

ISLAND PARK VILLAGE, SECTION VII, CONDOMINIUM ASSOCIATION, INC.

C/O Pegasus Property Management
8840 Terrene Court, Suite 102
Bonita Springs, FL 34135
Phone 239-454-8568
Fax 239-454-5191

To: Section 5.2 Board of Directors

RE: Conference Call with Board, Management, EBC and Adjuster Doug Malone

SUBJECT: The following is a summary of a conference call between EBC (Roni, Rami, Renee and Joe Sr.), Section V.2. (Rick, Ed, Rita and Jennifer) and Doug Malone, flood ins adjuster:

ESTIMATES

Doug acknowledged he had received the 3 EBC estimates and had a chance to briefly review them.

Doug started reviewing items on the EBC estimate, explaining examples of what would and would not be covered. Examples of things not covered by flood insurance; admin fees, waste containers, cleanup charges, especially post construction cleanup, and indicated service charges are not generally covered. Doug stated, items covered are pretty much limited to actual materials and work. Doug went on to discuss allowances in general and acknowledged he recognized some items (e.g. cabinets, flooring, etc.) were higher in price than what he originally estimated. He said he did not have issues approving higher prices for those materials and supplies. He noted the exception was drywall and explained the pricing as they saw it. He further noted the price EBC had for drywall in the 3 EBC Xactimates he had were excessive and would not be approved for payment.

WHAT IS COVERED?:

Doug was asked about what types of work and work locations would be covered and which would not?

Repiping and electrical – Covered as long as it was damaged by the storm (and should be documented pre-repair) / Not covered if only repaired/replaced due to code violations.

Garage – Doug explained that due to when our units were built, code required the living space to be at a minimum elevation. He stated all garages in Sec V.2. were all below grade and thus not covered, except for the water heaters (essential to the unit) and the drywall (firewall) between the unit and the garage (if it is damaged.).

Electrical – Doug and Ed pointed out there is a \$4,000 - \$8,000 allowance for electrical repairs work to be done for each unit in his estimates.

Insulation replacement / crawl space work – I apologize, I remember this work being mentioned but did not write fast enough to note what was discussed. Ed, maybe you can recall?

Overhead & Profit – Doug indicated they allowed for a 10% charge rate for each. EBS (Joe Sr.) asked if allowances were approved for O&P and Doug indicated in his experience, he only remembered one storm where a higher allowance was made and that was to 15%. He said O&P does not go above 10%

AC / Heaters / Duct (repair, replace, cleaning) – Doug indicated none of this was covered by flood insurance.

Big ticket items – Joe Sr. introduced an example of Doug's price compared to the actual local market price for slider doors. Doug acknowledged he knows his estimates for some "big ticket items" like sliding doors and cabinets were low. He acknowledged our units were each unique in furnishings and said they will allow for higher prices for these items than originally estimated. He said he would allow for higher prices for these items.

SERVPRO DISCUSSION:

Brief sidebar discussion on ServPro Invoices?

Serve Pro invoices and pricing came up and Doug briefly addressed them. He indicated he remembered some of the invoices he reviewed SP had dehumidifiers in some units up to 30 days or more. He said insurance would normally cover 3-5 days use for dehumidifiers. I believe he brought this up as just one example of the many, many issues with the invoices.

SUPPLEMENTAL CLAIMS:

EBC asked about submission of supplemental requests?

EBC asked Doug how the supplemental estimate process worked. Doug instead offered to conduct a review of the EBC estimates and work directly with EBC and Jennifer (I authorized her to be the contact point person for Doug) for units 17601/03. He pointed out he was confident that if they could work through the process with this building and get it approved, then subsequent estimate submissions should also be approved when EBC would submit them. He warned once he submits them to the carrier it has been 4-6 weeks minimum for final approval and money release. Doug said to try and help speed the final review up, by personally contacting them and asking they make this estimate a priority for this first round.

FINAL THOUGHTS

That was pretty much the end of the call. To be honest, EBC representatives were quiet for the most part during this call. I could not get a read on what their opinion was of what was said to us by Doug.

I would recommend we collect any questions we have from this meeting and route them to Jennifer for her to communicate with Doug.

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