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LAGOON VILLAS HORIZONTAL PROPERTY REGIME

Lagoon Villas Structural Repairs & Interior Renovation Policy Established 10/24/14 & Approved 11/25/14

The Board of Directors for Lagoon Villas desires to set forth a uniform policy for interior renovations. The need for this policy has arisen due to the damages caused to the common elements of the buildings in past remodeling efforts, as well as a structural defect discovered in past years relating to the foyer/kitchen area.

Unit Deflections & Unit Upgrades: As reported in the April & December 2010 memorandums and year-end 2010-2018 Presidents Report regarding Unit Deflections & Unit Upgrades, the members were notified of the potential deflections of a floor joist supporting a non-load bearing wall in the units. The Board hired a structural engineer to randomly inspect several units and design a “repair” to re-support the area near the entry/kitchen. With a few different scenarios relating to the interior of the units (i.e., the removal of the kitchen sidewall by the entry either upstairs or downstairs, etc.), the Board investigated “test” repairs on a few units for the best scenario of performance, as well as the cost savings of the repairs “per stack” of units to correct the deflection.

Since 2010, a monitoring program has been in place to measure floor deflections annually, and from the onset of the first readings it was determined that at least 4-6 stacks were in immediate need of structural repairs, with a phased program of repairs over several years (off season, after Labor Day and before Memorial Day). The reserve funds have been in place to address those stacks @ approximately \$10,265 per stack. Please be reminded the units are wood structures and built in 1984, some deflection is expected. However, unusual deflections that exceed building code must be addressed immediately. **This being said, any unit upgrades are to be approved by the Board prior to install!**

Please see the reference to the Lagoon Villas HPR Documents below:

ARTICLE V: CONDOMINIUM APARTMENTS: OWNERSHIP AND USE

Section 3. **Maintenance and Repair.** Every Owner shall be responsible at his own expense for maintaining, repairing, and decorating all walls, ceilings, floors, and other elements of his Apartment as defined in Section 1 of Article III. **However, no Owner shall make structural modifications or alterations to his Apartment nor shall any Owner alter any door, window, vent, flue, terrace, deck, balcony, or courtyard thereto without obtaining prior written approval of the Board.** Written notice of any intended modification shall be given to the Board, setting forth details satisfactory to the Board and requesting approval. The Board shall consider the request and decide whether approval shall be granted, the Board having the authority to deny approval for any reason. The Board shall advise the Owner of its decision in writing within One Hundred Twenty (120) days from the date of the receipt of the request. Nothing in this section shall relieve the Owner from obtaining approval for alterations required by law or by other applicable covenants or restrictions. No Owner shall undertake to modify any portion of the Common Elements.

Structural Repair:

The stack of units is blocked for one week (possibly more) for the common area structural repair, and consists of adding a support beam (LVL) to the underside of the stack of units, then in the ceiling of the bottom floor unit near the kitchen side of the foyer/kitchen wall.

Approximately a 4x4 section of drywall in the ceiling of the bottom floor unit is removed, the beam set in place and closed back up. This takes the stress off the same area from the top floor unit. The top floor unit repairs typically consist of addressing settlement cracks that have been evident over the bar area on the living room side. The effect of this repair has been to place the specific area of the stacked units in a better structural condition to assist in eliminating deflection (settlement). However the removal of the foyer/kitchen wall in either the first or second floors causes additional stress on the units, whereby the load from the roof is then adding to the deflection issue from the absence of the wall(s).

Specific Existing Conditions

There are a few specific conditions that Owners should be aware of prior to making plans for individual unit modifications.

1. **Kitchen Walls:** Many Owners find that the removal of hallway walls adjacent to the kitchens is more pleasing. These walls are load bearing and were never intended to be removed, as they carry floor loads or roof loads from above. With the phased repair project to re-support the structure in the underside of the building and the bottom floor units in the ceiling area at the hallway/kitchen wall, a number of units were strengthened in a way that would allow the removal of portions of the hallway/kitchen walls. This is not true for all units and is determined on a case-by-case basis. It is the policy of the Board that any Owner that desires to remove this element will also have to bear the entire cost of the structural modifications that are required to assure the adequacy of the modification. This will include the costs for services by the HOA's engineer and contractor. **Moreover, if an owner has removed this wall without prior approval from the Board of Directors, especially since the first deflection readings and notifications to the membership from 2010 (all missing walls were noted upon initial deflection inspections), the owner will be responsible for any additional costs related to the structural repair necessary to mitigate the load problem. This includes engineering costs if required.**
2. **Concrete Topping Slabs:** For sound transmission and fire safety reasons, there is a Gypcrete concrete topping slab on the floors between units. Due to the age of the buildings/floor framing systems, many of these floor slabs contain extensive cracks. While the slabs are not structural and therefore do not present a structural problem, their ability to serve as a base for tile or other hard finishes would be questionable. **The Gypcrete shall not be removed from any unit** without prior notification and approval by the HOA's engineer. It is the policy of the Board that any Owner that desires to make such modifications will also bear the cost of replacement or repair of the Gypcrete concrete slabs if warranted. The cost for services by the HOA's engineer and contractor will be borne by the unit Owner.
3. **Flooring:** The Owner will also accept the responsibility for the future performance of the tile or other hard floor finish. No glued down, hardwood flooring will be permitted in the units! Only engineered hardwoods with padding will be permitted with prior permission from the Board. Carpet and laminated flooring on padding is approved. Ceramic tile is limited to bathrooms/dressing area and the kitchen only.
4. **Window and Sliding Door Replacement:** Given the age of Lagoon Villas, many windows and sliding door have been replaced. These elements are the owner's responsibility and considered the individual owners expense per the CCR's.

The responsibility for the exterior molding surrounding the exterior opening, including the exterior waterproofing is the responsibility of the HOA (Owners are responsible for interior molding, gypsum board and attachment to the structure). Owners that desire to change doors or windows should be aware that the City of Isle of Palms has specific criteria and DP rating requirements for replacement of the windows and sliding doors. As well, there are specific windows and doors that are approved for consistency for Lagoon Villas, by the Lagoon Villas Board and WDCA ARC. Owners that desire to replace their windows or sliding doors are required to meet the Isle of Palms building codes. Windows and sliding doors that are approved for Lagoon Villas are the Anderson Terratone Casement Units & PGT CA540 Vinyl Winguard Series 540 in Bronze. You will need to contact management for instructions, and submit data in writing for proper review/approval from the Lagoon Villas Board.

The installation of windows/sliding doors is critical due to a significant impact on the waterproofing. This work will only be permitted by certified contractors approved by the Board, along with the HOA's contractor's supervision for proper installation and waterproofing. Should an owner wish to just replace the glass to their windows or sliding doors due to broken seals and fogging, they may do so with certified contractors and with approval from the Board.

5. **Plumbing, HVAC and Electrical:** Lagoon Villas is constructed in a fashion that makes plumbing, HVAC or electrical changes very difficult without significant structural modification. Typically, these subspecialty contractors do not possess the knowledge commensurate with the complexity of Lagoon Villas. For this reason, many instances of damage to the common elements have occurred. The changes of concern to the HOA include the relocation of any pipe, duct or wires. The simple replacement of switches or fixtures is allowable. Owners that desire to make such modifications are hereby cautioned. It is the policy of the Board that any changes to the plumbing, HVAC and electrical systems will be borne by the unit Owner and will include the structural modifications required as a part of such changes. This work will only be allowed pre-approved, and/or or with supervision by the HOA's engineer/contractor and at the unit Owner's expense.

General Construction Requirements

The Board has set forth the following general construction requirements for all interior renovation projects.

1. **Contractor Qualifications:** Contractors that are proposed to do interior modifications shall be qualified to perform that work. The HOA's engineer and the Board shall make this determination. Contractors shall submit their statement of qualifications and references.
2. **Licenses:** Contractors that are proposed to do interior modifications shall possess the proper licenses both from the state and city.
3. **Insurance:** Contractors that are proposed to do interior modifications shall possess sufficient insurance coverage and shall obtain a statement from their carrier naming the Regime as a separate insured.
4. **Scope of Work and Approval:** Prior to commencement of any interior modifications, the individual unit Owner, in concert with the proposed contractor, shall submit a detailed proposed scope of work. All elements of modifications shall

be addressed. No work shall be performed until the modifications are formally approved. Any additions to the scope of work are to be submitted in the same fashion.

5. **Photographic Documentation:** At the conclusion of all interior renovations, the unit Owner shall submit photographs of the before and after conditions.
6. **Time:** No interior modifications will be allowed during the period from May 1st to September 10th. This period is high rental season and is a total disruption to surrounding unit owners and their guests.
7. **Permits:** Building permits for all interior renovation projects are to be obtained and prominently displayed on-site. These permits include the Wild Dunes Community Association and the Isle of Palms Building Department.
8. **Containment:** All construction activities associated with the individual unit renovation shall be completely contained within the confines of the particular unit undergoing modifications. The use of stair landings, parking lot and the like for carpentry work, etc., will not be allowed.
9. **On-Site Storage:** As a general rule, the storage of construction materials associated with interior modifications will not be allowed on the grounds. Under special circumstances, the Board will allow this activity in specified areas and for specified durations.
10. **Sanitary and Debris Facilities:** In most interior renovations, it is possible to make use of the toilets within the unit. Where this is impractical, temporary toilets will be allowed and located where designated by the property manager. Under circumstances where a dumpster is needed, it shall be located as determined by the property manager. No debris is to be placed in the dumpsters maintained by the HOA.
11. **Clean-up:** Contractors performing interior modifications shall maintain the premises in a clean and orderly fashion. All debris shall be completely removed on a daily basis.
12. **Building Underpinning:** In many interior renovation projects, it is necessary to gain access to the crawlspace areas (building underpinning). Should this arise, the renovation contractor will notify the property manager prior to any access and will be responsible for replacement of the underpinning/insulation material (plywood that maintains the first floor insulation in place) to the satisfaction of the HOA. **The plywood must be replaced daily, or a screen/tarp/heavy duty plastic material must seal the open area in place of the plywood if additional, daily access is required until access to the area is no longer necessary. This is strictly enforced to keep rodents from damaging pipes, A/C ductwork and access units to the entire building. The owners and their contractors will be held accountable if this is not adhered to!**
13. **Damage to Common Elements:** All damage to the common elements attributable to a contractor performing interior modifications shall be immediately repaired, inspected and approved by the Board/management. All such repairs shall be performed in a timely fashion and in a manner specified by the HOA. In the event that the contractor fails to complete such repairs, the Board will perform this work at the individual Owner's expense.

Any common area/structural repairs related to faulty workmanship by an Owner's contractor after such time the Owner's renovations are completed, will be the sole

responsibility of the Owner to pay for, and have repaired by the HOA approved contractor with oversight by the HOA engineer. **There will be no exceptions!**

14. **Reporting of Problems:** Contractors working on interior renovation projects shall immediately report any water leaks or other similar condition to the property manager.
15. **All modifications must be approved by the Board of Directors and HOA Engineer, at the cost to the owner.**
16. **Modifications Performed by Owners/Owners Contractors Prior to 11/25/14:** Any units modified prior to these approved guidelines dated 11/25/14 will be the responsibility of the Owner. This includes modifications that may have been incorrectly performed by an Owner/Owners Contractor that directly impacts the structure (beams, rafters, roofing, interior wall structures, flooring structures, Gypcrete sub-flooring, studs, exterior flashing, electrical, plumbing, removal of wall/flooring/ceiling supports). **In the future, any modifications or replacements must be approved under these guidelines to protect the integrity of the HOA structure.**

Lagoon Villas Contractor Guidelines
Lagoon Villas Board of Directors
Theodore Padgett, PE, PC

Lagoon Villas HOA
Contractor Guidelines Approved 11/25/14