

Harbor Island Beach House: Questions from Owners Here is a summary of all of the questions asked. Below the summary is the actual questions word for word, divided into sections.

Roles:

A101: Architectural Plans, Contract Bidding and Project Management

WM Building Consultants (WMB): Water Proofing Consultant

29E6: Engineer

Coastal Resort Association Management: Project Administration

Responsibilities of A101 for the Project

Construction Documents

- **Develop detailed and accurate construction documents outlining the scope of work.**
- **Ensure compliance with local building codes, industry standards, and project-specific requirements.**
- **Provide documents necessary for permits, bidding, and contractor reference during construction.**

Architectural Plans

- **Create and finalize architectural designs and plans, ensuring they meet the community's needs and aesthetic preferences.**
- **Include precise measurements, material specifications, and construction methods.**
- **Coordinate revisions based on feedback from stakeholders, engineers, and regulatory authorities.**

Collaboration with Engineer

- **Work closely with the assigned engineer to integrate structural, mechanical, electrical, and plumbing requirements into the architectural plans.**
- **Review and resolve any conflicts between architectural and engineering elements.**
- **Ensure a cohesive design that aligns with the project's overall objectives.**

Permit Procurement

- **Prepare and submit all necessary applications and documentation to Beaufort County for permit approvals.**
- **Address any questions or requests for clarification from the permitting authorities.**
- **Track the progress of permit issuance and expedite processes as needed.**

Inspection with Beaufort County

- **Coordinate and schedule inspections required by Beaufort County during key phases of the project.**
- **Address and rectify any issues identified during inspections to ensure compliance.**
- **Document inspection outcomes and provide updates to the project team.**

Contractor Bidding Process

- **Prepare and issue a comprehensive request for proposals (RFP) to qualified contractors.**
- **Qualify and Vet Contractors**
- **Organize pre-bid meetings to address contractor questions and provide clarity on the project scope.**
- **Evaluate bids based on qualifications, pricing, and alignment with project requirements.**
- **Recommend the best contractors to the board for final selection.**

Construction Contract Creation

- **Draft and negotiate construction contracts with selected contractor.**
- **Ensure contracts clearly define the scope of work, timelines, budget, and payment terms.**
- **Include provisions for change orders, delays, and conflict resolution.**

Project Management

- **Oversee all phases of the construction process to ensure the project meets the plans and specifications.**
- **Site inspection every two weeks**

- Check points and approval of draws for the project.
- Point of Contact for Community Management Company and Contractor

Onsite Visits Every Other Week

- Conduct bi-weekly onsite visits to monitor construction activities.
- Inspect work for quality assurance and compliance with plans and specifications.
- Address any onsite issues and provide immediate guidance to contractors.

WM Building Consultants (WMB) Water Proofing Consultant:

Initial Assessment and Evaluation

- Conduct a comprehensive inspection of the property to identify existing waterproofing issues, including leaks, water intrusion, and areas prone to moisture damage.

Design and Specification Development

- Develop a waterproofing strategy tailored to the project's specific needs, considering the building's design, climate, and materials.
- Specify appropriate waterproofing systems and materials, such as membranes, coatings, sealants, and drainage systems.
- Ensure all designs and specifications meet industry standards, building codes, and the project's performance requirements.

Collaboration with Project Team

- Work closely with architects, engineers, and contractors to integrate waterproofing solutions into the overall renovation plan.
- Review architectural and construction documents to identify and mitigate potential waterproofing concerns.
- Provide guidance on material compatibility and installation sequencing to prevent conflicts.

Testing and Quality Assurance

- Recommend and oversee pre-construction testing, such as water penetration tests, to validate selected systems and materials.

- Establish quality control procedures to ensure proper installation and application of waterproofing systems during construction.

Contractor Selection and Training

- Assist in vetting and selecting contractors with expertise in waterproofing for multi-family projects.
- Provide oversight to contractors to ensure correct installation methods and adherence to specifications.

Onsite Supervision and Inspections

- Conduct periodic site visits to monitor waterproofing installations during construction. Every other week
- Verify that all waterproofing components are installed per specifications and manufacturer guidelines.
- Address and resolve any issues or deviations from the plan during the installation process.

Problem-Solving and Change Management

- Identify unforeseen waterproofing challenges during construction and provide immediate solutions.
- Collaborate with the project team to implement change orders or adjustments to the waterproofing plan, if necessary.

Post-Installation Testing and Certification

- Supervise post-installation testing to confirm the effectiveness of the waterproofing system (e.g., flood testing, hose testing, or infrared scanning).
- Certify that the completed waterproofing work meets all performance and warranty requirements.

Documentation and Reporting

- Provide comprehensive documentation of all waterproofing systems, including material data, warranties, and installation records.
- Prepare a final report summarizing the waterproofing scope, methods, testing results, and maintenance recommendations.

Coastal Resort Association Management:

Pre-Construction Responsibilities

- **Board Support:**
 - Assists the Board of Directors by providing necessary documentation for decision-making.
 - Facilitates discussions with architects and engineers to finalize the scope of work, ensuring alignment with the Board's goals and budget.
 - Prepares meeting materials, organizes meeting agendas, and documents decisions made during Board meetings.
 - Updates the community website with relevant project documents, timelines, and communications to keep owners informed.

Coordination During Construction

- **Contractor and Vendor Liaison:**
 - Works with the contractor to coordinate access to villas for window and door replacement, ensuring seamless communication with owners.
 - Collaborates with architects and engineers to maintain access to villas for inspections of new window and door installations.
 - Coordinates interior work, such as drywall and trim installation, to address any impacts from the window and door replacement process.
- **Site Oversight:**
 - Conducts daily site visits to monitor the progress of contractors, ensuring adherence to the project timeline and quality standards.
 - Reports any issues or concerns to the Board, contractors, or architects for timely resolution.

Owner Communication and Updates

- **Transparent Communication:**
 - Sends out weekly updates to owners, including progress summaries and photographs of the work completed.
 - Serves as the primary point of contact for owners with questions or concerns about access, timelines, or disruptions related to the project.
- **Document Management:**

- **Maintains an updated repository of project-related documents, including meeting minutes, progress reports, and inspection results.**

Administrative and Financial Management

- **Payment Coordination:**
 - **Facilitates the administrative side of payments, including processing contractor invoices and managing additional billings and collections from owners.**
 - **Tracks expenses to ensure the project remains within budget, providing financial updates to the Board.**
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Financial Questions

1. Will payment plans longer than 18 months be offered?
Yes, Extended Payments to 24 Months to help.
2. What is the payment schedule for the 18-month plan?
The first payment is due on February 1st, followed by monthly payments for a duration of 24 months. Late fees apply at 15% per Annum per the governing documents.
3. Why can't individual buildings (M and L) be billed separately for construction costs?
The governing documents do not separate out the buildings; they make the Association responsible for all repairs, the building owners cannot be separately billed for their building as the entire Association is responsible for the repair/replacement/maintenance of those items. With that said, each owner is responsible in proportion to their percentage of interest in the Common Elements as denoted in the Master Deed.
4. Is there a buffer for cost overruns, and what measures are in place to prevent fee increases?
A modest contingency has been incorporated into the bid price to address potential wood rot and related concerns. It is anticipated that any expenses exceeding this contingency will be drawn from the reserve account. A set hourly rate has been established for items such as wood rot.

5. What interest rate is being charged for the assessment payment plan?

There are no interest charges applied to the owners. The cost is strictly as quoted. As noted previously, late fees, as established in the governing, if payments are not received by the 15th of each month, there is a 15% per Annum.

6. Has the Board considered using reserve funds to offset the assessment cost due to the significant financial burden?

The assessment collected for the project will be deposited into the Reserve Account and will be used to fund project expenses. Initially, the existing reserve balance is borrowed against, interest-free, as an advance to cover project payables while owner assessments are collected. Additionally, professional service fees for planning, bidding, project oversight, and inspection are paid directly from the reserves and are not part of the assessment.

7. Could the Board secure a loan to fund the renovations and offer owners longer repayment options?

5 Year Loan – 6%

Payment Every Month	\$54,131.84
Total of 60 Payments	\$3,247,910.66
Total Interest	\$447,910.66

4 Year Loan – 6%

Payment Every Month	\$65,758.08
Total of 48 Payments	\$3,156,387.90
Total Interest	\$356,387.90

The decision not to pursue a loan for the upcoming \$2.8 million project was thought about long and hard from the Board of Directors. The Board deeply values transparency and takes its responsibility to consider the financial impact on all owners very seriously.

When evaluating funding options for the project, the Board carefully analyzed the implications of securing a loan in the association's name. Here are the key factors behind our decision:

Interest Costs and Increased Overall Burden

A loan of this magnitude would result in significant interest costs. Based on current estimates, the interest over a 4- to 5-year term would range from \$350,000 to

\$450,000. This additional cost would be added to the project total, significantly increasing the financial burden for every owner. Those who choose to pay their assessment upfront would effectively be penalized, as they would also bear the cost of the loan's interest.

Community Liability

If the association were to secure a loan, it would be taken out in the name of the community, making the association as a whole liable for repayment. This poses a risk to the financial stability of the community, as the loan obligations would become a shared burden for all owners, regardless of individual circumstances.

Providing Owners with Financial Flexibility

The Board believes in providing owners with the freedom to choose how to fulfill their financial obligations. Some owners may prefer to pay their assessment upfront, while others might choose to explore personal loans, home equity lines of credit, or other financial resources. By not securing a community-wide loan, we allow owners to select the payment method that best fits their individual financial situation.

This decision reflects the Board's commitment to balancing fiscal responsibility with fairness and flexibility for our owners.

8. Can the project be completed in phases to reduce the financial strain?

The community was presented with a survey to gather input on the potential phasing out of the project over varying timelines, ranging from 5 months to 30 months. A total of 30 community members responded to the survey, whereas no Board members participated. The preferences indicated by the respondents were as follows: 40% selected the 18-month option, 23.3% opted for the 12-month option, 16.6% chose the 5-month option, 13.3% preferred the 30-month option, and 6.6% indicated a preference for the 28-month option.

The project is anticipated to be phased out to facilitate renovations on Building M from January 2025 to May 2025, and on Building L from November 2026 to May 2027. The Board voted on the 24 month payment option, Harbor Island Beach House will need to allocate \$300,000 from the reserve fund in January 2025 to cover project expenses until additional funds are secured, followed by another contribution in May 2025 for the same purpose.

9. What happened to the previously discussed option of a no-interest loan to the regime from the bank?

Historically, obtaining a loan from a bank at a 0% interest rate has not been feasible. Nevertheless, offering such an option could greatly benefit the community. Unfortunately, banks do not currently provide loans under these conditions.

Scope of Work

10. Is the contract for construction on both the M and L buildings?

The Contract that is being reviewed by the Contractor, the Association's Attorney, Association's Insurance Company and the Board is for the work on the M building to begin in January. The 24 months of assessments cover both the work for the M building and the L building.

11. Will the siding, carpets, ceilings, and gutters on the screen porches be replaced?

All elements on the rear of the building will be replaced, including siding, windows, doors, and balconies. Note that items added by owners, such as ceiling fans, will not be included in the replacement.

12. What materials and specifications will be used (e.g., seamless gutters, slider windows)?

The architectural firm has provided detailed specifications for the materials to be utilized in the construction documents and the bid package. It is imperative that the contractor complies with these specifications as established by the professionals responsible for creating the documentation.

13. Will the project address maintenance issues like water retention under the building or ensure balcony ceilings are consistent? (like for like question)

We will employ gutters to effectively channel water away from the buildings, alongside the Duxxbak flooring system, which features integrated drainage channels. Furthermore, we will implement strategies developed by the architect, engineer, and waterproofing consultant to prevent water infiltration into the balconies below and to ensure that water does not flow back toward the building.

14. Are the materials and specifications being rebid, considering potential cost decreases in the market?

We understand that cost management is a primary concern, and we want to assure you that the Board and project team have approached the bidding process with diligence and a commitment to financial stewardship.

The original bid was conducted following standard practices for multi-family projects of this scope. The process included:

- Detailed specification reviews to ensure the quality and durability of materials.*
- Multiple pricing adjustments by the contractors during the bidding process to accommodate specific requests and align with market fluctuations.*

The bidding contractors took into account potential changes in material costs during the submission process. Adjustments were made in real-time to reflect competitive pricing and ensure alignment with current market conditions.

After a thorough review, the Board has determined that rebidding the materials and specifications at this stage is neither necessary nor in the best interest of the community. Rebidding could introduce delays and increased administrative costs, while offering limited potential for cost reduction, given that contractors have already incorporated market-driven adjustments in their proposals.

Contract and Project Oversight

15. .Has the contract been finalized, and if not, are alternative contractors being reconsidered?

The Board has finalized its decision regarding the contractor for the project. A101 solicited bids, and three qualified contractors initially responded. However, one withdrew, leaving two options for consideration. A101 noted that few contractors that meet the specific qualifications required to address the challenges presented by the age and location of the Harbor Island Beach House and Ocean Villas actually want to do the project.

After a thorough evaluation, the Board reviewed the bids and voted to award the project to Contractor A. While Contractor B offered cost savings, the scope of their proposal did not align with the community's ability to afford a five-month project. Contractor A was deemed the most suitable choice to meet the project's requirements effectively and within the established parameters.

16. Why can't owners review the proposed contract before it is signed?

We acknowledge that several owners have expressed a desire to review the construction contract prior to its signing. While we appreciate your engagement, it is not feasible to obtain input from all 54 owners on this matter. The contract is

currently being prepared by our hired professionals A101 and will undergo a thorough review by both the Association's attorney and the contractor before it is finalized. Please note that this contract adheres to standard AIA guidelines. The Board has been elected to represent the community's interests, manage essential repairs, and make efficient decisions on behalf of all owners. We appreciate your understanding in this matter.

17. What specific clauses exist to address cost overruns, delays, or contractor accountability? *See answer 16*

18. What is included in the contract, and how are supplies being stored?

The Contractor is responsible for the storage of the materials.

19. Does the contractor have proper insurance coverage?

A101 conducted a thorough vetting of the contractors and confirmed that all bidders for the project possess adequate insurance coverage.

20. Will the Board secure a bond for financial security during the project?

Progression payments are being made as the contractor completes stages of the project, per the contract.

Timing and Scheduling

21. When will the exact project start date be confirmed?

Once the contract is approved and signed by the Board. The anticipated start date for the M Building is the first or second week in January.

1. Will materials delays impact the timeline?

Windows and doors currently have a delivery timeframe of 6 to 8 weeks. They will be ordered once the contract is signed.

22. What is the timeline for both buildings, and will there be clear communication to owners? *Yes*

23. What happens if construction is delayed past May 2025 for M building rentals?

While every effort will be made to complete construction on schedule, unforeseen delays, such as inclement weather or unexpected challenges during the project, could potentially extend the timeline. If the construction does extend beyond May 2025, the impact on M building rentals will depend on the specific circumstances at that time.

The Board and project team are committed to minimizing disruptions and will work closely with the contractor to address delays promptly, ensuring the project progresses as efficiently as possible. Regular updates will be provided to owners

and stakeholders to keep everyone informed of the timeline and any potential changes.

For planning purposes, owners should consider the possibility of delays and prepare for adjustments to rental schedules if necessary.

24. Will there be a published schedule for the L building?

The project is scheduled to commence at the end of November 2026.

25. Has the Board voted on project phasing, and when will this be communicated?

*The Board initially considered an 18-month time frame but was awaiting input from the members. After receiving information from the community and requests from some owners to allow more time. During an Executive Session held on November 26th, the Board voted unanimously to approve an assessment totaling **\$2,804,000** to fund the necessary repairs to the rear of the M and L buildings. Payments will be spread over 24 months, with the first payment due on **February 1, 2025**.*

Project Management

26. How will unforeseen issues (e.g., rot) be communicated and addressed?

Weekly email updates will be provided to the community during the construction phase. An example of this communication can be found on the Website. HIBH Renovation Project Phase I Recap which outlines the information provided to membership during and after the project was completed along with pictures.

27. What are the credentials of inspectors, and how often will inspections occur?

Inspections will be conducted by highly qualified professionals throughout the project:

- **A101:** Performs bi-weekly site visits, ensuring construction quality, adherence to plans, and compliance with building codes and specifications.
- **WM Building Consultants (WMB):** Conducts specialized waterproofing inspections every two weeks, focusing on material application, water intrusion prevention, and overall system integrity.
- **29E6 (Engineer):** Oversees structural aspects, ensuring compliance with engineering standards and seamless integration with architectural plans.

- **Beaufort County Codes Enforcement Department:** Beaufort County will be inspecting the project regularly to ensure that the work conforms to the Beaufort County Codes.

This multi-tiered inspection approach ensures consistent monitoring and high standards at every project stage.

28. Can owners appoint representatives for progress inspections?

Owners are welcome to remain engaged in the project through scheduled updates provided by Coastal Resort Association Management. While owners cannot appoint separate representatives to perform formal inspections, transparency is prioritized. Coastal Resort Association Management shares weekly progress reports, photographs, and updates on the community website, ensuring owners have a clear understanding of the project's status.

29. What specific tasks and responsibilities justify the 3% management fee for Coastal Resort Association Management?

The 3% management fee reflects Coastal Resort Association Management's comprehensive project administration services, including:

- **Pre-Construction:** Supporting the Board by facilitating discussions, preparing meeting materials, and organizing relevant documentation.
- **Construction Oversight:** Conducting daily site visits to monitor progress, reporting issues, and coordinating with contractors, architects, and engineers.
- **Owner Communication:** Providing weekly updates with detailed progress summaries and photographs, maintaining a transparent communication channel for owners during the active construction phase.
- **Financial Administration:** Processing invoices, managing collections, and tracking expenses to ensure budget adherence.
- **Extended Support:** Coastal Resort Association Management has committed to a 37-month involvement in the project, including 19 months of unpaid work to date.

These efforts ensure smooth project execution and effective communication between all stakeholders.

30. If Coastal Resort Association Management has a separate project management contract, can this be shared with owners?

Coastal Resort Association Management does not have a separate project management contract for this work. Their involvement is covered under their project administration scope, which includes extensive pre-construction, construction, and post-construction responsibilities. Detailed project updates and summaries of their contributions are shared regularly with the Board and community to maintain transparency.

31. Are Coastal Resort Association Management's certifications and qualifications for managing this type of project available?

While A101 serves as the designated project management company, Coastal Resort Association Management provides project administration support.

The Coastal Resort team holds the following professional designations:

- **AMS (Association Management Specialist):** This credential signifies advanced knowledge and expertise in community association management.
- **CMCA (Certified Manager of Community Associations):** Demonstrates fundamental knowledge in community management practices, ethics, and legal standards.
- **PCAM (Professional Community Association Manager):** The highest professional designation in the field, recognizing exceptional experience and expertise in community association management.

Additionally, Coastal Resort's accounting team is certified in their field, ensuring accurate financial oversight and reporting. Although no specific certifications are required for project administration roles, the team's extensive experience and credentials support their ability to perform their role in the project effectively and ensure successful collaboration with A101 and other stakeholders.

Future Considerations

32. What major projects are anticipated after completing the M and L building renovations?

After the completion of the M and L building renovations, attention will eventually turn to addressing the front facades of the buildings. A re-evaluation of the overall condition will be necessary to determine the scope and timeline for this work. This will likely involve an assessment of aesthetic updates, structural elements, and any additional repairs required to maintain the building's integrity and visual appeal. Regular inspections and planning will ensure a proactive approach to future maintenance needs. The timeline for this project will be determined after the completion of the rear of the buildings.

33. What is the current condition and age of the roofs, and when will replacements be needed?

The L building roof was replaced in 2011 and the M building in 2005.

Interior and Access

34. Will owners be notified in advance to move furniture and prepare units for renovations?

The owners will be responsible for removing all furniture and ensuring there is sufficient space for the crew to perform their work effectively. Additionally, the owners are required to move any window treatments prior to the crew's arrival.

35. Will the contractor provide barriers to protect units from debris during door and window replacement? – Yes, however, we encourage owners to cover personal belongings in the interior of their unit.

36. Will we still be able to personally have access and use of our unit during this process?

Yes, However, the liability of accessing the unit during construction lies solely on the owner.

37. What assurance is there regarding the condition of units post-renovation?

The project incorporates several layers of quality assurance to ensure the units are in excellent condition after renovation:

Comprehensive Inspections:

- *A101 conducts bi-weekly site inspections to monitor progress and ensure work complies with construction plans and specifications.*
- *WM Building Consultants oversees waterproofing installations and performs post-construction testing, such as water penetration and flood tests, to confirm the systems are performing effectively.*

Collaboration with Experts:

- *The team of architects, engineers, and contractors works together to deliver high-quality outcomes, addressing structural integrity and aesthetic improvements.*

Communication with Owners:

- *Ongoing communication with owners will keep them informed about the progress and any interior work.*
- *Owners are encouraged to take pictures of the interior areas of concern before the project begins to compare the improvements after completion.*

Interior Responsibilities:

- *The contractor will paint the new drywall area.*
- *Owners will be responsible for rehangng curtains, blinds, or any other items removed from the walls during the renovation. Please keep in mind that new windows and doors may alter the way your window coverings will fit.*

Documentation and Warranty:

- *The project team will provide warranties and maintenance guidelines for all completed work, ensuring long-term confidence in the quality of the renovations.*

These steps collectively ensure thorough oversight and accountability while clarifying owner responsibilities for interior details post-renovation.

Questions: See A Copy of the Questions Submitted to the Board on the Website/
Priorities/Current Projects