



August 3, 2021

Palm Beach Update to Some Popular Questions

After publishing our previous update, we've received a few other questions that were not covered, and we thought it would be helpful to answer what we can with this message.

Q. Has CRM completed all the Hurricane Sally reconstruction inside all units? If not, is there an estimated completion date?

A. The Hurricane Sally re-build of the units is 99% complete and should be wrapping up soon.

A2. That being said, there are a number of exterior issues that remain incomplete at this point but have been postponed until after the high season, so as to not interrupt our owner's ability to rent their units.

Q. Have all the trailers, boxes, bins, and other related reconstruction items been removed from the parking lot? If not is there an estimated time for their removal?

A. As of this writing there is still one Conex Container in the parking lot. The contents of that trailer are being moved to another location and will be returned as needed this fall. It is our hope to have that container completely removed by week's end. In addition there remain a few smaller construction items in the parking lot. Those items are also scheduled for removal as well.

Q. When will the construction process begin for damages caused by the Hailstorm?

A. Due to the staging requirements, and space needed for materials, this project is being delayed until Fall/Winter of this year.

Q. What type of disruption can we expect during the Hailstorm build-back?

A. Build-back from the Hailstorm will affect several structures and are best addressed separately:

Flat Roof will require a complete removal of the flat roof membrane. The flat roof disruption will require a short period of staging materials in the parking lot, that will then be moved to the roof. In addition, the existing, damaged roof materials will have to be lowered to dumpsters in the parking as it is removed. This will be done in three sections: A-Wing, B/C-Wing, and D-Wing. Weather-permitting entire project is expected to last 4 weeks working 5 to 6 days a week.

Red Façade Roofing will require the removal of the entire Red Roof. We are currently in discussions with our engineering team as they define the scope of this project. Temporary floating closures of sections of the building will likely be required for safety reasons and will last 4-5 weeks

working 5 to 6 days a week. We are currently attempting to schedule this work for Late November/Early December, as they are the least occupied months of the year. Once again, this portion of the project will require a significant amount of space in the parking lot for staging materials and scrap during the project. A start-to-finish timeline has not been submitted to the Board as of this writing.

Balcony Railings will require access to the interior of units, much like was required during the restoration project from a few years back. While we will likely not require a closure of units, we will likely require a closure of balconies on a floating basis. Our on-site management team will coordinate this scheduling. The project is pending railing materials availability, and final insurance approval. No date can be set at this point.

Pool Railings will require the closure of the pool and corridor for safety protocols. Again, as above, scheduling of this project will take place following final insurance approval and based on materials availability. Likely this winter sometime.

Road Wall and Building Damage should not cause much disruption but will require parking lot space for materials staging. Projected implementation period will be late fall and winter. It is important to note that a significant portion of the building is slated to be re-painted as well because of the Hurricane and the Hailstorm. This work will be completed as a final step in the process and should only cause a minor disruption.

Q. Will there be an Assessment coming? If so, how much will it be and when will it be levied?

A. Post the ZOOM Open Board Meeting of the Board of Directors, and based on feedback received that day, and in the days shortly after, the Board met and approved a resolution to begin the process of creating an assessment in the amount of \$1.5M to cover the financial shortfall that resulted from this year's natural disasters and other matters (as discussed previously), and to accomplish a significant amount of capital improvements that are long-overdue. As part of that process, we began negotiations with M&M Bank to finance most of the assessment and create the ability for owners to spread payments out over several years. We received a positive response from M&M and were beginning to move forward with scope development and final proposal engineering.

With the advent of the disastrous collapse of the condo Florida and subsequent series of news stories, the bank has chosen to take a more wait and see approach to the financing, but conversations continue, and we are still planning on leveraging this partnership.

That said, we are still facing a significant financial shortfall, and a decision on this matter will be finalized in the coming weeks.

Q. Are we still planning on using the bracelet system?

A. Yes, Likely to begin again next season. More details to come soon.

Q. Are we still planning on charging for parking at some point?

A. Yes, Likely to begin late fall/early December. More details to come soon.

Q. Do we still use the Guard Shack, and Do we still have 24/7 security?

A. We are no longer required to have 24/7 security and fire watch. As the building construction has begun to wrap up, and the insurance company has ceased to approve the additional expense. As such, we have reverted to our typical security schedule with IPSC. The Board is considering a broader scope of security once we enact the parking fee program.
Security can be reached at: 251-974-5020

Q. Will A13, once again, be the Palm Beach Property Management Office? If so, is there an estimated timeframe?

A. Yes, A13 will once again become the Palm Beach Property Management Office. It will come online upon completion of the unit, as it was slated LAST in the build-back schedule, and we have realized some delay related to a heavy guest schedule. In the meantime, our new Assistant Property Manager is also available on the property 5-days a week. Her office is located on the first floor in the D-Wing. In addition, each unit has been given a mailbox located in the B/C corridor for guests to pick-up any check-in materials. Property Management can be reached at: 251-974-5020

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mitch Lipon', with a long horizontal stroke extending to the right.

Mitch Lipon, President

On behalf of the Palm Beach Condominium Owners Association, Inc. Board of Directors, Resort Management and Staff