



May 14, 2021

### **Hurricane Sally – Escapes! to the Shores Update**

This update is being provided to all owners as an information tool to assist you in understanding and managing expectations regarding occupying/renting your unit(s) during the reconstruction period. While it is not an ideal situation at Escapes! to the Shores, as the Board has stated in the past that you are not prevented from accessing your condominium during construction. We have all been faced with setbacks due to various reasons out of our control. Insurances, legal issues, acquiring a licensed contractor, lack of materials and resources, and a hailstorm have all impacted the schedule of completion, beyond what anyone has predicted.

While we are constantly working to get everyone in, and all units rentable, there are many steps which have been taken, and many yet to be resolved.

The following chronological list details all activity, which has been ongoing since last June. Hopefully this will clarify and resolve many of the conclusions and rumors regarding construction and build-back. It also gives you a projected schedule for completion of the work.

June 30, 2020- BE-CI Engineers is hired by the Escapes COA to identify an ongoing water intrusion issue on the East side of the building. It was noted that water was entering the 01 Stacks and corridors during heavy rain storms. They were to perform building enclosure testing, including the roof, and provide a report of findings. Due to the nature of the interior demolition required for effective testing, it was decided to postpone until after the “high” season.

September 16, 2020 - Hurricane Sally devastates Orange Beach and the Gulf Coast. While it visually appears that we escaped the brunt of the storm, water leakage from the wall/roof on the East side at Escapes becomes a major factor in stabilizing the building. Power is out and the emergency generator has failed.

September 17, 2020 – The Insurance Company is notified by LaTour and the COA Board, of a potential claim. The insurance company recommends and hires ServPro to

handle remediation as soon as possible to keep the building dry, and from becoming a mold mitigation hazard.

September 17, 2020 ServPro mobilizes and starts removal of sheetrock, carpet, ceiling, etc. in the entire building. Drying, demolition and remediation is completed November 12, 2020.

September 24, 2020 – The Temporary generator is brought onto site to power up the hazard mitigation equipment and provides power to the elevators and a light source. (On December 21, 2020, the insurance company agrees to cover the loss of the generator as it relates to Hurricane Sally. The new generator and install cost is \$78,410. On December 22, 2020, a new generator is ordered with a delivery date of early May. We were recently notified that due to Covid19, there is a delay. The new ship date to the site is May 21, 2021. After it is received, it will take 2-3 weeks to install)

September 18, 2020 – The Insurance Company sends its team of investigators, contractors and engineers to tour the building and begin reporting its findings. (Insurance report/cost estimate received by the COA Board on October 29, 2020)

September 18, 2020 – Escapes COA Board is encouraged to hire its own team of investigators and testing companies to be able to verify and validate the insurance company's findings so that all dollars are aligned and accounted for. Escapes hire BE-CI to test and investigate the sources of water infiltration at the East side and the roof.

September 23, 2020 - JS Held Engineering (hired by the insurance company) submits a "Building Condition" letter to the COA Board which indicates that no structural damage is evident and the building is structurally sound.

September 22-25, 2020 – BE-CI begins their onsite inspection and testing. It is noted that many of the metal stud bases/tracks are found rusted from years of water intrusion on the East side. The Orange Beach code officials and Fire Marshal are called to inspect and comment on the situation. It is suggested that the damaged studs and tracks be replaced with new. All sheetrock below 3' will need to be removed in the living areas of the 01 stack. BE-CI was hired to design a new "Scab" design that will meet code for the replacement of the studs and tracks. A new design was issued on November 20, 2020.

October 29, 2020 – JS Held Engineering submits its preliminary insurance estimate to LaTour and the Escapes COA Board.

November 12, 2020 – ServPro completes the demolition, drying and hazard mitigation processes and demobilizes.

November 20, 2020 – WDG Architects Engineers is given the notice to proceed on membrane roof drawings for the 5<sup>th</sup> floor. The 5<sup>th</sup> floor roofs were badly damaged during the hurricane and the usual go-to design firm was not available to do a quick turn-around. Drawings were completed and turned over to Escapes on December 18, 2020. The insurance has approved the repair work.

November 24, 2020 – Escapes COA Board is notified by the insurance company that the deductible for the storm related damages will be \$718,740

December 1, 2020– BE-CI is hired to design the metal roof to replace the old. Design modifications are made to resolve ponding, flashing and structural failures. The drawings were completed on January 12, 2021. There were delays in this process due to one of the primary engineers contracted Covid-19.

January 4, 2021 – It was noticed that the fire suppression system over the indoor pool/wet area was rusted and leaking due to excessive saltwater and years of chlorine exposure (this accelerated the situation by having the rolling garage doors opened). Proposals were received on February 11, 2021 from McCoy Fire and Safety (\$16,678) and Johnson Controls (\$34,349). A contract was executed with McCoy, and the work has been completed. A new design has been implemented to replace the corroding garage doors with fixed glass units. This work has been priced out by Robert Smith Glass, Inc. (\$49,775).

January 8, 2021 – Preliminary reports come back from our testing engineers that we have a major source of infiltration from a metal roof leak and several failed caulk joint on the East side of the building. It is also noted that the membrane roof was identified as problematic, during testing. (Prior to the hurricane, in late August 2020, it was noted that there were reoccurring rust spots on the metal roof. The COA Board moved forward with engaging Adam Milam to file damages against Hoar and its roofing subcontractor for failure to provide a warrantable roof as specified in the construction documents. A demand letter was filed on March 9, 2021, and we are currently waiting on a response. We also need to give Hoar Construction the opportunity to view the demolition of the existing metal roof, per the demand. The caulk joint failure is due to the hurricane). Note: With the ongoing Arbitration with Hoar, the filing of the “demand letter” was delayed.

January 15, 2021 – BE-CI solicit bids from roofing contractors with receipt of bids due February 26, 2021. After a difficult search from interested contractors that were insured and bonded, only two submitted bids; Porter Roofing (\$573,030) and Camco Roofing Services (\$646,610). There are caveats to each bid to include additional costs for discovery. The excessive roof work on the beach and height restrictions made the attraction to bid this project, very difficult.

January 27, 2021 – Our exterior coating contractor provides the COA Board a cost estimate to replace the exterior finishes and caulk joints. This estimate was used to submit to the insurance company for wind blasting damages due from Hurricane Sally. The estimated cost was \$1,314,253.

February 22, 2021 – CRM Contractors is brought in to remove and replace all studs and tracks damaged by water over the years. This work has been completed.

March 1, 2021 - WDG Architects Engineers was hired to design the membrane roof on the 18<sup>th</sup> floor, which is similar to the 5<sup>th</sup> floors, previously designed. The drawings were

submitted to contractors for bids; Porter Roofing (\$139,786) and Camco Roofing Services (\$147,370).

March 2, 2021 – BE-CI submits their Final Leakage Report findings, with the exclusion of the exact location of roof damages. (This will be investigated during the demolition of the metal roof).

March 31, 2021 – After much interchange of dialog between attorneys and contractor, a combined construction contract for the metal and membrane roof has been executed with Porter Roofing, with a substantial completion date of August 7, 2021.

April 11, 2021- Severe hailstorm hits Orange beach and there is significant damage to the exterior skin, pool rails, metal vents, metal roof and membrane roof. An insurance claim is filed on our behalf by LaTour Resorts for damages, which are not associated with Hurricane Sally. The deductible for damages will be approximately \$100,000.

April 19, 2021 – Insurance Company sends a representative to investigate damages from hail storm; exterior coating, vents, metal and membrane roofs, pool rails.

April 27, 2021 – Our exterior coating contractor, C-Sharpe, again provides a scope of hail damages and probable cost estimate to the insurance company. This work will cover all exterior coated finishes and replacement of all sealant materials at joints. It seems that this work will be covered by insurance.

May 6, 2021 – Porter Roofing was on site to inspect the membrane roof with the insurance company. The hail storm did significant damage to the membrane roof and the concrete decking below. As of now, it seems that it will be covered by insurance.

May 11, 2021 – Porter roofing is back on site with Carlisle membrane roofing (the manufacturer) to investigate the concrete deck. It was determined that a “pull test” will be required to see if the entire deck needs to be demolished or patched. A pull test is scheduled for the week of May 27, 2021.

May 23, 2021 – Crane contractor expected on site to view the laydown area for construction. This will be very tight given the limited space on the East side a lack of cooperation from the neighboring condominium associations.

May 24, 2021 – Mobilization of contractor on site to start demolition of the metal roof. Demolition cannot occur too far ahead of reconstruction due to exposure to the elements. Metal roof will be the priority with the membrane roof to follow.

June 1, 2021 – Installation of new roof(s) to start. Metal roof will be the priority with the membrane roof to follow.

August 7, 2021 – Completion of metal and membrane roofs (There are liquidated damages in the contract of \$250 per day beyond the completion date).

To be Determined – Completion of the exterior skin is still pending some insurance discussions to finalize coverage. This is necessary to ensure funding for the project.

Pending waterproofing – CRM will start the build back of owner units in the 01 and 05 stack. It has been discussed any units that are not actively leaking during rain events will begin.

May 17, 2021 - The public areas; veranda, offices, gym, lobbies and corridors will be put out to public bid with a 30 period for receipt of contractor bids. It is expected for this work to take approximately 3 months to complete.

The information represented above is a scaled down version of the day-to day activities at Escapes. There is still much fluidity in the scope and timetable, as of this date. We have tried to capture the milestone dates and actions to be able to give you a better understanding and clarity of the complexity of the build back. It's simply not a "go to Home Depot and buy it" situation. The goal of the board is to get as much of the damages covered by insurance, keeping the costs down for the assessment and at the same time, get the project completed as fast as possible. There are many issues that arise that are out of our control, but we are constantly looking at ways to mitigate the extension and delay.

Once construction mobilization actually begins, we want to reiterate what has previously been communicated. Each owner will be asked to execute a disclosure acknowledging that they are aware that the property is an active construction site and may involve the following:

- Hazards will include cranes, swing stages, construction materials and equipment, debris, trip and fall hazards, various contractors, overhead dangers, electrical cords, machinery (including saws, drills and more), a large number of construction workers on site and in hallways and moving in and out of units and common areas. Machinery and personnel will create unavoidably noisy and dusty conditions, likely beginning early and occurring late within parameters governed by the City of Orange Beach.
- Hazards mentioned above could result in injury, dismemberment, and/or death. Small children are strongly discouraged from being on site due to construction dangers. Close supervision of children of all ages will be the responsibility of guests and unit owners.
- Due to the inherent nature of construction, doorways normally closed will be open and many areas will be accessible that are not normally accessible, including personal units. Construction personnel will not be able to close and lock doors as materials and machinery are carried in and out and work occurs in hallways and inside units. This creates opportunity for unauthorized access by children and by those who might take advantage of open and sometimes unobserved areas that are normally closed, including units under construction. Potential for theft of personal property will be increased as a result of this unavoidable condition, and each unit cannot be monitored at all times.

Several resort services are currently open and available; grills, indoor and outdoor pool. Other amenities such as the gym, public restrooms, sauna, and steam room are closed and unavailable for use. The outdoor pool will be closed from time-to-time to allow construction activities

overhead and the health, safety and welfare of all guests and employees. We will make every attempt to schedule and notify you as soon as we know the days of temporary closure.

Access to the beach is available through an enclosed passageway.

There will be one elevator available for guest/owner use, creating potential delays and inconvenience. One elevator will be keyed and used for construction activity only.

Every guest or owner who arrives on the property will need to check in at the office, now located in Suite 303. Office hours are 9-5 seven days a week. Please be mindful that the staff is drastically scaled down. If they are on property walks call numbers posted on the door for immediate response.

All exterior doors leading from the parking garage into the building will be replaced with keypad entry locks. Once guests/owners confirm identity, security will provide them with the entry code.

Construction will be performed during acceptable hours as mandated by the City of Orange Beach which are as follows: 7:00 am – 9:00 pm Monday - Friday, 9:00 am – 9:00 pm Saturday & Sunday per Section 30-45(7) City Orange Beach Noise Ordinance. (This will create noise, dust, and added traffic by construction workers normally considered bothersome by those on vacation.)

There will be limited parking available. Parking will be “at your own risk”. Neither the COA nor the management company will accept any liability for damages or theft to a vehicle. Third floor and ground floor parking areas will be closed. These floors will be used for staging and construction activity. Please remember that the remaining parking will have a 6’7” maximum height clearance on vehicles to enter. Anything taller will be required to park offsite at the nearest storage facility; Romar Beach Mini Warehouse on Canal Road.