

# Gulf Building Update

10/6/2021

We have enjoyed the beautiful gulf view for 40 years. Now is the time to make sure we can get another 40 years!

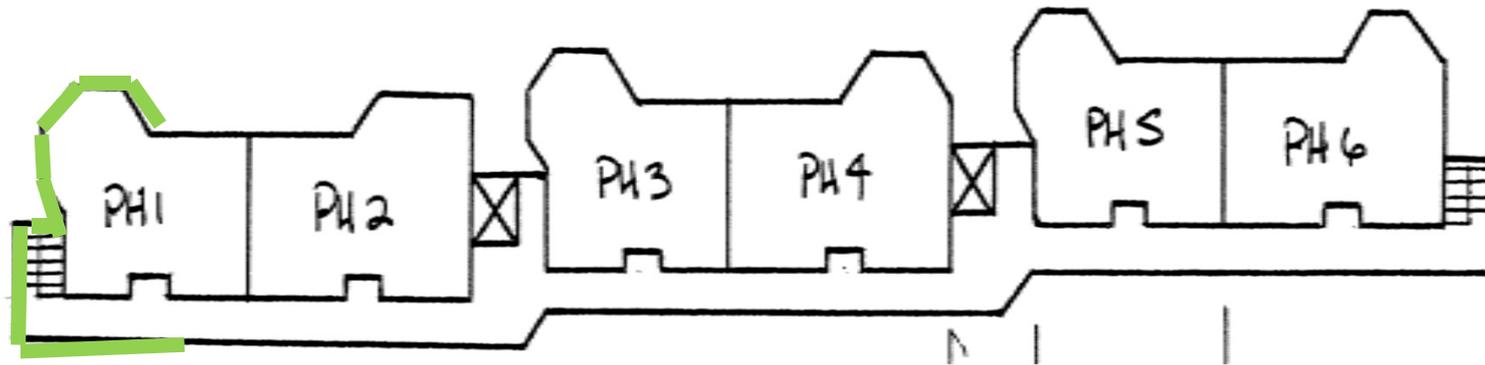


- The typical life expectancy of a masonry/concrete building is about 40 years. Our buildings are all nearly 40 years old.
- Despite 40 years of painting, coating, sealing, caulking and repairs, the exposure to water and salt eventually migrates into the outer surfaces causing corrosion within.
- We are at the point in a building lifecycle where significant renovations are needed to extend the building life another 40 years, and what we are doing now with a defined maintenance program moving forward will provide the extended life we all want to enjoy.

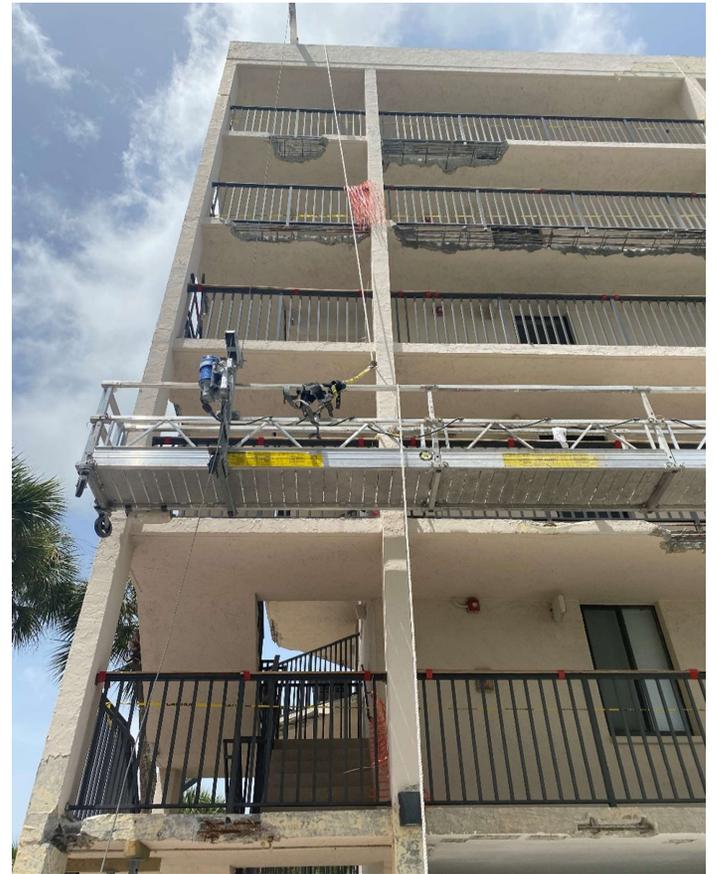
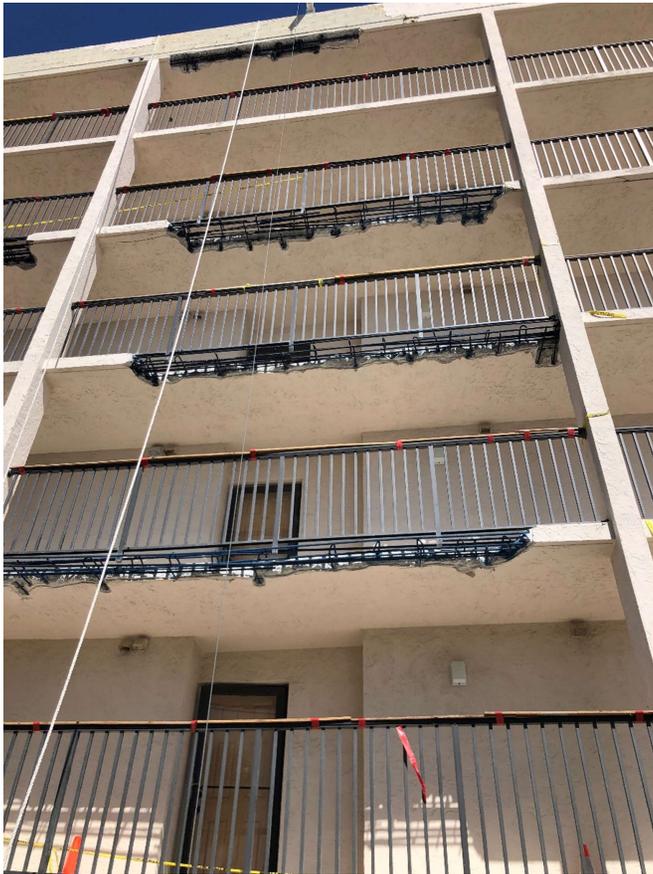
# Construction Summary

- The issues at the Gulf Building are much more profound than expected due to salt and water intrusion.
- We have found a great deal of rusted rebar, delaminated stucco and concrete failure both on the lanais, stairs and walkway edges as the first section of renovations have begun.
- We have had to remove the tile from the first tower (X01) of lanais due to water pooling under the tile and causing damage within the concrete surface.
- We will no longer allow for tile to be put on beach side lanais due to the inability to seal the tile surface over a long period of time.
- We are working on and must find a solution to waterproof the walkways and lanais once the renovation and painting work is done.
- At this point, the walkway concrete within the first two columns of the west end of the building has been poured and waiting to cure.

# Gulf Building Area – Current work zone



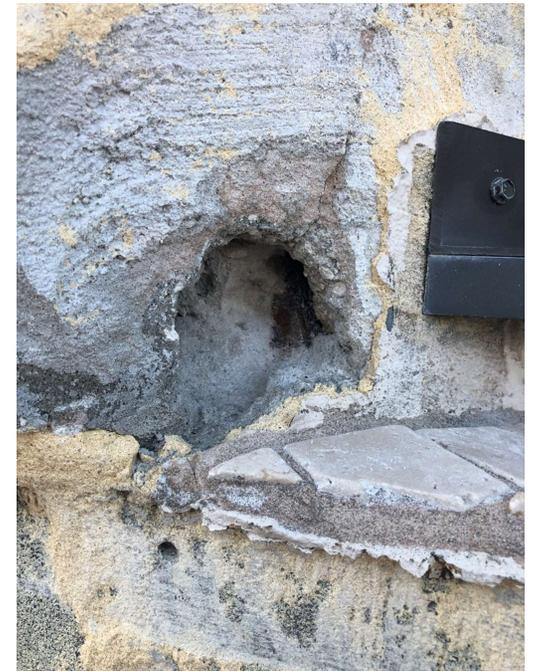
# Photos – Walkways – Sept 20th



# Photos – Walkways – October 5th



# Photos – Rebar Corrosion



# Photos – Balconies – October 5th



# Photos – Balconies – October 5th



# Questions and answers from Karins Engineering

- 1) Why is there so much stucco being removed when it visually looks good?

[DL] D&D painting is sounding (looking for hollow sound in stucco) every wall of the building. There are major signs of delamination between the stucco and CMU block.

2) Why are we experiencing these issues? We certainly can't see them from the ground. [DL]

**Improper Amounts During Mixing:** Stucco is formed from a measured blend of Portland cement, lime, sand, and water. If the proportions during the mixing process aren't correct, the stucco won't set properly, and delamination within a single layer occurs.

**Using the Wrong Sand:** Sand in a stucco mix should not be too fine. If too fine a sand is used, the result is a higher water-sand ratio to the other ingredients. Again, the stucco will not set properly, and the result is separation within a single layer.

**Insufficient Curing:** Curing, or drying out, each layer before applying a new layer is necessary. If the layers are applied too soon before proper curing, they will separate from one another.

**Delamination Between Coats:** Each coat of stucco serves a different purpose. If an error is made during any step of the process, the layers can separate from one another. It appears that the previous painters did not address/test the stucco delamination for many years and now that D&D is performing the work, they are finding multiple areas where repair is needed.

- 3) How do we make sure our contractor isn't taking material off that doesn't need to be removed?

[DL] Since Karins is only acting as third party inspector to measure the quantities of stucco and concrete repairs, no one other than D&D determines if the stucco removed is actually delaminated or cracked.

Excelsior – We have been going up on the lift periodically to sound test the defined areas of anticipated stucco removal. The concrete removal is evident due to the exposed rust on the rebar.

- 4) Why couldn't we develop a better scope on how much material needs to be removed before we started this project?

[DL] Because like stated on point 1), it is almost impossible to see delaminated stucco without sounding the entire building. KEG based its estimations on visual stucco delamination and other projects with similar application.

5) Can we just paint and caulk and push the fix off until we have more funds? (What happens if we wait another 3-5yrs)

[DL] KEG would not recommend this practice. This could lead to premature stucco cracks and water intrusion. The cost of repainting the surface that require stucco repair and re-mobilizing the crews down the road would also be significant.

Excelsior – Our next repair/paint cycle is 8-10 yrs out.

- 6) What caused all the damage?

See point 2).

7) What do we need to do in the future to make sure we don't have these issues in the future?

[DL] Paint is the first line of defense. A quality paint and sealant application every 8-10 years will greatly reduce the potential concrete and stucco repair.

Excelsior – In addition, we need walkway and balcony waterproofing protection. Once a new walkway protection is put down, we need to make sure the surface is waterproofed periodically as defined by the manufacturer.

8) How do we know that we are finding all of the problems given the money we are spending?

[DL] D&D is doing its best to find all potential problems related to paint failure, stucco and concrete repair. If any problems happen within the next 3 years, it will be covered under the contractor's workmanship warranty.

Excelsior – We have defined Florida repair specifications in the contract with D&D. Not only is Karin's engineering reviewing the repairs, but the county inspection is also on site to inspect the repairs prior to filling the concrete back in.

- 9) Should we be concerned our building could collapse?

[DL] I can't make that statement without thorough inspection of each building in the scope of work. KEG can provide the board a proposal for such service. I can say that shoring has been temporarily installed as per Dansco drawings while concrete repair is being performed.

Excelsior – Our Buildings were inspected by a Structural Eng. in 2019 and he found no structural issues.

10) In 2016 a tornado hit the gulf building and building 5, could any of the issues be a result of the tornado?

Very hard for me to answer this one. In theory, a good stucco application is pretty resistant to strong wind, but I can't guarantee the effect of a direct hit from a tornado...

# Occupying the Gulf Building

- We have received a letter from the engineering firm we are using HIGHLY suggesting we do NOT allow people to occupy the building until construction is completed for safety purposes.
- We are however, not allowed to stop owners from residing in the building. We do ask that owners stay away until work is completed in their given area due to the work being done on the walkways and stairs.
- We will however not allow renters to occupy the building until we feel comfortable that we can provide a safe environment. This may change as we move along the building.
- Since the start of the Gulf Building renovations, Linda has attempted to relocate those renting within the building to other locations on our site.
- During this process, we have had to shut down the west stairs and walkways due to repairs needed. Our goal is to maintain two paths of egress during each section repair.

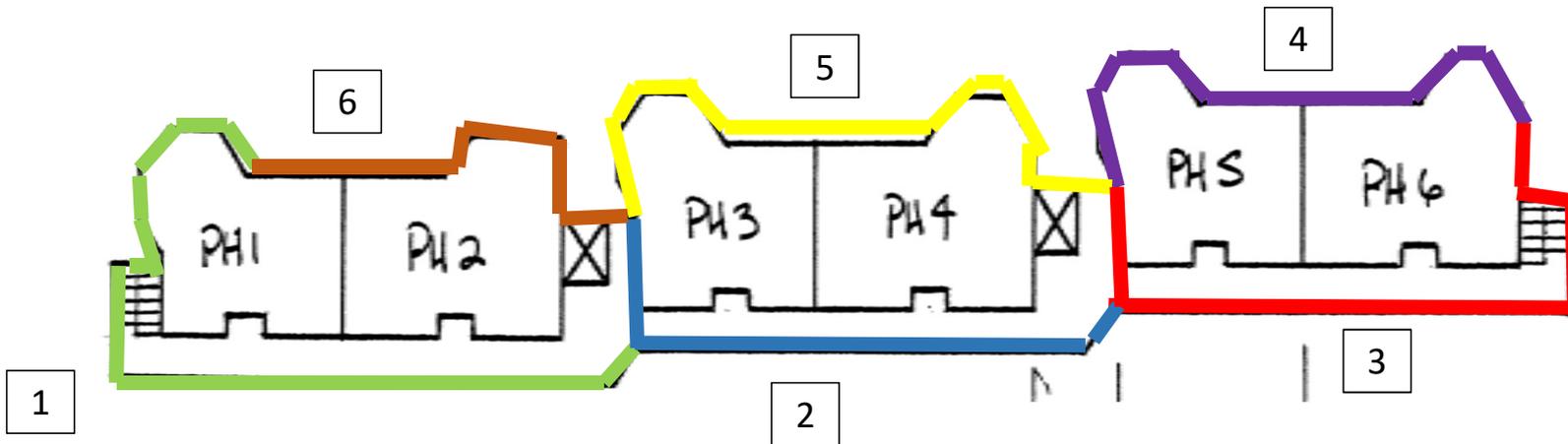
# Occupying the Gulf Building

- We will be shutting down one of the two elevators at times during the construction process.
- This will have to happen to protect the safety of anyone that might still reside within the building as walkways will be shutting down during the process. During the work, one elevator may not be accessible.
- Under no circumstances should anyone go beyond the barriers set up on the walkways!

# Assessments

- Our intentions are to assess the condo owners after each of the sections are completed to provide Excelsior adequate cash reserves without taking out a loan.
- Once the total bills are in from our contractor for a given section, the Excelsior BoD will hold an assessment meeting and give the owners 60 days to pay each assessment.
- The percentages on the following slide are not a reflection of the cost of the total building, but rather a rough percentage of the building's completion.
- Like the estimated % of the buildings on the following slide, the dates are also the contractor's and our best guess on timing for the individual sections. Some areas could take longer and some much quicker, depending on what is found.

# Gulf Building Construction Sections



# Assessment timing

- Assessment #1 – 25% of the Building – Sept 1<sup>st</sup>– Nov. 15<sup>th</sup>
- Assessment #2 – 10% of the Building – Nov 15<sup>th</sup>- Jan 1<sup>st</sup>
- Assessment #3 – 15% of the Building – Jan 1<sup>st</sup> – Feb 15<sup>th</sup>
- Assessment #4 – 20% of the Building – Feb 15<sup>th</sup> – April 15<sup>th</sup>
- Assessment #5 - 20% of the Building – April 15<sup>th</sup> – May 15<sup>th</sup>
- Assessment #6 - 10% of the Building – May 15<sup>th</sup> – July 1<sup>st</sup>

After all sections are completed, painting will begin and last 4-6 weeks. Then on to Building #4 to continue the process.

Questions??