



VINTAGE GRAND CONDOMINIUM ASSOCIATION NEWSLETTER #11

The Vintage Grand Condominium Association Newsletter

The newsletter is a team effort of the Vintage Grand Board of Directors and reflects the input and review of each of us. Our goal is to provide key information through this newsletter on a biweekly basis. More time sensitive information will be communicated by President's Letters or owner update e-blasts between newsletters.

Key Goals and Priorities for 2018

1. Continuous progress on the remediation of buildings
2. Renewed focus on the care and maintenance of grounds and common elements.
3. Proficient and professional management of the day-to-day operations of our association
4. Open two-way communication with owners

1. Building Remediation Update

Work Completion Status – First Five Buildings

- Project close-out and warranty documents are still being finalized by Elias Brothers and Delta Engineering. As part of their project close-out process, Elias Brothers has also sent a letter to the association requesting that we reconsider our position on the \$10,000+ window sill payment issue that was discussed in an earlier newsletter. Board members have conferred and we stand by our previous position that the association will not bear an extra cost for window sill replacement, as this forms part of the services included in the contract price.
- The planned grading and landscape restoration work around building 17 is currently on hold, pending resolution of issues with our irrigation system that are described later in this newsletter.

Next Phases of Remediation (remainder of 2018 through end of 2020)

- R L James started demolition and damage discovery work on the rear (lake) side right corner elevation of building 14 two weeks ago, but had to suspend activity because Sarasota County has not yet approved a construction permit for the project. The permit application was submitted by Delta Engineering on May 24, but the County has not moved on it, apparently due to a work overload problem caused by the current high levels of construction activity throughout the County. Last week, an appeal was made to Kathleen Croteau, the County's lead Building Official. She said that she would try to get our permitting work expedited through her office.
- We find it interesting that in 2016 the County was ready to condemn our buildings as they required immediate repair yet in 2018 with 23 buildings unrepaired they are taking over 2 months and counting to issue a construction permit for the required work.
- This week a "mock-up" of damage repair and building bracing procedures has been completed, evaluated and approved on the exposed end of building 14. Next week, a mock-up of plywood sheathing, Tyvex building wrap and window installations will take place at that same location. These mock-ups are completed to ensure that the engineer, contractor and material suppliers are "all on the same page" regarding details of how the work is to be performed. After the mock-ups have been

completed and approved, no additional work can take place until we receive a construction permit from Sarasota County.

- Due to the construction permit delay, we are now at least two weeks behind the project schedule that was communicated on July 20. Once the permit for building 14 has been received, the project team will develop an updated schedule which will be shared with all owners.

Status of Legal Proceedings

- Dave Carter and Joe Joseph had a conference call with our construction attorney, Salvatore Scro, on August 14, and received an update on the various legal proceedings that are in progress related to the building remediation project.
- The current expectation is that there will be no movement toward a settlement of our \$15 million “building collapse” insurance claim until an arbitration hearing is conducted in the State of New York, involving the largest insurance carrier that participated in our 2016 insurance policy. The arbitration process will likely push out the timeframe for any potential settlement offer into the spring of 2019. (Our attorney had predicted earlier that the association would receive some type of settlement offer by mid-2018).
- Our attorney stated that he thought that the start of either a trial or settlement negotiations with the developer regarding our warranty claim would also occur in the spring or summer of 2019.
- Joe and Dave will be conferring again with Sal in late August and on a monthly basis thereafter. Owners will be kept updated on what is going on through these biweekly newsletters.

Engineering Evaluation

- We announced in our August 3 newsletter that the Board and Glenn Aitelli have been collaborating to develop specifications for an “engineering evaluation of alternative discovery and remediation methods” to be conducted in the fall of this year. The objective of this study will be to identify ways that the association could reduce its per building remediation costs going forward, without compromising the goals of the project. An outline of the planned study will be reviewed with our construction attorney to ensure that it does not interfere with the above referenced legal proceedings. Then a specific Request for Proposal (RFP) document will be developed and presented to the board of directors at an open meeting, perhaps as early as the next board meeting (now tentatively scheduled for September 3). After board review and approval, the RFP will be sent to Delta Engineering and at least two other competing engineering firms that are licensed and insured to do business in the State of Florida.

Owner Questions

- Any questions about the building remediation project should be directed initially to Glenn Aitelli. He will answer as many as he can on his own and refer the more complex or policy-related questions to board members for their review and response. He will also help ensure that the responses for frequently asked questions are communicated in our biweekly newsletters.

2. Grounds and Common Elements Update

Property Improvement Updates

- Gutter cleaning is nearing completion for all buildings.
- Dryer vent cleaning is underway.

Contractor's Dumpsters

- Our contractors for the remediation project, first Elias Brothers and now RL James, have been plagued by residents putting household items in the contractor's dumpsters. These are intended for construction waste only, and the contractor incurs dump fees for disposing of the contents.
- We have repeatedly posted signs at the dumpsters and around the property instructing residents to not use these dumpsters. However some choose to ignore this. We will begin fining any violators who can be identified.
- To our surprise one of the individuals placing items in the dumpsters is a property manager hired by many owners of our Association. The RL James dumpster was on site less than a week when this property manager was seen dumping a table and chairs into it!
- Please reinforce to your tenants and property managers that items must not be placed in the contractor's dumpsters and instead should be properly disposed of. Fines will be levied.

3. Proficient & Professional Management of the Association

The Saga of the Irrigation System

- In-ground irrigation/sprinkler systems are a key requirement of large Florida properties such as Vintage Grand. Last fall our irrigation system was not consistently working. The 2017 Board sought bids from suppliers for the repair of the system.
- Two bids were provided to Board members and voted on at the November 7 2017 Board meeting. One bid was from Oakley Landscaping, an existing vendor to the Association that provides us with monthly landscaping services. The second bid was from a new vendor Electro Mechanical South of Florida Inc. Acceptance of the Electro Mechanical bid, at a cost of \$43,900, was recommended by then property manager Bob Kresnik, moved by then Board President Bill Wild and approved unanimously by the Board.
- The bid document was sent to our association attorney for review and he prepared a construction contract for execution. We have recently become aware of an email from our Association attorney to then president Bill Wild and then property manager Bob Kresnick on November 24 2017 expressing grave concerns, as there was no record of Electro Mechanical South of Florida Inc in the state's registry of corporations. Further, the owner's previous entity was dissolved by the state of Florida in 2013 for failure to pay annual corporate fees. Joe Gianino and Jackie Vizzi, who were both Board members at that time, were not shown this email or made aware of this "red flag".
- Attorneys prepare contracts that are appropriate from a legal perspective, but they are not experts on the business aspects of the services contracted for. This contract was for installation of a pump and pump system, and it is standard practice for contracts of this nature and amount to include language around acceptance testing, that the pump system consistently works, prior to final payment being required. There is no such language in this contract. It is discouraging that Vintage Grand management had the resources of Argus, the largest property manager in the state of Florida available to them yet the former Board President Bill Wild signed a contract with this significant omission on December 4, 2017.
- Very soon after installation in January 2018 the pump began to malfunction. The pump has overheated, caused pipes in the irrigation system to melt, the pipes have been replaced, they've melted again, and the pump system has essentially failed to irrigate the property eg: Maintenance staff would set the timer to turn on the system overnight and it would never turn on. Across the property grass patches were brown and plants were under watered. As a partial workaround, Maintenance manually activated and monitored the irrigation system across the many zones, which was very time consuming over many months. Fortunately rainfall over the last two months has helped keep the property lush.

- After repeated service calls during February to April from current Board President Joe Gianino (calls under warranty as per the contract) Electro Mechanical was continuously unable to get the irrigation system to perform. Nor did they identify the root cause of the problem. Joe Gianino was personally present at the pump location for all of these service calls.
- From February to April this issue was a constant topic of conversation among staff and Board members. During this period Electro Mechanical invoiced the Association for all service calls, despite these being under warranty. Our then property manager Gina Fouquet promptly paid each invoice, despite the discussions regarding non-performance. During these months she did not, despite numerous requests, provide the President Joe Gianino or Treasurer Karen Domaratzki with copies of any invoices payable. The Board was only aware of invoices after they were paid. Further, the property manager did not read/comprehend the contract with Electro Mechanical, for had she done so it would have been apparent that the invoices were issued in error and payment was not required due to the warranty. Review of contractual terms prior to releasing funds is a basic requirement of a property manager.
- On then property manager Gina Fouquet's last morning with Vintage Grand at the end of April 2018 she finally provided the Treasurer with the current invoices payable. These had been approved by her acting unilaterally and sent to Argus for check issuance. Karen Domaratzki reviewed these and saw a payment of almost \$2,000 authorized to Electro Mechanical. Karen swiftly called Argus accounting dept and instructed that this check be cancelled.
- Current President Joe Gianino has worked tirelessly on getting the irrigation system working. He has made many inquiries and researched solutions, and called in two other companies to assess the irrigation system issue.
- On August 7 2018 at the request of Joe Gianino and with the agreement of other Board members our attorney issued a letter to the parent company of Electro Mechanical providing notice that unless Electro Mechanical corrects the problem with the pump system within 10 days the Association will have the necessary work performed and seek to be reimbursed from the parent company. It may be necessary to do this through a legal suit.
- The non-functioning irrigation system caused us to delay the landscaping work around Building 17 as it was not prudent to plant new shrubbery when we have no reliable way to water them.
- We'll keep you posted as this unfolds. While it gives us no pleasure to disseminate this information, we are committed to providing transparency of the Association's activities and obligations to members. It also illustrates the improper practices of the past that this Board and management are currently in the process of remedying.

4. Two-Way Communication with Owners

All newsletters are posted on the website in the Owners section, for handy reference.
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