

March 4, 2019

Queen's Grant Owners,

We are officially into March and spring is right around the corner. We have collected about 20% of the funds to initiate work and there are a few key updates we would like to share with the community. We also encourage the community to routinely visit the website for bi-weekly updates which can be found in the posted Recreation Board meeting minutes. As previously communicated, the board will not use Facebook as a means to communicate.

The board made a commitment to ensure this assessment was managed closely with an independent bank account. With that said, the board has elected to place all assessment funds under Miller & Company, CPAs P.C, a neutral CPA firm utilizing an independent banking account with First Citizens. The board did approach Premier; however, Premier could not comply with our request to have a separate bank account; therefore, the board explored CPA firms to meet these requirements. With that said, you should have received your first assessment invoice from Miller & Company which is due March 31st.

As a result of placing the Special Assessment outside of Premier, Premier has issued a termination letter to the Recreation Association. The termination letter indicates their desire to sever the relationship with the Recreation Association effective April 30th, 2019. The board accepted this and is actively searching for a short-term solution while we continue to evaluate the best long term strategy for our community.

The board is continuing to gather estimates for each area and have provided a brief update below:

1) Pool/Hot Tub Repair:

- a. Carolina Swim will be handling the pool repairs. Pool repairs will start shortly as we are working towards having the pool open May 1st. The pool will undergo hydro demolition and be plastered. The assessment only budgeted for the pool equipment; however, the pool repair estimate is ~\$63,000 for the pool surface only. The insurance claim has been amended to reflect additional cost. Carolina Swim has been authorized to organize and schedule the hydro demolition. Several board members have agreed to pay their initial assessment immediately such that we will have some funds available prior to the March 31st deadline to initiate this work immediately.
- b. Carolina Swim is preparing recommendations for the hot tub. The Hot tub has been challenging over the past few years with an estimated \$10,000 spent on pumps and repairs in the past two seasons. If you have a strong feeling on whether the hot tub should be restored or eliminated (filled in), please send an email to qgtopsail1@gmail.com. This is a Queen's Grant email address that the board will monitor for feedback on the hot tub while we await cost estimates from Carolina Swim and recommendations

2) Clubhouse:

- a. We are expecting three bids for the club house repairs. These estimates are anticipated to be in for review before the March 8th REC Board of Directors meeting.

3) Gates:

- a. Two bids have been received but additional work to align the scope of work is needed. To be completed by 3-8-19.

- 4) Fences and Beach Access:
 - a. In process.
- 5) SeaWall
 - a. Exploring if a temporary fix could protect the property as well as further wall collapse with engineering firms. In process.
 - b. Two bids have been received as of 3-1-19.
- 6) Road/Storm Water Swale Repair:
 - a. Several bids received, no vendor selected to date.
- 7) Playground:
 - a. In process
- 8) Boat Ramp: To be assigned
- 9) WWTP:
 - a. WWTP parts will be purchased as soon as the funds are available.

The board has explored and discussed at length the best path forward for project oversight as well as driving the completion of the bid process. After discussion, the board has agreed to reimburse KMQ, Inc. owned by Kim Quinn, as allowed by the REC By-Laws, for assessment over-sight services including project management via KMQ, Inc employee, Gary Ange. Gary will report to the board and manage project expectations with the board selected vendors.

As we continue to progress with obtaining bids, confirming scope, timing and begin to select vendors the assessment tracker spreadsheet will be posted on the website with budget updates.

Thank you for your patience and support as we work together to restore our wonderful community!

Sincerely,

Queens Grant Recreation Association Board, Inc.