



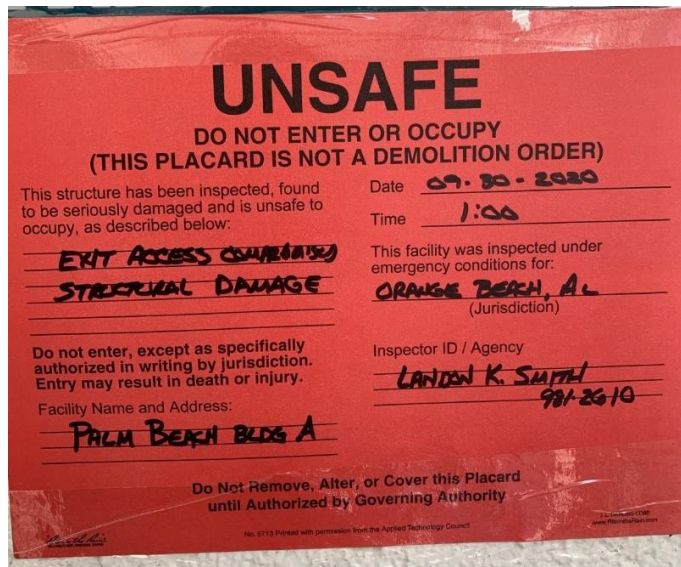
September 30, 2020 – 5:00PM CDT

It's hard to believe that Hurricane Sally barreled through only two weeks ago. While the storm has come and gone. We have a long road ahead of us getting back to where we were. This would not be possible without the team at the resort. Below you will find information regarding the condition of the property, what is currently being done, important safety reminders, how to access your unit and where we go from here.

**What is the current condition of Palm Beach Resort?**

Although a formal report and scope of work have not been received from the insurance adjuster and assigned contractors, here is what we know about the property so far (all of this is subject to further investigation by the insurance adjuster and assigned contractors):

1. The structural systems of the property were found to be structurally sound and capable of supporting the anticipated design loads to which they were designed. (Source: J.S. Held Engineer Report)
2. Finishes, facades, HVAC equipment, etc. were noted to be potential hazards around property. (Source: J.S. Held Engineer Report)
3. Building A is closed due to not having two forms of egress, so access is not permitted. (Source: City of Orange Beach)



4. Water got into most units and affected carpet, walls and some ceilings. (Source: SERVPRO)
5. The fire alarm system has troubles present that need to be diagnosed and repaired. Until those repairs are made, the building has an individual performing fire watch per the fire marshal's recommendation. (Source: Orange Beach Fire Marshal Report)
6. Window outside A/B elevator on fourth floor was blown out and a temporary railing has been placed. (Temp Repairs Made by C-Sharpe)
7. Railings were blown off on the A building walkway on third, fourth and fifth floors and temporary railings have been placed. (Temp Repairs Made by C-Sharpe)
8. The pools have been cleaned and the chemicals have been balanced. There does not appear to be any lasting damage to the pool, pool fencing and pool deck. They remain closed. (Will Clarke, Palm Beach Resort's Chief Engineer)
9. The parking lot is a staging area for SERVPRO and other contractors.

#### **Who is on-site and what is being done at the property?**

- Insurance adjustors and experts in water damage and mitigation have been on the scene since the storm and work is progressing well.
- At this point, drying of the buildings that were water-damaged by Hurricane Sally is ongoing, and there will be removal of wet and damaged drywall this week and next and more drying that will be necessary as that work is done. This work is being performed by SERVPRO under direct supervision of J.S. Held, both approved and coordinated by the COA's insurance carrier.
- Depending on the moisture levels in the drywall in the units, some sections may need to be removed and replaced. This work is ongoing and will be covered as part of the COA insurance claim. The daily reports of what work was conducted in each unit will be uploaded to the owner's website as soon as they are received (preliminary reports will be uploaded this week).
- The Association's insurance policy is written specifically to address the exposures created by Condominium Associations. Covered under this policy is damage to "common areas". Common areas are described within the documents that created the Association. These generally include construction of each unit as originally built in addition to areas within the building that are used by everyone, such as hallways, lobbies, workout rooms, meeting rooms, etc.
  - Examples of common area items covered include drywall, carpet and padding, any potentially damaged cabinets, damaged appliances that will be replaced with similar quality appliances. Even potentially damaged light fixtures and ceiling fans could end up being replaced.
  - Beyond that, we encourage each unit owner to check with their individual insurance agent. Within individual condominium owner policies, coverage areas normally include your furniture, your dishes and items that go with a kitchen such as small appliances and utensils, artwork on walls, your clothing, and other personal belongings.

- Your individual condominium policy also hopefully includes money available for items upgraded by owners. Examples include flooring you've upgraded, cabinets, countertops, other items that might cost more than as originally constructed.
- Often even lost rental coverage is included, and if you're a resident, even money to rent another place while being displaced.
- These are generalities based on a wide range of coverage in condominium policies. Please work with your individual agent to see exactly what your policy will cover, but remember, there must be damage caused by the hurricane to trigger coverage.

### **Is the property safe to access?**

We ask that you do not visit the property at this time. We understand your concerns, but we are currently in a high-risk area for mold toxins, we are navigating wall repairs and water mitigation in both units and common areas. In addition to the mitigation efforts, the property is without a [properly functioning fire alarm](#) and is under fire watch. All these items are a risk to your health and safety.

The contractors performing the mitigation work have requested that the property be clear of unauthorized personnel so that they can maintain forward progress with remediation. It is in all owners' best interest for the contractors to stay on schedule and expedite repairs. When the work site is disrupted, it delays reopening.

### **How can I get access to my unit?**

After receiving owner feedback about unit visitation protocols, we have removed the 30-minute time for the tour and have removed the one visit per owner guideline. Please continue to be mindful of the work the contractors are trying to perform and avoid distractions or disruptions to their assigned work. Below are the updated property visit protocols:

1. At least one day prior to the day of the site visit, schedule a specific appointment time by calling or e-mailing Chloe Andrew, Assistant General Manager, to arrange an employee-escorted visit to your unit: (251) 979-2975 or [candrew@latourgroup.com](mailto:candrew@latourgroup.com).
2. Download and sign the following [liability waiver](#) and either deliver to employee prior to the site visit or e-mail to [candrew@latourgroup.com](mailto:candrew@latourgroup.com) prior to the site visit.
3. Check-in with security when you arrive at the property.
4. Check-out with security when departing.
5. Limit visits to your unit(s) – property walks are not permitted.
6. No children or groups allowed.
7. Owners are not allowed to speak with contractors or request their assistance with anything.

### **Where do we go from here?**

We have created a centralized location for updates, reports and announcements to keep all owners informed with the latest information. For more information, visit your [Owner Corner](#).

Kevin Gilliland is actively working with contractors and ensuring they have what they need to facilitate repairs. Due to the delays in his ability to answer all owner inquiries, we have created a centralized location for owners to make inquiries on the website. [Use this link for any questions or comments](#). This will allow our resort team to answer all queries from one location versus multiple channels.

We recognize the need and desire to visit your unit(s) and look forward to the date that the property is secured for full access to units. Alongside the management company and insurance adjuster, we will re-evaluate having owners on property to visit their unit(s) without restriction. At this time no rentals or overnight stays are permitted through November 30, 2020 due to the outlined hazards listed in this letter, including the engineer's report, fire marshal report and City of Orange Beach notice. We hope to have a much clearer picture of the remediation needed within 30 days and will provide an updated timeline as soon as possible.

A more formal report, including computer graphics, will be available in the coming weeks. It will show a breakdown of units with the work to be done (or some will already be done). We will then have a unit by unit breakdown that we can share with individual owners, but this is only after the adjustor and contractors go through and verify that the report accurately represents the actual work completed in each unit. In the meantime, the board has decided to share informal "in-process" reports from the various contractors as the work progresses. It's important to remember that these informal reports can serve as a guide in making decisions, but it should not be relied upon as final. Final, formal reports will be shared as soon as they are received by the board and management.

E-mail updates from management will be sent out weekly on Fridays going forward. The updates will also be posted on the [property website](#). If you do not receive an email in your inbox, please check your spam mail. As reports are received, they will be posted to the owner website.

We recognize the disruption for everyone and are working hard for you and the Association. We appreciate your cooperation and understanding as we navigate the repairs to our beautiful property.

Thank you for your consideration and concerns. More to follow as information becomes available.

Mitch Lipon

PBCOA Board President