

## **Association Developer Update**

November 2010

Dear Unit Owners:

This letter is to provide a narrative history of the latest Association's attempts to rectify the Developer construction delinquencies.

When the property was turned over to the Association by the Developer, the Board of Directors engaged Atkins Engineering to provide a turnover report and guidance on construction delinquencies. Listed were almost 200 problem areas.

At the beginning of the year, a construction committee was formed; the members of this committee include Sid Gimbel, Bruce Pernick, Merrill Cohen and Susan Pernick.

The committee met with Steve Lesser, construction attorney, to discuss strategies that would best suit the Association. Steve was very helpful in separating the "important claims" from the one hundred or so minor claims that would cost an inordinate amount of money to pursue with no hope of return. The sheer number of claims would have also made any settlement talks impossible to conclude or would have been thrown out with any settlement. Steve was instrumental in short cutting the process and the money being spent. We were left with four main items:

- 1- The driveway
- 2- Sliding glass doors and windows
- 3- The fountain leak
- 4- The corroded beam in the garage

As mention in the financial update letter, the reason for additional expenses in engineering was due to the lack of depth exhibited in the original engineering reports provided by Atkins Engineering. It was determined there was insufficient engineering documentation to have any sort of settlement whether it be directly with Mr. Margulies, mediation or a law suit.

The Board selected Karins Engineering to provide in depth analysis of the driveway and the sliding glass door and windows.

We are hoping a “face to face” November meeting with Mr. Margulies can be successful for the following reasons:

- Mr. Margulies appears to have finally recognized the seriousness of the driveway problem.
- He has indicated he was willing to take care of items 3 and 4 on the above list.
- The ultimate responsible party for the sliding glass doors and windows appears to be RC Aluminum, which the Bellini and Mr. Margulies are both likely to go after.

One of the items that was discussed was the calcium dripping, currently being exhibited by over 30 balconies. The reason this item was not pursued against the developer is the fact that individual unit owners are responsible for maintaining their respective balconies. The Association is currently working with a general contractor to provide bulk pricing for necessary repairs if individual unit owner would like to take advantage of the same.

If the direct meeting with Mr. Margulies does not resolve the issues, the Board has a scheduled mediation date of December 13, 2010.

Thank you for your continued support,

*The Board of Directors*