

Antigua Condominium Association

Minutes of the Meeting of the Board of Directors (Executive Session)

October 29, 2024

The meeting of the Board of Directors of the Antigua Condominium Association was called to order by Randy Ditch, president, on October 29, 2024, at 7:00 p.m. The meeting was held via conference call. The following directors were present: Randy Ditch, Kat Ilkhani, Mike Keenan, Robert Mayer, Bonnie Medford, Sheri Miller and Ellen Schweiger. Mary Dischinger and Mike Falkner were not present.

Executive Session

The board met in executive session pursuant to Maryland Condominium Act §11-109.1(a)(3), (4) and (6) relating to the East Coast Contracting coating contract.

Robert and Randy reviewed the recent developments with respect to the East Coast contract. The coating contract was signed July 18, 2024. Construction was to have commenced on October 7, 2024 with preliminary mobilization to be done in September. On September 4, 2024, we unexpectedly received an email from the coating contractor placing the project on “hold”. The stated reason was “Although we have discussed and provided alternate options to Kirk in reference to the substrate preparation we still do not have a clear vision of what is expected of us.” This is the issue of whether they needed to put a parge coat on the building or could proceed with a different method that Kirk had told them he did not approve. We have discussed this at the fall owners meeting and the last board meeting.

The board previously carefully reviewed the coating options. The board decided that the only manner in which we could reasonable proceed was with a parge coat as we had always expected. We agreed to a change order for \$225,000 for the parge coat texture because it was not included in the original bid. We sent the proposed change order to the contractor on October 15, 2024. We expected it to be signed, a bond to be issued and construction to begin. We grew concerned by the unexpected delay when neither the signed change order nor the bond was forthcoming.

On Saturday, October 11, 2024, the contractor advised us that the bond had been declined. The contractor suggested starting on one stack without a bond. He listed four positive aspects to this approach:

- We would be able to further understand the costs associated with the demolition aspect of this project.
- Give us further understanding of time needed per drop for future scheduling.
- Allow additional time to obtain bond.

- Give the board a clear vision of the finish product.

Various board members saw red flags with the bond issue being decisive and no longer have confidence in the contractor.

Robert reported that the other three bids that were received — all of which included a parge coat and texture — are substantially higher. An additional special assessment will be needed to complete the project. In addition to the special assessment of \$10,850 the owners approved at the May owners meeting, we will need between \$6,500 to \$8,500 more per unit. The schedule for the work depends on the selection of the contractor and its availability.

Robert reported on conversations with Jim Almand, the association's attorney; Cindy Mooney, the association's property manager; and Kirk Parsons, the association's consulting engineer for the project. Jim reported that he had obtained two judgements against East Coast. Cindy spoke with two engineers she works with who said that bonds are usually declined when there is a performance issue or a credit issue. Kirk felt that bonds were usually approved within a few days unless a new credit application was being submitted. He was uncomfortable with East Coast's past disclosure and had the thought of what next.

The board discussed the difficulties of having a contractor default after having started the job.

It was discussed whether it was better to try to work with East Coast to resolve the bond issue and postpone the project until next fall. The judgements, according to Jim Almand, were not work related but arose out of the buy-out of a former partner or former owner. There was concern for the loss of the time and effort already put into the project and the additional time needed to replace East Coast rather than work with them. There was concern that we were rushing into this and that we were not ready for the project to start anyway.

There was discussion of East Coast's proposal to do one drop now. There was a general consensus that no work should begin without a bond in place. There was concern with the language of the proposal and the inference that if it took more time to remove the coating, that there would be a request for a further change order. The contract, however, is for a fixed amount.

Randy moved and Robert seconded that the contract with East Coast be terminated for default or in the alternative, for the condominium's convenience. The motion passed with 6 voting in favor, one opposed and two absent. The directors voting in favor were Randy, Mike K., Bonnie, Sheri, Ellen and Robert. Kat voted against. Mary and Mike F. were absent.

Robert moved and Bonnie seconded that the second installment of the special assessment that was due November 1, 2024 be postponed indefinitely and that owners who have paid it be given the option of having it refunded to them. The motion passed on a voice vote without objection.

A board meeting will be held on Monday, November 4, 2024 at 7:00 p.m.

Robert will send an email to all owners about the postponement of the second instalment of the special assessment and follow it up with a discussion of the developments and notice of the next meeting.

Adjournment

Robert moved and Sheri seconded that the meeting be adjourned. The motion was passed on a voice vote without objection. The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

/s/ Robert Mayer
Robert Mayer
Secretary