

### Owners in Attendance

<b>Condo Member</b>	
209-Regina Kemp	
301-Brad Vicknair	
304-Thomas & Nancy Gordon	
502-Bruce H Swezey	
508-Randy & Cindy Onica	
509-Phillip & Paula Tsilis	
606-Charles R Fuhr	
706-Harold & Jeanelle Akins	
709-Terry Davis	
808-Ramon (Chip) & Linda Alonzo	
901-Shelby & Eileen Kirk	
907-Dale Taylor and Nancy M Taylor	
908-Leroy (Tom) Hill & Jannell Vetter	
1001-Linda G. Carpenter	
1102-Tina Balter & Bob Hornyak	Scott Balter
1108-Martin & Christy Martinez	
1208-Wright W. Hale Chuck Sheefel	
1303-Deepak & Maya Rao	
1601-Phyllis Louria & Patricia Liesik	
1702-Sydney & Janet Sanchez	
1709-Kevin & Sharri Logsdon	
1806-Werner & Sermin Hinz	
2001-Phillip & Janious Palmer	
2007-Jordan Morris and Randall Bradshaw	

July Rev	
Maint Fees	\$ 119,000.00
Parking Passes & Wrist Bands	\$ 30,687.86
Beach Chair Comm	\$ 913.86
Misc (interest, vending)	\$ 1,900.00
	<u>\$ 152,501.71</u>
Special Assessment	\$ 68,000.00

July MRE			
Secure Vision Cable	\$ 13,102.00		
Utilities (electric, trash, water, gas)	\$ 18,059.00		
YSC Management Fees	\$ 33,198.00		
Repairs and Maintenance	\$ 575.00		
Supplies	\$ 2,462.00		
Security	\$ 7,678.00		
Cleaning Service/Linens	\$ 7,920.00		
Landscaping	\$ 1,723.00		
Pool Maintenance/Cleaning	\$ 6,649.00		
Fitness	\$ 412.00		
Insurance	\$ 38,000.00	(Auto Owners Insurance Co)	
Elevator Maint Contract	\$ 3,200.00		
	<u>\$ 132,978.00</u>		
Property Insurance	\$ 73,000.00		





**Carr, Riggs & Ingram, LLC**  
500 Grand Boulevard  
Suite 210  
Miramar Beach, FL 32550

850.837.3141  
850.654.4619 (fax)  
CRIcpa.com

September 4, 2023

Mr. Thomas Maleck, President; and,  
Ms. Peggy Harris, Secretary  
Crystal Tower Condominium Association, Inc.  
824 Gulf Shores Parkway  
Gulf Shores, AL 36542

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide to the Crystal Tower Condominium Association, Inc. (Client or Crystal Tower).

### ***Understanding Our Role***

It is our understanding that questions have arisen regarding the accounting for certain transactions and potential misappropriation of Crystal Tower's funds. The purpose of our work is to determine if Crystal Tower's funds were misappropriated, the amount of any misappropriated funds and any individuals responsible for the misappropriation.

You will be requested to obtain and provide to us all documents necessary for us to perform our procedures, including access to banking and computer records, accounting reports, payroll reports, credit card statements, invoices and receipts.

In connection with this engagement, we anticipate preparing a written report of our findings and we will present our report to you or to your designated representative. In the event that our report and related work product documents and materials are the subject of a subpoena, the Client will be responsible for any legal fees associated with responding to the subpoena.

### ***Procedures***

Our investigative procedures will include the following:

1. Conduct interviews with the key personnel for Crystal Tower for an understanding of Crystal Tower's books and records.
2. Analyze bank, accounting and financial records for unauthorized expenditures.

3. Inspect bank statements and cancelled check images for suspicious disbursements. Identify and quantify such disbursements.
4. Analyze contractor bids, contracts, invoices, payments and other supporting documentation. Identify and quantify any discrepancies.
5. Consult with law enforcement, if needed.
6. Provide a written report of our findings.

Our investigative procedures will be for the period beginning January 1, 2020 through December 31, 2022. The nature of our procedures will be limited. Therefore, fraud may exist in your organization that we will not identify during performance of those procedures. The procedures will be conducted in phases. The first phase will include an initial analysis of the information related to the above procedures. The first phase will not exceed \$10,000. Future phases will be mutually determined by CRI and the Client.

This engagement will be conducted in accordance with the Statement on Standards for Forensic Services No. 1 as promulgated by the American Institute of Certified Public Accountants (AICPA). While our work will involve an analysis of accounting records, our engagement will not constitute an audit in accordance with generally accepted auditing standards, an examination of internal controls, or any other attestation or review service in accordance with standards established by the AICPA.

### ***Conflicts***

CRI has performed an internal search in accordance with our internal procedures for potential client conflicts. No client conflicts were found with respect to any of the parties identified. During the course of this engagement, you agree to inform CRI of additional parties in this matter or name changes of those parties provided.

As a large professional services organization, CRI is engaged by new clients every day and cannot ensure that an engagement for the involved parties will not be accepted by CRI. We take no responsibility for monitoring possible conflicts that could arise during the course of the engagement, although we will inform you promptly should any come to our attention. We reserve the right to resign from this engagement at any time if conflicts arise or become known to us that, in our judgment, would impair our ability to perform objectively.

### ***Engagement Administration***

Ben Kincaid will participate as engagement partner, maintaining overall administrative responsibility for the engagement, including billing and client relations. Donna Melillo will be the manager who will be actively involved in the performance of the engagement and supervising CRI staff assisting with the engagement. Our work will be billed at the blended hourly rate of \$250 applied to the hours spent performing the work. You will also be billed for any out-of-pocket expenses that we may incur in connection with this engagement, such as travel or postage. Our invoices will be submitted to you monthly, which are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes past due and will not be resumed until your account is paid in full.

Because of the unpredictable nature of an investigation and unforeseeable requirements that arise in practically all investigations, it is difficult to quantify the total expected fees in the matter prior to commencing our work. The time incurred by CRI will depend on the extent and nature of available information, the outcome of certain procedural and legal tasks, and on information that our procedures may reveal as our work progresses. CRI will work closely with you to make this engagement cost effective. Based on the current information provided, we estimate our fees would range between \$30,000 and \$40,000.

Our fees are not contingent upon the final results, nor do we guarantee any result or resolution in conjunction with our services.

### **Dispute Resolution**

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or other dispute resolution procedure, they will first try, in good faith, to resolve the dispute through non-binding mediation. All parties agree that an alternative form of dispute resolution shall not be undertaken by either party until the expiration of fifteen (15) calendar days following notice being provided to the other party indicating that the dispute cannot be settled through mediation. The mediation will be administered by the American Arbitration Association under its *Dispute Resolution Rules for Professional Accounting and Related Services Disputes*. The costs of any mediation proceedings shall be shared equally by all parties.

### **Limitation of Liability**

Except as provided in this agreement, CRI shall not be liable for incidental, consequential, exemplary, special, punitive or ancillary damages of any kind alleged as a result of any cause of action from this agreement, whether arising out of breach of contract, tort or otherwise. Unless otherwise stated in this agreement, both CRI and you agree that the total cumulative liability of CRI (including its employees, directors, officers or agents), shall not exceed the amount of fees earned by CRI related to this engagement during the twelve months preceding the event giving rise to the claim, as such amount shall serve as a reasonable prospective estimate of any damages which you may suffer through any breach by CRI of the terms of this agreement, as such damages may be speculative or impossible to calculate. If there are unpaid fees owed to CRI, this cumulative liability will be reduced by the value of the unpaid fees with no additional interest or charges, as CRI retains the right to offset any sums claimed as due and owed by you, by any sums to which it is legally entitled. This limitation shall apply whether or not further damages are foreseeable, or whether either party (or its employees, agents, officers or directors) have been advised of the possibility of such damages.

### **Governing Law; Venue**

This agreement and performance hereunder shall be governed by the laws of the State of Alabama, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Coffee County, Alabama, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding and agrees to waive any defenses to venue and jurisdiction including *forum non conveniens*.

### **Statute of Limitations**

The parties agree that there shall be a one-year statute of limitation (from the delivery of the service or termination of the contract) for the filing of any requests for arbitration, lawsuit, or proceeding related to this agreement. If such a claim is filed more than one year, or the minimum durational period having been determined as permissible by applicable statutory law or by a court of competent jurisdiction, subsequent to the delivery of the service or termination of the contract, whichever occurs first in time, then it shall be precluded by this provision, regardless of whether or not the claim has accrued at that time.

### **Electronic Data Communication and Storage and Use of Third Party Service Provider**

In the interest of facilitating our services to your organization, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your organization may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

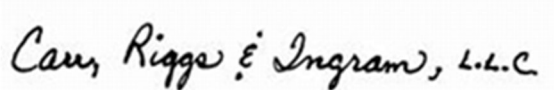
You recognize and accept that we have no control over, and shall not be responsible for, the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be

bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records. In the event you suffer a loss of any files or records due to accident, inadvertent mistake, or Act of God, copies of which you have provided to us pursuant to this agreement, we shall not be responsible or obligated to provide you a copy of any such file or record which we may retain in our possession.

If you agree with the terms of this engagement letter, please sign the acknowledgement below and return a copy to us. This agreement will become effective as soon as you sign and date this letter and return a signed copy to us with the retainer. If circumstances change, our agreement with you may need to be revised. It is customary for us to describe those revisions in an addendum to this letter.

Very truly yours,



Carr, Riggs & Ingram, LLC  
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Crystal Tower Condominium Association, Inc.:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_





## GULF SHORES POLICE DEPARTMENT

### MEMORANDUM

**DATE:** September 05, 2023  
**TO:** Brad Vicknair, Crystal Towers Board of Directors  
**FROM:** Detective Carl Wittstruck, Criminal Investigations Division  
**SUBJECT:** Crystal Towers Investigation

Dear Mr. Vicknair,

In response to your request for information regarding any active criminal investigations that are being conducted by the Gulf Shores Police Department that are related to Crystal Towers, Crystal Tower Board Members or the finances of Crystal Towers, I am notifying you that at this time, there are no official investigations or inquiries being conducted.

If you have any questions, please contact me.

Respectfully,

A handwritten signature in black ink that reads "Carl Wittstruck".

Carl Wittstruck



**Subject** FW: HOA Complaint  
**To:** [brad\_vicknair@yahoo.com <brad\_vicknair@yahoo.com>]  
**From** Anthony Dobson <Anthony.Dobson@baldwincountyal.gov>  
**Date** Fri, Sep 1, 2023 at 11:41 AM

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**From:** Anthony Dobson  
**Sent:** Tuesday, August 8, 2023 8:57 AM  
**To:** tommaleck@gmail.com  
**Subject:** HOA Complaint

Good Morning, I am reaching out to you regarding your concerns that you have conveyed to our office. It is my understanding that a police report has been filed with Gulf Shores Police Department regarding this complaint. Gulf Shores Police will look into the issue and handle it accordingly. I do not know all the facts regarding this specific complaint, but as a general rule, this specific type of investigation has potential to be somewhat involved and potentially lengthy. Gulf Shores PD will consult with our office if needed.

Thank you for your patience and understanding,

Respectfully

Investigator Anthony Dobson

Baldwin County Alabama District Attorneys Office

28<sup>th</sup> Judicial Circuit

Px# 251-937-0274 Ext. 7367





**CRYSTAL**  
TOWER

**PROJECT UPDATE**



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## AGENDA

1. Elevators
  2. Skywalk Roof
  3. East Elevation
  4. South Pool Fence
  5. Fire System Jockey Pump
  6. South Pool Lighting
  7. South Pool Lazy River Pump
  8. Unit Entry Doors
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## TOPIC 1: ELEVATORS

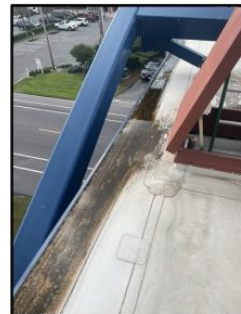
- **North Elevators # 1, 2, & 3 Floor Replacement**
    - Epoxy Flooring - \$6,400
    - Protect-All ¼" Vinyl Flooring - \$5,600 [Protect-All Flooring](#)
  - **South Pool Elevator # 4 Replacement**
    - Complete Replacement ~\$300,000 (4-6 Month Lead Time with a 4-6 Week Installation)
      - Reliability
      - Obsolete Parts
      - Corrosion of Door Brackets and Guide Rails
      - Maintenance Contract
    - Replace Elevator with ADA Compliant Ramp
      - Space Constraints
      - Demolition
      - Guest Satisfaction
- 



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## TOPIC 2: SKYWALK ROOF

- Problem
  - Incorrect Installation
  - Pooling Water & Leaking
- Solution (\$78K)
  - New Roof with Slight Center Pitch (¼"/Foot)
  - Removal of Dysfunctional Gutters & Barriers
  - Inspect & Re-caulk
  - A/C Preventative Maintenance





**5935 Commerce Road**  
**Milton, FL 32583**  
*FL License: CCC1330079*  
Phone: 850.665.4027  
Fax: 850.995.3386

**April 21, 2023**

**Crystal Towers**  
**C/O Deann Duhon**  
**1010 W. Beach Blvd.**  
**Gulf Shores, AL 36542**

**RE: Crystal Towers Crosswalk – 1010 W. Beach Blvd. Gulf Shores, AL 36542**

Thank you for giving us this opportunity to provide you with this quote to install a Carlisle 60mil Fully Adhered TPO Roof System.

- Mechanically attach ¼" tapered polyiso insulation over existing roof system.
- Fully adhere Carlisle 60-mil TPO roof system per manufacturer's specifications.
- Flash walls and penetrations per manufacturer's specifications.
- Raise roof hatch curbs to meet manufacturer's flashing specifications.
- Install .032 Award Blue aluminum drip edge at all roof edges.
- Clean up and dispose of all debris.
- Provide owner with a 15-year Standard Manufacturer's Warranty.

#### **QUALIFICATIONS**

- Price does not include payment and performance bond.
- It will be necessary to use the South and North entrance driveways for uploading and downloading materials.
- Davis Roofing will work directly with the City of Gulf Shores regarding any road closures, if necessary.
- Price is subject to change with any requirement changes by the City of Gulf Shores or AL DOT.

Davis Roofing & Sheetmetal, LLC will not be responsible for any modifications to plumbing, electrical or HVAC to complete the work. Davis Roofing & Sheetmetal, LLC will provide all materials, labor, permits, and applicable taxes to complete the project for **\$78,739.00. (Seventy-Eight Thousand Seven-Hundred Thirty-Nine Dollars).**

**Note: The Penthouse roofs and the pool roof metal replacement would be an additional cost separate from the Crosswalk TPO roof:**

**Pac Clad .032 Aluminum Penthouse and Pool Roof Replacement: \$53,350.00. (Fifty-Three Thousand Three-Hundred Fifty Dollars).**

Payment is expected within thirty (30) days of the date of each invoice, accounts not paid within terms are subject to a two percent (2%) monthly finance charge. All payment should be made in US dollars via check, cashiers check, money order, or direct deposit. Any payments made via credit card are subject to a 4.5% processing fee on the total payment.

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## TOPIC 3: EAST ELEVATION

- Perform no destructive or reapplication of stucco. Prepare the existing stucco for a new elastomeric application by removing all loose elastomeric coating. Apply a new elastomeric coating to eliminate the current blue spray paint utilized to mark stucco areas that are currently un-adhered from their substrate. *This is not recommended by Thompson Engineering as moisture intrusion through window perimeters, vents, marble bands and balcony abutments will continue. This will continue to cause stucco cracking, elastomeric blistering and interior moisture intrusion.*
- Perform no destructive or reapplication of stucco. Remove and replace all sealants/backer rod at all through wall components such as vents, windows, etc. Apply a sloped cant bead atop all horizontal marble bands to promote water shedding at the band to stucco abutment. Apply a sealant at the balcony to stucco abutment on all south and north elevation balconies. Prepare the existing stucco for a new elastomeric application by removing all loose elastomeric coating. Apply a new elastomeric coating to eliminate the current blue spray paint utilized to mark stucco areas that are currently un-adhered from their substrate. *This is not recommended by Thompson Engineering as a long term, low maintenance repair but is an option to relieve the majority of the condominiums current moisture intrusion through window perimeters, vents, marble bands and balcony abutments. This option should provide the HOA and owners an approximate 5yr timeline to produce reserve funds and prepare for a complete removal and replacement of the east elevation stucco. Note, there is a potential for stucco to continue cracking within the 5yr look ahead as there are known un-adhered stucco areas currently present.*
- Remove all stucco, vents, marble bands from the east elevation. Apply modern waterproofing to the clean and prepared substrates and turn into the window rough ins as best possible. Install proper head and sill flashings to all windows. Apply proper termination joints to segregate differential substrates (concrete & stud wall). Properly flash all new flashings to the substrate waterproofing to form a monolithic waterproofing system before any stucco application. Install new backer rod and sealant at all joints of through wall penetration components. Form proper termination joints at the balcony abutments to the stucco utilizing PVC stucco accessories and sealant. Apply new stucco in a proper thickness while replacing the marble band with stucco to produce an aesthetically pleasing faux marble band such as was performed on the south pool deck penthouse to skybridge area. Coat with a new elastomeric coating.



*This is recommended by Thompson Engineering as a long term, low maintenance repair. This option relieves all of the condominiums known moisture intrusion points and would allow the discovery of any unknown points. With proper application and proper maintenance of sealants and coatings this option should provide the HOA and owners an approximate 50yr lifespan.*



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## TOPIC 4: SOUTH POOL FENCE

- Problem
  - Incorrect Specification & Installation of 8' Fencing Recommended by Security Committee
- Solution
  - New 7' Fence to be Installed
    - 130" Total Post Length with 46" Concreted Underground

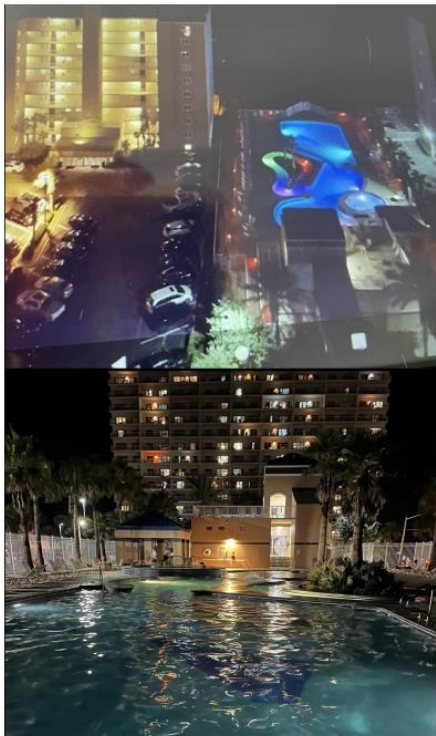




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## TOPIC 5: FIRE SYSTEM JOCKEY PUMP

- Problem
    - Seal Leaking
    - Can cause a Drop In pressure
    - Premature Pump Failure
    - Causing Main Pump to Engage
  - Solution
    - Replacement of Seals (\$1585)
- 



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## TOPIC 6: SOUTH POOL LIGHTING

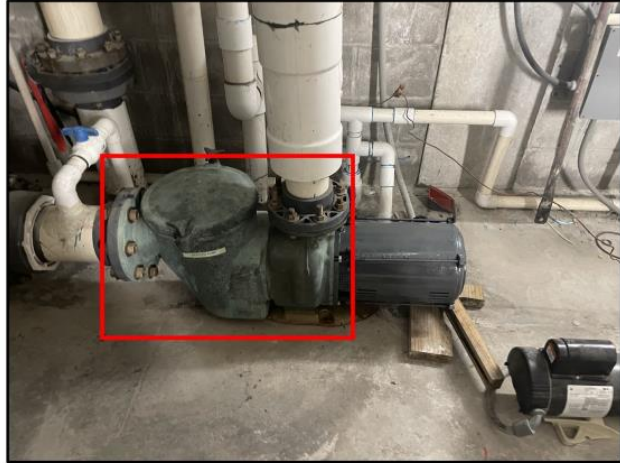
- Problem
    - Potential Wiring or Electrical Issues
  - Solution
    - Replace Lighting with New Colored LED Lighting
      - Wired from Bollard Lighting
      - May Need to Remove Some Pavers to Gain Access to Conduit
-



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## TOPIC 7: SOUTH POOL LAZY RIVER PUMP

- Problem
  - Pump Failure
- Solution
  - Replace Pump Strainer & Basket (\$4000)
    - Motor Still Functional
  - Replace with New EQ Series Pump (\$6.5K + Labor)



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## TOPIC 8: UNIT ENTRY DOORS

- Problem
  - Rusting on Unit Entry Doors
- Solution
  - Process of Sanding & Spraying Solution on Doors Then Prime & Paint (
  - Replace Doors with New Steel or Fiberglass (\$2K+)

