



Dear Alys Beach Homeowner,

Alys Beach is committed to creating a shared vision of understanding and community continuity for the long-term benefit of all stakeholders.

As the 2023 Alys Beach Neighborhood Association (ABNA) budget has now been approved, we would like to recognize that milestone and share with you directly insights on recent activities and upcoming targets that we are working to achieve.

2023 Alys Beach Homeowner Committee (ABHC)

First, we would like to make the community aware that Alys Beach management has formed an advisory committee of homeowners to advise on homeowner priorities and interests throughout the negotiation process regarding the future conveyance of Alys Beach amenities to the ABNA. Outside of the negotiation process for amenity conveyance, additional topics have been raised by the ABHC and discussed. Several of these topics are under review, and we look forward to sharing more with you in future updates. I would like to clarify that I do not speak on behalf of the ABHC but only on behalf of EBSCO Gulf Coast Development, Inc. (EGCD) and Alys Beach management.

Future Conveyance of Alys Beach Amenities to the ABNA

We understand that the ABHC is close to engaging legal counsel to represent homeowner interests throughout the amenity conveyance negotiations. The law firm Greenberg Traurig will represent EGCD, which will pay for its own legal fees and has agreed to advance the ABHC's legal fees, which will eventually be repaid to EGCD by the ABNA when funds can be budgeted. Engagement of legal representation by both parties is the first step in this important process.

For those of you who may not be familiar with the process, EGCD currently owns Caliza, Zuma, the Beach Club and additional neighborhood areas and assets (the amenities). EGCD and the ABHC have begun discussions about the eventual conveyance of the amenities (i.e., transfer of ownership of the amenities) and other matters, and we expect the entire process of negotiations to take approximately six months. Please know that it is EGCD's intention, subject to reaching an acceptable Turnover Agreement negotiated with the ABHC, to convey the amenities to the ABNA, debt-free, in the future. Once the proposed agreement is finalized, it will be subject to a vote for ratification by all ABNA Members.

Supplemental Items in Progress

Additionally, EGCD and the ABHC have already held discussions on a number of topics of interest beyond the conveyance process, and we are pleased to share that we are advancing several of these initiatives, among others:

1. Community Services:

EGCD understands that residential roof washing and trash container services are important to the aesthetics and convenience of owning property in Alys Beach. To reduce 2023 ABNA budgeted expenses, these services were removed, and we are working on solutions that will permit the ABNA to continue both services in a manner that is both cost-effective and fair to all homeowners. We expect to finalize those plans in the coming weeks and provide an update following the March 24th ABNA Board meeting.

2. Dues Structure & Rental Activity Fee Analysis:

EGCD has engaged, at its expense, RCLCO Real Estate Consulting (RCLCO) to analyze the ABNA dues structure and the impact of renter use on the amenities and the fees generated for usage compared to luxury communities with similar amenities and operations. RCLCO is a leading expert in strategic analysis for luxury communities like Alys Beach and has met with the ABHC to understand its members' perspectives. This analysis is expected to take between 90-120 days and will assist EGCD in determining an appropriate Rental Activity Fee for the ABNA, as well as understanding how general assessments for Alys Beach compare to other similar properties.

3. Road Impact Fee:

EGCD has agreed to engage and fund a study specific to the roadways at Alys Beach, to help determine whether to increase the current Road Impact Fees.

Looking Ahead

We look forward to working together with the ABHC in the coming weeks and months on the eventual conveyance of amenities to the ABNA, among other items.

EGCD remains committed to keeping you updated on important developments during this process and welcomes all homeowner input and questions. Please feel free to send feedback to ownerfeedback@alysbeach.com, a new email address that will be used moving forward for all general input and questions from homeowners.

Sincerely,



David Everett, on Behalf of EBSCO Gulf Coast Development, Inc.

<please do not reply back to this email address - this inbox is not monitored regularly>



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