

SANDAL COVE II ASSOCIATION, INC.

Board of Directors Meeting

date, at 10:00 AM

Ameri-tech and Zoom

Started at 10:00 am, adjourned 11:26am

Chairperson & Community Manager, Angela, LCAM.

Present:

Attendance Via Zoom: Tony, Rhea, Patrick, Chris B, Kris K, Fenicia, Lori I., Linda, Janice, Debbie

Attendance in-house: Bob, Sandi, Dave, Donna

CALL TO ORDER: 10:00

CERTIFY QUORUM OF THE BOARD: present & online

CERTIFY PROOF OF NOTICE: posted on bulletin board & sent in email

CERTIFY MINUTES FROM LAST MEETING: no questions, Bob Motioned to move on, Rhea 2nd, all in favor

Review of Financials: Bob Motioned to move on after no questions asked, Rhea 2nd, all in favor

Motions:

-Bob motioned to accept Cynthia Dominic's resignation, Patrick 2nd, all in favor.

-Bob motioned to engage attorneys Greenberg & Nikolof to clarify contract provision of contract and possibilities to move forward.

-Bob motioned to engage Southern Building Rehab Group to view contract and ask as PM, after discuss possible conflicts of interest with attorney.

-Bob motioned to adjourn meeting at 11:26, Patrick 2nd, all in favor.

----- Rest is probably not needed to be on website-----

Summary of Tasks for BoD and LCAM:

-Bob to meet with Behr & Jason, 7/10/2026 (also ask if potential conflict of interest as they were prior bidders)

-BoD to gather lists and pictures of electrical and materials vs wood count, email to Andrew and attorney before meet with attorney.

-Angela request meeting time with attorney

-BoD to meet with attorney to review contract vs discrepancies, get advice and check about conflicts of interest if prior bidders take on any roles going forward.

-ask lawyer is would/should Halenkamp pay for the ones they painted.

Notes from meeting:

Bob called meeting to order at 10am, stated have a quorum, proof of meeting had been sent 48hrs prior, asked about minutes – no one had questions. Asked if any questions on financials, no one had questions.

New Business: Cynthia Dominik resigned, Bob thanked her for her efforts.
Bob motioned to accept Cynthia's resignation, Patrick 2nd, all in favor.

Old Business:

Bob synopsised the current issues with Halenkamp and the contract
On April 20 this year, contract with Halenkamp had been signed and work started.

Power washing and painting started w/o permits. Were told permits are needed for carpentry and construction but painting could start without permits.

However, this is out of order, and out of standard procedure.

Since contractor said starting paint was alright, we okayed verbally with Ameri-tech and Bob.

Were told when we get the permit, then work on wood would start.

Halenkamp started painting without doing any patching, nor any 4" trenching of mulch away from buildings.

There are many issues with the painting work that has been done to date.

Halenkamp claims these issues are ones that would be addressed as "punchlist items" to be done at completion.

But, the association kept calling out issues.

Meanwhile, the wood came early for B1007 and work started on the 1st floor repairs.

Bob was verbally told Dennis was blowing up the cost of wood, which raised RED flags.

June 5, 2026, we received an invoice from Halenkamp.

The first invoice received prior to the start of the project was 25% down to mobilize per the contract.

The first draw was to be for "completion of structural repairs"

The first draw invoice on 6/5/2026 was “non-compliant” as it included materials, labor, wood. NOT per the contract.

Though we had agreed they could start painting before the permits.

Bob questioned the payment.

Dennis resubmitted the invoice but received no guidance from Ameritech regarding how to handle the 2nd invoice.

Angela said:

The original contract stated 25% and had a breakdown of structural repairs 2nd invoice had the breakdown per Bob’s request but was now \$140K, so at 25% Halenkamp wanted \$83K.

Bob:

First: need an attorney to check the contract

which listed wood by unit types and then times 8

When we signed that contract we understood it to mean each unit got x amount of wood and that was multiplied by 8 units as there are 8 units.

Halenkamp in our last meeting said NO, the 8x was just a reference that there were 8 units of that type.

So, we need to address the discrepancy.

Also, we need to review the invoice

The contract said \$110K was for wood and replacement, not wood used.

But invoice is for purchased wood at \$110K and now also includes labor

Invoice for 1st draw indicated labor rate for wood installation was

\$126/linear foot – which is notably unreasonable. This was also not specific in contract.

Looking closer, issues continued with 4 or 5 units on the 1st floor of B1007.

Bob found that building permits were needed in Pinellas county for any work done of \$500, so he stopped all work by Halenkamp. Both Halenkamp and Ameritech said they were not aware of this requirement.

Ameri-tech withdrew Phil & Angela as project managers with no cost to us.

On June 24, Bob, Patrick met with Halenkamp & Ameri-tech (Phil & Angela) to go over invoice vs contract but no issues were resolved.

Bob called for new advice and contacted Jason French (now VP at Southern Building Rehab Group, but had been with Munyon), and had spoken to Tom Crosier yesterday (Pres of SBR group).

Behr reps were here yesterday, 7/8/2026, for an hour and a half, looking at and discussing painting issues.

Bob asked BoD if there is an interest in moving on with SBR group. Also contacted Chris Borderlin.

Chris from Behr only does paint, not wood.

Tomorrow Bob and BoD will meet with both SBR group & Behr for further discussions, but won't sign anything.

Need to meet with an attorney to review the contract for the number of wood pieces, the invoice and all the non-compliant invoice to determine whether to pay or not pay invoice if invoice is not compliant to contract. Written change orders are needed for anything not specifically in the contract.

Need to continue to get advice on the construction. Both SBR group Tom and Jason have 30-40yrs experience.

Bob has already contacted an attorney with HoA experience at Potter & Bayern which would cost us \$450/hr.

We had attorney at Greenberg & Nikolof before who reviewed Halenkamp contract and made sure we were covered/protected from a legal point of view, but did not review paint and construction details.

The cost of consultation with SBRG is \$150/hr. .

Bob was open to discussion by BoD.

Bob stated we have options:

1. Per contract we could terminate "for convenience", pay for the materials purchased and pay 30% to get out of contract, and pay for supervisor at \$105/hr and \$87.50/hr for each laborer.
 - Mobilization would cost 25%
 - So need attorney advice
2. Or terminate for cause, work not done by contract (paint vs stucco), cure w/in 30days.
 - still need attorney advice
3. or we could get a mediator for SC2, Association and Halenkamp, that would be thousands of dollars
4. or we could meet with an attorney and SBRG group to get the certified general contractor point of view and get legal advice then work out a path forward.

Bob stated we have no PM now, and we could hire the SBRG group.

Another issue is that

Halenkamp illegally painted some electrical panels in B1007 & B1009 laundry rooms. An electrician reviewed this and recommended these not be cleaned but needed replacement.

We have 2 brands of breaker boxes (Zinco & Federal Pacific) which are both old and not safe. These should be replaced regardless for insurance purposes. The estimate from one electrician was \$15k/building.

The question to ask the lawyer is would/should Halenkamp pay for the ones they painted.

Tony asked: where does Halenkamp stand at this point, what does Dennis want to do?

Bob: Dennis says he “stands by his work, they did an excellent job, all things we noted will be fixed at the punchlist time”.

Bob said the carpenter/Nick did a good job with the wood.

Patrick:

At the meeting on 6/24/26 we reviewed the contract vs the billing. The phasing, sequencing/prep are not up to standards. Patrick has issues with this contractor.

Behr rep yesterday said Halenkamp did poor workmanship, apprentice-level work, and the process was not what he expected from other contractors.

Work should be phased-in, paint should be last. Work should have been done in sequence per each unit.

Of the opinion that these guys are not qualified to do this work. Not qualified to do the safety-related work yet to be done.

Workmanship is not up to par.

Woodwork was done well by Nick.

Materials vs budget were “blown through”.

\$110K for removal & replacement was estimated for 6 assembly types.

Dennis said we needed 3984 linear feet of wood, while Patrick measured 3163 linear feet.

The issue is the times 8.

But Dennis’s quantity was for the whole project which still would not have been enough.

Patrick is not pleased.

Building standards are don't paint electrical panels and then don't try to clean them with solvent!

No cost was listed prior to the 20th start date. No schedules or estimates. Now billing is not per estimate.

The cost of installing wood should be \$10-16/linear foot not \$126/linear foot as Dennis is charging us.

Tony asked Angela: Are the issues with Halenkamp valid? Or are these even big issues?

Angela: As to the contract or invoice, she couldn't explain.

But as to the sequence of work, yes, this is typical, not right or wrong.

Electrical panel, some were painted, though Dennis said they only painted the ones that were already painted. (But Donna has pictures from 6/12 that b1007 unpainted left side breakers but now are painted.)

Angela: Dennis had walked around and looked at the wood. Then Patrick came in after the signing, could've been before to avoid the mess. Dennis wants to be reasonable but said this level of demands was not what was discussed.

Behr reps came weekly and said everything was moving along and looked ok, they had no concerns. Even gave a weekly report to Phil/PM and Angela.

Angela: Need to discuss with an attorney if back out, and should know the fine print and any liability.

And that we should let the attorney know what we want to do, or are thinking of doing.

If Dennis wants to walk away, it'd be ok.

What about mediation or arbitration?

Bob: Dennis wants to come to complete the job.

Patrick: Sequencing should be done by the general contractor's standards.

If Halenkamp comes back they will have to redo some things. But, that would be inefficient for Halenkamp. They were working on "bulk work".

Rhea: Is paint warrantied?

Bob: Behr says yes. 10yr materials and labor warranty for any paint peeling.

But if primer/sealer/paint had been applied improperly? They would have to check it itemized.

Bob explained the “punchlist” allows for 10% of cash to be withheld at the end until we are satisfied with work.

Bob:

- need provision to release payment. 1st draw was for completion. BoD would need to approve payment, but it is not approved at this time.
- Contract was not followed
- Invoice is an issue

Phil/PM said on record that he had not read the contract. Only the attorney had reviewed it.

But, as the PM for this project there were expectations of management. BoD has fiduciary responsibility.

EIRS had written up a Project Manager description stating the duties being: responsible for deadlines, budget, scheduling, communications, inspections, payment per contract, etc... that was very similar to what Ameritech outlined for project management in their document. Bob read off all the things Ameritech stated they would do as outlined in the Ameritech project management document.

But these PM expectations were not met.

Angela: PM cancelled us due to discrepancies.

Attorney did review the contract.

Phil and Angela did walk around.

But cancelled us as they couldn't provide expectations.

They had advised us to hire a PM (which typically costs 20% or more, not the 5% they offered).

But we needed more.

Bob:

But until Ameri-tech backed out, they were still the PM,

If a contract was not read, how do you manage a project?

This is a large reason why we're at this point now.

Angela: Behr rep had no issues, engineer too had said it was ok. Issues the association brought up were discussed.

Patrick:

Exhibit A of contract, section 4 specifies milestones and critical paths.

Expectations per contract were not met.

Angela:

But Dennis suggested painting and BoD agreed.

Then decided all wood needs to be replaced 3x, after Patrick emailed and agreed on.

Bob:

The PM recommended that we start painting, so we said ok. But issues came up when things were not done properly. Now, the punchlist will be huge.

There are lots of issues to work out.

Regardless of where we're at, we need to decide on the options, and need attorney and GC advice.

We can't decide on any costs yet, as we don't know what will be done going forward.

All BoD are owners, and have fiduciary responsibility to come up with what's good for all.

Rhea: But Dennis has issues.

What if Dennis doesn't want to work with Patrick.

We are the customer, he should work with us regardless. Have we had a discussion with him?

Bob: no

Rhea: would Jason act as PM? If hire on as consultant?

Bob: per BoD approval we need to hire an attorney to read the contract, review wood (8x) as a contract not as what Dennis intended it to mean.

Tony: the past is the past

Money estimated for wood vs contract needs to be resolved with Halenkamp.

Need an attorney.

Rhea: What would be the cost of wood and labor?

Tony: square up the numbers with Halenkamp.

Patrick: contract estimated per assembly (unit) times 8.

On 6/24, Dennis said for "all per project" but estimated on paint times 8, then subtotal and then again times by 8.

So, extended quantity times 8 in one section.

but is different for another section in the contract.

Angela: Dennis said wood listed per unit type was not times 8, but did say \$126/linear foot was averaging, it would cost more on 2nd floor if scaffolding needed.

Rhea: based on discrepancy, recommend asking an attorney to clarify or move on and ask how to move on what grounds.

Angela: Need an attorney

Rhea: Bob need attorney

Patrick: Discrepancies seen

Rhea: Motion to contact an attorney. G&N to review, which costs less. Need to draft a response.

Patrick: 2nd motion.

Bob: Discussion?

Tony: Ask an attorney how to kill the contract. And now to resolve, need actual requirements not what we have

Need advice after they look at contract vs interpretations vs invoices.

That's what the 1st step should be.

Bob: Agree with 1st step. 2nd should be how to continue. Need to find HoA expertise.

Rhea: Motion to engage an attorney to clarify contract discrepancies (from estimate, vs invoices, vs materials of wood and 8x), and get advice of any ramifications and best case scenarios.

Tony: motioned to spend money to hire an attorney.

Bob clarified motion:

Motion to Engage Greenberg & Nikolof to clarify contract, provision of contract, possibilities of moving forward, and advise on any conflicts of interest if hire previous bidders to replace GC or PM.

Rhea 2nd, Tony and Patrick agreed, all in favor.

Bob motioned to engage SBRG to review the contract and work as PM.

Angela: need to ask an attorney if there would be conflict of interest, since EIRS/Art and Tom K/SBR used to be in EIRS (now have split company and Tom may still have 30% interest). Also Jason was part of Munyon during a prior bid, and SBR also had scoped out work and PM role during our bidding process but had pulled out.

Ask an attorney first.

Bob: motion to consult SBRG upon advice of attorney. Patrick 2nd, all in favor.

Bob asked if any other questions from BoD, none; so asked home owners.

Dave: So, are we in limbo now?

Bob: Yes.

Angela said she had just emailed an attorney for a time to meet.

Sandi: Do we have any other companies who can take over if Halenkamp backs out or if we fire them?

Bob: said he had called Bill Taylor/Munyon about labor and materials and they were open to check back.

He had called Art/EIRS, he could manage it.

Munyon initially had not explained well. We thought that their way of bidding the project would be like giving them a blank check.

“An assembly” would first look at cost and what’s seen and at lower cost, then could base a change order off of that and agree.

Patrick had also talked to Edge.

Donna: Do Greenberg & Nikolof specialize in HoA and “construction terms”, or only in legal protection?

Bob: They do specialize in HoA, but the contract was only checked for legal protection.

Fenicia: asked Angela if both of her SA checks had been received, as 1 had not cleared yet. (Angela later replied 1 check received yesterday on the 8th.)

Dave: Do we still have to pay the special assessment?

Bob: Yes, need to have money to continue, so don’t waste time later

Lori: Can we start the gutters/downspouts now, as these were the causation of our issues...

Bob: will ask GC if that’s ok, but probably not as there is still stucco and paint issues and might require redoing later.

Bob: Will get clarification during the meeting with Behr and SBRG group tomorrow, and check if there is a conflict of interest for Dennis. Meet but don’t hire yet. Patrick could sit in on the meeting too.

Sandi: Can permits be transmitted to a different contractor later?

Patrick: yes

Donna: would we lose time in the permit queue if we change contractors?

Angela: Permit not active until it's paid. Angela had advised Dennis not to pay, per Bob.

Bob: We are not where we wanted to be, but BoD is working hard.

Bob: motioned to end at 11:26, Patrick 2nd, all in favor.

Fenicia: Thanked all for their work, Dave also thanked BoD.

After meeting: Angela out for 3 weeks, Andrew or Phil can meet with Lawyer and BoD. Suggested we send any pictures and lists to Andrew to forward to attorney prior to any meetings