

---

---

**MINUTES OF MEETING**

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**THE GROVES  
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of The Groves Community Development District was held on **Tuesday, April 17, 2012 at 10:03 a.m.** at The Groves Civic Center, located at 7924 Melogold Circle, Land O' Lakes, Florida 34637.

Present and constituting a quorum:

Dave Colflesh	<b>Board Supervisor, Chairman</b>
Jane Thompson	<b>Board Supervisor, Vice Chairman</b>
Don Osborn	<b>Board Supervisor, Assistant Secretary</b>
Sally Semple	<b>Board Supervisor, Assistant Secretary</b>
Mike Hicks	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Matthew Huber	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
John Vericker	<b>District Counsel, Straley &amp; Robin</b>
Terry Lambert	<b>Representative, Structured Engineering</b>
Dawn Renner	<b>Representative, Rizzetta Amenity Services</b>
Audience	

**FIRST ORDER OF BUSINESS**

**Call to Order and Pledge of Allegiance**

Mr. Colflesh called the meeting to order explaining the purpose of today's meeting and established the format of the meeting. He led all those present in reciting the Pledge of Allegiance.

Mr. Huber performed roll call confirming that a quorum was present. It was noted that there was no representative from Sharper Image in attendance even though they have been invited to attend the last two meetings.

**SECOND ORDER OF BUSINESS**

**Discussion Regarding Pool Status/Issues**

Mr. Huber provided a brief overview of the timeline of events leading up to the issues facing the District regarding the Pool. He explained that back in April or May of 2008 Sharper Image was retained to repair the cracks and resurface the pool. Following completion of the project Sharper Image issued a ten year warranty against manufacturers defects as well as labor and workmanship; both parts and labor.

---

Mr. Huber stated that over this past winter, the Board discussed concerns with cracking and delamination of the pool and it was decided to coordinate the repairs with the installation of the chair lift as part of the new ADA guidelines. He stated that the project was expected to take three days; however, once the pool was drained it was discovered that the cracking and delamination was more extensive than initially thought. Sharper Image was contacted to make the repairs under the warranty and they requested permission to hire a specialist to inspect the pool and determine whether the issue was related to faulty materials or poor workmanship. Their inspector completed the inspections and opined that it was a workmanship issue. Sharper Image scheduled the repairs to be completed during the period of April 12<sup>th</sup> to April 19<sup>th</sup>, but requested that the District release them from the remainder of the warranty period. Mr. Huber stated that the District also hired its own third party inspector, Terry Lambert, and he also found the cracking and delamination to be due to poor workmanship. Mr. Colflesh stated that he was present during the inspections and was very impressed with both Mr. Duke and Mr. Blackwell who performed the inspection, but was not impressed with the gentleman who completed the work. He stated that their report indicates that the work was not completed within sound technical practices. Mr. Lambert's report substantiates these findings. At this point in time the Board is looking to get the pool operational as soon as possible without jeopardizing the short and long term financial responsibilities of the community. The Board and the community have a crisis of confidence with Sharper Image redoing the entire pool and that is what needs to occur. When Sharper Image demanded that the District release them from their warranty before they complete any work it creates a financial burden for the District in the future.

Mr. Vericker responded to questions regarding what legal options the District has. He reviewed the warranty that was provided by Sharper Image and recommended that the District not approve the release as the warranty does not stipulate that it is a one claim warranty. He stated that under the warranty Sharper Image has thirty days to complete the repairs once notified of the default and technically is within that time period as the initial written notice was sent on April 4<sup>th</sup>. The recommendation was to authorize him to send another demand letter to Sharper Image. If they do not the District would have the option to have the work completed by another vendor and/or file litigation. He explained that there are never any guarantees with litigation, but the District does have the reports from their both inspectors in its favor.

Mr. Lambert provided a proof review of his report, stating that it would be his recommendation that all of the plaster be removed that was installed during the last repair as it does not appear that the proper procedures were followed in resurfacing the pool. He explained that delamination is surface material that is breaking away from the finish plaster material. Mr. Lambert stated that he did not see any evidence that a bonding material was used in the areas that he inspected. He confirmed that he has been used as an expert witness in other pool litigation cases and would be willing to represent the District should it decide to go to court. He reviewed his qualifications, including his inspection work with the Florida State Health Department. Mr. Lambert indicated his willingness to act as a consultant for the District during the repair process. He reviewed the process that he would use in overseeing the project. Mr. Lambert stated that in most cases the firm that provided the warranty has to be given first refusal to complete the repairs and using another vendor might be problematic from a legal standpoint. Mr. Vericker stated that they are still endeavoring to work with the original vendor.

District Management, Mr. Vericker and Mr. Lambert responded to questions from the Board and members of the general audience regarding costs to have an outside vendor complete the repairs and to litigate the case, the timeline for completion of the project once approved, details of the release, proposals that have been received from other vendors, the possibility that Sharper Image has some type of warranty bond or whether the Board should be concerned about their filing for bankruptcy, and plans to proceed with the ADA pool lifts being installed by the May 14<sup>th</sup> deadline. It was stated that initial estimates to complete the repairs are between \$50,000 to \$60,000 and legal costs could be extensive as well. Mr. Vericker stated that if the repairs are completed before the case is settled by an outside vendor it will be necessary to document the repairs to closeout their defense that they were not responsible for the damage. He recommended that the Board not take any action regarding hiring an outside firm until the 30-day period has passed. Mr. Hicks emphasized that he is against allowing Sharper Image to do the repairs irregardless of the release question.

The release that is being proposed by Sharper Image was read into the record and a brief discussion ensued. Mr. Vericker stated that he would like to see the release stipulate that the new repairs be covered under a new warranty. The possibility was put forward to authorize District Counsel to counter the release letter with a letter releasing them from the warranty from the 2008 work and honor the manufacturer's prorated warranty and require a new warranty for the new repairs once completed to Mr. Lambert's standards. Further audience and Board comments were entertained with the following Board actions being taken after all of the discussion.

On a Motion by Mr. Osborn, seconded by Mr. Colflesh, and followed by a vote of four in favor and one against (Mike Hicks), authorized Terry Lambert to prepare and submit the scope of services to repair the pool to interested bidders, give Sharper Image until May 1<sup>st</sup> to honor the existing warranty, so the Board can make a decision at the May 1<sup>st</sup> meeting for The Groves Community Development District.

On a Motion by Mr. Osborn, seconded by Ms. Semple, and followed by a vote of four in favor and one against (Mike Hicks), authorized District Counsel to send Sharper Image a letter rejecting their proposal, notifying them that the release of the warranty is unacceptable and informing them if they do not complete the work within the 30-day period the District will hire another firm to begin the repairs on May 7, 2012 and pursue legal recourse for The Groves Community Development District.

**THIRD ORDER OF BUSINESS**

**Staff Reports**

- A. District Counsel  
No report.
- B. District Engineer  
Not present.
- C. Clubhouse Manager  
No report.

---

D. District Manager  
No report.

**FOURTH ORDER OF BUSINESS**

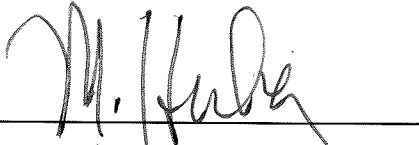
**Supervisor Requests and Audience  
Comments**

Mr. Colflesh stated that information regarding the pool will be posted on the website, on Chanel 95 and Ms. Renner is always available to discuss the matter should anyone so desire. A brief discussion ensued regarding scheduling the repair work. A request was made that the letter from District Counsel be posted as it will provide the information that anyone might want. It was noted that if Sharper Image agrees to honor the warranty and make the repairs the District would be obligated to allow them to do so and District Management has the authority to allow them to proceed.

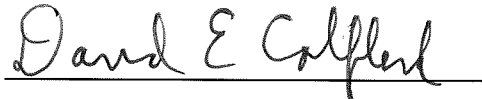
**FIFTH ORDER OF BUSINESS**

**Adjournment**

On a Motion by Ms. Semple, seconded by Mr. Colflesh, and followed by a vote of all in favor, the Board of Supervisors adjourned the meeting at 12:00 p.m. for The Groves Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman