

**Report to the
Cypress Creek Property Owners' Association's
Board of Directors
from the Ad-hoc Options Committee
August 15, 2019**

This is the August report of the Cypress Creek Property Owners' Associations' Board of Director's appointed Ad-hoc Options Committee, Chaired by Board Member, Kelly Chiarella. Committee Members include Mikel Kline and Jamie Gould. Under direction from the Board of Directors, this Committee continues to work on behalf of the neighborhood.

Here are highlights of much of our activities since our last report:

- Committee members have started an extensive due diligence evaluation of the True Shot proposal to subdivide the golf course parcel that could result in the CCPOA's deeded ownership of potentially 97 acres of the golf course for dedication as open green space, and the sale of 25 acres to Pulte for the proposed construction of 144 2-story townhouses, requiring a zoning change to HR-8. A letter requesting additional information vital to the due diligence analysis was mailed to True Shot August 6, 2019, but no response has been received to date.
- Committee members attended the July 31, 2019 presentation conducted by Pulte that described the alternative development proposal from True Shot and Pulte. True Shot owners did not address the residents in attendance during the presentation.
- At the presentation, and in a subsequent direct mailing to each of the CCPOA Board Members, an extremely tight timetable was identified by True Shot that gives the Association just 30-days from the date of the July 31, 2019 presentation to determine if the CCPOA is willing to accept the proposed 97-acre transfer from True Shot. This timetable is unrealistic for any meaningful consideration by the Board or neighborhood. It is impossible for this Committee to recommend accepting the True Shot proposal in any form given this timetable.
- An indicative price quotation for mowing the 97-acre parcel has been received from the Association's current contractor for \$114,000 per year, which would result in a minimum \$71.25 increase in the quarterly assessment to each Association member for just mowing the grass. This quote did not include any of the other landscape maintenance tasks that would be required such as tree trimming and dead fall removal. Even this amount is beyond the budget authority of the Board to accept without an increase in quarterly maintenance fees to the Association members.

- An immediate first step in continued evaluation of the True Shot proposal is member approval of an amendment to the Association's governing documents to remove or increase the cap on maintenance fee assessments to the members. A projected maintenance budget has not been completed, so it is impossible to estimate the required minimum increase in quarterly assessments to Association members. Because True Shot owners have direct experience as members of the CCPOA Board, True Shot should be aware of the lengthy approval process required to amend the Association's governing documents, especially when a maintenance assessment fee must be increased.
- Further complicating the due diligence analysis is a July 23, 2019 letter from the Florida Department of Environmental Protection (FDEP) to True Shot that acknowledges known groundwater contaminations and that accumulations of Arsenic exceed residential and commercial/industrial hazard exposure limits that would require remediation for future land use purposes other than as a golf course. The implications of this FDEP letter on the proposed transfer are currently being reviewed. Documentation to be provided by True Shots in response to our August 6, 2019 request, will hopefully shed light on potential remediation costs.
- The potential costs for environmental cleanup and remediation, the maintenance of the existing interconnected drainage system, and possibly other restoration requirements, create additional risk of increased costs for the CCPOA members. Following this report, John Quatrini, CCPOA President will read the information request letter to the members present. The letter will then be posted as an attachment to this report on the CCPOA website.
- There isn't enough information available, based on the very early stage conceptual site plan to identify exactly which areas would be proposed for sale to Pulte or deeded to the CCPOA or other donee. At the presentation, Pulte identified a potential need for up to an additional 10 acres used to support the drainage requirements for its proposed project. This could potentially require the beneficiaries of the gifted land to become responsible for the drainage on Pulte's project. CCPOA would require contracted language to ensure this is addressed. The golf course owner, according to the SFWMD, currently is and has been since the early 1970's, responsible for the stormwater management and drainage of the surrounding residential community. Any change in ownership would require the purchaser to continue this contractual agreement. It is unclear from any provided information whether it would be Pulte or the beneficiary of the 97 acres that would continue to honor this contract agreed to by Weaver Development in the early stages of the development.
- The existing active lawsuit against True Shot brought by some of the Cypress Creek residents is expected to provide a determination of building rights that may or may not exist on the golf course parcel.

- The initial thoughts of “Be careful what you wish for” came to mind as the Committee initially wrestled with the proposed alternative development proposal suggested by True Shot and Pulte. The first glances of the “gift” from True Shot very quickly turned into “How on earth can we make this work?”, followed by “Don’t see how this is ever going to work!”.
- The evaluation period in the initially proposed True Shot timetable will expire prior to the next CCPOA Board Meeting. Given the unrealistic time requirement, of two weeks from now, to give an answer on the proposal, and due to the lack of relevant information, the Ad-Hoc committee cannot make a recommendation to the Board regarding the proposed 97-acre property transfer offer.

Respectfully submitted,

Kelly Chiarella, Committee Chair



CYPRESS CREEK PROPERTY OWNERS ASSOCIATION

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August 6, 2019

True Shot, LLC
PO Box 3065
1530 West Boynton Beach Blvd.
Boynton Beach, FL 33424-3065

RE: CCPOA Due Diligence Information Request

Dear Mr. Marcacci:

The Board of the Cypress Creek Property Owners' Association (CCPOA) is conducting a due diligence analysis to explore the potential cost implications of your proposed 97-acre property transfer to the CCPOA.

The Board believes that the existing documentation and historical record speaks for itself. We respectfully request that the offer consideration time table included in the direct mailing to the Board members be adjusted to allow the court to have an opportunity to render a decision on the ability to subdivide the golf course lot. However, as stewards of the community, our due diligence efforts will help guide our community to make an informed decision. We request the following information for our review.

1. A copy of True Shot financial records that detail the actual maintenance and operating costs incurred by True Shot in each of the last seven years.
2. Copies of any and all maintenance logs and records.
3. Installation, inspection and maintenance reports of the interconnected drainage structures between each body of water on the 97-acre tract that True Shot proposes to transfer to the CCPOA.
4. Installation and maintenance records for the irrigation system, including the installation and service records for irrigation pumps.
5. Installation, service and inspection records for the flood control weir.

6. Copies of existing permits from LWDD and SFWMD with certificates that indicate that all current outfalls and structures are compliant with all existing permit requirements.
7. Dates the asphalt cart paths were sealed and serviced on the 97-acre tract that True Shot proposes to transfer to the CCPOA.
8. All correspondence with Florida Department of Environmental Protection (FDEP).
9. Copies of all environmental assessments/audits performed on the 97-acre tract that True Shot proposes to transfer to the CCPOA.
10. All records of fertilizers, pesticides, herbicides, nematicides and other chemicals applied on the golf course and the dates, concentrations, quantities and frequencies of application of those chemicals.


Additionally, the letter proposing the 97-acre transfer to the CCPOA indicates that a binding agreement would need to be executed among Pulte Homes, True Shot, LLC, and the CCPOA. We would like to see a draft of the agreement that you would propose be negotiated among the parties.

A process needs to be established for contractors or inspectors to gain access to the golf course parcel to conduct their work on our behalf and is a necessary part of our due diligence efforts.

The above information is critical to our timely analysis and reporting regarding your alternative development proposal.

Please contact me if you have any questions or would like to discuss the importance of this due diligence information on the Board's due diligence analysis.

Sincerely,



John Quatrini, President
Cypress Creek Property Owners' Association

CC: Mark D. Friedman, Esq.