

Good Afternoon,

We've spent the last several days meeting with contractors, restoration experts, tree removal companies and insurance adjusters. As you may know, Building 1 is going to be a total loss. We are waiting on more information from the insurance adjuster now.

We've hired a restoration company for the water removal, mold removal, mold remediation and water damage. A separate construction company will be doing the roof replacement, and rebuilding of the damaged units and buildings. This construction company has worked with SPM on several projects and has a good reputation with them.

We currently have the restoration company on property taking out the wet walls, ceilings and carpets in Units 233 and 234. Once that is completed, they will begin drying these units and finish up with a spraying process to prevent any future mold. Our hopes are to have Units 233 and 234 back up and running in a couple weeks. This same removal, drying and spraying process will be applied to Building 1 as well.

Building 1 is going to be down for several months. An exact timeline has yet to be determined. My best guess would have it down through January and possibly February. The demo on Building 1 should start next week. From our discussions with the the insurance adjuster, demo should take between 4 and 6 weeks.

The staff has been working very hard. We've gathered all available inventory from Building 1, washed it and stored it in other buildings to be reused. Masks were worn during the entry of Building 1 and are required for future entry; although at this point, there is no need for any staff member to be in that building. We are encouraging that everyone stay out.

Everyone is in good spirits and we are slowly getting ready for our owners and guest to return.

Attached are some more pictures. As you will see, the mold in Building 1 is getting pretty bad. The demo pictures are of Building 2.

As always, please call or email with any questions. Yes, the phones are finally working!

Regards,

Royal Dunes Management
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