

Dear Class A Members,

This is the first of regular reports to our membership about the status of rehabilitation of our docks.

Financial Status

Thanks to your overwhelming support, the board is pleased to announce that the minimum goals of our capital campaign to raise funds for our dock project have been exceeded. As of noon September 15th a total of 93 shares have either paid in full or one-half of the \$9,000 special assessment.

There are 6 shares that are completely processed or are in process under the “6 pay” plan.

There are 3 shares with outstanding payments that we’ve been told are “in the mail” or tied up in probate according to the members involved. Significant efforts have been made and will continue to contact the three shareholders who neither made payment nor have confirmed their status.

If the above proves correct, 102 shares have paid or committed to pay the special assessment resulting in \$621,000 in cash in hand and \$297,000 in firm commitments. In sum, the special assessment raised \$918,000 to be applied towards the rehabilitation project.

In addition, six shares have exchanged ownership among Bahama Village owners which has created another \$54,000 in receipts to be applied toward the project.

Your exceptional support in providing these funds means we will save considerable interest costs. We have the \$2,300,000 project loan in place, of which \$657,204 has been paid to Bellingham Marine and applied as a 25% deposit towards our fixed price contract with them. The deposit allows Bellingham to lock in costs for a number of key construction materials and set firm delivery dates despite the continuing national supply chain problems. In the future, Bellingham will be billing BVD as they progress through permit processing and the actual construction of our floats, pilings, and accessories. Owing to your outstanding response, we will be able to pay part of these interim payments from our special assessment funds, not the loan, which will keep our debt lower and our interest costs down.

Construction Status

As you know, the BVD board signed the contract with Bellingham Marine on 15 August with the understanding that work would begin early in 2023. The board met with the project manager and business development representative from Bellingham Marine on September 8th, and we were then informed that a February-March start on the work is in jeopardy.

Two elements affect the start date, both having to do with permitting.

1. On 9 September, our permitting consultant, Robert Mooney of Marine Taxonomic Services, LTD informed us that he is uncertain how long the Army Corps of Engineers will take to review and approve regulatory permits for our project. His estimate is now 6-8 months, but the permitting could take longer if there are concerns from other agencies. Mr. Mooney is very experienced and hopes nonetheless to be able to reduce the delay at any one of several possible choke points.

2. This delay raises another issue. In the summer months, environmental protections in place for an endangered species, the California Least Tern, restrict work on piling replacements for docks during their nesting period. This restriction would halt construction on our docks from June through August 2023. Our consultant, Mr. Mooney, is seeking an exemption for the Least Tern restriction in order to allow pilings to be removed and erected through their nesting period.

Bellingham has told us it will take approximately one month to pull the local Coronado building permit after regulatory permits are in hand. They estimate approximate demo and installation work start dates as follows:

With an exemption from the Least Tern restriction:

- Early Start: April 2023
- Late Start: June 2023

If the Least Tern exemption is not obtained, Bellingham will not be able to start installation work until September 2023. There could be more delays if there are additional permitting issues.

We were both surprised and disappointed that the permitting process had nearly ground to a halt, but this is both a dynamic and fluid situation. We will keep you posted on the planning progress as new information is obtained including information on temporary boat movements during construction.

Thanks for all your support, and we'll keep you apprised.

Bahama Village Docks Board of Directors