

BAYTOWNE HOMEOWNERS ASSOCIATION, INC.

C/O Bristol Management Services, Inc.
1930 Commerce Lane, Suite 1, Jupiter, Florida 33458
(561) 575-3551 (561) 575-5423

October 4, 2007

Members of the Baytowne Homeowners Association

Re: Bay Street repairs and renovations

Dear Member:

There have been considerable discussions by the present and previous Boards of Directors regarding the need for the repair and renovation of the Baytowne road.

In 2005 the Board hired Messler & Associates Consulting Engineers to prepare a civil engineering study regarding the road. The study performed the following tasks:

1. Review and examine the existing conditions of the roadway.
2. Perform limited geotechnical investigation to determine the conditions of underlying base soil of the road.
3. Prepare a design for roadway improvements utilizing interlocking pavers.
4. Prepare a probable construction cost estimate for the design.

The study was presented to the Board in November of 2005 along with a probable cost estimate of \$340,572 including estimated repairs to the roadway sub-base.

At the 2007 annual meeting of the Baytowne Association the membership overwhelmingly rejected by formal ballot, and in discussion at the meeting, a proposal forwarded by the Board to spend approximately \$65,000 to patch the road in Baytowne.

At the May 10th Board Meeting the Board voted to establish a committee to investigate in detail the feasibility and costs to repair the road utilizing a paver surface and a 2'0" wide concrete curb made up of sections of the exiting road and new sections to be installed. The committee consisted of HOA members Dennis Hanley, Greg Ferland, Mary Malooley, Betty Tator, Jean Grebinar, and Jay Carpenter. Jay Carpenter provided his construction company staff to provide support to the Committee to do the necessary coordination of the work agreed upon by the Committee. The Committee met May 15th, June 25th, July 12th, and August 23rd. The Committee oversaw the preparation of the attached Scope of Work along with a significant number of plans which clearly delineated the work to be done. This work was done by the staff at Carpenter General Contractors at no cost to the Association. (Copies of all of the documents are available at www.bristolmanagement.com for your review).

The above documents were distributed to various construction companies for each of the phases of the work. Quotations were received from five (5) different companies on each phase of the work. (One Company provided 2 quotes with different paving methods) Of the six (6) total job cost estimates there was a range from a low of \$362,100, through \$375,320, \$423,413, \$437,078, \$467,545, to a high of \$525,176 without any contingency fund. (Please note that the quotations are in line with the 2005 Messler Engineers' Estimate adjusted for time.) The Committee agreed that the best and most responsive estimate was \$375,320 and in addition established a large contingency fund of 25% of the costs to cover any required additional work. The 25% Contingency Fund of \$93,830 was added to the above cost for a total estimate of \$469,150. (Copies of all of the quotations and information regarding the various companies are available at www.bristolmanagement.com for your review). In addition the Committee investigated financing alternatives for the project which will be presented later in this letter.

The complete report and findings was presented to the Board of Directors at the September 20th Board Meeting. At that Board meeting the Board formally accepted the Committees' report and set up a schedule of events to inform the Membership of the findings and establish a time line for the members to ask questions, receive additional information, and to formally vote on the project. The Informational Meetings are being held three different times in the hope that all Members will be able to attend at least one of the meetings. It is the Boards' goal that all Members receive a clear description of the facts of the project, have a chance to ask questions, and have their opinions heard.

The schedule Information Meetings regarding the road project is as follows:

1. November 1, 2007, 5:00 pm, at the Marina Club, Project Review and Q/A
2. December 6, 2007, 5:00 pm, at the Marina Club, Project Review and Q/A
3. January 10, 2008, 5:00 pm, at the Marina Club, Project Review and Q/A
4. January 24, 2008, Project Review, Q/A, Formal Meeting, and Vote on the Project, 5:00 pm at the Marina Club

The Project, if approved by the Membership, would be commenced in May or June of 2008 and would take approximately 90 days.

Attached you will find three different photo enhanced pictures of the Baytowne Road showing an artist conception of what the road would look like in pavers. Based on the quotations received and the recommendation by the Road Committee the project financing would be as follows:

There would be two methods of payment available to the Members at the completion of the project:

1. Pay the entire Members share of the improvement at one time.
2. Pay the Members' share of the improvements included the quarterly dues of the HOA based on financing arranged by the Board of Directors with a Bank. The Board, thus far, has discussed the project with three Banks. Each Bank has expressed great interest in providing the funding to the Association for the Project. An example of a rate quoted to the Board (prior to the late September rate lowing by the Fed Reserve) was 7.5%.

The Costs of the Project would be as follows:

| | |
|---|--------------------|
| Committee Estimate of the Project Cost: | \$375,320 |
| Contingency Fund (25% of Cost) | <u>\$ 93,830</u> |
| TOTAL PROJECT COST: | \$469,150 |
| (Less Roadway Reserve Fund Balance) | <u>(\$ 70,000)</u> |
| Funds needed for Project | \$399,150 |

Rounded: \$400,000

Payment Options:

1. One time payment at the completion of the project of \$7,844
(Payment date: estimate October 2008)
2. Quarterly Payment:
At present the Quarterly Dues contain \$100.00 for the Road Fund
The Payment for the Project (\$400,000, 7.5%, 20 year Amortization) would be a total of \$189.55 per Quarter, per Residence, an increase of \$89.55 per Quarter.

This letter is the first in a succession of informational pieces that the Board is providing to the members of the Association to insure that each member is fully informed of the contemplated Road Project and has the opportunity to be heard and to ask questions.

Sincerely:

The Baytowne Homeowners Association Board of Directors

**BAYTOWNE HOME OWNERS ASSOCIATION
BAY STREET ROAD CONSTRUCTION
OUTLINE OF SCOPE OF WORK AND TASKS TO BE COMPLETED**

June 18, 2007

SCOPE OF WORK:

The scope of work of this project is as follows:

1. Saw cut the existing concrete road to create 2'0" wide valley curb sections on the outside of the existing roadway and 2'0" wide ribbon curbs on the exterior of islands and down the center of straight sections of the existing road as diagramed in Exhibit A (Saw Cutting). For purposes of this estimate the existing concrete should be assumed to be 8" thick.
2. Provide cuts of the new two ft sections of concrete on each side of the sections of the created valley curb and ribbon curb to enable the removal of deteriorated sections of these areas as delineated in Exhibit B (Curb Condition Survey)
3. Remove the deteriorated sections of concrete as delineated in Exhibit B taking extreme care not to damage any existing residential drives abutting the new restored curb areas. Re-pour new concrete Valley and Ribbon sections matching the existing profiles of adjacent concrete and driveways. Review the elevations of the curbing and attempt to improve water flow as much as possible.

Alternate: Remove and replace all Valley and Ribbon Curb (Exhibit B-1)

4. The remaining parts of the job are to be done in two sections, west side and east side, to allow residents access during the construction process. Remove the existing concrete roadway on 1/2 of the road (either West or East section) (Exhibit C)
5. Repair the sub-base and add base material as necessary.
6. Add leveling sand as required to allow pavers to properly align with the curbs.
7. Install 4" X 8" Brick style pavers in a herringbone pattern, sand, and compact per industry standards. (Exhibit D)
8. Repeat steps 4 through 7 on the other 1/2 of the road.
9. Repair any sod adjacent to the road way that was damaged by the work.
10. Provide 4 pallets of pavers to be stored on the Baytowne site for future repairs.

The work will be awarded as a total job with all tasks or in the task sections listed below:

Concrete Sawing, curb removal, and disposal of waste concrete

New concrete curb labor and material

Concrete road removal and disposal (2 operations)

Paver sub-base material and preparation along with paver material and installation. (2 operations)

Bids for the work should be submitted to:

Baytowne Home Owners Association, Inc

C/O Carpenter General Contractors Inc

130 Bridge Road

Tequesta, Florida, 33469

Tel (561) 745-6600 Fax (561) 745-1122

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|---|---|-----------------|-------------|----------------|-----------------|---------------------|
| BAYTOWNE HOMEOWNERS ASSOCIATION | | | | | | |
| BAY STREET ROAD CONSTRUCTION | | | | | | |
| BID SHEET | | | | | | |
| | 18-Jun-07 | | | | | |
| | | | | | | |
| Task | | Quantity | Unit | \$/Unit | Total \$ | or Fixed Sum |
| Saw Cutting including segment cuts | Entire Job | 6,743.6 | Lin' | | | |
| Curb segment concrete removal | 82 segments existing and new (Entire job) | 1,925.0 | Lin' | | | |
| New Curb labor and material in segments | 82 segments existing and new (Entire job) | 1,925.0 | Lin' | | | |
| Remove existing concrete roadway for paver installation | 2 operations, 1/2 area each time | 54,095.9 | Sq ft | | | |
| Level and repair sub-base and add leveling sand | 2 operations, 1/2 area each time | 54,095.9 | Sq ft | | | |
| Install 4 X 8" Pavers (Herringbone pattern) | 2 operations, 1/2 area each time | 54,095.9 | Sq ft | | | |
| Sod Repair (Estimate) | | 1,500.0 | Sq ft | | | |
| Extra Pattats of Pavers | | 4.0 | Pallat | | | |