with attached invoices after every check run to Wendy Bachleda and Carla Wright. Format: Register and Excel.
03. Attorney, GMS and Engineering should send itemized invoices to the HFC so we can decide which account to assign work to.
04. Contracted monthly payments and utilities to be paid on schedule without HFC approval. Copies of said invoices/statements to be sent to HFC.
05. Any invoice that includes work beyond contract amount to be sent to HFC for approval and account designation.
06. I would like an estimated cost of a regular 2 hour CDD meeting. Please include a breakdown of ALL costs associated with a meeting.
07. All contracts and invoices should show CDDII as owner and HFC as POC.
08. Do we have an account opened under BUILDING CONTRACT SERVICES for Commercial Fitness? If so, I need the account number. Please send Account Number of any new account opened to Carla as well as Mary Bosman.
09. Combine all multiple contracts - Applied Aquatics, Yellowstone etc.
10. Board minutes to be on-line as Draft Minutes within two weeks of meeting.

In an effort to simplify invoice handling and eliminate hard copies where ever possible, Wendy and I have been looking at online accounts payable systems. Input from GMS would be helpful. If further details of what we require are needed, we can provide them.

HFC Community Center Flooring



*Presented for LA Residents and
LA II CDD Board of Supervisors
by Mary Bosman, LA II Community
Director*

December 04, 2018

Present Flooring...

3 different surfaces of floor currently exist in the HFC Community Center

1. Carpeting

2. Vinyl roll linoleum

3. Portable dance floor surface

Flooring Concerns...

- **All flooring has exceeded the Reserve Study timeframe for replacement**
- **Chips, cracks in portable dance floor increasing liability risks**
- **Maintenance costs \$3,250 annually for carpet cleaning quarterly and stripping/waxing once per year**

Flooring Concerns, Cont'd...

- **The current floor has very limited space for dancing because of size and carpeted areas**
- **Some rehab plans don't allow for a complete circle around the room initially and need more options for walk patterns**
- **Residents have indicated they would like more options for party/event layouts that are prohibited with current flooring**

Project History...

Residents have expressed they'd like new flooring because the existing floor looks dirty, chipped and cracked.

Residents have expressed dance floor is not large enough

In response to concerns, many vendors were contacted, and several sample products were critiqued by residents, staff and BOS members

Specific requirements included commercial level safety, comfort, easy maintenance, warranty and cost.

Also required, were removal and disposal of existing flooring.

Recommended Product for Replacement of Current HFC Community Center Flooring

Luxury vinyl – Syncorex by Eagle Creek

- **Waterproof for spills, etc.**
- **65 dB STC rating (quiet when walked on)**
- **IIC Rating 69 dB (this is the highest level of sound absorbency for flooring products)**
- **15-year commercial warranty**
- **Sample available for inspection**

Two Vendors Met All/Most Requirements and Product is Identical on Both Quotes

Blackburn's Interiors, Inc. – local vendor \$25,000 including installation of quarter-round trim

Jim's Floor Depot, Inc. – local vendor \$28,700.50 Not including installation of quarter-round trim

Reasons for Replacement:

- **It is equal to or exceeds resiliency of current track material**
- **Will significantly reduce cleaning/stripping/waxing expenses from \$3,250 to \$0 annually**
- **The Reserve Study indicates the lifespan of the flooring has been exceeded by 2-3 years**
- **The recommended product is equally resilient to existing track for dancing/walking**

Reasons for replacement cont'd.

- **It will provide multiple opportunities for varied event set up/floor plans**
- **Entire floor will be available for exercise and walking instead of the existing portable dance floor and the track area**
- **The existing dance floor has chips and cracks presenting an increasing potential for liability issues**
- **The solid surface will be more hygienic for floor exercise classes and in general**
- **Having all one flooring material will be more aesthetically in line with Lake Ashton standards of expectation**

Flooring has been discussed at other LA II BOS meetings, so the appropriate 2 meeting discussion criteria will be met after today's discussion

I respectfully ask that the LA II Board of Supervisors discuss and consider a vote on the replacement of the HFC Community Center flooring

-Thank you



Blackburn's Interiors, Inc.
 1507 Havendale Blvd. NW
 Winter Haven, FL 33881
 P: (863) 294-7355
 F: (863) 294-3427

Quote

Date	Quote #
11/15/2018	1302

Name / Address
Lake Ashton Clubhouse 4141 Ashton Club Drive Lake Wales, FL 33859

Rep
WB

Description	Qty	Total
<p>Work in West Clubhouse Heath & Fitness Center, 6052 Pebble Beach Road, Winter Haven, FL 33884</p> <p>Selected Luxury Plank (Eagle Creek, color Heatherstone) Installed, Including Removal & Disposal of Existing Flooring Down to Bare Concrete, Basic Floor Prep, Materials, Prined-White Quarter-Round Installed, and Professional Labor</p> <p>Includes Lifetime Labor Warranty</p>		25,000.00

Total	\$25,000.00
--------------	--------------------

Quote is good for 30 days. Buyer understands that there may be a dye-lot variation from sample. Unforeseen sub-floor problems upon installation may change amount due. We can never guarantee seams will be invisible. All carpets show footprints, vacuum marks, fuzz, crush, & mat. Expect there to be a "grout haze" for 3-4 cleanings after tile is installed. Seller isn't responsible for chips, dents, or condition of existing moldings, doors, jambs, or fixtures. Seller is not responsible for customer's measurements. Seller is not responsible for manufacturer or shipping delays. Please clear room(s) of as much furniture as possible, as we reserve the right to reschedule if rooms aren't cleared of small items (electronics, pictures, shoes, books, etc.). Deposits are non refundable. There is a 35% restocking fee on special orders. In the event buyer defaults under the terms of this agreement, Buyer agrees to pay reasonable, attorney fees, if the sums due are collected by or through an attorney.

Signature _____

Jim's Floor Depot Inc.

29710 US HWY 27 Dundee, FL 33838 Business # (863) 439-7500 Cell (863)-206-1064 Fax # (863) 439-7500 www.Jimsfloor

Invoice

SHIP TO: Lake Ashton
6052 Pebble Beach Blvd.
Winter Haven

Bill To:

PAYMENT METHOD Mary - 863-595-1562

Check	Amt. enclosed	
Cash	Amt. enclosed	

Purchase order
Date quoted

Please supply the following items

ITEM NO.	DESCRIPTION	UNIT	QTY
LVP	<u>Style: Home Legend Syncore X Color: TBD</u> Product/Installation of luxury vinyl plank in Health and Fitness Center	1	5250 s/f
Transitions	Product/Installation of transition pieces	1	4
Vinyl T/U	Removal of vinyl and haul away	1	1776 s/f
Carpet T/U	Remove existing carpet and haul away	1	3480 s/f
	*Price Increase due to the 25% Tarrif coming down from President Trump Adminstration and China Trade agreement.		
	<u>*Jim's Floor Depot will haul away all debris.</u>		
	<u>*Client is to install their own quarter round and baseboards after the job is completed.</u>		

Ordered by _____

Approved by _____

Tax rate

SPECIAL INSTRUCTIONS

18,000 Downpayment and Balance Due upon completion.

Contract Terms: Jims Floor Depot is to perform all work in a workmanlike manner according to generally acce in the industry. Builder is entitled to any Manufactures warranties on materials. Jims Floor Depot is not respon caused by strikes, weather, unavailability, or other factors not within our control, modifications of the above cor in writing ***In Event of Breach, Customer is responsible for Costs of enforcement including reasonable 33% / No returns on any special order or instock products after one day of signing this agreement.

lepot.com

Lake Ashton

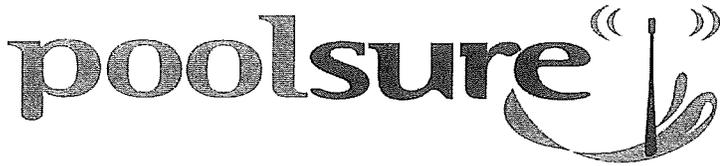
<i>number</i>	
	Oct. 29th 2017

UNIT COST	TOTAL AMOUNT
5.49	28,822.50
30	120.00
0.50	888.00
0.25	\$870.00
SUBTOTAL	30,700.50
Discount	-2,000.00
TOTAL DUE	28,700.50

Deposit

Balance due

pted standards
sible for delays
tract must be
Attorney fees.***



1707 Townhurst Drive
Houston, TX 77043
Phone: 1-800-858-POOL (7665)
Fax: 1-800-909-3962

Lake Ashton 2 CDD Health
6052 Pebble Beach Blvd.
Winter Haven, FL 33884

11/15/2018

Re: Lake Ashton 2 CDD Health Annual Account Evaluation / Price Adjustment

Dear Customer,

As the year draws to a close, Poolsure would like to express our appreciation for your continued business. Over the past few years, Poolsure has seen outstanding growth thanks to exceptional customer relationships such as yours. In 2019, we aim to continue to provide a superior service experience to our customers by investing in the best tools and technology available to the industry.

Chlorine and acid prices remain at historically high levels due to raw material costs and the imposition of recent tariffs. Despite this, Poolsure remains focused on minimizing the impact of these cost increases to our customers through further investment in our logistics technology, operational efficiencies, and relationships with our manufacturers.

Any adjustments to your fixed-rate monthly Water Management billing for the 2019 fiscal year are based on a careful individual analysis. Your new rate, which will be effective starting December 1st, 2018, can be found below:

2019 Base Rate: \$ 550.80

A prepayment discount of 5% is available if the entire amount for 2019 is paid for by check or ACH by December 31st, 2018. Please contact us at ar@poolsure.com or 1-800-858-POOL(7665) if you have any questions. Thank you for your business, and we look forward to a mutually prosperous 2019!

Sincerely,

Alan Falik
President

Vince Flaviani
Vice President of Sales

**LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT**

Check Run Summary GF

10/1/2018 - 11/30/2018

<i>Date</i>	<i>Check Numbers</i>	<i>Amount</i>
10/4/2018	2237-2246	\$13,014.14
10/15/2018	2247-2256	\$21,083.29
10/26/2018	2257-2269	\$21,507.63
10/31/2018	2270-2274	\$20,309.52
11/9/2018	2275-2285	\$26,313.41
11/26/2018	2286-2301	\$44,161.03
Total		<u><u>\$146,389.02</u></u>

Check Run Summary CR

<i>Date</i>	<i>Check Numbers</i>	<i>Amount</i>
10/4/2018	26	\$8,437.00
10/15/2018	27	\$358.45
10/17/2018	28	\$4,042.20
10/19/2018	29	\$19,496.31
11/9/2018	30-31	\$3,283.45
Total		<u><u>\$35,617.41</u></u>

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/04/18	00058	10/01/18	5	201810	310	51300	34000			*	3,750.00		
									MGMT FEES OCT 2018				
		10/01/18	5	201810	310	51300	35100			*	83.33		
									COMPUTER SVC OCT 2018				
		10/01/18	5	201810	310	51300	31300			*	500.00		
									DISSEMINATION SV OCT 2018				
		10/01/18	5	201810	310	51300	51000			*	8.86		
									OFFICE SUPPLIES OCT 2018				
		10/01/18	5	201810	310	51300	42000			*	37.39		
									POSTAGE OCT 2018				
		10/01/18	5	201810	310	51300	42500			*	60.00		
									COPIES/PRINTS OCT 2018				
									GMS-CENTRAL FLORIDA, LLC			4,439.58	002237
10/04/18	00161	9/28/18	179181	201809	320	57200	34510			*	130.00		
									SEPT 2018 - GATE SERVICES				
									THE HARTLINE ALARM CO INC			130.00	002238
10/04/18	00086	8/27/18	9052524	201808	300	13100	10000			*	179.40		
									BATHROOM INSTALLATION SUP				
		8/27/18	9052524	201808	600	53800	68005			*	179.40		
									BATHROOM INSTALLATION SUP				
		8/27/18	9052524	201808	600	20700	10000			*	179.40		
									BATHROOM INSTALLATION SUP				
		9/06/18	9053658	201809	320	57200	46030			*	31.95		
									MAINTENANCE SUPPLIES				
		9/12/18	3054378	201809	320	57200	46020			*	79.49		
									MAINTENANCE SUPPLIES				
		9/14/18	1054654	201809	320	57200	46020			*	64.29		
									SUPPLIES				
		9/20/18	5055405	201809	320	57200	46200			*	24.44		
									LANDSCAPING SUPPLIES				
									HOME DEPOT CREDIT SERVICES			379.57	002239
10/04/18	00136	9/13/18	46015	201808	320	57200	46030			*	510.02		
									CHIMNEY CAP REPAIR-8/8/18				
									JURIN ROOFING SERVICES, INC.			510.02	002240
10/04/18	00173	9/04/18	L060G0IL	201809	310	51300	48000			*	59.00		
									NOTICE OF MEETINGS				
		9/14/18	L060G0IL	201809	310	51300	48000			*	47.00		
									NOTICE OF WORKSHOP				
									LAKELAND LEDGER PUBLISHING			106.00	002241
10/04/18	00170	9/28/18	9282018	201809	320	57200	46050			*	25.62		
									MILEAGE REIMBURSE SEPT18				
									JAMES MARGESON			25.62	002242

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/04/18	00107	6/14/18	06142018	201806	320-57200-46400			POOL SUPPLIES JUNE 2018	*	17.53		
		7/11/18	07112018	201807	320-57200-46400			POOL SUPPLIES JULY 2018	*	23.38		
-----											40.91	002243
10/04/18	00101	10/01/18	10129558	201810	320-57200-46400			WINTER BILLING 10/18-3/19	*	540.00		
-----											540.00	002244
10/04/18	00152	9/27/18	E4195590	201809	320-57200-34500			SECURITY SVC THRU 9/27/18	*	4,671.88		
-----											4,671.88	002245
10/04/18	00094	9/23/18	09232018	201809	320-57200-51000			PREMIUM MONTHLY - SKEDDA	*	49.00		
		9/23/18	09232018	201809	320-57200-46020			SUPPLIES- SAMS CLUB	*	319.92		
		9/23/18	09232018	201809	320-57200-51000			10-SANDISK 64GB USB	*	325.50		
		9/23/18	09232018	201809	320-57200-46020			AIR FILTERS/TOLIET KIT	*	104.92		
		9/23/18	09232018	201809	320-57200-51000			GOOGLE SUITE	*	30.00		
		9/23/18	09232018	201809	320-57200-51000			OFFICE SUPPLIES	*	84.26		
		9/23/18	09232018	201809	320-57200-46030			BUILDING PRESSURE WASHING	*	91.67		
		9/23/18	09232018	201809	320-57200-49400			STROBE LIGHTS-AMAZON	*	36.99		
		9/23/18	09232018	201809	320-57200-51000			PRIME MEMBERSHIP-AMAZON	*	13.22		
		9/23/18	09232018	201809	320-57200-46020			CUPS AND LIDS	*	268.82		
		9/23/18	09232018	201809	320-57200-46020			ICE MACHINE FILTER	*	281.63		
		9/23/18	09232018	201809	320-57200-46020			SUPPLIES	*	436.09		
		9/23/18	09232018	201809	320-57200-49400			NEW RESID SOCIAL SUPPLIES	*	66.25		
		9/23/18	09232018	201809	320-57200-46200			FERTILIZER & SNANKE SPRAY	*	62.29		
-----											2,170.56	002246
10/15/18	00092	9/30/18	172488	201809	320-57200-46500			SEP 18-AQUATIC PLANT MGMT	*	725.00		

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
		9/30/18	172489	201809	320-57200-46500				APPLIED AQUATIC MANAGEMENT, INC.	*	150.00	875.00	002247
									SEP 18-AQUATIC PLANT MGMT				
10/15/18	00074	10/05/18	205409	201810	320-57200-34510				ARTS GOLF CARTS INC.	*	493.27	493.27	002248
									GOLF CAR MAINT ITEMS				
10/15/18	00185	10/11/18	10112018	201810	300-22000-10000				CHRISTINA R. BALDWIN	*	500.00	500.00	002249
									DEPOSIT REDUND				
10/15/18	00081	10/01/18	10012018	201810	320-57200-23000				MARY BOSMAN	*	250.00	250.00	002250
									OCT 18 - H-INS SUPPLEMENT				
10/15/18	00003	10/09/18	63315772	201810	310-51300-42000				FEDEX	*	97.79	97.79	002251
									OCT 18 - DELIVERIES/POST				
10/15/18	00173	9/14/18	L060G0IM	201809	310-51300-48000				LAKELAND LEDGER PUBLISHING	*	59.00	59.00	002252
									NOTICE OF REVISED MEETING				
10/15/18	00150	9/30/18	17-101-2	201809	310-51300-31100				RAYL ENGINEERING & SURVEYING, LLC	*	930.08	930.08	002253
									SEPT 18 - ENGINEERING SVC				
10/15/18	00152	10/04/18	E4200667	201810	320-57200-34500				SECURITAS SECURITY SERVICES USA, INC	*	4,671.88	4,671.88	002254
									SECURITY SVC THRU 10/4/18				
10/15/18	00087	9/28/18	07873994	201810	320-57200-23000				KAREN VANKIRK	*	204.44	204.44	002255
									OCT 18 - HEALTH INSURANCE				
10/15/18	00067	10/01/18	INV-0000	201810	320-57200-46200				YELLOWSTONE LANDSCAPE	*	13,001.83	13,001.83	002256
									OCT 18 - LANDSCAPING MAIN				
10/26/18	00051	10/09/18	30834519	201810	320-57200-43100				AMERIGAS	*	1,470.49	1,470.49	002257
									OCT 18 - PROPANE				
10/26/18	00076	10/05/18	05018300	201810	320-57200-41000				BRIGHT HOUSE NETWORKS	*	806.20	806.20	002258
									SERVICES THRU 11/10/18				

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	#
10/26/18	00140	10/24/18	10242018	201810	320	57200	34100			*	350.00		
			OCT 18 - IT SERVICES						RYAN A BUSWELL			350.00	002259
10/26/18	00064	10/19/18	10192018	201810	320	57200	43200			*	2,427.26		
			OCT 18 - WATER SERVICES						CITY OF WINTER HAVEN			2,427.26	002260
10/26/18	00043	10/01/18	72450	201810	310	51300	54000			*	175.00		
			ANNUAL FEES						DEPARTMENT OF ECONOMIC OPPORTUNITY			175.00	002261
10/26/18	00003	10/16/18	63385322	201810	310	51300	42000			*	48.10		
			OCT 18 - DELIVERIES						FEDEX			48.10	002262
10/26/18	00070	10/09/18	8308330	201810	320	57200	34800			*	128.00		
			OCT 18 - PEST CONTROL										
		10/10/18	8309353	201810	320	57200	34800			*	79.00		
			OCT 18 - PEST CONTROL						FLORIDA PEST CONTROL			207.00	002263
10/26/18	00040	10/17/18	82967	201809	310	51300	31500			*	2,361.17		
			SEPT 18 - ATTORNEY FEES						LATHAM, SHUKER, EDEN & BEAUDINE LLP			2,361.17	002264
10/26/18	00126	10/08/18	CDDII-23	201809	320	57200	46010			*	3,280.00		
			SEPT 18 - CLEANING						MAGIC GENIE CLEANING SERVICES, INC.			3,280.00	002265
10/26/18	00101	10/01/18	10129558	201810	320	57200	46400			*	540.00		
			OCT 18 - POOL MAINTENANCE						POOLSURE			540.00	002266
10/26/18	00080	10/14/18	831202	201811	320	57200	34900			*	184.97		
			NOV 18 - PICK UP SERVICE						REPUBLIC SERVICES #654			184.97	002267
10/26/18	00152	10/11/18	E4208217	201810	320	57200	34500			*	4,846.88		
			GUARD SVCS THRU 10/11/18										
		10/18/18	E4214036	201810	320	57200	34500			*	4,671.88		
			GUARD SVC THRU 10/18/18						SECURITAS SECURITY SERVICES USA, INC			9,518.76	002268
10/26/18	00119	10/10/18	68888299	201811	320	57200	51000			*	138.68		
			KYOCERA COPIER SERVICES						WELLS FARGO VENDOR FIN SERV			138.68	002269

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/31/18	00051	10/24/18	30839189	201810	320-57200-43100				AMERIGAS	*	851.28	851.28	002270
10/31/18	00086	9/28/18	7013929	201809	320-57200-46030				HOME DEPOT CREDIT SERVICES	*	157.57		
		10/03/18	2051435	201810	320-57200-46020				SECURITAS SECURITY SERVICES USA, INC	*	128.23		
		10/04/18	1043153	201810	320-57200-46020				TAMPA ELECTRIC COMPANY	*	40.68		
		10/04/18	1201902	201810	320-57200-46020					*	9.25-		
		10/16/18	9050424	201810	320-57200-46020					*	121.10		
10/31/18	00152	10/25/18	E4218699	201810	320-57200-34500				SECURITAS SECURITY SERVICES USA, INC	*	4,671.88	4,671.88	002272
10/31/18	00062	10/15/18	10152018	201810	320-57200-43000				TAMPA ELECTRIC COMPANY	*	10,747.10	10,747.10	002273
10/31/18	00094	9/25/18	09252018	201809	320-57200-46020					*	77.66		
		9/27/18	09272018	201809	320-57200-46020					*	1,145.00		
		9/28/18	09282018	201809	320-57200-46020					*	449.99		
		9/28/18	09282018	201809	320-57200-49400					*	26.86		
		9/28/18	09282018	201809	320-57200-51000					*	49.00		
		9/28/18	09282018	201809	320-57200-46020					*	89.86		
		10/01/18	10012018	201810	320-57200-46020					*	50.12-		
		10/01/18	10012018	201810	320-57200-46030					*	640.50		
		10/01/18	10012018	201810	320-57200-51000					*	30.00		
		10/11/18	10112018	201810	320-57200-46030					*	29.40		
		10/11/18	10112018	201810	320-57200-46020					*	42.73		

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/11/18		10112018	201810	320	57200	49400			CANER WALK SUPPLIES	*	215.72		
10/12/18		10122018	201810	320	57200	46030			POOL AND SPA CLEANER	*	308.15		
10/12/18		10122018	201810	320	57200	46030			SAND & SILT FILTER BAG	*	14.99		
10/14/18		10142018	201810	320	57200	51000			PRIME MEMBERSHIP	*	12.99		
10/16/18		10162018	201810	320	57200	46020			PVC COUPLING/ELBOW	*	63.90		
10/17/18		10172018	201810	320	57200	51000			OFFICE SUPPLIES/INK	*	261.25		
10/23/18		10232018	201810	320	57200	46030			BLACK CHAIN	*	193.05		
WELLS FARGO											3,600.93	002274	
11/09/18	00092	10/31/18	173178	201810	320	57200	46500		OCT 18 - AQUATIC MGMT SVC	*	150.00		
APPLIED AQUATIC MANAGEMENT, INC.											150.00	002275	
11/09/18	00076	11/04/18	05011830	201811	320	57200	41000		NOV 18 - VOICE/INTERNET	*	704.48		
BRIGHT HOUSE NETWORKS											704.48	002276	
11/09/18	00159	8/03/18	2	201808	310	51300	31300		AMORT SCHED-SERIES 2005AK	*	250.00		
DISCLOSURE SERVICES LLC											250.00	002277	
11/09/18	00058	11/01/18	6	201811	310	51300	34000		NOV 18 - MGMT FEES	*	3,750.00		
11/01/18	6	201811	310	51300	35100			NOV 18 - COMPUTER TIME	*	83.33			
11/01/18	6	201811	310	51300	31300			NOV 18 - DISSEMINATION	*	500.00			
11/01/18	6	201811	310	51300	51000			NOV 18 - OFFICE SUPPLIES	*	37.24			
11/01/18	6	201811	310	51300	42000			NOV 18 - POSTAGE	*	22.09			
11/01/18	6	201811	310	51300	42500			NOV 18 - COPIES/PRINTS	*	211.95			
GMS-CENTRAL FLORIDA, LLC											4,604.61	002278	
11/09/18	00186	11/07/18	102760	201811	320	57200	46030		LOUNGE SANDBLAST	*	580.00		
HURRICANE SANDBLASTING											580.00	002279	

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/09/18	00017	11/01/18	11012018	201811	310	51300	49100		2018 PROPERTY TAX BILL	*	18.22		
									JOE G TEDDER, TAX COLLECTOR			18.22	002280
11/09/18	00170	10/31/18	10312018	201810	320	57200	46050		OCT 18 - REIMBURSEMENT	*	25.62		
		11/01/18	11012018	201811	320	57200	23000		NOV 18 - INSURANCE	*	428.04		
		10/31/18	10312018	201810	320	57200	46050		OCT 18 - REIMBURSEMENT	V	25.62-		
		11/01/18	11012018	201811	320	57200	23000		NOV 18 - INSURANCE	V	428.04-		
									JAMES MARGESON			.00	002281
11/09/18	00101	11/01/18	10129558	201811	320	57200	46400		NOV 18 - WATER MANAGEMENT	*	540.00		
									POOLSURE			540.00	002282
11/09/18	00150	10/31/18	1710122	201810	310	51300	31100		OCT 18 - ENGINEERING SVC	*	302.39		
		10/31/18	1710122	201810	310	51300	49200		OCT 18 - ENGINEERING SVC	*	525.00		
									RAYL ENGINEERING & SURVEYING, LLC			827.39	002283
11/09/18	00152	11/01/18	E4224001	201810	320	57200	34500		SECURITY SVC THRU 11/1/18	*	4,671.88		
									SECURITAS SECURITY SERVICES USA, INC			4,671.88	002284
11/09/18	00067	10/31/18	235241	201810	320	57200	46500		LAKE ASHTON CLEAN UP	*	665.00		
		11/01/18	235517	201811	320	57200	46200		NOV 18 - LANDSCAPE MAINT	*	13,301.83		
									YELLOWSTONE LANDSCAPE			13,966.83	002285
11/26/18	00051	11/14/18	30847811	201811	320	57200	43100		PROPANE REF #639374813	*	1,272.69		
		11/16/18	30848689	201811	320	57200	43100		PROPANE REF# 640215019	*	1,271.95		
									AMERIGAS			2,544.64	002286
11/26/18	00081	11/01/18	11012018	201811	320	57200	23000		NOV 18 - HEALTH INSURANCE	*	250.00		
									MARY BOSMAN			250.00	002287
11/26/18	00140	11/15/18	11152018	201811	320	57200	34100		IT WORK THRU 11/12/18	*	140.00		
									RYAN A BUSWELL			140.00	002288

LKA2 LAKE ASHTON 2 SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/26/18	00064	11/07/18	11072018	201811	320-57200-43200				CITY OF WINTER HAVEN	*	2,604.72	2,604.72	002289
			NOV 18 - WATER SERVICES										
11/26/18	00084	11/05/18	AR377661	201810	320-57200-51000				DEX IMAGING	*	521.00	521.00	002290
			COPIER RENTAL THRU 11/04										
11/26/18	00187	11/10/18	11102018	201811	300-22000-10000				VALERIE DOLLISON	*	500.00	675.00	002291
			SECURITY DEPOSIT REFUND										
		11/10/18	11102018	201811	300-36900-10000					*	175.00		
			SECURITY DEPOSIT REFUND										
11/26/18	00070	11/02/18	831835	201811	320-57200-34800				FLORIDA PEST CONTROL	*	128.00	128.00	002292
			NOV 18 - PEST CONTROL										
11/26/18	00022	11/09/18	17353	201809	310-51300-31200				GRAU & ASSOCIATES	*	600.00	600.00	002293
			ABRITRAGE SERIES 2005AB										
11/26/18	00017	11/13/18	11132018	201811	310-51300-42000				JOE G TEDDER, TAX COLLECTOR	*	348.18	348.18	002294
			2018 TAX BILLING										
11/26/18	00040	11/16/18	83281	201810	310-51300-31500				LATHAM, SHUKER, EDEN & BEAUDINE LLP	*	6,940.82	6,940.82	002295
			OCT 18 - ATTORNEY FEES										
11/26/18	00126	11/19/18	CDD II-2	201810	320-57200-46010				MAGIC GENIE CLEANING SERVICES, INC.	*	3,680.00	3,680.00	002296
			OCT 18 - HFC CLEANING										
11/26/18	00170	11/01/18	1112018	201811	320-57200-23000				JAMES MARGESON	*	250.00	275.62	002297
			NOV 18 - HEALTH INSURANCE										
		11/26/18	11262018	201810	320-57200-46050					*	25.62		
			OCT 18 - MILEAGE REIMBUR										
11/26/18	00152	11/08/18	E4231163	201811	320-57200-34500				SECURITAS SECURITY SERVICES USA, INC	*	4,712.00	14,729.80	002298
			SECURITY SVC THRU 11/8/18										
		11/15/18	E4236711	201811	320-57200-34500					*	5,046.88		
			SECURITY SV THRU 11/15/18										
		11/22/18	E4241838	201811	320-57200-34500					*	4,970.92		
			SECURITY SV THRU 11/22/18										

LKA2 LAKE ASHTON 2 SROSINA

*** CHECK DATES 10/01/2018 - 11/30/2018 ***

LAKE ASHTON II - GENERAL FUND
BANK A LAKE ASHTON II - GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/26/18	00062	11/13/18	11132018	201811	320-57200-43000			NOV 18 - ELECTRIC SERVICE TAMPA ELECTRIC COMPANY	*	10,380.13	10,380.13	002299
11/26/18	00087	11/01/18	11012018	201811	320-57200-23000			NOV 18 - HEALTH INSURANCE KAREN VANKIRK	*	204.44	204.44	002300
11/26/18	00119	11/11/18	68990037	201812	320-57200-51000			KYOCERA COPIER WELLS FARGO VENDOR FIN SERV	*	138.68	138.68	002301
										TOTAL FOR BANK A	146,389.02	
										TOTAL FOR REGISTER	146,389.02	

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
September 30, 2018

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	
<u>ASSETS:</u>				
CASH	\$15,352	---	\$12,698	\$28,050
PETTY CASH	\$100	---	---	\$100
ASSESSMENTS RECEIVABLE	\$2,362	\$1,450	---	\$3,812
DUE FROM OTHER	---	---	\$661	\$661
DUE FROM OTHER FUNDS	\$6,967	\$1,209	---	\$8,176
INVESTMENT - STATE BOARD - SURPLUS FUNDS	\$123,074	---	\$583,871	\$706,945
<u>SERIES 2005A</u>				
RESERVE A	---	\$289,363	---	\$289,363
PREPAYMENT A	---	\$26,867	---	\$26,867
REVENUE A	---	\$159,430	---	\$159,430
DEFERRED COST A/B	---	\$9	---	\$9
<u>SERIES 2006A</u>				
RESERVE A	---	\$78,732	---	\$78,732
REVENUE A	---	\$114,862	---	\$114,862
PREPAYMENT A	---	\$28,493	---	\$28,493
DEFERRED COST A/B	---	\$1,138	---	\$1,138
COST OF ISSUANCE	---	---	\$28	\$28
DEPOSITS	\$24,488	---	---	\$24,488
PREPAID EXPENDITURES	\$34,689	---	---	\$34,689
TOTAL ASSETS	\$207,031	\$701,555	\$597,257	\$1,505,843
<u>LIABILITIES:</u>				
ACCOUNTS PAYABLE	\$17,786	---	\$27,933	\$45,719
ROOM RENTAL DEPOSITS	\$500	---	---	\$500
DUE TO OTHER FUNDS	---	\$7,997	\$179	\$8,176
<u>FUND EQUITY AND OTHER CREDITS:</u>				
FUND BALANCES:				
NONSPENDABLES:				
PREPAID EXPENSES	\$34,689	---	---	\$34,689
DEPOSITS - TECO	\$24,488	---	---	\$24,488
RESTRICTED FOR:				
DS-SERIES 2005A	---	\$472,580	---	\$472,580
CAPITAL PROJECTS	---	---	\$569,144	\$569,144
UNASSIGNED FOR GENERAL FUND	\$129,569	---	---	\$129,569
UNASSIGNED FOR DS-SERIES 2006A	---	\$220,978	---	\$220,978
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	\$207,031	\$701,555	\$597,257	\$1,505,843

LAKE ASHTON II

COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING
September 30, 2018

	ADOPTED BUDGET	PRORATED THRU 9/30/18	ACTUAL THRU 9/30/18	VARIANCE
REVENUES:				
SPECIAL ASSESSMENTS - TAX COLLECTOR	\$1,218,686	\$1,218,686	\$1,243,499	\$24,812
INTEREST EARNED	\$1,500	\$1,500	\$6,742	\$5,242
RENTAL FEES	\$5,000	\$5,000	\$11,060	\$6,060
MISCELLANEOUS INCOME	\$0	\$0	\$1,536	\$1,536
TOTAL REVENUES	\$1,225,186	\$1,225,186	\$1,262,836	\$37,650
EXPENDITURES:				
ADMINISTRATIVE:				
ARBITRAGE	\$2,500	\$2,500	\$600	\$1,900
ANNUAL AUDIT	\$5,600	\$5,600	\$5,600	\$0
ATTORNEY	\$20,000	\$20,000	\$19,211	\$789
COMPUTER TIME	\$1,000	\$1,000	\$1,000	\$0
DISSEMINATION	\$6,000	\$6,000	\$6,250	(\$250)
DUES, LICENSES, SUBSCRIPTIONS	\$175	\$175	\$175	\$0
INSURANCE	\$30,558	\$30,558	\$30,033	\$525
LEGAL ADVERTISING	\$500	\$500	\$612	(\$112)
MANAGEMENT	\$47,408	\$47,408	\$45,556	\$1,851
OFFICE SUPPLIES	\$300	\$300	\$133	\$167
OTHER CURRENT CHARGES	\$2,000	\$2,000	\$2,326	(\$326)
GOLF COURSE STUDY	\$0	\$0	\$12,373	(\$12,373)
POSTAGE	\$1,500	\$1,500	\$1,516	(\$16)
PRINTING & BINDING	\$1,200	\$1,200	\$1,246	(\$46)
TELEPHONE	\$50	\$50	\$0	\$50
TRUSTEE FEES	\$6,500	\$6,500	\$0	\$6,500
TOTAL ADMINISTRATIVE EXPENDITURES	\$125,290	\$125,290	\$126,632	(\$1,342)
FIELD EXPENDITURES				
ATHLETIC EQUIPMENT	\$6,000	\$6,000	\$0	\$6,000
BUILDING CONTRACT SERVICES	\$46,920	\$46,920	\$69,515	(\$22,595)
BUILDING GROUNDS MAINTENANCE & SUPPLIES	\$16,700	\$16,700	\$82,739	(\$66,039)
CONTINGENCY	\$20,000	\$20,000	\$8,739	\$11,261
ENGINEERING	\$12,000	\$12,000	\$14,901	(\$2,901)
HFC SPECIAL EVENTS	\$3,000	\$3,000	\$1,616	\$1,384
LANDSCAPE /LAKE CONTRACT SERVICES	\$152,712	\$152,712	\$170,720	(\$18,008)
OFFICE SUPPLIES/PRINTING/BINDING	\$10,000	\$10,000	\$7,097	\$2,903
PERMITS/INSPECTIONS	\$1,500	\$1,500	\$1,400	\$100
PERSONNEL EXPENSES	\$214,455	\$214,455	\$188,414	\$26,041
PLANT/TREE REPLACEMENT	\$10,000	\$10,000	\$0	\$10,000
POND REPAIRS	\$0	\$0	\$5,900	(\$5,900)
SECURITY CONTRACT SERVICES	\$246,300	\$246,300	\$251,806	(\$5,506)
UTILITIES	\$207,767	\$207,767	\$187,458	\$20,308
TOTAL FIELD EXPENDITURES	\$947,354	\$947,354	\$990,306	(\$42,952)
FIRST QUARTER OPERATING RESERVES	\$205,797	\$205,797	\$0	\$205,797
TOTAL PROJECT EXPENDITURES	\$205,797	\$205,797	\$0	\$205,797
TOTAL EXPENDITURES	\$1,278,441	\$1,278,441	\$1,116,938	\$161,503
OTHER SOURCES/(USES):				
INTERFUND TRANSFER IN/(OUT)	(\$220,000)	(\$220,000)	(\$220,000)	\$0
TOTAL OTHER SOURCES/(USES)	(\$220,000)	(\$220,000)	(\$220,000)	\$0
EXCESS REVENUES (EXPENDITURES)	(\$273,254)	(\$273,254)	(\$74,101)	\$0
FUND BALANCE - Beginning	\$273,254	\$273,254	\$262,847	\$10,407
FUND BALANCE - Ending	(\$0)	(\$0)	\$188,746	\$188,746

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND - FY 2018

	ADOPTED BUDGET	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
REVENUES:														
SPECIAL ASSESSMENTS	\$1,218,686	\$0	\$47,468	\$552,621	\$247,541	\$20,602	\$9,464	\$321,095	\$1,969	\$53,390	\$92	(\$13,104)	\$2,362	\$1,243,499
INTEREST EARNED	\$1,500	\$210	\$92	\$38	\$279	\$513	\$551	\$670	\$1,146	\$1,144	\$1,068	\$572	\$459	\$6,742
RENTAL FEES	\$5,000	\$550	\$70	\$1,200	\$3,750	\$20	\$1,800	\$960	\$3,013	(\$70)	(\$500)	\$510	(\$243)	\$11,060
MISCELLANEOUS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$223	\$0	\$0	\$1,313	\$0	\$1,536
CARRY FORWARD SURPLUS	\$273,254	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$1,498,440	\$760	\$47,630	\$553,858	\$251,570	\$21,135	\$11,815	\$322,725	\$6,351	\$54,464	\$660	(\$10,710)	\$2,578	\$1,262,836

EXPENDITURES:

ADMINISTRATIVE

ARBITRAGE	\$2,500	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600
ANNUAL AUDIT	\$5,600	\$0	\$0	\$2,000	\$0	\$0	\$0	\$1,500	\$2,100	\$0	\$0	\$0	\$0	\$5,600
ATTORNEY	\$20,000	\$976	\$1,429	\$1,847	\$906	\$1,702	\$565	\$1,504	\$747	\$2,157	\$635	\$4,382	\$2,361	\$19,211
COMPUTER TIME	\$1,000	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$1,000
DISSEMINATION	\$6,000	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$750	\$500	\$6,250
DUES, LICENSES AND SUBSCRIPTIONS	\$175	\$175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$175
INSURANCE	\$30,558	\$30,033	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,033
LEGAL ADVERTISING	\$500	\$59	\$0	\$0	\$0	\$0	\$0	\$118	\$53	\$0	\$188	\$30	\$165	\$612
MANAGEMENT FEES	\$47,408	\$3,951	\$3,951	\$3,951	\$3,951	\$3,951	\$3,951	\$3,951	\$3,951	\$3,951	\$3,333	\$3,333	\$3,333	\$45,556
OFFICE SUPPLIES	\$300	\$0	\$0	\$0	\$0	\$49	\$0	\$0	\$0	\$25	\$25	\$3	\$31	\$133
OTHER CURRENT CHARGES	\$2,000	\$182	\$193	\$220	\$84	\$294	\$315	\$135	\$177	\$152	\$216	\$161	\$198	\$2,326
GOLF COURSE STUDY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,500	\$0	\$0	\$9,873	\$0	\$12,373
POSTAGE	\$1,500	\$72	\$45	\$495	\$17	\$123	\$49	\$76	\$208	\$27	\$149	\$207	\$49	\$1,516
PRINTING AND BINDING	\$1,200	\$25	\$35	\$22	\$201	\$19	\$128	\$34	\$23	\$268	\$269	\$10	\$212	\$1,246
TELEPHONE	\$50	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TRUSTEE FEES	\$6,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ADM. EXPENDITURES	\$125,289	\$36,056	\$6,236	\$9,117	\$6,342	\$6,721	\$5,591	\$7,900	\$10,342	\$7,163	\$5,399	\$18,833	\$6,932	\$126,632

FIELD:

ATHLETIC EQUIPMENT	320.572.600	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BUILDING CONTRACT SERVICES		\$46,920												
SECURITY SERVICES	320.572.34510	\$0	\$0	\$529	\$130	\$190	\$325	\$0	\$130	\$95	\$203	\$444	\$602	\$2,648
CLEANING SERVICES	320.572.46010	\$3,280	\$3,280	\$3,280	\$3,280	\$3,280	\$3,280	\$3,280	\$3,280	\$3,830	\$3,680	\$3,280	\$3,280	\$40,310
POOL MAINTENANCE	320.572.46400	\$3,337	\$500	\$1,140	\$2,066	\$1,842	\$3,589	\$5,843	\$4,006	\$833	\$1,477	\$804	\$1,120	\$26,557
TOTAL BUILDING CONTRACT SERVICES		\$46,920	\$6,617	\$3,780	\$4,949	\$5,476	\$5,312	\$7,194	\$9,123	\$7,416	\$4,758	\$5,361	\$4,528	\$69,515
BUILDING /GROUNDS MAINTENANCE & SUPPLIES		\$16,700												
BUILDING MAINTENANCE/SUPPLIES	320.572.46020	\$4,351	\$2,888	\$2,121	\$2,978	\$2,929	\$1,491	\$1,243	\$2,022	\$2,111	\$827	\$750	\$3,318	\$27,028
GROUNDS MAINTENANCE/SUPPLIES	320.572.46030	\$1,510	\$69	\$24,909	\$15,758	\$1,316	\$3,797	\$194	\$1,811	\$1,694	\$442	\$2,044	\$331	\$53,874
PEST CONTROL	320.572.34800	\$219	\$125	\$125	\$204	\$125	\$125	\$329	\$125	\$0	\$204	\$128	\$128	\$1,837
TOTAL BUILDING /GROUNDS MAINTENANCE & SUPPLIES		\$16,700	\$6,080	\$3,082	\$27,155	\$18,940	\$4,370	\$5,413	\$1,766	\$3,958	\$3,805	\$1,473	\$2,922	\$82,739
CONTINGENCY	320.572.49000	\$20,000	(\$630)	\$0	\$0	\$0	\$4,101	\$46	\$0	\$5,046	\$89	\$61	\$26	\$8,739
ENGINEERING	310.513.31100	\$12,000	\$1,061	\$183	\$1,971	\$182	\$701	\$92	\$892	\$2,931	\$3,231	\$917	\$1,810	\$930
HFC SPECIAL EVENTS	320.572.49400	\$3,000	\$0	\$56	\$0	\$230	\$154	\$0	\$108	\$165	\$581	\$137	\$55	\$1,616

**LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND - FY 2018**

	ADOPTED BUDGET	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	TOTAL
LANDSCAPE/LAKE CONTRACT SERVICES	\$152,712													
LAKE MAINTENANCE 320.572.46500		\$1,320	\$875	\$1,575	\$875	\$875	\$1,575	\$875	\$875	\$1,575	\$875	\$875	\$1,575	\$13,745
LANDSCAPE MAINTENANCE 320.572.46200		\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,002	\$13,089	\$156,109
IRRIGATION REPAIRS 320.572.46210		\$0	\$0	\$0	\$199	\$76	\$0	\$110	\$187	\$293	\$0	\$0	\$0	\$866
TOTAL LANDSCAPE/LAKE CONTRACT SERVICES	\$152,712	\$14,322	\$13,877	\$14,577	\$14,076	\$13,953	\$14,577	\$13,987	\$14,064	\$14,870	\$13,877	\$13,877	\$14,664	\$170,720
OFFICE SUPPLIES/PRINTING/BINDING 320.572.51000	\$10,000	\$301	\$707	\$493	\$650	\$1,265	\$189	(\$4)	\$1,017	\$262	\$545	\$982	\$690	\$7,097
PERMITS/INSPECTIONS 320.572.49300	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$550	\$0	\$420	\$430	\$0	\$0	\$1,400
PERSONNEL EXPENSES	\$214,455													
EXERCISE INSTRUCTORS 320.572.34100		\$1,700	\$1,200	\$1,435	\$1,515	\$1,416	\$1,350	\$1,790	\$1,500	\$1,415	\$1,275	\$368	\$1,733	\$16,696
FICA EXPENSE 320.572.21000		\$750	\$713	\$790	\$860	\$1,323	\$928	\$974	\$960	\$943	\$933	\$1,317	\$958	\$11,449
HEALTH INSURANCE 320.572.23000		\$455	\$500	\$500	\$704	\$704	\$704	\$704	\$704	\$704	\$1,132	\$322	\$704	\$7,840
SALARIES 320.572.12000		\$9,806	\$9,321	\$10,322	\$11,242	\$17,296	\$12,441	\$12,727	\$12,550	\$12,324	\$12,199	\$17,222	\$12,523	\$149,971
INSURANCE 320.572.45000		\$0	\$0	\$0	\$1,998	\$0	\$0	\$0	\$459	\$0	\$0	\$0	\$0	\$2,458
PERSONNEL EXPENSES	\$214,455	\$12,711	\$11,734	\$13,047	\$16,320	\$20,740	\$15,423	\$16,195	\$16,173	\$15,386	\$15,539	\$19,229	\$15,918	\$188,414
PLANT/TREE REPLACEMENT 320.572.46220	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POND REPAIRS 320.572.46600	\$0	\$0	\$0	\$4,550	\$0	\$0	\$0	\$0	\$0	\$1,350	\$0	\$0	\$0	\$5,900
SECURITY CONTRACT SERVICES	\$246,300													
GATE ATTENDANTS 320.572.34500		\$24,999	\$19,122	\$18,934	\$18,688	\$19,199	\$23,812	\$19,144	\$25,002	\$18,688	\$23,701	\$19,450	\$19,172	\$249,908
VIDEO SECURITY-ADT 320.572.34520		\$524	\$97	\$97	\$131	\$97	\$99	\$132	\$291	\$99	\$132	\$99	\$99	\$1,898
TOTAL SECURITY CONTRACT SERVICES	\$246,300	\$25,523	\$19,219	\$19,031	\$18,818	\$19,296	\$23,910	\$19,276	\$25,293	\$18,786	\$23,834	\$19,549	\$19,271	\$251,806
UTILITIES	\$207,767													
ELECTRIC 320.572.43000		\$10,780	\$10,380	\$10,181	\$10,545	\$10,300	\$9,755	\$9,905	\$9,717	\$9,900	\$10,392	\$10,553	\$10,054	\$122,462
REFUSE 320.572.34900		\$162	\$30	\$163	\$163	\$164	\$164	\$0	\$164	\$169	\$391	\$184	\$183	\$1,938
WATER 320.572.43100		\$1,872	\$2,163	\$3,418	\$4,716	\$2,387	\$2,653	\$627	\$2,820	\$2,507	\$2,828	\$2,392	\$2,791	\$31,174
TELEPHONE 320.572.41000		\$129	\$725	\$841	\$840	\$1,520	\$1,177	\$741	\$718	\$963	\$963	\$963	\$963	\$10,542
GAS/PROPANE 320.572.43200		\$1,872	\$2,163	\$3,418	\$4,716	\$2,387	\$2,653	\$627	\$2,820	\$1,070	\$1,077	\$1,078	\$1,318	\$25,199
MAINTENANCE 320.572.46000		(\$264)	\$0	\$274	\$0	\$334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$344
TOTAL UTILITIES	\$207,767	\$13,953	\$14,752	\$17,140	\$19,399	\$16,399	\$15,710	\$13,776	\$15,590	\$14,609	\$15,652	\$15,170	\$15,309	\$187,458
TOTAL FIELD EXPENDITURES	\$947,354	\$79,938	\$67,389	\$102,913	\$94,090	\$82,190	\$86,609	\$75,715	\$86,608	\$83,103	\$77,854	\$78,182	\$75,715	\$990,306
FIRST QUARTER OPERATING RESERVES	\$205,797	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER SOURCES/(USES)														
INTERFUND TRANSFER IN/(OUT)	(\$220,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$220,000)	\$0	(\$220,000)
TOTAL OTHER SOURCES/(USES)	(\$220,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$220,000)	\$0	(\$220,000)
TOTAL EXPENDITURES	\$1,498,440	\$115,994	\$73,625	\$112,030	\$100,432	\$88,911	\$92,200	\$83,615	\$96,950	\$90,267	\$83,253	\$317,015	\$82,647	\$1,336,938
EXCESS/REVENUES(EXPENDITURES)	\$0	(\$115,234)	(\$25,995)	\$441,828	\$151,139	(\$67,776)	(\$80,385)	\$239,110	(\$90,599)	(\$35,803)	(\$82,593)	(\$327,725)	(\$80,069)	(\$74,101)

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS

Statement of Revenues, Expenditures and Changes in Fund Balances
For The Period Ending
September 30, 2018

	ADOPTED BUDGET	PRORATED THRU 9/30/18	ACTUAL THRU 9/30/18	VARIANCE
REVENUES:				
CAPITAL RESERVE - TRANSFER IN	\$220,000	\$220,000	\$220,000	\$0
CONTRIBUTIONS-PICKLEBALL COURTS	\$0	\$0	\$20,207	\$20,207
INTEREST EARNED	\$0	\$0	\$8,073	\$8,073
TOTAL REVENUES	\$220,000	\$220,000	\$248,281	\$28,281
EXPENDITURES:				
BANK CHARGES	\$0	\$0	\$672	(\$672)
CAPITAL PROJECTS - FY18				
ATHLETIC EQUIPMENT	\$0	\$0	\$1,548	(\$1,548)
POND REPAIRS AND MAINTENANCE	\$25,000	\$25,000	\$9,150	\$15,850
PICKLEBALL COURTS	\$30,000	\$30,000	\$77,933	(\$47,933)
PAVING PARKING LOT/LIGHTS	\$90,000	\$90,000	\$50,377	\$39,623
ROAD REPAIRS ⁽¹⁾	\$75,000	\$75,000	\$7,526	\$67,474
DRAIN SYSTEM/GUTTERS	\$0	\$0	\$5,275	(\$5,275)
WINDOWS/DOORS WCM	\$0	\$0	\$42,260	(\$42,260)
LED LIGHTING	\$0	\$0	\$726	(\$726)
OUTDOOR FURNITURE-RECONIDITONING	\$0	\$0	\$1,835	(\$1,835)
BATHROOM FLOORING	\$0	\$0	\$7,457	(\$7,457)
HVAC/AC SYSTEM	\$0	\$0	\$14,543	(\$14,543)
OTHER CAPITAL PROJECT EXPENSES	\$540,139	\$540,139	\$0	\$540,139
TOTAL EXPENDITURES	\$760,139	\$760,139	\$219,303	\$540,836
EXCESS REVENUES (EXPENDITURES)	(\$540,139)		\$28,977	
FUND BALANCE - Beginning	\$540,139		\$540,139	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$569,116</u>	

⁽¹⁾ Road repairs not used during FY2018 will be set aside in an investment account to use for future road repairs.

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2005A
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING
September 30, 2018

	ADOPTED BUDGET	PRORATED THRU 9/30/18	ACTUAL THRU 9/30/18	VARIANCE
REVENUES:				
SPECIAL ASSESSMENTS - ON ROLL	\$436,872	\$436,872	\$442,033	\$5,161
SPECIAL ASSESSMENTS - PREPAYMENTS	\$0	\$0	\$67,032	\$67,032
INTEREST EARNED	\$1,000	\$1,000	\$5,430	\$4,430
TOTAL REVENUES	\$437,872	\$437,872	\$514,494	\$76,622
EXPENDITURES:				
<i>SERIES 2005A:</i>				
INTEREST - 11/1	\$139,347	\$139,347	\$139,347	\$0
SPECIAL CALL - 11/1	\$30,000	\$30,000	\$80,000	(\$50,000)
INTEREST - 5/1	\$139,347	\$139,347	\$137,304	\$2,043
PRINCIPAL - 5/1	\$160,000	\$160,000	\$160,000	\$0
SPECIAL CALL - 5/1	\$0	\$0	\$45,000	(\$45,000)
TOTAL EXPENDITURES	\$468,694	\$468,694	\$561,651	(\$92,957)
EXCESS REVENUES (EXPENDITURES)	(\$30,822)		(\$47,157)	
FUND BALANCE - Beginning	\$185,650		\$519,737	
FUND BALANCE - Ending	\$154,828		\$472,580	

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2006A
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE PERIOD ENDING
September 30, 2018

	ADOPTED BUDGET	PRORATED THRU 9/30/18	ACTUAL THRU 9/30/18	VARIANCE
<u>REVENUES:</u>				
ASSESSMENTS - OFF ROLL	\$315,038	\$315,038	\$321,352	\$6,314
ASSESSMENTS - PPMTS	\$0	\$0	\$28,434	\$28,434
OTHER REVENUE SERVICES	\$79,288	\$79,288	\$89,288	\$10,000
INTEREST INCOME	\$0	\$0	\$2,133	\$2,133
TOTAL REVENUES	\$394,326	\$394,326	\$441,207	\$46,881
<u>EXPENDITURES:</u>				
<u>SERIES 2006A</u>				
INTEREST - 11/1	\$79,288	\$79,288	\$79,288	\$0
INTEREST - 5/1	\$104,940	\$104,940	\$104,940	\$0
PRINCIPAL - 5/1	\$105,000	\$105,000	\$115,000	(\$10,000)
TOTAL EXPENDITURES	\$289,228	\$289,228	\$299,228	(\$10,000)
EXCESS REVENUES (EXPENDITURES)	\$105,098		\$141,979	
FUND BALANCE - Beginning	\$0		\$78,999	
FUND BALANCE - Ending	\$105,098		\$220,978	

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS - SERIES 2006

Statement of Revenues, Expenditures and Changes in Fund Balances
For The Period Ending
September 30, 2018

	ADOPTED BUDGET	PRORATED THRU 9/30/18	ACTUAL THRU 9/30/18	VARIANCE
<u>REVENUES:</u>				
INTEREST EARNED	\$0	\$0	\$44	\$44
TOTAL REVENUES	\$0	\$0	\$44	\$44
<u>EXPENDITURES:</u>				
COI	\$0	\$0	\$30,054	(\$30,054)
TOTAL EXPENDITURES	\$0	\$0	\$30,054	(\$30,054)
EXCESS REVENUES (EXPENDITURES)	\$0		(\$30,010)	
FUND BALANCE - Beginning	\$0		\$30,038	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$28</u>	

LAKE ASHTON II
COMMUNITY DEVELOPMENT DISTRICT
ASSESSMENT RECEIPTS
FISCAL YEAR ENDING SEPTEMBER 30, 2018

TOTAL ASSESSED AMOUNTS			
300-363-100	300-363-100	300-363-102	
\$1,310,415.55	\$465,964.51	\$338,750.00	\$2,115,130.06

DATE RECEIVED	GROSS TAX RECEIVED	DISCOUNTS	PROPERTY APPRAISERS	INTEREST/ PENALTIES	COMMISSIONS	NET AMOUNT RECEIVED	001	021	022	TOTAL
							GENERAL FUND 61.95%	DS S2005 22.03%	DS S2006 16.02%	100.00%
11/15/2017	\$19,515.63	\$780.64	\$0.00	\$0.00	\$374.70	\$18,360.29	\$11,375.00	\$4,044.78	\$2,940.50	\$18,360.29
11/17/2017	\$49,722.15	\$1,988.92	\$0.00	\$0.00	\$954.67	\$46,778.56	\$28,981.36	\$10,305.35	\$7,491.85	\$46,778.56
11/22/2017	\$12,361.78	\$649.02	\$0.00	\$0.00	\$234.25	\$11,478.51	\$7,111.44	\$2,528.72	\$1,838.35	\$11,478.51
12/06/17	\$148,583.08	\$5,943.44	\$0.00	\$0.00	\$2,852.79	\$139,786.85	\$86,604.07	\$30,795.13	\$22,387.65	\$139,786.85
12/13/17	\$308,443.04	\$12,337.96	\$0.00	\$0.00	\$5,922.11	\$290,182.97	\$179,781.04	\$63,927.49	\$46,474.44	\$290,182.97
12/20/17	\$491,082.62	\$19,643.70	\$0.00	\$0.00	\$9,428.78	\$462,010.14	\$286,235.48	\$101,781.13	\$73,993.53	\$462,010.14
01/16/18	\$419,444.96	\$12,569.10	\$0.00	\$0.00	\$8,137.52	\$398,738.34	\$247,035.84	\$87,842.31	\$63,860.19	\$398,738.34
02/15/18	\$34,624.79	\$692.51	\$0.00	\$0.00	\$678.64	\$33,253.64	\$20,602.08	\$7,325.80	\$5,325.76	\$33,253.64
01/31/18	\$815.99	\$0.00	\$0.00	\$0.00	\$0.00	\$815.99	\$505.54	\$179.76	\$130.69	\$815.99
03/15/18	\$15,744.65	\$157.43	\$0.00	\$0.00	\$311.74	\$15,275.48	\$9,463.83	\$3,365.20	\$2,446.45	\$15,275.48
04/13/18	\$528,265.54	\$31.48	\$0.00	\$0.00	\$10,564.68	\$517,669.38	\$320,718.81	\$114,042.90	\$82,907.67	\$517,669.38
04/26/18	\$375.90	\$0.00	\$0.00	\$0.00	\$0.00	\$375.90	\$375.90	\$0.00	\$0.00	\$375.90
05/15/18	\$3,148.93	\$0.00	\$0.00	\$94.46	\$64.87	\$3,178.52	\$1,969.23	\$700.23	\$509.06	\$3,178.52
06/15/18	\$3,148.93	\$0.00	\$0.00	\$94.47	\$64.87	\$3,178.53	\$1,969.24	\$700.23	\$509.06	\$3,178.53
06/21/18	\$81,043.96	\$0.00	\$0.00	\$3,647.02	\$1,693.82	\$82,997.16	\$51,420.37	\$18,284.33	\$13,292.46	\$82,997.16
07/30/18	\$0.00	\$0.00	\$0.00	\$91.71	\$0.00	\$91.71	\$91.71	\$0.00	\$0.00	\$91.71
08/08/18	\$0.00	\$0.00	(\$21,100.90)	\$0.00	\$0.00	(\$21,100.90)	(\$13,104.16)	(\$4,630.46)	(\$3,366.28)	(\$21,100.90)
10/31/18	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,812.26)	\$3,812.26	\$2,361.86	\$839.84	\$610.55	\$3,812.26
TOTALS	\$2,116,321.95	\$54,794.20	(\$21,100.90)	\$3,927.66	\$37,471.18	\$2,006,883.33	\$1,243,498.64	\$442,032.75	\$321,351.93	\$2,006,883.33

Percentage Collected	100%
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D/S TRANSFERS	D/S S2005	D/S S2006	CHECK #
12/19/17	\$7,199.83	\$0.00	due from prior yr
12/19/17	\$9,679.02	\$12,270.70	1889/1890
01/12/18	\$196,503.76	\$142,855.62	1918/1919
03/13/18	\$95,168.11	\$69,185.95	1988/1989
03/20/18	\$179.77	\$130.69	2001/2002
04/17/18	\$117,408.09	\$85,354.12	2036/2037
07/30/18	\$18,984.56	\$13,801.52	2159/2160
TOTAL TRANSFERS	\$445,123.14	\$323,598.60	