HOA PRESIDENT'S INFORMATION SHEET – FEBRUARY 2019

INITIAL FUNDING OF THE TRANSITION LLC:

In response to the call for initial funding of the LLC almost all HOAs have transferred the requested $100 per household. Contributions from the 40 residents of The Falls are being mailed individually and about half have so far been received. One other Grand Harbor HOA has collected the contributions and is in the process of transferring them to the LLC bank account. Every other GH HOA has completed the process with 100% participation.

Of the 10 Oak Harbor HOAs the two that signed the Operating Agreement have transferred their full contributions, the five that are controlled by OH Management have committed to participate fully on a voluntary basis without signing the Agreement and have given us their contributions. The remaining three HOAs are considering voluntary contributions.

The Board would like to thank all HOA Presidents and homeowners for their excellent cooperation in this initial funding effort.

SELECTION OF TRANSITION ATTORNEYS:

In our January Information Sheet we stated that after interviewing three firms the Board had unanimously selected a law firm to represent us throughout the transition process. We can now inform you that it is the GreenbergTraurig office in Boca Raton, Florida. As part of a large New York based firm, GT has extensive experience in club and/or master association transitions, both in Florida generally as well as here in the Treasure Coast area.

The primary GT attorneys with whom we will be working most closely have already been briefed by the Board and have been given a driving tour of all Grand Harbor and Oak Harbor neighborhoods and of all GHCA related assets. We look forward to their guidance as the transition proceeds.

TREASURER'S REPORT:

As member contributions have flowed in we have now collected $99,500. Our cash flow and current balance are as follows:

Member Contributions to the LLC:		$99,500.00
Oak Harbor Contributions:		$11,500.00
Total Contributions:		$111,000.00
Expenses:		
Administrative:		($214.32)
Legal:		
LLC Formation and Maintenance (Expenses)	($8,265.00)	
General Transition Counsel (Retainer)	($25,000.00)	
Other Legal Expenses	($92.97)	
Legal Expenses: Total:		($33,357.97)
Total Expenses:		($33,572.29)
Current Balance:		$77,427.71

ENGINEERING AND ASSET EVALUATION COMMITTEE REPORT:

The Engineering and Asset Evaluation Committee (E/AE) was formed to identify all physical assets that GHCA owns or controls and to assist an outside engineering firm (to be hired) in evaluating those assets' remaining economic life as part of a reserve study for the maintenance and replacement of those assets. Those assets include over 6 miles of roads (with 2 bridges, 3 tunnels and guard rails), signage, all the ponds in GH and OH, the community sprinkler system, the perimeter fence and security buildings, sidewalks, street lighting, and the estuary. Excluded are all the assets that were sold with the Marina and with Oak Harbor Club, plus all undeveloped land in both GH and OH.

The E/AE Committee is led by Lance Hall and the volunteer members are Vince Donnelly, Dale Jacobs, Len Schiraldi, Phil Schwin, and Ken Siedler. An initial meeting of the committee was held on February 9th to brief members on the LLC, on the due diligence the LLC plans to execute in preparation for transfer of control of GHCA, and on the tasks assigned to the committee. Our first task is to catalog all assets GHCA is responsible for and to understand the legal boundaries between HOA, Club, Marina and OH or GH developer property. In this stage we will be identifying any potential maintenance or repair issues that those assets might have, and committee members will then be contacting each HOA to verify the GHCA asset catalog and to investigate any known issues.

OPERATIONS ASSESSMENT COMMITTEE REPORT:

The Operations Assessment Committee is in the process of being formed and is charged with identifying and reviewing all service contracts currently being performed for or by GHCA, including among others security, landscaping, aquatic, irrigation, pest control, utilities, accounting and business administration. It will be necessary to identify and calendar any contract cancellation requirements for timing leading up to the GHCA turnover. The committee will assess the competitive nature of those contracts for service, for pricing, and for level of service required versus level of service received.

The Operations Assessment Committee will draft future contract/service specifications for all required third party services going forward including third party property management companies. We will identify prospective service providers capable of meeting our requirements, confirm their references, and provide them with an oversight of our needs and expectations. We will then prepare and distribute Request for Proposal documents to selected service providers; receive and review contractor submissions, and make recommendations to the Board of Managers and to the new 2021 GHCA Board.

If there are residents with property management experience interested in volunteering, please contact Bob Garrison: rgsurfsong@aol.com or cell 732-939-6385.

FINANCE/ACCOUNTING COMMITTEE:

The Finance/Accounting Committee is also in the early stages of being formed, and in concert with third party advisers will be responsible for review of GHCA's historical compliance with its financial obligations under the Declaration of Covenants. Those obligations include preparation of capital and operating budgets, collection and disbursement of assessments from property owners, payment of deficiencies in budget funds versus actual requirements, and acquisition and ownership of and correct accounting for GHCA assets. The Committee will assist in calculation of the reserves necessary for the future replacement of capital assets.

In addition, the Committee will provide assistance with tax related issues, including the preparation of LLC tax returns; the creation and maintenance of HOA Member capital accounts; and financial/accounting assistance to Board members and committees as needed.

LEGAL COMMITTEE REPORT:

A Legal Committee has been formed to work with counsel to assemble and review documents reflecting the contractual and other obligations of GHCA, including contracts, permits and licenses and the Declaration of Covenants, with an emphasis on understanding both whether the Developer has lived up to its obligations to date and what the obligations of GHCA post-transition will be. The Legal Committee will coordinate with the Operating Committee to review the contractual relationships of GHCA with vendors and service providers in anticipation of renegotiating terms or replacing counterparties post-transition. It will work with the Engineering Committee to review the plats, tax maps and zoning ordinances and orders to understand the physical limits of the real property of GHCA and the ownership of real property by GHCA, GH Golf and Beach Club, Oak Harbor Club, the HOAs or any other entity including the Developer.

To date the plats showing the real estate of GH and the limited number of contracts received from the Developer have been reviewed. A meeting with the local engineer principally responsible for the plats has given better understanding of the obligations and restrictions set forth on the plats. A broader document request will be given to the Developer to enable review of additional contracts and real estate instruments.

A preliminary review of the Developer's Spoonbill Project just north of Grand Harbor has been undertaken. Additional work will be necessary to review the impact this project will have on Grand Harbor.

MESSAGE FOR ALL HOA PRESIDENTS:

Once again we would like to emphasize that you are the LLC Board's communicators. Through you we are able to speak to all homeowners. Therefore, it is vitally important that you forward all of these monthly Information Sheets to every home in your Association.

Thank you.

Jeff Caso
President, on behalf of the Board
Grand Harbor and Oak Harbor Transition, LLC