

**MINUTES OF MEETING
GOLDEN LAKES
COMMUNITY DEVELOPMENT DISTRICT**

A special meeting of the Board of Supervisors of the Golden Lakes Community Development District was held on Tuesday, July 19, 2016 at 10:00 a.m. at the Club at Eaglebrooke, 1300 Eaglebrooke Boulevard, Lakeland, Florida.

Present and constituting a quorum were:

Rich Weaver	Chairman
John L. Knapp	Vice Chairman
Donald L. Adams	Assistant Secretary
Richard A. Howe	Assistant Secretary
Anthony J. Stevens	Assistant Secretary

Also present were:

Gary Moyer	Manager
Scott D. Clark, Esq.	Attorney
JoAnna Likar	LE Wilson & Associates, Inc.

The following is a summary of the minutes and actions taken at the July 19, 2016 Golden Lakes CDD Board of Supervisors special meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Weaver called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Discussion of Future Recreation Opportunities

Mr. Weaver addressed the Board regarding the potential sale of the Club at Eaglebrooke. He met with Mr. Jacobs and Mr. Moyer to discuss the terms requested by McDonald Golf Enterprises, Inc., which are as follows:

- Sale price is \$2.5 Million.
- Milestone dates are as follows:
 - Contract or offer letter due by July 29, 2016.
 - Due diligence to be completed by September 16, 2016.
 - Closing by November 30, 2016.

- Normal costing costs are to be paid by the respective parties.
- Club is to be purchased *as is*.
- Key employees are to be retained for one year: Bill the chef, Ms. Jennifer White, Mr. Rick Fontaine and Mr. John Greiner. If new management wants to terminate key personnel, they are to be given six months' severance pay.
- Mr. Gill Foushee is to continue to have free use of the practice facility to give lessons for five years.
- The McDonald Golf Tournament is to continue for five years with no cancelation or name change.
- Lifetime honorary family golf membership for Mr. Dale Jacobs and Ms. Paula McDonald. They would pay for golfing and all other purchases.
- There are other honorary memberships that need to be revisited.
- Must hire a manager from the Club Managers Association for the first three years.
- General release of claims for the McDonald Family, McDonald Golf Enterprises, Inc. and Mr. Dale Jacobs.
- Every lot should be assessed for a social membership.

The following was discussed:

- Mr. Weaver estimates \$200,000 in purchase expenses, \$200,000 in deferred maintenance and improvements and \$600,000 for cash flow to cover first two years of revenue shortfall.
- A total bond issue of \$3.5 Million would mean an estimated additional assessment of less than \$400 per lot, per year. This would be with a 30 year bond term.
- Mr. Moyer recommended engaging an underwriter to market the bonds, run scenarios and provide estimates of what the market is on a rated deal.
- A special election would have to be held for the bond assessments to be collected as non-ad valorem assessments.
- A letter with the proposed assessment would be sent to all property owners with the date and time of the public hearing.
- Mr. Clark stated it is within the District's power to own a golf club within its boundaries.

- Mr. Weaver feels purchasing the club will protect the investment of all property owners within the District.
- Mr. Clark explained the District would have to adopt a set of rules governing the use of the facilities. There will have to be a basis for the general public to use the club, but they can be charged a membership fee.
- The purchase includes the stormwater system as well as other parcels.
- The club currently pays over \$100,000 in property taxes. This cost will not be incurred by the District if it owns the club.
- Mr. Weaver reviewed his suggestions on how the club could be managed. He also suggested a private advisory board.
- Mr. Moyer clarified if the District hires a club manager directly, the club manager would have to report to him as the District Manager. If the District contracts with a golf course management company, the club manager would report to the Board directly.
- Mr. Knapp expressed concern over a third party purchasing the club and mismanaging it to the point where home values are affected.
- Mr. Adams agreed and gave an example of a community where this happened.
- Mr. Stevens agreed it is the best option to protect the community. He questioned how much of this should be a profit making venture rather than an amenity. If the District purchases the club, he would like to see more marketing.
- Mr. Clark clarified the focus of the purchase is as a recreational amenity.
- Mr. Moyer reviewed the validation process in order to issue bonds. The District would need to hire bond counsel to prepare a trust indenture, which is basically a contract between the District and the bondholders. An underwriter will also need to be hired to sell the bonds as tax exempt obligations of the District. The underwriter of the original bonds issued by the District was Prager & Sealy, which has since evolved to MBS Capital. He will meet with them prior to the August 9, 2016 meeting so they can get an investment grade to market the bonds at a lower interest rate.
- There was discussion regarding the timeline and preparing a letter of intent to submit by the July 29, 2016 contract deadline. Mr. Weaver suggested the letter of intent

address the timeline and provide more accurate dates in accordance with the bond issuance process.

- Mr. Clark suggested contacting the National Golf Foundation’s consulting division who can provide a recommended purchase price based on their analysis of the golf course and operations.

On MOTION by Mr. Knapp seconded by Mr. Adams with all in favor staff was instructed to obtain proposals for bond counsel, an investment advisor and a golf course consultant.

On MOTION by Mr. Stevens seconded by Mr. Howe with all in favor District Counsel was directed to prepare a non-binding letter of intent offering a purchase price not to exceed \$2.5 Million and containing milestone dates to be negotiated between the seller and the Chairman.

FOURTH ORDER OF BUSINESS

Golf Operations Report

This item was included in the agenda package for informational purposes only.

FIFTH ORDER OF BUSINESS

Manager’s Report

There being no report, the next item followed.

SIXTH ORDER OF BUSINESS

Attorney’s Report

The following was discussed:

- There was brief discussion regarding the amount of *open house* signs.
- Mr. Weaver reviewed the proposed areas to install *tow away* signs. The proposed locations are where a road leaves the spine road.
 - The entrance to Grandview.
 - The entrance to Clearpointe Way.
 - The entrances to Cascade Court and Island Lake Lane.
 - The entrance as you come off the Y intersection as you go into Osprey Landing Drive and Reflections.
 - The entrance to the Lake Eaglebrooke area.
 - It was also noted the existing towing sign at the front entrance is too low and needs to be replaced.
- Mr. Weaver discussed his concerns regarding the low wall near the retention area in The Preserve. The wall is located on common area where people often park vehicles.

The main concern is someone driving over the wall and ending up in the retention area. Mr. Clark recommended painting the top of the wall yellow and posting a sign stating *no parking between signs*.

- Discussion ensued regarding the parking rules and regulations. This will be added to the August agenda for discussion.

On MOTION by Mr. Adams seconded by Mr. Knapp with all in favor the posting of towing signs and striping of the wall was approved.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

The following was discussed:


- The suggestion was made at the HOA meeting to post a sign stating there is video surveillance near the entrance/exit. Mr. Clark stated it is only required to post signage if there is audio recording. There was consensus to direct staff to post a small sign stating *video surveillance*.
- Some residents at the HOA meeting requested the gate arm be kept down on the guest entry side when the gate attendant is taking a bathroom break. Due to the roads being public, this is not an option.
- Mr. Knapp questioned the appropriate length of time to keep the flag at half-staff after tragic events. Mr. Clark indicated the Governor issues proclamations relating to State Buildings.

EIGHTH ORDER OF BUSINESS

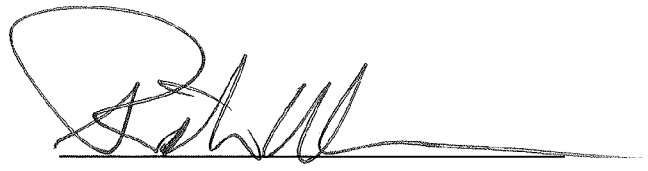
Adjournment

There being no further business,

On MOTION by Mr. Knapp seconded by Mr. Adams with all in favor the meeting was adjourned.



Gary Moyer
Secretary



Rich Weaver
Chairman