

HOA PRESIDENT'S INFORMATION SHEET – MARCH 2019

INITIAL FUNDING UPDATE:

The initial funding of the LLC is almost complete. We have received a total of \$113,200 in Member and voluntary contributions to date. All Grand Harbor HOAs have sent in 100% of their funds except a few homes in The Falls where contributions have to be sent individually by homeowners.

Of the ten Oak Harbor HOAs, seven have contributed fully, two as members and five through voluntary contributions. Two others are in process of contributing and one, Camden House, has decided not to participate.

TREASURER'S REPORT:

As member and voluntary contributions have continued to flow in, we have now collected \$113,200 in initial funding. Our cash flow and current balance are as follows:

Member contributions to the LLC:	\$101,700.00
Oak Harbor voluntary contributions:	<u>\$11,500.00</u>
Total contributions:	\$113,200.00
Expenses:	
Administrative:	(\$255.00)
Insurance:	(\$2,726.00)
Legal:	
LLC Formation and Maintenance	(\$8,403.75)
General Transition Counsel (Expenses)	(\$23,918.42)
General Transition Counsel (Retainer)*	(\$25,000.00)
Other Legal Expenses	(\$92.97)
Total Legal Expenses:	<u>(\$57,415.14)</u>
Total Expenses:	(\$60,396.14)
Current Balance:	\$52,803.86

* The retainer for legal counsel has been paid but it is a prepaid expense against future charges and is not an actual legal expense. We will use the retainer to settle the final bill at the end of the LLC project.

ENGINEERING AND ASSET EVALUATION COMMITTEE REPORT:

Four new volunteers have agreed to join the committee and get organized for the engineering evaluations of GHCA assets. They are Beth Bartow, Art Irvine, John Smith and Paul Zelisco. Bob Gallagher of the Legal Committee has also joined the group to help sort out what GHCA owns and/or has maintenance responsibility for. There are now 12 members on the team.

Tasks have been divided into two groups with some members taking on dual tasks. One task is to go through all the plats for the community and meet with a representative of each HOA to inventory all GHCA assets, identify any potential assets that are not on the plats (such as retaining walls), and to flag condition issues that can be passed on to the engineers for deeper inspections.

The second assignment is to focus on a particular asset for which a deeper understanding is needed like the storm water management system (drains and lakes), the sprinkler system, the estuary, roads, sidewalks, etc.

Legal counsel has recommended two highly qualified engineering firms to do the inspections that will determine the current condition of GHCA's assets, estimate the remaining useful life of each asset and the cost to repair or replace the assets. Both firms have been onsite to tour the property and to discuss the scope of the evaluations. Their proposals will arrive in the next 1-2 weeks, they will be evaluated, and a selection will be made. The goal is to begin the engineering inspections by mid-April.

OTHER COMMITTEE UPDATES:

The Legal Committee now has five members, led by Roger Andrus. They have initially been concentrating on helping the engineering committee sort out ownership issues and on identifying and reviewing permits and other documents which may create or limit rights of GHCA relating to its assets and operations. They have also reviewed the contracts supplied to date by the developer. The committee has asked the developer for additional disclosures and it will review what is received or found in publicly available data bases.

The Finance/Accounting Committee currently consists of co-chairs Ginny Hall and Chip Jesser. Two other residents with finance/accounting backgrounds, Bob Hall and Glenn Rose, have expressed interest in joining the committee and have been contacted. The committee is in process of obtaining and reviewing historical and current GHCA financial records provided by the developer. In addition, Tom Lauda, who continues to assist the current GHCA Board, has conducted an in-depth review of the developer's prior year accounting records and provided an overview of his work. The Finance/Accounting

team is also reviewing the LLC Operating Agreement in order to determine any and all future tax filing requirements.

Lastly, the Operations Committee led by Bob Garrison is now fully staffed. The format for capturing critical information from the various contracts GHCA has entered into is being developed.

In conclusion, the Board would like to stress again to all HOA Presidents that you are our communicators. Through you we are able to speak to all homeowners and also through you all homeowners are able to speak to us. Please quickly forward these LLC Information Sheets along to your residents and also please let them know they can go through you at any time if they have questions or concerns to raise with the Board. Thank you.

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