

Update to the HOA Members and Board Regarding the Golf Course

August 13, 2015

1. The Committee is pursuing two parallel tracks

- a. **Acquisition:** Negotiating an acquisition of the golf course through the cooperative efforts of UCF, the City of Oviedo, the HOA, and potentially other parties
- b. **Opposition:** Preparing to oppose any proposal by the Golf Group to develop a portion of the golf course

Effective opposition will increase the likelihood that the acquisition will occur.

2. Proposals suggested by the Golf Group

- a. Plan 1 – 300+ homes as submitted in 2014 with scaled down golf course – seems unlikely to be revisited, significant issues with being in the Econolatchee River exclusion areas
- b. Plan 2 – Development of a similar home count on portions of the golf course that are not within the 1,150 feet exclusion areas – Holes 10 – 13
- c. Environmental Bank – possibly in combination with some development option

3. Status

- a. Discussion ongoing with UCF and the City – see attached proposal
- b. Golf Group has been indicating they will submit a rezoning application for a new development proposal soon – potentially yet in August - - May or may not involve an immediate closing of the golf course

4. Opposition to a new development proposal

- a. Golf Group will contend that the approval would not require a change to the PUD Agreement
- b. HOA will oppose the proposal before the City Council on the bases that it:
 - i. would require a change to the Twin Rivers PUD Agreement, and
 - ii. would adversely affect HOA members to the benefit of the Golf Group
- c. The City Council will find it hard to approve the rezoning application if the community expresses its views.
- d. If the City denies the Golf Group's request,
 - i. expect legal action by the Golf Group against the City, and
 - ii. expect the Golf Group to try to make it difficult and unpleasant for community.
- e. If the City approves the Golf Group's request, then the HOA must litigate to protect the HOA Member's interests.
- f. On balance, the acquisition solution should be in the interest of all parties involved.

5. **Be ready to support** --- We will need your support at the proper time

- a. Acquisition solution – support funding by the City
- b. The Opposition effort – express opposition to the City
- c. May need to support to both in parallel

Conceptual Framework for Acquisition of the Twin Rivers Golf Course

Party	Role/Rights/Interests ¹	Financial Involvement	Illustration of Potential Transaction Values
UCF	Rights to operate the golf course, including control over: <ul style="list-style-type: none"> ➤ Naming rights ➤ Management, operations, and condition maintenance ➤ Revenue ➤ Net Income 	Initial payment of an amount based on the fair market value of the property as a golf course. Investment as deem necessary by UCF to raise the condition of the course to the level consistent with UCF's business plan for the golf course.	\$1,000,000 TBD ²
City of Oviedo on behalf of its Citizens	Rights to ensure the property is either used perpetually as a golf course or as parkland for the benefit of the community. Rights to operate youth programs using golf course facilities. Rights to use the golf course property for stormwater overflow during extreme weather events.	Initial payment of an amount deemed by the City commensurate with the value received by the community and sufficient to reach an acceptable level to University Golf Club considering contributions from UCF and the HOA. Beneficial arrangements related to the cost and supply of water for irrigation.	\$2,600,000 Combined from value to utility, any payments received from early release of lease on existing developable property near City Hall, and bond issuance. All or portion of bonds could be paid through a special taxing district.
HOA	Assurance that the golf course and other open space involved would remain a golf course or parkland for the benefit of the community.	An initial payment. Resolution of certain property rights issues with University Golf Club that would allow a charitable donation of open space by University Golf Club to the City or UCF Foundation.	\$150,000 \$750,000
Total Value to Golf Group			\$4,500,000

¹ We can conceive of solutions that involve ownership of the golf course by UCF or the City of Oviedo. A joint ownership concept may also be worth consideration if permitted by Florida law. We believe the ownership question can be effectively addressed as the group works together on the proposal.

² Could be determined through Phase II of the NGF Study. Should be such that the total of the initial payment by UCF plus the additional investment relates reasonably to the total value of the golf course plus the benefits to UCF of having a nearby golf facility. NGF has conservatively estimated the value of golf course operations to be in the range of \$2.6 to \$3.2 million after upgrades are made.