

GHCA MONTHLY NEWSLETTER – MARCH 2021

PRESIDENT'S REPORT:

The catch phrase for this month's newsletter is "Dig we must!" As you may have seen around the community, and as you will learn in the reports that follow, we have people digging everywhere.

Some crews are attacking the invasive plants in many of our ponds, while others are working on the banks of ponds. Different crews are straightening and smoothing paver walks, grinding down uneven concrete sidewalk slabs or lifting up sidewalk slabs, cutting out the roots underneath and preparing all new sections of fresh smooth concrete. Rumor has it that some of us are getting older and are having a harder time convincing our feet, eyes and brains all to work together as we walk, so dig we must.

Please be careful as you negotiate around all the work zones, and throw a smile at the workers who are making your daily walk a little more adventurous now so that it will be safer for all of us later.

This newsletter will update you on the Bridge #2 repair or replacement project, and we are adding a new section to brief you on the Comcast contract that will soon be reaching its six year end date. A committee has been formed to learn what you would like to see in a new cable contract, which they will seek out and negotiate among a list of possible vendors, including Comcast.

Perhaps the most newsworthy item of all is that the vast majority of us have either started or finished the process of receiving our Covid vaccinations. Around the corner is something we have mostly removed from possibility over the past 12 months: the freedom to move, to travel, to entertain, and dare we say it....to touch again. April starts the traditional migration of snow birds back to their summer homes, a tradition that never got off the ground last year for many of us, but which is eagerly awaited this year. Whether you are heading away from Vero or staying here, let's remember that we are the lucky ones now with our one or two jabs in the arm. Caution is still needed, but fun is on the menu. Enjoy!

TREASURER'S REPORT:

GHCA ended February with \$107,000 of cash, \$125,000 of accounts receivable and \$153,000 of accounts payable. There are some very old receivables that are being investigated, of which

about \$22,000 has already been identified as lost checks. Those checks will be reissued and deposited.

Beginning in April, the Finance Committee will be working closely with A R Choice to monitor our budgets, spending, and billing and collections policies. The committee has already investigated loan options to provide a revolving line of credit to improve our flexibility, as well as term loan options for major projects like repairing Bridge #2 and other large capital needs.

Our auditors, Offutt Barton Schlitt, began auditing the 2020 GHCA books on March 3rd. This is going to be a bit more complicated than normal because the 2020 books are a combination of Developer-managed books up until transition, plus a few weeks of A R Choice records and accounts in December. We did not receive the Developer information until early February, so it is likely that we will not have audited results on April 1st as is normal. The developer deficit funding balance will not be known until after all adjustments have been made and the audit is complete.

A R CHOICE MANAGEMENT REPORT:

Sidewalk Repairs: Grinding of the small tripping hazards on sidewalks is nearing completion. We have also started the sidewalk complete section replacement process where we have major tripping hazard risks. Hopefully, those of you who have recently been out walking have noticed that we started this process on the Oak Harbor side of the main loop road and are working toward Coventry Island and the Grand Harbor main fountain. Please try to avoid these areas as they are to be considered a construction or work area. Thank you for your patience. We will also soon be replacing the complete asphalt walkway along Via Marbella Boulevard up to the 53rd Street exit.

Asphalt Road Repairs: The contract has been awarded to repair various areas of main asphalt road throughout the community. We intend to start these repairs in May by which time most of the sidewalk repairs will have been completed. We will be marking the areas to be repaired about a week or two ahead of time with black paint.

Lakes: Two contracts have been awarded to maintain our lakes. First, Creative Landscaping will be manually removing unwanted vegetation from the lakes leaving the desirable species in place. Second, Aquatic Balance, Inc. will be applying a product called BIO-ZYME to all of our lakes. This product is designed to better control algae and to aid in reducing the “muck” on the bottom of our lakes. Aquatic Balance will also be working in conjunction with Creative Landscaping to aid in reducing the unwanted vegetation.

Club Lake: By the time you read this, two pumps will have been installed in the lake behind the Grand Harbor Clubhouse. This lake is in need of added aeration to control the algae better. Once the aerators are activated, the water will appear to be murkier at first because we will be stirring the lake from the bottom up. This will allow the BIO-ZYME to work much better. Over time the murkiness will subside and we will be able to see clearly through the water as in many of the other lakes. We will also have installed a new fountain in this lake to replace the one that failed quite some time ago and was never replaced.

FACILITIES REPORT:

Bridge #2: We contracted with Vector Corrosion Services to do testing of the three “good” beams of Bridge #2, to assess their condition and to predict how much remaining life those beams have. The two beams closest to the river have of course already been determined to have failed. The testing results show that even though the outward appearance and some other tests have indicated that these beams are sound, the chloride analyses of the concrete beam coatings were not positive. Salt (Chlorides) have penetrated the surface and there is a high probability that without corrective action corrosion will occur over the entire length of all three “good” beams in 5-10 years, considerably shorter than their normal remaining useful life of about 25 years.

There are potential Corrosion Protection (CP) systems that can be installed that will extend the the predicted life. In essence, the system would be like galvanizing a nail, or in this case, a steel beam, using a metal like zinc. Properly done, the zinc will corrode before the steel reinforcing rods in the beams and will be “sacrificed” to prevent the structure itself from corroding and failing. There is both a capital cost and a maintenance cost with this system. We are currently seeking estimates for adding CP to these three other Bridge #2 beams, and will include them in a financial analysis of our bridge repair options.

LEGAL REPORT:

We are working with our general counsel to assure covenant compliance and we will be working with the property managers and HOA Presidents to provide information in connection with the upcoming litigation approval vote.

INSURANCE REPORT:

As previously reported, right at the time of the GHCA transition the Developer's insurance broker finalized new annual policies for GHCA along with other Icahn properties. The premiums were substantially higher than the previous year and well above our budgeted amount for 2021.

Multiple possible replacement brokers have been researched and interviewed, and a new insurance broker will soon be selected to advise on changes to the existing programs. This should result in more appropriate coverages and, hopefully, a reduced premium.

FINANCE AND ACCOUNTING REPORT:

In early March a conference call was held between the GHCA Finance Committee, AR Choice and Offitt Barton Schlitt, our recently engaged accounting firm, to commence the process of auditing GHCA for the year ending 12/31/20. AR Choice had previously complied with a request list for certain financial information submitted by the accounting firm.

More recently the Finance Committee has interviewed three local banks to determine each bank's interest in financing GHCA. All three banks have years of experience financing our industry and have requested detailed information be prepared for them in order for them to provide GHCA with term sheets outlining their proposals to finance various projects to repair and upgrade our common grounds.

Our goal is to have competitive financing options ready when bank financing may be required. We are now in the process of responding to the requests of these lenders.

SECURITY REPORT:

We continue to review our present security apparatus. The main issue under review is the multiple roles that security provides, which include basic security, access control and hospitality to residents and visitors. We thank everyone who brought to our attention the lack of

hospitality sometimes provided at the main Grand Harbor gate. We appreciate that the front gates are the windows into our community. This issue of hospitality is being addressed with the security provider.

Additionally, security is working with the Director of Golf at the Grand Harbor Golf and Beach Club to have a daily list of guest golfers. Hopefully, your guests will soon have compliments regarding the way they were welcomed at the gate and directed to the club.

There continues to be concerns about the Reserve Gate, visitors arriving at that gate, and the undeveloped properties in the community. We are aware of the issues.

We plan to review several vendors for an advanced video surveillance system in the coming months. We are currently reviewing the present camera locations and other potential sites.

Lastly, we also studied the standing Post Orders that the front gate utilizes for visitors. As we work through the Covid pandemic we anticipate the orders being more correctly and uniformly enforced.

COMCAST CONTRACT:

As many of you may know, Comcast has for many years been the exclusive cable supplier to the community. The most recent 6 year contract with Comcast expires in late September this year and a committee has been formed to lead the preparation and negotiation of a new contract. The newly formed Cable Contract Committee includes Alan Romano, Bill Kofoed and Dale Jacobs. They are in the early stages of reviewing the existing contract, services and billing practices.

By the terms of our existing contract with Comcast, and to ensure that we have an open field of competing firms with which to negotiate, the Board recently sent Comcast a notice of termination of the current contract. If not done at least 60 days prior to the end of the existing contract, it would have automatically been renewed for another two years. This way we can now reach out to competitors like AT&T and Hotwire, for example, to get the community the best product and service possible for the least amount of cost.

To learn your opinions and desires in this area a survey will soon be sent out to residents from the committee, and we thank you in advance for sharing your thoughts with us on this important subject.

FINAL NOTE:

One of the nicest parts about being on this Board, at this time, is all the expressions of support that we receive from so many residents. I cannot tell you how much we appreciate those kind words. I am also frequently asked what is the hardest part about this job. Lately, my answer is always the same.

The hardest part is that we currently have three jobs all at the same time. The first job is that we are still learning what it means to lead GHCA. The second job is that we ARE leading GHCA. And the third job is blending the first two with all the legal aspects that are becoming more important every day.

Please continue to be patient with us as we make our way forward, learning on the job, and please also know how much it means to receive your ongoing support. Thank you.

Jeff Caso, President