

**Dear Fellow Owners,**

First, we would like to thank each of you. When we asked for your input to guide the Board's decisions, you responded. Out of 54 owners, 30 shared their survey responses (excluding Board members). Here's a summary of those responses:

- 40% chose an 18-month project timeline
- 23% chose a 12-month project timeline
- 17% chose a 5-month project timeline
- 7% chose 28 months project time
- 13% chose 30 months project time

Thank you for taking the time to communicate with us. Your feedback is invaluable.

We have received several questions recently from a few owners, and we're sure many of you may have questions as well. The condition of the M building balconies and the leaking windows in the back of the buildings are not new to any of us; we all recognize these issues need to be addressed. As a Board, we have a fiduciary responsibility to take action.

Last year, we invited A101 to the annual meeting to present some options for enhancing the building appearance. The idea was that if we were investing in significant repairs, we could also consider improvements. When the cost estimates arrived, however, we were shocked by the numbers. We knew the project would be costly, but the additional aesthetic enhancements introduced a level of financial burden we found unnecessary. At that point, we reconsidered and focused only on the essential repairs to help manage costs.

After careful deliberation, we decided, with A101's guidance, that moving forward with just the necessary repairs would be best. However, we were still aware that the project's cost would impact each owner. An initial cost estimate came in at \$2.3 million, which we communicated to you, noting that actual bids might vary. When the bids came in, they were indeed higher than expected, which brings us to the information we're sharing with you now.

We don't take this project lightly. We have worked diligently to ensure that these necessary repairs are handled with care. We understand this is difficult for many of you; it's also challenging for us as Board members. There have been numerous discussions about possibly addressing just the M building, given its more immediate needs, to make the cost more manageable. However, one of the L building representatives conveyed that L building owners would be dissatisfied if they were required to contribute to an assessment without benefiting from it. Taking this into consideration, we asked A101 if a phased approach could be implemented, but contractors advised that future work would likely see a minimum 6-9% price increase due to various factors.

We understand that the project's cost is shocking. We felt the same, yet recognized that a project of this scale brings both financial and logistical challenges. Throughout the process, we have made transparency a priority, keeping you informed at our monthly meetings. We will continue to be open and communicative as we move forward.

We invite all owners to submit questions in writing directly to the Board. Please reach out to us instead of seeking information from outside sources or on social media. We're here to answer your questions and want to be your first point of contact.

To facilitate open communication, we're inviting you to observe our upcoming Executive Session on the 20th. Rather than holding a general session, we'll use this time to address any questions submitted in advance. The Board will read the questions submitted and answer them, note you will not be able to ask questions at this meeting, the Board will only address those questions submitted in writing. We will also post a Q&A document on the website afterward to ensure all members are informed.

Please submit your questions in writing by the close of business on Friday, the 15th, to [Office@cramanagement.com](mailto:Office@cramanagement.com). We anticipate some questions may overlap, so this approach will allow us to provide comprehensive answers for the entire community. The questions already received and answered will be posted on the website this afternoon on the current project page.

Planning for those who rent their property is important and we understand that. Tentatively the construction for the M building should start around the first week in January and is anticipated to end by Memorial Day. However, as you all know, with construction comes surprises and sometime schedule delays. The schedule is dependent on weather, supplies, what is found during the demolition stage and the many other factors that comes with a project of this size.

Additionally, we have a Board of Directors seat open. We would like to express our gratitude to Laura Valentine for her hard work and dedication; her contributions will be missed. If you're interested in joining the Board, please complete the attached volunteer form.

Thank you again for your engagement and patience as we work through this challenging but necessary process.

Warm regards,

**Harbor Island Beach House Board of Directors**