

**GARDEN OAKS HOMEOWNERS ASSOCIATION, INC.
BOARD OF DIRECTORS ANNUAL REPORT
DECEMBER, 2011**

The Board of Directors objectives in 2011 were to insure the Association continued to operate on a sound financial basis and manage the community in a professional and transparent manner making sure we have a clean, well maintained and secure environment in the community.

We recognize that all of our homeowners are not able to attend the monthly board meetings and felt it was important that everyone be informed of what has happened and what is taking place in the community. One of the main concerns of the board is the need for timely and direct communication to the homeowners. In addition to the monthly board meetings and the quarterly newsletter that is delivered to each home, all homeowners are encouraged to periodically look at Channel 63 the community neighborhood channel on our cable television service to be kept up to date on community news, events and pictures. The Association's website www.gardenoakshoa.com can also be viewed by all homeowners even if they are out of town to find out what is happening. The website also allows you to view Channel 63 live from anywhere in the world.

The following reports from the board members and our property manager detail the activities they and the committee's they were responsible for have been involved in and their accomplishments during 2011.

**Trudy Van Knowe
President**

I am proud to say that the Board of Directors responsible for conducting the business of our community worked in unison, and accomplished many improvements to the quality of living in Garden Oaks. Some of those improvements were immediate, and physical, while others took time and were procedural.

Each director will detail individual areas of responsibility and accomplishments. My portion of this report is to simply give an overview of what I think was accomplished, and give a sense of the overall status of the community. To that end, I offer the following:

One aspect of living in Garden Oaks is social. Residents want to feel they are able to enjoy a true sense of community. We have several events that we believe foster that sense:

- July 4th Parade and Reception
- Annual Residents' BBQ with Holiday Toys for Tots Drive

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- Halloween Party
- Holiday Lighting Contest

We have also stressed the aesthetic aspects of the community to maintain a welcoming appearance and pleasing environment in Garden Oaks:

- Landscaped and manicured common areas
- Well designed plantings along the common roads
- Fall and Holiday Displays at the community entrance

We continue to receive compliments from residents and realtors commenting on how good Garden Oaks looks.

Overall, the community is in excellent condition financially, due to not only sound banking relationships established by our current Treasurer, Dick Stafford, but the due diligence in overseeing foreclosures, collection of outstanding fees and assessments for those homes, as well as money market products and our Reserve Funds.

The First Vice President, John Scala, did an outstanding job interviewing and following our by-laws in approving new residents who are moving into our community. Mr. Scala also oversaw a revision of the security requirements for all visitors and contractors, making our community safer; updated the "Rules We Live By" handbook given to all new residents; and worked to correct some property damage done by the tennis courts, and around mailboxes.

Our Secretary, Dale Poupard, oversaw the largest project undertaken in 2011, the repainting of the homes, common walls and association buildings. This was a lengthy, time-consuming, and stressful project not only for Mr. Poupard, but the committee members who worked with him. I am pleased to say that the project was done professionally, expediently, and with financial terms which limited the burden placed on our residents.

I would like to thank the committees who worked tirelessly on behalf of the residents. The Finance and Budget Committee in completing the 2012 budget was able to keep the quarterly maintenance the same for the 3rd year in a row.

The Long Range Planning Committee has developed a list of projects for 2012 budget, as well as items to be considered in future years. Their goal is to make sure the community is maintained correctly in a timely manner.

The ACC Committee, headed by Bill Hickey, developed a set of "Community Standards". I would like to remind everyone that these are not "new rules", but clarification on how to maintain the standards originally established for Garden Oaks. The ACC Committee also provided much assistance to homeowners in

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their understanding of what requires committee approval, and what is allowed in Garden Oaks. While landscaping is a major concern, home improvements, maintenance and repairs are also governed by the ACC Committee.

Finally, our property management company, Seacrest Services, is to be commended for the outstanding support given to us during the year. Our onsite manager, Walter Grover, continues to work in unison with the Board of Directors, Committees, residents and vendors on a daily basis to maintain a high quality of life in Garden Oaks. Mr. Grover also ensures that we are advised timely of changes in legislative action effecting our operations.

I am pleased to have been a member of your 2011 Board of Directors. I believe the board, as a whole, has worked with diligence and integrity on your behalf. I wish all the best in 2012.

John Scala
1st Vice President

As 1st Vice President, I am responsible for conducting interviews with all prospective new homeowners and leased renters as part of the approval process required by our By-Laws before anyone moves into Garden Oaks. In the year of 2011, I interviewed more than 25 individuals or couples, who desired to live in Garden Oaks. With each potential resident, after they have submitted the required application and the background check has been completed, the By-Laws, Rules and Regulations of the Garden Oaks Homeowners Association are reviewed with them so that a new resident understands their responsibility to the community. It is important during the interview process to make sure new residents know what the realtor and the owner is responsible to give the new owner prior to the closing.

During the year of 2011, I was involved in several projects:

- Replacement and redesign of the ground lighting around the tennis courts and walkways after the original lights were vandalized.
- Recommended that a new procedure for all contractors and individual visitors entering the community not previously cleared at the Guard Gate. With the issuing of gate passes to visitors and contractors, now a standard procedure, the responsibilities to follow our Rules and Regulations fall on the visitor and not always on the homeowner.
- Presently working with the U.S. Postal Services to improve and replace our damaged and broken mailboxes. The mailbox that has been lying on the ground on East Garden Oaks Circle for months was finally replaced the last week of December.

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- Updated and reprinted of the handbook, Rules and Regulations that is given to all new residents of Garden Oaks.

**Dale Poupard
Secretary**

The largest project undertaken in the community in 2011 was the painting of all homes, the common walls and the Associations buildings. In heading up the painting project we went through the process of selecting both the colors to be used and ultimately the contractor. A committee of residents was formed to select colors for the homes which entailed changing some of the four colors the houses were originally painted nearly to 20 years ago. After receiving input from the residents and altering the color board based on residents comments the final determination of colors was made by the committee. The residents of the homes that were going to have the color on their house changed to a completely new color were asked to vote on the proposed change with the majority of votes for each color being the final selection.

Detailed bid specifications were sent out to seven painting contractors. After several meetings with the bidders the committee recommended to the board that the contract be awarded to the Dean Mitchell Company. Their bid not only complied with all of the specifications, was the lowest competitive price per house but also provided a payment plan to the Association that enabled the homeowners to pay the cost for painting their home to the Association over a period of 12 months. During the painting project, which only took 5 months, I was able to work with homeowner's to answer their questions and quickly resolve any concerns they had.

I am currently working with the ACC committee in overseeing the project to rewire the irrigation system that will be completed this spring.

**Dick Stafford
Treasurer**

The Association remains in sound financial condition. Due to the strong banking relationships we have developed over the last 3 years, we are able to continue to invest the Association's Reserve Funds in above average interest rate laddered CD's. The Reserve Fund balance at the end of 2011 had increased to over \$670,000. In the first quarter of 2012 approximately \$125,000 of the Reserve Fund will be used to pay half of the cost of rewiring the irrigation system that is currently underway. The Money Market fund that we set up 3 years ago is used to hold the quarterly maintenance fees which are transferred from the checking account upon receipt and electronically transferred back to the checking account only in amounts required to pay monthly invoices. Because the bank account that is used for check writing does not pay interest, this procedure enables us to

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earn an above average interest rate on the operating funds. In keeping with our policy of operating the association in a professional and transparent manner, in addition to providing monthly financial reports, our CPA firm mailed an audited year-end financial report to every homeowner again this year.

During the year we have continued to deal with the problem of delinquencies in payments of the quarterly maintenance fees due to the economy as well as an increasing rate of home foreclosures. We have been successful in working with many homeowners to develop payment plans that they can manage. Working closely with our attorney's, we have been able to recoup the majority of monies owed to the Association as homes in foreclosure were either sold or repossessed by the banks. For the fiscal year 2011 we collected \$56,658 in past due accounts. We are currently working on several bank foreclosures to collect an additional \$45,994 that is owed to the Association. We were also able to collect the painting assessment from each home that was foreclosed on during the year. We had included in the 2011 budget a cost to the association of \$25,000 to cover the foreclosed homes that the Association paid to have painted. To date the cost paid by the Association was down to \$13,000. We will continue to pursue the collection of the remainder of that assessment as the homes still in foreclosure are sold.

Finance & Budget Committee:

The 2012 operating budget was completed by the Finance Committee with the assistance of the ACC Committee after carefully reviewing and renegotiating all of the contracts with the service providers to the community. In each case the new contracts included specific service and quality specifications. Several of the contracts provided for minimal increases in cost to the Association for the first time in 4 years. As a result of the budgeting process, we were able for the third year in a row to keep the quarterly maintenance fee at \$675.00. During the 2011 fiscal year, we were again able to accomplish a substantial amount of work in the community through the operating funds – all within the budget parameters.

Painting Committee:

The Painting Committee did an outstanding job of overseeing the painting of the homes this year. The project was completed in just 5 months at a cost to the homeowners that was approximately 15% below what everyone paid to paint their house when the homes were painted 8 years ago.

Long Range Planning Committee:

The Long Range Planning Committee updated their list of projects that they have identified as things that needed to be done to maintain the appearance and quality of life in the community. Their process includes developing a list of

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projects to be put into the next year's budget and a list of projects to be considered on a 3 – 4 year and a 5 – 10 year basis. The 2 projects that need to be completed in 2012 had been discussed by the Long Range Planning Committee for several years and included in the 3 year category in 2009. A letter describing both projects, including how they would be paid for was delivered to all homeowners during the fall this year. The rewiring of the irrigation system was approved by the board in November and will be completed by the end of April 2012. The restoration of the lake banks project will be considered by the board in the early part of 2012 and when approved will require a small special assessment as described in the letter that you received in the fall. The vote to approve that special assessment – which is **contingent** on the board approving the project at a later date – is included in this package of information.

We are pleased to announce that after many months of negotiations, we have received our renewal permit that had expired in 2007 from the South Florida Water Management District. The permit allows and controls our use of groundwater and surface water from the lakes for landscape irrigation throughout the community. The permit requires the Association to provide meter readings of water usage on a monthly basis to the District with an annual allocation of 41 million gallons of water. The new permit is for 20 years and includes the approval to add a well to the lake behind Doverbrook Drive. That lake is the only lake that does not have a well to replenish the water that is taken from the lakes for irrigation in the community. This will be a tremendous help to our ability to maintain a reasonable water level in the Doverbrook Lake during the dry season.

**Bill Hickey – Chairman
ACC COMMITTEE**

This year, our By Laws, as they relate to the aesthetics envisioned by Garden Oaks architectural and landscape designers, were codified as Community Standards. Maintaining the designers' creation refreshes our community's ambience, lifestyle, desirability, indeed, the essence of why we invested in Garden Oaks when we bought our homes. Community maintenance is an extension of home maintenance. The purpose of the Architectural Control Committee is the implementation of your Community Standards to keep Garden Oaks Garden Oaks.

During 2011 the biggest landscaping issue oriented around the removal of some Laurel Oak trees in the community. Viewed as a major threat to components of our infrastructure, Laurel Oaks, unlike Live Oak trees, have very shallow roots which heave up sidewalks and street surfaces. Moreover, in hurricane force conditions they are more prone to being blown over with their roots uplifting large ground surface areas. Indeed, Seacoast Utility Authority views Laurel Oak roots as a threat to their water mains. When removed and whenever possible a Laurel

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Oak is replaced with a Live Oak. Otherwise, white flowering, Crape Myrtle trees are substituted. The removal of these trees and the type of tree that is replanted must be approved by the City of Palm Beach Gardens. We will be replacing some 10 to 15 trees per year for the next several years.

The stress of drought has taken a toll on our grass. We instituted a soil testing program. As a result, our fertilizing endeavors have changed to better address our soil's nutrient deficiencies. With the completion in the spring of our irrigation rewiring, we anticipate better lawn watering practices will provide additional aid in our pursuit of greener lawns.

While landscaping is a major part of ACC oversight, the nuts & bolts remains those of residents' upgrades, replacement, and maintenance requests. The following list of ACC Form Requests grouped by type shows the diversity of ACC activities throughout 2011.

Awnings	1	Exterior Door Replacements	12
Fences & Gates	8	Screen Doors - Front	2
Garage door replacement	2	Gutter repairs/replacement	13
Hurricane Shutters	13	Lanai Enclosures	2
Roof Repairs	84	Roof Replacements	31
Concrete Slabs in Back Yard	2	Staining of Driveway & Walkway	4
Sun domes or skylights	1	Tree Removals - Front Yard	8
Tree Removals - Rear Yard	8	Window upgrades	1

Community Projects:

- Irrigation system wiring upgrade scheduled to be complete by May
- Replacement of sidewalk & street gutter sections which are badly cracked, heaved or in other way a potential trip hazard
- Community-wide tree trimming ongoing
- Community-wide shrubbery upgrade ongoing
- Pressure Cleaning of sidewalks, driveway aprons and street gutters
- Replacement of Oak Trees that have caused pavement damage with trees approved by the City of Palm Beach Gardens ongoing.

Walter Grover
Property Manager
SEACREST SERVICES

Leading Your Community Into The Future

The year 2011 has seen the completion of a number of important projects at Garden Oaks. Seacrest Services is proud to have been a part of the Garden Oaks team comprised of Directors, Committees and Residents that managed the successful implementation and completion of these projects... The Association's Board of Directors, various Committees, many Residents, vendors and Seacrest worked together to develop a framework to establish goals and to identify methods to determine the best solutions for Garden Oaks.

The comprehensive approach to management enabled Seacrest working together with Garden Oaks to minimize problems and effectively improve the community. The success of this approach is demonstrated in results achieved this past year, including, but not limited to the following:

- Completion of homes being painted in 5 months, a month ahead of schedule.
- Treasurer and manager worked directly with SFWMD to renew previously expired (2007) well permits and obtained permit for new well on lake # 4.
- Improved gate house security & control including guest pass program.
- Participated in ACC activities including establishing a Community Standards protocol, sample of soil testing for community, canal drainage issues, continuing tree removal and replacement with city of Palm Beach Gardens, and landscaping on Military Trail south of gate house.
- Participated with Treasurer and committees in negotiating third party contracts and coordinating performance expectations.
- Participated with Treasurer in negotiating a new Comcast contract and community conversion from analog to digital.
- Coordinating projects with Association's landscaping contractor.
- Significant residential and common area plant replacement program.
- Explored preventative maintenance and system upgrades for irrigation system & lake bank restoration.
- Seacrest's continue upgrading of customer service and Manager's timely response to owners inquires and work orders.
- Detailed monthly reports provided to the Board of Directors, including financial statements, budget compliance and a broad spectrum of management information; coordinated financial activity for auditor's annual report
- Participated in meetings for development of Long Range Planning projects and Finance Committee 2012 maintenance budget.