HOA PRESIDENTS' INFORMATION SHEET – OCTOBER 2020

PRESIDENT'S REPORT:

For all the residents who are members of the Grand Harbor Golf and Beach Club, these are certainly challenging times. The same is probably also true for those residents who recently resigned from the club. Residents who are not members may be unaware of the controversy going back and forth between the Developer and the committee representing the members regarding a potential early turnover of club control to the members.

It would be nice if I could tell all residents that the issues pending between the Developer and club members has no bearing on the coming transition of GHCA to resident control, but, of course it does. Icahn Enterprises is ultimately the same Developer in both cases.

Rather then waiting for the intended GHCA transition date at the end of this year, the Developer has recently asked the LLC to agree to bring forward the transition date to early December. We have communicated that an early transition could be possible provided that we receive all documents on our due diligence request list that remain outstanding, as well as cooperation from the Developer on various other transition issues.

Without Developer participation, our Budget Working Group has already prepared a first draft potential 2021 GHCA Budget, and all necessary steps are being taken to conduct the election of three resident Directors to the GHCA Board. Both of these actions need to be approved and completed within the next two weeks. We are therefore including in this Information Sheet a new section that reports on GHCA Board Nominating Committee activities as well as some changes in the membership of the committee. The activities of the Nominating Committee, including the new Director election process, will be coordinated with the current Developer-controlled Board of Directors.

If there is an early transition of GHCA control, this will probably be our next to last monthly Information Sheet, because starting in December, communications will likely be coming from the new GHCA resident-controlled Board of Directors. If transition occurs on the original end of December timing, there will be a December Information Sheet as well.

TREASURER'S REPORT:

We currently have $17,579 in the bank and $35,000 in prepaid retainers. We still have significant work to do to get to the closing of the turnover transaction. The Developer has stopped cooperating once more and our legal expenses are higher because all communication goes from our lawyer to their lawyer, which is considerably less efficient. In all likelihood we will need to consume the retainers to complete the work. Once more, we ask that all remaining fourth round member funds and voluntary contributions be remitted so that we can complete the transaction work through the end of this year. Thank you.

CURRENT CASH POSITION:

Beginning 2020 Cash Balance:		$125,197
Member 2020 Contributions:		$101,000
Voluntary 2020 Contributions:		4,500
Total Contributions:		$105,500
Engineering Expenses:	$4,650	
Legal Expenses:	186,082	
Litigation Retainer:	10,000	
Accounting Expense:	5,500	
Admin and Insurance:	6,886	
Total Expenses:	$213,118	
Ending Cash Balance:		$17,579

LEGAL COMMITTEE:

We have received plats and deeds from a paralegal at Developer's law firm. Otherwise, they continue to be non-responsive, other than to let us know they now want the transition to take place on December 4th.

FINANCE AND ACCOUNTING COMMITTEE:

The Finance Committee has been actively involved in the preparation of a 2021 budget for GHCA, which is the first year after the transition. The basis for this new budget includes a combination of assumptions of historical expenses and an estimate of updated expenses relating to post-transition requirements.

ENGINEERING AND ASSET EVALUATION COMMITTEE:

No activity to report this month.

OPERATIONS COMMITTEE:

The Operations Committee has finalized the contract wording with AR Choice governing their assumption of the property management role from the Developer upon turnover. The contract has been passed to the Developer's counsel for comment, and we await their feedback. The agreed upon wording will then be presented to the current GHCA Board for approval and execution.

We are still awaiting the long sought insurance and claims history for GHCA. Once it is received, we will work with our insurance broker on placing a GHCA insurance program independent of the Developer.

GHCA BOARD NOMINATING COMMITTEE:

The Nominating Committee distributed inquiries to the HOA Presidents together with an application form seeking candidates for the three resident GHCA Board positions to be filled prior to turnover. The Nominating Committee was then comprised of current GHCA Board member and Nominating Committee Chairman, Tom Lauda, along with Roger Andrus, Jeff Caso and Bob Garrison.

As reported in Tom Lauda's email to all HOA Presidents of October 2nd, Messrs. Caso, Andrus and Lance Hall decided to put their candidacy forward for consideration in addition to applications submitted by Randy Old, Dennis Stapleton and Neil Leach. Messrs. Caso and Andrus immediately resigned from the Nominating Committee and were replaced by Doug Marquis and Bob Cashill.

The Nominating Committee then undertook to interview all six candidates.

The panel of (6) six candidates was unanimously approved by the Nominating Committee. The Committee is now working with outside counsel on the Notice and Election documents to be distributed to the HOAs for their consideration and vote.

By the GHCA governing documents, each HOA, regardless of the size of the HOA, will have (3) three votes, for (3) three separate candidates. For example, an HOA is not permitted to use its

(3) three votes in favor of a single candidate. If such a submission is made, the (1) one candidate named would receive a single vote.

We expect to have the Notice and Election documents, together with the candidates' background information, distributed to the HOA Presidents shortly.

FINAL NOTE:

We have all probably heard the saying: "May you live in interesting times." I know I am not alone in thinking that right about now our cup runneth over!   How many simultaneous upheavals to normal life are we supposed to handle at our age?

And then along comes another famous saying: "This too shall pass."

While we wait for that one to come true, let's be smart, be safe, be well and be together.

Jeff Caso
President, on behalf of the Board