



December 20, 2024

Dear Fellow Owners,

On behalf of the Board of Directors, I want to provide clarity regarding the updates to our renovation plan. We understand that these changes have created uncertainty, and we appreciate your patience and engagement throughout this process. As your Board, we remain committed to making decisions that prioritize safety, financial prudence, and the overall well-being of Harbor Island Beach House and Ocean Villas.

Since November, the Board has convened over a half dozen times to research, problem-solve, and consider alternative approaches to the renovation project. This journey has not been without its challenges, and we recognize the confusion this has caused. Please know that every decision has been made with careful deliberation and consultation.

#### Background of the Renovation Plan

In October 2024, the previous Board unanimously approved an 18-month payment plan to fund the necessary renovations to both the M and L Buildings. This approval was contingent on the feedback from the Owner Survey. This plan was presented at the annual meeting on November 2nd. The scope of work included repairs to address safety concerns and material updates without architectural changes. Based on our governing documents, this plan did not require a membership vote, a decision reinforced by our legal counsel, Jim Wegman. Safety was our primary concern, and we felt it was imperative to move forward.

However, upon seating the new Board, concerns were raised about the financial feasibility of the initial plan, particularly regarding reserve levels. Additionally, a petition signed by 13 homeowners, primarily from the L Building, was received, all within a few moments of our first scheduled meeting to address Owners' questions. In response, we extended the payment plan to 24 months and delayed renovations to the L Building until 2026. While this decision was made in good faith to address financial concerns, it resulted in frustration among many owners, especially those in the L Building.

#### Revised Plan and Rationale

Following additional feedback during a Town Hall meeting and further discussions, the Board revisited the plan. Concerns included the inequity perceived by L Building owners and the need to incentivize early payments to stabilize our financial position.

After consulting with owners, including Mr. Wheat of the Finance Committee, the Board voted in a closed session to reinstate the original 18-month payment plan and adjust the timeline to commence renovations for both buildings in 2025. Along with the reinstatement of the original payment plan, a 3% discount is being given to any owner who pays the assessment in full by February 15, 2025. This decision was approved 4-1 and announced at our recent monthly meeting.

Key aspects of the revised plan include:

1. Payment Plan:



- The assessment payments will follow the original 18-month schedule, starting in February 2025, the payment is due on the 1<sup>st</sup> of each month and is subject to the Regime's late fee policies. Note: If you are paying the assessment in full, this payment should be made before the 15<sup>th</sup> of February to qualify for the 3% discount.
2. Construction Schedule:
- Renovations to the M Building will begin in January 2025 as planned.
  - Renovations to the L Building will start in November 2025.
3. Discount for Upfront Payments:
- Owners who pay the full assessment by February 15, 2025, will receive a 3% discount as an incentive for early payment.

### Moving Forward

We acknowledge that this Additional Assessment has placed some owners in challenging positions, and we deeply empathize with the impact this has had. As fellow owners, we share your concerns and are equally invested in the betterment of our community. Our decisions have been guided by the principles of fairness, safety, and long-term stability.

For ongoing updates, please visit our website at [BHOVowners.com](https://BHOVowners.com) under the "Current Projects" tab. You will find the bid specifications sent to contractors, which has been added to site recently. Note: additional information will be posted as it becomes available. If you encounter any issues accessing the website, please contact Coastal Resort Association Management for assistance.

Our next Board meeting is scheduled for January 15<sup>th</sup>. Please make sure to attend. We will be sharing the contractors' projected schedule as soon as it is finalized and is provided to us by A101, Project Managers. We encourage your continued engagement and feedback as we move forward with this critical project.

Thank you for your understanding and support.

Happy Holidays,  
Respectfully,

Beth Lopez  
President, BHOV Board of Directors

## Harbor Island Beach House and Ocean Villas Additional Assessment

Unit #	% Ownership	Additional	18 Month	Additional Assessment	
		Assessment	Payment	Paid in Full February 2025	Total Due in Full by
		\$2,804,000.00		3% Discount	February 15, 2025
L101	1.7032%	\$47,757.73	\$2,653.21	\$1,432.73	<b>\$46,325.00</b>
L102	1.6799%	\$47,104.40	\$2,616.91	\$1,413.13	<b>\$45,691.26</b>
L103	1.7289%	\$48,478.36	\$2,693.24	\$1,454.35	<b>\$47,024.01</b>
L104	1.7056%	\$47,825.02	\$2,656.95	\$1,434.75	<b>\$46,390.27</b>
L105	1.7056%	\$47,825.02	\$2,656.95	\$1,434.75	<b>\$46,390.27</b>
L106	1.6799%	\$47,104.40	\$2,616.91	\$1,413.13	<b>\$45,691.26</b>
L107	1.6799%	\$47,104.40	\$2,616.91	\$1,413.13	<b>\$45,691.26</b>
L108	1.6799%	\$47,104.40	\$2,616.91	\$1,413.13	<b>\$45,691.26</b>
L109	1.6939%	\$47,496.96	\$2,638.72	\$1,424.91	<b>\$46,072.05</b>
L110	1.6331%	\$45,792.12	\$2,544.01	\$1,373.76	<b>\$44,418.36</b>
L111	1.6565%	\$46,448.26	\$2,580.46	\$1,393.45	<b>\$45,054.81</b>
L112	1.6565%	\$46,448.26	\$2,580.46	\$1,393.45	<b>\$45,054.81</b>
L201	1.7266%	\$48,413.86	\$2,689.66	\$1,452.42	<b>\$46,961.45</b>
L202	1.7032%	\$47,757.73	\$2,653.21	\$1,432.73	<b>\$46,325.00</b>
L203	1.7032%	\$47,757.73	\$2,653.21	\$1,432.73	<b>\$46,325.00</b>
L204	1.7406%	\$48,806.42	\$2,711.47	\$1,464.19	<b>\$47,342.23</b>
L205	1.7289%	\$48,478.36	\$2,693.24	\$1,454.35	<b>\$47,024.01</b>
L206	1.7289%	\$48,478.36	\$2,693.24	\$1,454.35	<b>\$47,024.01</b>
L207	1.7032%	\$47,757.73	\$2,653.21	\$1,432.73	<b>\$46,325.00</b>
L208	1.7289%	\$48,478.36	\$2,693.24	\$1,454.35	<b>\$47,024.01</b>
L209	1.7172%	\$48,150.29	\$2,675.02	\$1,444.51	<b>\$46,705.78</b>
L210	1.7172%	\$48,150.29	\$2,675.02	\$1,444.51	<b>\$46,705.78</b>
L211	1.7172%	\$48,150.29	\$2,675.02	\$1,444.51	<b>\$46,705.78</b>
L212	1.7289%	\$48,478.36	\$2,693.24	\$1,454.35	<b>\$47,024.01</b>
L301	1.7733%	\$49,723.33	\$2,762.41	\$1,491.70	<b>\$48,231.63</b>
L302	1.7500%	\$49,070.00	\$2,726.11	\$1,472.10	<b>\$47,597.90</b>
L303	1.7500%	\$49,070.00	\$2,726.11	\$1,472.10	<b>\$47,597.90</b>
L304	1.7500%	\$49,070.00	\$2,726.11	\$1,472.10	<b>\$47,597.90</b>
L305	1.7640%	\$49,462.56	\$2,747.92	\$1,483.88	<b>\$47,978.68</b>
L306	1.7640%	\$49,462.56	\$2,747.92	\$1,483.88	<b>\$47,978.68</b>
L307	1.7523%	\$49,134.49	\$2,729.69	\$1,474.03	<b>\$47,660.46</b>
L308	1.7266%	\$48,413.86	\$2,689.66	\$1,452.42	<b>\$46,961.45</b>
L309	1.7406%	\$48,806.42	\$2,711.47	\$1,464.19	<b>\$47,342.23</b>
L310	1.7406%	\$48,806.42	\$2,711.47	\$1,464.19	<b>\$47,342.23</b>
L311	1.7406%	\$48,806.42	\$2,711.47	\$1,464.19	<b>\$47,342.23</b>
L312	1.7266%	\$48,413.86	\$2,689.66	\$1,452.42	<b>\$46,961.45</b>
M113	2.1140%	\$59,276.56	\$3,293.14	\$1,778.30	<b>\$57,498.26</b>
M114	2.0677%	\$57,978.31	\$3,221.02	\$1,739.35	<b>\$56,238.96</b>
M115	2.0677%	\$57,978.31	\$3,221.02	\$1,739.35	<b>\$56,238.96</b>
M116	2.0677%	\$57,978.31	\$3,221.02	\$1,739.35	<b>\$56,238.96</b>

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		Assessment	Payment	Paid in Full February 2025	Total Due in Full by
		\$2,804,000.00		3% Discount	February 15, 2025
M117	1.9859%	\$55,684.64	\$3,093.59	\$1,670.54	<b>\$54,014.10</b>
M118	2.0538%	\$57,588.55	\$3,199.36	\$1,727.66	<b>\$55,860.90</b>
M213	2.1379%	\$59,946.72	\$3,330.37	\$1,798.40	<b>\$58,148.31</b>
M214	2.1144%	\$59,287.78	\$3,293.77	\$1,778.63	<b>\$57,509.14</b>
M215	2.1144%	\$59,287.78	\$3,293.77	\$1,778.63	<b>\$57,509.14</b>
M216	2.1144%	\$59,287.78	\$3,293.77	\$1,778.63	<b>\$57,509.14</b>
M217	2.1144%	\$59,287.78	\$3,293.77	\$1,778.63	<b>\$57,509.14</b>
M218	2.1612%	\$60,600.05	\$3,366.67	\$1,818.00	<b>\$58,782.05</b>
M313	2.2079%	\$61,909.52	\$3,439.42	\$1,857.29	<b>\$60,052.23</b>
M314	2.1613%	\$60,602.85	\$3,366.83	\$1,818.09	<b>\$58,784.77</b>
M315	2.1613%	\$60,602.85	\$3,366.83	\$1,818.09	<b>\$58,784.77</b>
M316	2.1613%	\$60,602.85	\$3,366.83	\$1,818.09	<b>\$58,784.77</b>
M317	2.1613%	\$60,602.85	\$3,366.83	\$1,818.09	<b>\$58,784.77</b>
M318	2.2079%	\$61,909.52	\$3,439.42	\$1,857.29	<b>\$60,052.23</b>
<b>Totals</b>	<b>100.0000%</b>	<b>\$2,804,000.00</b>	<b>\$155,777.78</b>	<b>\$84,120.00</b>	<b>\$2,719,880.00</b>
			\$2,804,000.00		