The Renaissance of The Meadows

Planning our Future. . .

Jan Lazar — MCA Board President

Nearly five years ago, The Meadows Board of Directors looked around and realized that, while The Meadows was a lovely and inviting community, it was losing appeal when compared to newer developments in the area, which had more amenities, new facilities and a fresher look. The Board decided that the plan originally envisioned by Meadows' developer Taylor Woodrow needed to be reviewed and updated to provide for the continued stability and appeal of The Meadows going forward. To move forward on this, a Strategic Planning Committee was formed comprised of **Malcolm Hay**, **Jan Lazar**, **Claire Coyle**, **Dr. Bart Levenson** and **Bruce Ferretti**. A Community survey of needs, desires and concerns was developed and sent out to the whole community. Literally dozens of meetings were held with community groups, the Assembly of Property Owners, and a SWOT (Strengths/Weaknesses/Opportunities/Threats) analysis was done by a large group of community representatives. From this, The Meadows Renaissance was launched.

The first major project in that effort was the new entrance at 17th Street. The fresh look was highly praised and plans for additional projects begun. But a major development shifted attention from the new projects to the future of The Meadows Country Club (the Club) and its impact in the community. The Club, as a private corporation, owned all the land and buildings it operated. It was and is one of the largest areas of green space in The Meadows.

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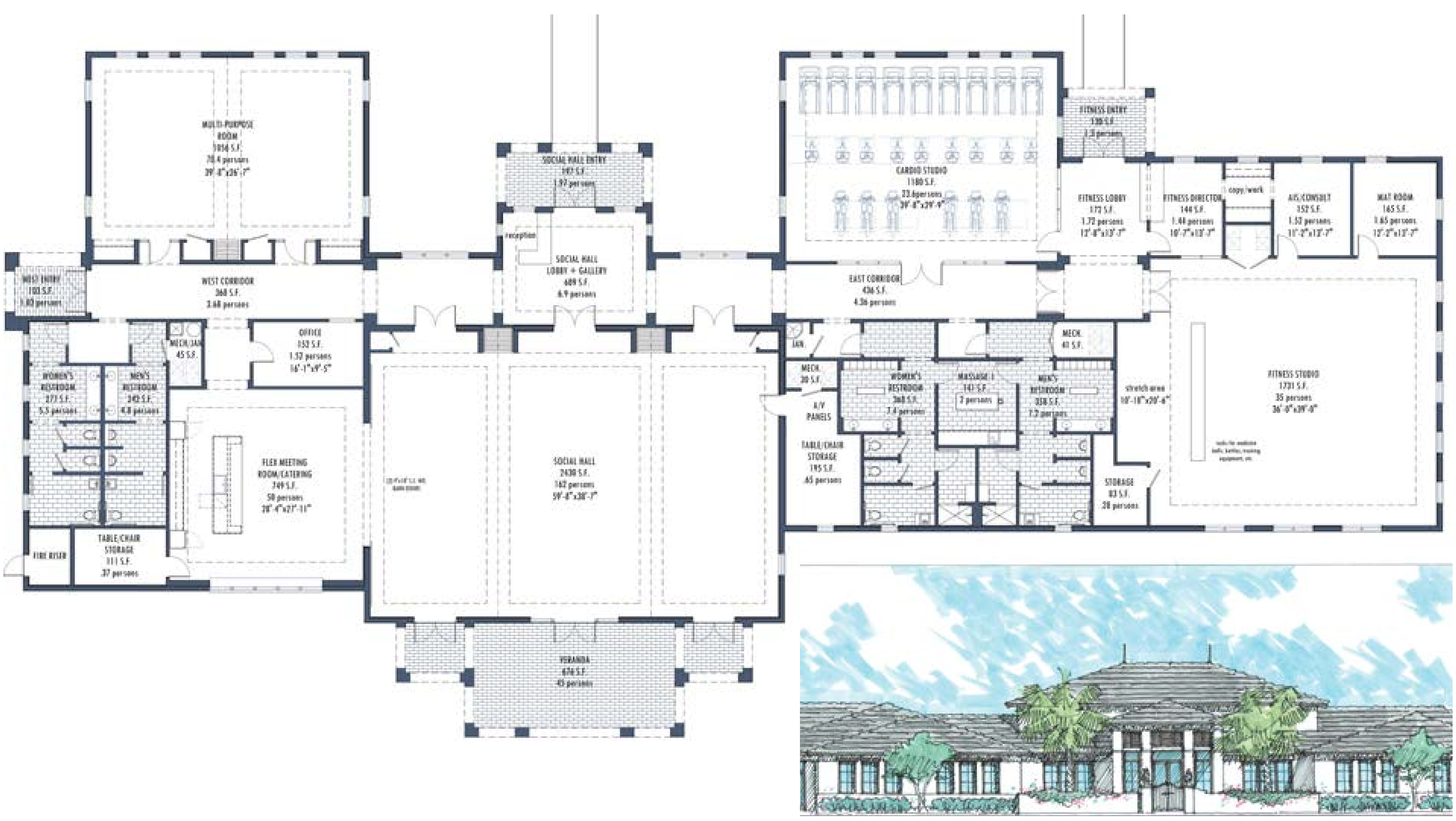


The Decision to Preserve the Vision of our Beginning ..... and Advance Our Path For the Future

Financial strains stemming from the 2008 recession (depression for many) and demographic changes had caused the Club to take on mortgages and loans, which imperiled its ability to survive so the Board of the Club undertook an effort to sell the Club to someone who would renovate it. Ultimately, they had an offer for $20 million dollars, which would buy the Club, renovate the courses, build a new clubhouse, operate the restaurants, tennis and fitness and pay $1 million dollars to the community. The developer was also going to build 180 new units on property owned by the Club. This effort, since it was a private entity, did not involve the MCA or its Board. When apprised of it, the MCA supported the sale as it was in accord with the Renaissance Plan envisioned by the MCA Board. It would benefit the community, add new units in the community and update aging infrastructure.

> The MCA purchased the real estate and leased it back to the club.

BUT - the developer, with mere weeks until the Club's loan had to be paid off, withdrew the offer and substituted a $7 million dollar offer, which deleted everything except building on any or all of the Club property. Nothing to the community, nothing for renovation - just new buildings of whatever density and type the builder wanted. People protested that the deed restrictions prohibited building on the golf courses. But if the Club defaulted on the loan and filed for bankruptcy, all of the community deed restrictions and requirements could be thrown out solely by the action of a bankruptcy judge, which is what typically happens in such a case. **CRISIS**, major loss of green space and amenities was only a mere six weeks from befalling us all.

Research by the MCA showed that this would result in significant loss of property values, typically in the 25-35% level, whenever golf courses shut down. The MCA Board searched for an option to protect the community, the green space, and the property values. The MCA determined that it could use its cash reserves to purchase the notes from the bank, as they were paying higher rates than the reserves were earning. This would give the community a say on any future for the property at its heart.

Several months of subsequent review of options and the impending default on another mortgage on the property led to another crisis review. The overwhelming conclusion was that the MCA needed to protect the community, take over community control of the land use, and preserve green space and property values. Buying the Club was briefly considered but there were two major problems. First, the MCA didn't and doesn't want to run golf courses, restaurants and bars, etc. Second, it COULDN'T be done in the time available even if the MCA had wanted to buy it.

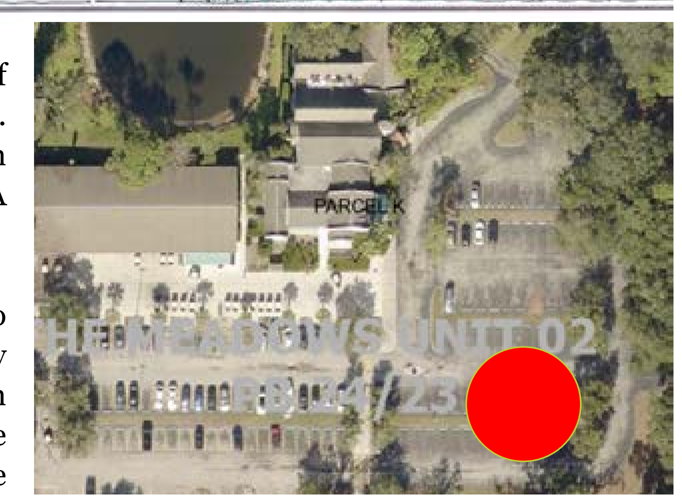
The MCA was still determined to prevent the threatened bankruptcy and the loss of deed restrictions on the property use. A communitywide meeting where options were discussed and the cost and effect on assessments outlined and the overwhelming consensus was that the MCA needed to protect green space and property values. So, with the use of some creative planning, the MCA bought all of the real property, applying the notes it held and installment purchase payments over three years to effectuate the purchase, thereby obtaining ownership and community control of the land.

The MCA purchased the real estate and leased it back to the Club. The Club pays all the property taxes (currently $116,000+), the assessment to the MCA (currently $45,000+), the insurance on all of the leased property and the maintenance and operating costs of the property totaling well over seven figures. Club financials are confidential proprietary business information but it was clear to the MCA, who did have a review, that it would cost the community SUBSTANTIALLY more to take over the facilities, even just for basic maintenance, while losing numerous recreational amenities. Not a good deal for The Meadows!

Capital expenditures necessary to maintain the real property, within specified parameters and as budgeted, are the responsibility of the MCA as the owners of the property. We assessed needs for all of the facilities owned or planned by the MCA to come up with a comprehensive plan for capital renovation and development. The development of a new amenity Lifestyle and Wellness Facility was a key component to the future as envisioned in the Renaissance Plan.

Capital Expenditures

Project	Cost	Status
New entrance way at 17th Street	$267,000	completed
Purchase of 300+ acres of land, 17 tennis courts, pool, 3 golf courses, 2 cart barns, 3 pro shops and a clubhouse, etc **(increase MCA land 87%)**	$6,064,000	completed
Wellness & Lifestyle New Building	$3,750,000	awaiting permit from County
Expanded Outdoor dining/ new decking	$285,000	awaiting permit from County
Buidling repairs to newly acquired buildings	$300,000	completed
Meadows Course Renovation	$1,767,222	nearly completed
Groves Course Renovation	$257,000	completed
Dog Park	$20,000	awaiting FPL sign off
Pickleball Courts	$50,000	not yet funded
TOTAL	**$12,760,222**	



To accomplish planned renovations and improvements, the MCA determined that for it to be effective in accomplishing the goals consistent with The Meadows Vision Statement, a piecemeal approach would not be effective. We needed to undertake a major initiative to stop The Meadows from sinking into being an old, tired looking community that was sliding into complacent deteriorating old age. We want to be a vibrant community with an active lifestyle and a place where people want to live and play.

To achieve this, it of course takes money. The question was asked as to whether to do a special assessment such as most of the condo associations do when they want to make a major capital expenditure. It was decided that it was more reasonable to finance the improvements and spread the cost over a longer period.

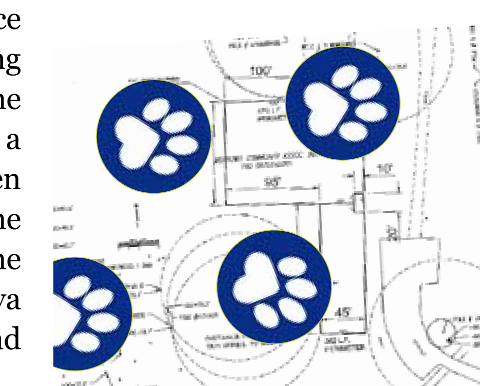
A loan package was negotiated, which would provide for the new building and other capital needs. That loan package would provide for the new building, payoff of the final installment for the land purchase, provide for repairs and refurbishing of buildings and property now owned by the community and provide for expanded amenity facilities for the whole community.

The loan was broken into component segments to match when projects could be commenced since some things could and needed to be done immediately and others needed preparatory work by architects, engineers and then permits obtained from Sarasota County. The biggest part, the new building, required more than a year for all the steps that needed to be completed before actual construction could begin. Other things, like roof repairs, fountain replacements, golf course renovations, which were needed, could be done sooner.

In addition, fundraising within the community and the Club raised over $225,000 to assist in making improvements not covered by the loan or within annual budgets. This strong added financial support from individuals and associations bolsters the belief in the plan and future of our community.

This is a complex undertaking with many pieces. To achieve a goal of updating the look and appeal of the community, protecting green space and property values, and offering a broader range of activities to the community, there has had to be a strong cooperative effort between the MCA, the community and the MCA's corporate members - the Club, the Shopping Village, Aviva and Tarpon Point, the MHOA and the numerous condo associations. It has taken input from community groups and an incredible amount of work by MCA Manager, **Frances Rippcondi** and her staff, the Board of MCA and the efforts of numerous committees working to refine planned improvements and help effectuate them.

The impact of COVID made all of these efforts much more difficult, as was virtually every aspect of everyone's life. But plans moved ahead, work continued, and as of March, 2021, all elements of the plan are in place to complete the new Lifestyle and Wellness Facility, expand outdoor dining and activities around the pool and Centre Court Lounge, install a dog park, and expand activity programs the entire community can enjoy, including access to specified Club activities provided for under the Renaissance Access Plan, ably



negotiated by then President **Marilyn Maleckas**, which has allowed all interested residents to enjoy some new activities that were not previously available to them. More than 2,800 residents have signed up to participate in the Renaissance Access Plan and are using the large pool, utilizing the fitness center, going to functions, attending classes, and trying out the golf facilities.

When this whole project was undertaken, a large communitywide meeting was held with several hundred people attending. While there was widespread agreement on the goals of protecting the green space, protecting property values and improving the lifestyle and activities in the community, the question, of course, was asked "how much will this cost?" The answer given was that since assessments by the MCA are based on individual

Capital Expenditures/ Financing

Project	Amount	Source of Funds
Purchase of real property	$3,000,000	Existing non- statutory reserves
	$1,200,000	Line of Credit
	$1,800,000	Loan
	$64,000	Operating budget
New Entrance way	$267,000	Operating budget
Wellness & Lifestyle Building	$3,750,000	Loan
Expanded outdoor dining/decking	$250,000	Loan
	$35,000	Donations
Building repairs to newly acquired property	$250,000	Loan
	$50,000	Operating budget
Meadows Course Renovations	$1,500,000	Loan
	$163,997	Club
	$103,225	Donations
Groves Renovations	$257,000	Operating budget
Dog Park	$16,000	Operating Budget
	$4,000	donations
Pickleball Courts	$50,000	Not yet funded
TOTAL	**$12,760,222**	

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Sarasota County assessed valuation for each property, the cost would vary depending on your annual property tax assessment but that it would AVERAGE about $150. Someone asked, “per month?” and the answer was, “No, that number is per year.” At that point, the general response was, “What are we waiting for? Go for it!” The plan was to have two years of increase of that magnitude with increases after the first two years dropping to much smaller levels and with a planned payoff of the loans in 10 years. It was also noted that condo fees range from $2,200 to $6,800 per year while 95% of The Meadows pays less than the lowest annual condo assessment per year to the MCA. Services provided are 24/7 Safety patrol, maintenance of all the general streets, street lighting, walking paths, 85 water features, insurance, property taxes, programs, landscaping for all the common areas, mail and meeting handling for most associations, etc. What does this cost most residents? 60% of the owners pay less than $83/month to the MCA and fully 75% pay $100/month or less. Condo fees range from $183/month to $566/month.

In looking at the current and future life of The Meadows and its residents, we all need to evaluate how important our community is to us. Like everything in life, you can go forward or fall behind but you can’t stand still. The MCA determined, after much discussion and review, that we want to move forward and that our community is important to us - as a place to live, a place to play and make friends, and an economic investment. We know that we must invest both time and money to have nice homes in a nice setting with lots of activities and amenities. The numerous improvements made by many associations and individual owners reflects the strong commitment to the Renaissance and to helping keep the community lovely, vibrant and a great place to live.

We love it when a plan comes together!

Jan Lazar—MCA Board President

Uses of Loans

Pay down of Line of Credit, final payments on real property purchase		$3,200,000	
New building A&E, building repairs, Meadows Course renovation		$2,000,000	
		$4,000,000	
Wellness & Lifestyle Building			$3,500,000
Expanded Outdoor dining/ new decking			$250,000
Fountain View Lounge			$250,000
TOTAL Authorized & Planned to use		$9,200,000	
Drawn to date	$5,200,000		
Principle paid to date	($196,768)		
To be drawn in FY2021	4,000,000		
AVAILABLE for use Line of Credit for Emergencies		$500,000