



**PALM BEACH**

Palm Beach  
Condominium Owners  
Association, Inc.

**Build-Back Review  
February 6, 2021**

# **Palm Beach Resort**

## **The Road to Re-Opening - Setting Expectations**

Saturday, February 6, 2021

The process of rebuilding the Palm Beach Resort is well underway and as such we are finally at a point where we can make some realistic plans and establish initial timelines for build-back construction.

With that said I want to begin this long-awaited message with the following statement:

**THE SITUATION IS STILL SOMEWHAT FLUID.  
WE ARE STILL IN NEGOTIATIONS WITH THE INSURANCE COMPANY.  
SO EVERYTHING WE ARE STATING TODAY,  
IS BASED ON WHAT WE KNOW TODAY.**

**WE HAVE COME A LONG WAY, AND WE ARE WORKING AS QUICKLY  
AS POSSIBLE, BUT OUR PLANS ARE WRITTEN IN SAND...  
NOT ETCHED IN STONE!**



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- **Current Projected Insurance Claim: \$4.5M to \$5M**
  - This could increase greatly as negotiations on D Roof, doors, sliders, and windows continue
- **Expected Deductible: \$375,000**
  - The Loss Assessment is based on the value of the building, NOT the value of the claim
  - Loss Assessment numbers are still under evaluation by the Board, and a final Assessment is still TBD.
- **Potential Mandated Costs not covered by Insurance: \$50,000-\$75,000**
  - Example: As walls were opened rusted metal studs were uncovered. The insurance will not cover the cost of new studs as those were not caused by the hurricane, but the City and basic construction practices mandate the replacement of such work. Scope: Over 60% of the units required some remediation of the studs.



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### **Financial Transparency, and Project Protocols**

- Given the scope and nature of this project, The PBCOA Board, The Property Management Team, Our Legal and Insurance Team, and the Engineering and Construction Teams all agreed to a series of Protocols and Reporting practices with the goal of providing proper tracking of the scope, the insurance revenue, and the expenditures in as clear and transparent means possible.
- Second, we are working to ensure all contracts, (and there are many) are properly vetted and in our best interest.



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### **What's been happening? (build-back highlights/key dates)**

- **October 21, 2020** – Initial build-back walkthrough with the insurance adjuster and the representative from JS Held. During this meeting it was found there that there were a substantial amount of discrepancies and omissions in the initial remediation scope originally provided by JS Held. JS Held was directed to re-visit all units to verify remediation and provide a corrected scope.
- **November 16, 2020** – Met with Orange Beach Building Officials to do an initial assessment of the units. We were told engineered repair drawings and details would be needed to address the corroded and rusted metal framing on the exterior walls. No additional code upgrades would be required.
- **November 17, 2020** – Inspection reports for Palm Beach roofs submitted to insurance adjuster for review.
- **December 11, 2020** – Roof Replacement/Repair proposal submitted for approval.
- **December 15, 2020** – Received the corrected unit remediation scope from JS Held.
- **December 21, 2020** – Received confirmation roof replacements for A,B, and C will be covered by insurance. We are currently still in negotiations on the D roof which sustained minor damage, but we are pushing for it to be re-done completely as well.
- **January 5, 2021** – Palm Beach roof vendor contract finalized. Project mobilization started.
- **January 24, 2021** – Final interior reconstruction scope completed.
  - The remediation scope completed by JS Held was 426 pages with over 5,000 line items. Team-members have spent over 400 man-hours verifying the scope of work and measurements for all Palm Beach Resort units. We have had multiple discussion with the insurance adjuster throughout this process to ensure that the majority, if not all, of the reconstruction costs are covered by insurance.



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### **Projected Build-Back Timeline**

- **February 1** – Unit Build-Back Project Start beginning in the D units
  - Drywall crews will move to the B/C Wings as D Wing work is completed
- **March 5** – D units drywall and painting completed, ready for finishes
  - Finishes include: Carpet, Tile, Cabinets and Countertops
- **March 12** – D units requiring finishes completed
- **March 26** – B and C units drywall and painting completed, ready for finishes
  - Finishes include : Carpet, Tile, Cabinets and Countertops
  - Drywall crews will move to the A Wing as B/C Wings work is completed
- **April 2** – B and C units requiring finishes completed –
- **April 2** – A units drywall and painting completed, ready for finishes
  - Finishes include : Carpet, Tile, Cabinets and Countertops
- **April 16** – A units requiring finishes completed

**Work will commence in each building on the top floor and progress down.  
Units in buildings B and C will be worked on at the same time per floor.**





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### **What is included in the Insurance Build-Back Scope?**

- Much work, effort, and negotiations over the past several months have resulted in what we believe is a very positive build-back scope, that has been approved by the insurance company.
- **What is typically covered:**
  - Return the units to original construction standards
    - White paint throughout
    - Builder grade Carpets or Tile
    - Builder Grade Cabinets and Countertops



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### **What is included in the Insurance Build-Back Scope?**

#### **Paint**

The most important part is every unit will be completely re-painted – Top to bottom

- Ceilings – White Flat
- Trim and Doors – Sherwin Williams Ultra White Semi-Gloss
- Walls – Choose from 7 Different Sherwin Williams Super-Paint Colors (2-Colors per Unit) Visit any Sherwin Williams Store to reference the paint colors in person

**It is possible for owners to provide paint colors outside the available selection** if they deem them necessary or desirable.

**The owner will be required to supply the amount of paint as specified by CRM**, and it will be required to be onsite at a pre-determined date. Any deviation from this schedule will result in the unit being painted Flat white throughout.

**Accent walls will be considered an upgrade option** and may delay your units opening – coordinate any special requests via Steve F of CRM





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### **What is included in the Insurance Build-Back Scope?**

#### **Flooring**

If your unit had carpet or tile, or a combination of both that was removed, we have secured a selection of replacement samples and negotiated expedited delivery times.

- Positive Result: If carpet was removed in one room, as a result of water intrusion, ALL of your carpet will be replaced in the entire unit. Tile and LVP options will follow the same rules for replacement.
- The options presented for floor coverings can be selected for like kind replacements (i.e. carpet for carpet).
- If an owner would like to replace flooring with a different floor covering, we will provide demo and a replacement cost.
- An owner may supply any alternative floor covering at their expense to be installed. (Flooring materials must be delivered to the unit as part of the production schedule – Coordinate with Steve F of CRM)



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### **What is included in the Insurance Build-Back Scope?**

#### **Cabinets and Countertops**

- The cabinetry options are being finalized.
- Cabinetry damaged by Hurricane Sally will be replaced in its entirety.
- We will have 2 to 3 different finish options for the cabinets (i.e. white or gray finish).
  
- We will also be offering 2 countertop options
  - One being white quartz
  - The other being a level one granite with some color options.

**Deviations from the above are possible, but will likely cause delays,** and incur additional cost from the OWNER.



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### **What is Required for Each Owner**

- **We need your selections ASAP!**
- D Wing Selections Need to be completed by: FEBRUARY 5TH, 2021
- B & C Wing Selections Need to be completed by: FEBRUARY 12TH, 2021
- A Wing Selections Need to be completed by: FEBRUARY 19TH, 2021

Your cooperation, and timeliness is imperative to this process. The PBCOA Board has instructed the contractors that any delays caused by an individual owner WILL cause that unit to be removed from the production schedule so as NOT to cause other owners a delay in having their units completed on the timeline.

Our goal is not to try to make things difficult, but rather to ensure that a D-Wing Unit Owner, does NOT cause a delay in the completion of an A-Wing Unit. Delays will cause a compounding effect and the Board will act firmly to enforce the processes deemed necessary to complete this project in as timely a fashion as possible.



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### **How the Process Will Work**

- Owners will Make their selections of colors and finishes in a timely manner in accordance with the dates listed above.
- Work will be completed By Floor, and By Wing – Beginning with the D-Wing
- **As units are completed;**
  - A Basic cleaning of the unit will take place removing all construction materials and resulting dust, etc. (this will not be a Deep Clean)
  - Furniture will be unpacked by the contractors and moved to its most logical position
  - Wall hangings will be in the units but NOT re-hung on the walls based on individual tastes and a lack of understanding where some items may have been placed prior to the Serve-Pro Clean-up – Placement on walls of these items will be the owner's responsibility
  - Décor and other personal items packed by the ServePro team will remain boxed and in the unit and will be the owner's responsibility to put them in their proper places
- Owners will be given a 7- to 10-day notice of a projected completion date for their unit so they can plan a visit and complete their personal touches on their unit. See the dates above for projected timelines.
- As Units are completed Owners or their representatives will do a SCHEDULED walk through with a CRM representative to ensure proper paints and finishes have been applied.
- Owner will take full possession of their unit at that point, and will have full access to their unit
- **Rentals may commence at the completion of each Wing (ie. all 5 Floors).**



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### **Final Notes**

We have been assured by the CRM team that they will stay on the project until it is completed and the insurance company and the Board are satisfied with the results. They have also committed to be as responsive and accommodating as possible throughout the process.

They are also willing to work with owners that would like additional work done to their units that would fall outside the insurance scope. This work will likely cause some delay in your unit opening, and details can be discussed with Steve F. of CRM his contact information is as follows:

#### **Steve Filliaux**

Assistant Project Manager

CRM of the Carolinas

**Cell 843-655-5269**

**[sfilliaux@crmservices.us](mailto:sfilliaux@crmservices.us)**

It is recommended that you contact Steve via email first with your Unit Number and a selection of times that best suit your schedule and he will be happy to meet with you on-site, on the phone, or via email to work out your selections.

Please understand that Steve has 54 Owners to deal with and will likely be inundated with requests after this mailing. His efforts will be directed first at D-Wing Owners and so on.

