

Bald Head Island Friends & Family,

We hope this finds all of you getting back into the groove of life post-summer! We are writing you as a precautionary measure since hurricane season is well underway. WWP has learned much during, and in the wake of, Hurricane Florence - as have all the Island and its property owners – and wanted to have an open and honest dialogue about what went right, what went wrong, and what needs changing. In so learning, we would also like to share with you our new or changing operations policies for steps taken before, during, and after storms/hurricanes on the Island, so that you may make adequate preparations as well, if & when the need arises.

1. Loss of Use riders added to your insurance policy is HUGE. Please look into this if you are renting your property. It could be far more costly to not have this in place. Let WWP know that you do (or do not) have LOU coverage. This knowledge will help us to be able to help you far more quickly.
2. Understand your flood policy. This has been an intensely difficult lesson for so many of us on the Island. Flood policies generally only cover from the ground (point of flooding) to the top of the identifiable waterline. Let's also be frank in that the "top of the identifiable waterline" can also cause some dispute. Photos taken by our team immediately post storm helped some of our owners make cases for this very issue. So, then what about water damage INSIDE your home that was not from ground-up flood waters? That is where you need to check your flood and wind policies. DOES YOUR POLICY COVER WIND-DRIVEN RAIN DAMAGE? Not all do.... in fact, MANY don't!
3. Let's talk golf carts.... Hundreds of carts fell victim to flooding and ruin in the 2018 storm. Many of those hundreds were NOT covered by insurance policies! Some excuses by insurance adjusters were, "The garage door was down. Won't cover if it was down." (Yep, you read that correctly...That one got us twisted a bit, too.) Or, "The crofter above the garage is 'livable' space, so flooding in the garage is not covered." (Eyebrow raised yet?) Or, perhaps insurance between HO, Flood, and Cart/vehicular insurance just kept batting the ball across each other's courts as to who should pay? All of these happened and more. Please check your policies and know who really has your carts covered.

How WWP Helps: This was where we learned so much over the past year!...

Pre-storm, we did the usual...

- Get to every home as quickly as possible to secure outdoor items, furnishings, hammocks, etc;
- Helped owners contact their vendors to put up storm shutters;
- Contact renters when the voluntary evac was announced and start getting them out of the homes;
- Move carts from the flood-prone homes to an area we thought may be safer. Carts at homes that do not generally flood were secured in the garages of those homes;

What We Learned from this Stage:

- We need owners to let us know far sooner whether or not they want their shutters put up and who is doing the work. The contractors/vendors on the Island get bombarded with requests, most at the last minute, and many homes will not get done. It's better to make that call sooner and end up not really needing the shutters, than to wait and not be able to get them on. The sooner you can get on your vendor's list, the more likely your home will be adequately secured.

- WWP maintains a list of homes for which carts should be moved. This is a laborious task – each cart moved requires TWO team members and a bunch of time. This is in addition to doing the other storm prep items. We cannot put every property on the list – ONLY those who have had historical flooding under usual storm conditions shall be on this list. If you feel that your carts should be on this list, please let us know and we will examine the history of the home to make a final determination. Anyone on the list will also need to have a liability waiver signed stating that WWP shall not be held liable for any damages occurring in the “secure” location. Otherwise, it is best to leave your carts at your home so that they are more likely to be covered by insurance.

During & in the 2 weeks after the storm...

- Tried to keep owners updated when we could – power and internet willing, of course;
- Started notifying incoming guest reservations of the issues and helped to start filing insurance claims for guests who elected to have such in place;
- Started helping move guests who did not have insurance and try to forecast to the best of our abilities how far out that meant;
- As soon as it was possible to do so, WWP sent team members over to the island, with other businesses doing the same, to try and identify which homes were hit the hardest. Everyone who came over waded through the water and wildlife with head lamps and garbage bags. Emptied out horrific refrigerators, took photos and video where needed, and reported back to “home base” from that spot so that the reports could be sent to owners as quickly as possible.

What We Learned from this Stage:

- Hot, slimy shrimp and fish are incredibly (and nauseatingly) disgusting.... and can also necessitate the tossing of otherwise perfectly good refrigerators and freezers! Part of our storm prep will now be the trashing of any and ALL items in refrigerators and freezers PRE-STORM. There is no possible way to tell what effect a storm will have or how long power will be out – as Florence so graciously educated us. No chances shall be taken from here on. It’s less expensive to replace tilapia, beer, and condiments than entire appliances. Anyone insisting on leaving their effects in their fridge or freezer may incur fees from WWP in the event that we must clean out thawed seafood, meats, and other rather nasty/furry/gelatinous items. (We have 6 people whose olfactory senses will never be the same and still have nightmares about what was cleaned who can vouch for this!)
- We also learned that our thorough documentation methods work!! We will continue to employ these methods on behalf of our owners and make additional improvements as new technologies arise.
- Another unfortunate lesson learned concerns renters and insurance. We now understand more about how trip insurance works and acknowledge that many times we must look at individual circumstances to be fair – we believe that this is one thing that sets us apart from other companies. However, we are looking at ramifications for being far stricter on our no refunds policy during these events, concerning those who do not elect proper coverage. We welcome feedback from our owners on this, as being stricter is certain to affect repeat business for all homes.

October 1st forward, once the Island was opened back up...

- WWP started in “high gear” from day one and has not let up since. We immediately started assessing how far out reservations would need to be cancelled. In doing so, we discovered that there is a small window of time where the travel insurance will pay out to a guest. Homes damaged so badly that they would not be back in rental for many months posed an issue, as renters could not use the trip insurance they had purchased. Working with our owners, and also

many owners whose homes fared well, we were able to move, delay, or refund every renter, and help those with insurance fight for the benefits they rightly paid for. The bulk of this process lasted through December. We are still working with some reservations for homes that were projected to be completed but have had delays. While some companies on the Island charged owners for lost management fees (this is indeed something that can be done per the NC Property Management Agreement), WWP elected not to do so, as did a couple of other smaller companies on the Island. Afterall, we are all in this together, right?

What we learned...

- Whether or not to refund or move reservations that did not elect to use trip insurance is still something that we are struggling with at this time. This has resulted in a severe hit to WWP, even though we have the same overhead and still service every home in some capacity. We still do not like the idea of enforcing this, so we are working on how to still be able to help and keep our business running. Constructive and creative feedback from owners are welcome.
- WWP staff also spent many hours putting together Loss of Use reports for our owners with the information we had available. These reports, sent to insurance companies, have been amended many times since their inception - some as many as five times over the months. The reports helped most of our owners recover many tens of thousands in lost rental income. We never charged for any of the reports, no matter how many we had to do. We have also met, emailed with, and spoken with many insurance adjusters. Most homes required a different adjuster for each – flood, wind, carts – and many sent multiple adjusters over the months for the same properties. We did these things at no charge to our owners.

What we learned...

- WWP has always felt that we are partners with our owners. But we have learned that partnership works both ways. We will continue to offer our services, staff & resources for such things. However, in the future, there will be fees associated with these services, as they are not a part of normal property management. Our team is working determining what is appropriate and fair to all parties.
- We met with many contractors – both local and from out of state – got their info, spoke with them, etc. With the exception of one group who we ardently refused to work with (thank goodness), we sent all info out to our owners as help in securing repairs for their homes. Owners not only had repairs to manage, and new issues developing in homes daily post-storm, but also how to get the best funding from their insurance companies so that out of pocket costs did not pile up. We have, even to the writing of this letter, continued to work with local contractors and one group out of state who has come in to help with all aspects (insurance negotiation, demo, and rebuild) for many owners. This has also come with a great deal of new knowledge and procedures. We did the best we could under unprecedented conditions and with a lot of future unknowns. WWP even had to establish a new program and dedicate team member(s) to the monitoring of these homes, which will continue until the very last home has been completed in 2020!

What we learned...

- There may not be enough paper for this one. Local contractors were, have been, and continue to be drowning in requests. It is only logical that help needed to be procured from outside our Island, and we all just need to grin and bear it for now. However, because of how badly the “rumor mill” has churned with inaccurate information, due to the unknowns that cannot be quickly determined in situations like that which arose post-Florence, and because WWP does not wish to be held liable for the actions of others beyond our control or to be cast through the mud for doing our best to help our fellow Islanders, we shall no longer make recommendations

for, or “check into”, vendors who are outside of our normal Island servicing list, especially under the circumstances experienced by our Island over the past year. If we are approached by an outside vendor, we will be happy to pass their info along to owners.

- We have also learned that we will no longer accept rental reservations based off of “projected” timelines for massive repair or renovation projects. If a home is rendered “un-rentable,” then it will be placed on a maintenance hold until such time when the home has been deemed completed and a full walk through and inspection has been completed by WWP.
- We have learned the value of being patient and allowing some processes to play through to completion. In most cases, this has meant the difference between FULL insurance coverage versus only a fraction. Frustrations are definitely understandable. However, sometimes it may be worth putting a monetary value on those frustrations and deciding if it is worth waiting for the process to fulfill or not. We have seen monumental differences in insurance claims having been fought by individual owners (and still being fought), and those being worked on by people who do it for a living. Big differences.
- Lastly, WWP has continued to take financial hits in an effort to help owners who need help unpacking their entire home’s contents when it is returned, hanging wall art, deep cleaning, etc. In most cases, this has also meant that the home could not be properly “exercised” before the first rental and this has caused many surprise issues with appliances and HVAC systems for us. WWP has tried to cut billing of man hours severely in order to be helpful to owners. We will not pass the billing for these items to vendors, with whom we have no contract for services. Any billing will go to the owners. WWP shall look at a new billing schedule for such services, understanding that these services do not necessitate special or highly skilled workmanship.

While the above represents a short-list of all that has encompassed the past year, we wanted to make sure that we impart our own learning and understanding to our owners, who may have more to contribute that could be helpful in future occurrences. We hope that you will offer your valuable and constructive feedback and thoughts on the enclosed items, and also offer any additional things that you have learned in this process. We will be happy to share your experiences and new wisdoms – insurance, contractors, services, rentals, LOU, etc – with other owners who may need such information to also be better prepared in the future.

Respectfully,

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