

COV-1

BUILDING ENVELOPE
REPLACEMENT PROJECT

COV Siding Committee

Perry Clauser

Chris Bowersox

Community Infrastructure Overview

Background and History

Envelope Project Introduction

Why Now?

How Are We Proceeding

Costs

Funding

Logistics

Questions

SEVEN BUCKETS OF COMMUNITY INFRASTRUCTURE

1. **COMPLIANCE**, WHICH IS ANYTHING REQUIRED TO ENSURE THE FACILITY IS MEETING ALL REGULATORY REQUIREMENTS, SOME EXAMPLES OF COMPLIANCE ITEMS WOULD BE FIRE ALARM TESTING AND SPRINKLER SYSTEM TESTING TO ENSURE THEY'RE FUNCTIONING PROPERLY.
2. **GENERAL OPERATIONS**, WHICH IS ABOUT ENSURING SIMPLE BUILDING FUNCTIONS WORK PROPERLY. THIS INCLUDES ITEMS SUCH AS CHANGING LIGHT BULBS, AND ENSURING FAUCETS WORK AND WATER RUNS.
3. **BREAK/FIX** IS LESS CAPITAL INTENSE AND ALIGNS WITH THE OPERATIONAL NEEDS. FOR INSTANCE, A PUMP ON THE POOL FAILS AND NEEDS TO BE REPLACED AS A COMPONENT OF A LARGER SYSTEM.
4. **ASSET FAILURE** IS WHEN AN ASSET HAS REACHED A POINT WHERE IT CANNOT BE REPAIRED, OR IT CAN'T BE REPAIRED IN A MANNER THAT WILL REGAIN ITS FULL FUNCTION. THIS WOULD INCLUDE THINGS LIKE BULKHEAD REPLACEMENT.
5. **PLANNED REPLACEMENT**. THIS IS WHEN DEFERRED MAINTENANCE IS USED TO UNDERSTAND WHAT EQUIPMENT NEEDS TO BE REPLACED AND WHEN.
6. **PREVENTIVE MAINTENANCE**. THIS IS MAINTENANCE PERFORMED TO PREVENT COMPONENTS FROM DEGRADING IN PERFORMANCE AND TO KEEP AND MAINTAIN PERFORMANCE FUNCTIONING AS INTENDED.
7. **DEFERRED MAINTENANCE**. THESE ARE ITEMS THAT HAVE EXCEEDED THEIR USEFUL LIFE AND NEED TO BE REPLACED SOMETIME IN THE FUTURE. DEFERRED MAINTENANCE IS A FINANCIAL MEASURE THAT SHOWS THE LIMITED INVESTMENT IN THE FACILITY. IF A FACILITY IS OPERATING EFFECTIVELY WITH A HIGH AMOUNT OF DEFERRED MAINTENANCE, THEN THAT MEANS THEY ARE DOING A PRETTY GOOD JOB OF MAINTAINING EQUIPMENT AND KEEPING IT RUNNING.



COV-1 BACKGROUND & HISTORY

Built in 1984 – 39 years old Salt
Water Environment

Original Cedar Lap Board Siding

Air Infiltration and vapor
barriers were not a concern
when COV-1 was built.

Has been steadily maintained
under the Board of Directors
Management

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RECENT PROJECTS COMPLETED

- **New Roofs**
- **Bulkhead Replacement**
- **Parking Lot Paving**
- **Crawlspace Corrective Action**
- **Foundation Support**

COV-1 BACKGROUND & HISTORY

OUR NEXT PROJECT:

**REPLACE THE BUILDINGS ENVELOPE AND RELATED ELEMENTS
AS REQUIRED.**

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WHY NOW?

RESERVE FUND ANALYSIS

CONSISTENT WITH THE BOARD'S FIDUCIARY RESPONSIBILITIES, IN 2020, WE COMMISSIONED A BUILDING ANALYSIS AND RESERVE FUND ANALYSIS TO UNDERSTAND OUR LONG-TERM CAPITAL FUNDING NEEDS. A COPY OF THE RESERVE STUDY IS ON THE COV I WEB.

THE STUDY REVEALED THAT THE EXTERIOR SIDING OF ALL BUILDINGS HAS REACHED ITS USEFUL LIFE EXPECTANCY AND NEEDS TO BE REPLACED.

THE STATE OF MARYLAND RECENTLY REVISED THE CONDOMINIUM ACT TO, AMONG OTHER ACTIONS, REQUIRE ALL CONDOMINIUMS TO 1) REGULARLY CONDUCT FORMAL RESERVE ANALYSIS AND 2) CREATE AND MANAGE THEIR BUDGETS TO INCLUDE LONG AND SHORT FUNDING NEEDS INTO THEIR ANNUAL BUDGETS.

INSURABILITY REVIEW

COV'S INSURER, NATIONWIDE, AS PART OF THEIR "INSURABILITY REVIEW," RECENTLY CONDUCTED A COMPLETE INSPECTION OF THE EXTERIOR OF ALL OUR BUILDINGS WHICH HIGHLIGHTED FLAWS WHICH, IF LEFT AS IS, WOULD INCREASE THE LIKELIHOOD OF WATER INFILTRATION DESPITE OUR CONSTANT REPAIR AND MAINTENANCE EFFORTS.

AS A RESULT OF THEIR ANALYSIS, NATIONWIDE HAS DIRECTED THE BOARD TO DEVELOP AND SUBMIT A COMPREHENSIVE FORMAL PLAN TO CORRECT ALL CURRENT DEFICIENCIES AND DEVELOP A PLAN TO PREVENT FUTURE DAMAGE.

WE HAVE BEEN SITED BY OUR INSURANCE COMPANY AND THE REPAIRS MUST BE DONE TO GUARANTEE FUTURE INSURABILITY

COMPONENT FAILURE

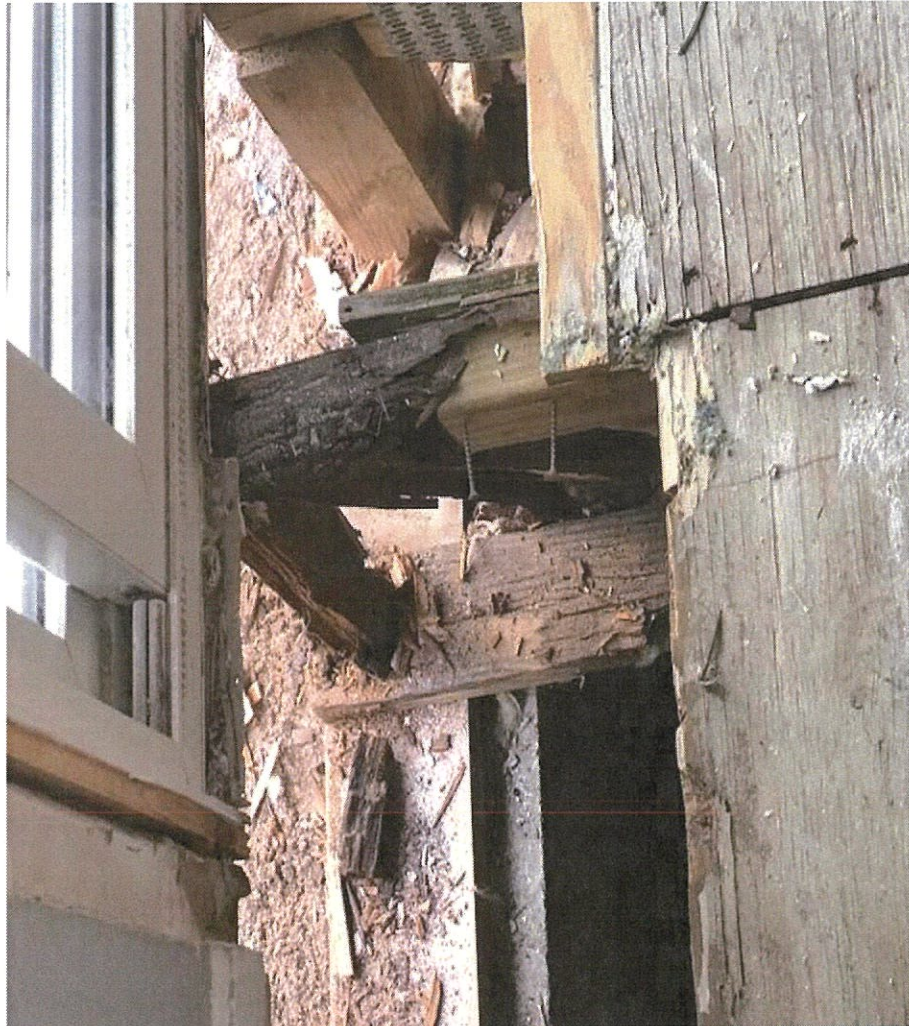
MANY UNITS HAVE WINDOWS, DOORS AND SLIDERS THAT ARE EITHER ORIGINAL CONSTRUCTION, OR HAVE BEEN REPLACED IMPROPERLY WHICH HAS LED TO WATER PENETRATION TO THE UNIT'S PROPERTY, THEIR NEIGHBOR'S PROPERTY OR THE ASSOCIATION'S COMMON PROPERTY.

THE FOLLOWING SLIDES ILLUSTRATE SOME OF THE LATENT DAMAGE WE ARE FINDING.

DESPITE OUR BEST EFFORTS AT MAINTAINING THE PROPERTIES, WE ARE DISCOVERING SOME STRUCTURAL DAMAGE THAT REQUIRES IMMEDIATE ATTENTION

THE AGE OF THE BUILDINGS,
COUPLED WITH ORIGINAL
DOORS AND WINDOWS HAS
CREATED PROBLEMS UNDER
THE SIDING.

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THE LATENT DEFECTS WE ARE DISCOVERING ARE SERIOUS IN NATURE.
2 UNITS WERE CONDEMNED THIS YEAR DUE TO MOISTURE DAMAGE AT THE DOORS AND WINDOWS.

WE ARE MAKING EMERGENCY
REPAIRS ON AN AS NEEDED
BASIS, AS YOU CAN SEE FROM
THESE PICTURES, WE NEED TO
ADDRESS THIS NOW!

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AS YOU CAN SEE, WE
CAN NO LONGER
MEET OUR FINANCIAL
RESPONSIBILITY TO
THE ASSOCIATION
BY DEFERRING
MAINTENANCE

HOW ARE WE PROCEEDING?

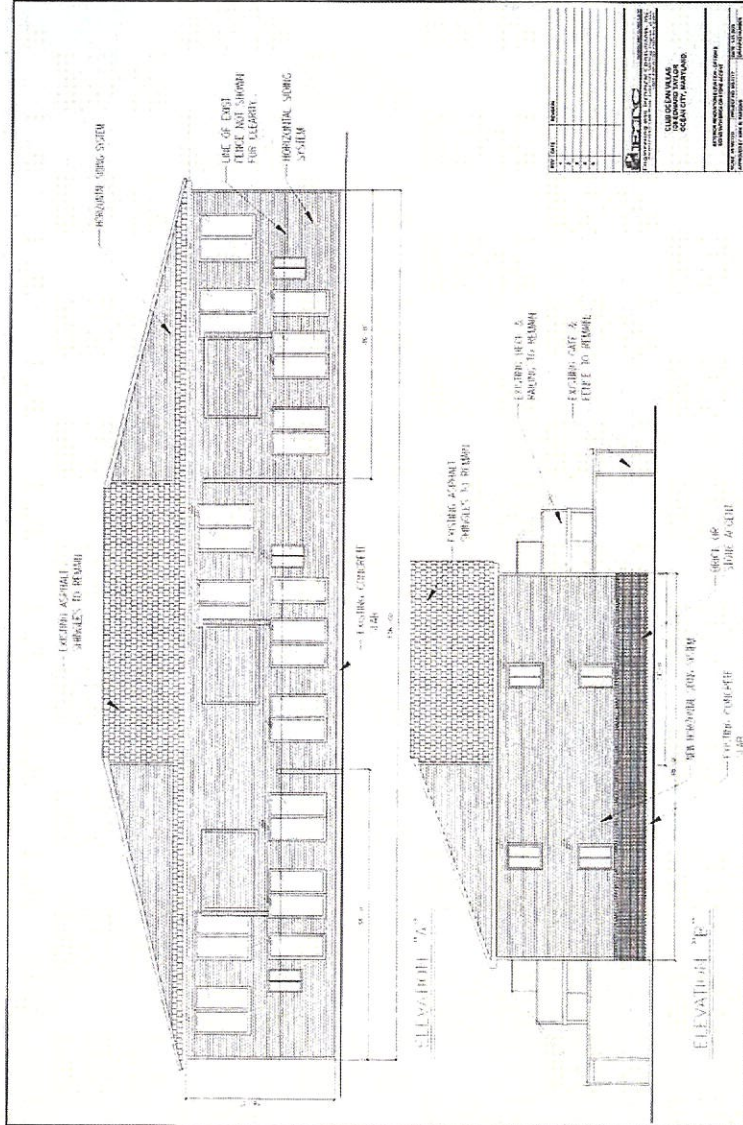
THE LATENT DAMAGE DISCOVERED IS IN THE PROCESS OF BEING
ADDRESSED AND REPAIRED.

WE HAVE HIRED AN ENGINEERING FIRM – ETC-WHO HAS
PROVIDED US WITH RENDERINGS AND PRELIMINARY COST
ESTIMATES.

WE ARE WORKING WITH ETC TO DEVELOP ON A SCOPE WITH
WHICH TO SOLICIT THE WORK.

WE ARE IN THE PROCESS OF SECURING FUNDING FOR THE
PROJECT.

ETC ENGINEERING
PROJECT RENDERING



BUDGET COST PROJECTIONS
 HORIZONTAL VINYL SIDING WITH ACCENTS AND FULL SHEATHING REPLACEMENT
 CLUB OCEAN VILLAS I
 OCEAN CITY, MARYLAND
 ETC PROJECT M2-4717
 2/24/2023

TWELVE UNIT BUILDING

Task	Quantity	Unit Cost	Subtotal
Labor	5600	\$ 6.00	\$ 33,600.00
Material	5600	\$ 8.00	\$ 44,800.00
Sheathing replacement	5600	\$ 3.50	\$ 19,600.00
Overhead and profit			\$ 23,100.00
Total			\$ 121,100.00

EIGHT UNIT BUILDING

Task	Quantity	Unit Cost	Subtotal
Labor	5200	\$ 6.00	\$ 31,200.00
Material	5200	\$ 8.00	\$ 41,600.00
Sheathing replacement	5200	\$ 3.50	\$ 18,200.00
Overhead and profit			\$ 18,200.00
Total			\$ 109,200.00

TOTALS

	# of Buildings	Unit Cost	Subtotal Cost
12 unit building	4	\$ 138,600.00	\$ 554,400.00
8 unit building	4	\$ 109,200.00	\$ 436,800.00
Contingency	50%		\$ 495,600.00
Total			\$ 1,486,800.00

WINDOWS AND DOORS

Task	Unit Cost	Total Item	Total
End Unit (64)			
Window (3'-0" x 4'-0")	\$ 1,600.00	64	\$ 102,400.00
Window (2'-0" x 3'-0")	\$ 1,400.00	64	\$ 89,600.00
Sliding Glass Door - (6'-0" x 6'-8")	\$ 2,500.00	128	\$ 320,000.00
Entrance Door	\$ 1,500.00	64	\$ 96,000.00
Middle Unit (16)			
Window (3'-0" x 4'-0")	\$ 1,600.00	0	\$ -
Window (2'-0" x 3'-0")	\$ 1,300.00	16	\$ 20,800.00
Sliding Glass Door - (5'-0" x 6'-8")	\$ 2,500.00	32	\$ 80,000.00
Entrance Door	\$ 1,500.00	16	\$ 24,000.00
Total			\$ 732,800.00

ETC ENGINEERING

COST PROJECTIONS

\$1,486,000

INCLUDES A 50% CONTINGENCY FOR LATENT ISSUES WHICH MAY BE DISCOVERED DURING CONSTRUCTION

\$732,800

ADDITIONAL FOR REPLACEMENT OF WINDOWS AND DOORS WHERE REQUIRED

\$2,218,800 TOTAL

AVERAGE OF \$27,735 PER UNIT
 (APPROX \$25K FOR UNITS WITH USABLE WINDOWS AND APPROX. \$30K FOR UNITS REQUIRING SAME)

PROJECT FUNDING

BASED ON THE COV I BY LAWS (ARTICLE VIII MANAGEMENT)

FUNDING WILL BE PROVIDED FROM:

- 1) A SPECIAL ASSESSMENT FOR ALL COSTS ASSOCIATED WITH THE REPLACEMENT OR REPAIR OF COMMON ELEMENTS AND
- 2) UNIT OWNERS WHO ARE RESPONSIBLE FOR REPLACEMENT AND REPAIR INCLUDING BUT NOT LIMITED TO WINDOWS, DOORS AND SLIDERS.

TO HELP ENSURE EQUITABLE COST AMONG THE ASSOCIATION AND UNIT OWNERS AND TO ENSURE THE INTEGRITY OF ALL BUILDINGS, IT IS THE BOARD'S INTENT TO FULLY ABIDE BY ARTICLE VIII, MANAGEMENT, SECTION 1, (G) WHICH THE BOARD OF DIRECTORS TO COMPLETE ALL WORK THAT IS REASONABLY NECESSARY AND AFTER REASONABLE NOTICE, TO PRESERVE THE VALUE OF THE CONDOMINIUM PROJECT AND CHARGE BACK ALL LABOR, MATERIAL AND OTHER COSTS TO THE UNIT OWNER

PROJECT TIMING

AT THIS POINT IN TIME AND PENDING FUNDING, WE PLAN TO START IN THE FALL OF 2023 AND ANTICIPATE COMPLETING FOUR BUILDINGS IN LATE IN 2023 THRU SPRING 2024 AND FOUR BUILDINGS IN LATE 2024 THRU SPRING 2025.

THIS IS AN AGGRESSIVE SCHEDULE AND HINGES ON FUNDING AS WELL AS CONTRACTOR AVAILABILITY MATERIAL AVAILABILITY AND THE WEATHER.

MORE DETAILS WILL FOLLOW AS THEY ARE MADE AVAILABLE

LOGISTICS FOR CONSTRUCTION

QUESTIONS WE STILL NEED TO ADDRESS:

WILL THE UNITS BE ABLE TO BE OCCUPIED DURING CONSTRUCTION?

HOW WILL WE ACCOMMODATE NEIGHBORS WHO LIVE HERE YEAR-ROUND AND SEVERAL LONG-TERM RENTERS?

HOW WILL WE ADDRESS THE ANCILIARY STRUCTURES SUCH AS SHEDS AND FENCES AFFECTED BY THE CONSTRUCTION?

WILL THERE BE ANY DISRUPTION IN SERVICES?

Q&A

THANK YOU!

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