

To all owners in Regime V Buildings 28 and 29

Please see attached letter from Allianz Insurance Company dated May 12th 2016. Allianz is the company that insures all the buildings in Scottsdale Shadows.

The letter is “strongly” suggesting that a plan be put in place to replace all Grinnell model F950 sprinkler heads in the buildings.

The Regime is responsible for replacing all the F950’s in the common areas such as the hallways, garage lobby and first floor lobby. At present the Board is seeking bids from a number of companies to carry out the work.

Each owner is responsible for the replacement of sprinkler heads in their individual units. If your sprinkler heads have never been replaced in your unit they may be F950’s.

When the Board has chosen a company we will contact you with the unit price and when the work will be carried out.

It will be more cost effective for you as an owner to use the same company and to have the work carried out at the same time as the Regime.

We will work one floor at a time so as to minimize shut off time to the sprinkler system

If you wish to have your sprinkler heads replaced with the same company as the Regime please contact Allen Farkas: alfarkas@comcast.net AZ home phone: 480 264 8532; cell: 630 728 6849, with your building and unit number.

The Regime cannot mandate that owners replace their sprinklers but given the directive from Allianz, owners would be strongly advised to share this information with their insurance carrier to determine liability issues

Thank

The Regime V
Board



This report is to assist you in reducing the possibility of loss to property insured by Allianz by bringing to your attention hazards and lack of protection. Not all hazards and conditions were evaluated and it is not inferred that all hazards and conditions are under control. The liability of Allianz is limited to that covered by its contracted insurance policies with you. No liability is assumed by reason of this report or the inspection upon which it is based, as it is only advisory in nature and the final decision must be made by you. Allianz specifically disclaims any representation that compliance with any advice included in this report will make any premises or operations safe or healthful, or in compliance with any law, or regulation. Life safety considerations are not included in this report.

HPR LOSS PREVENTION REPORT

Overview

FOR

Scottsdale Shadows Master
7820 E. Camelback Rd.
Scottsdale, AZ 85250

BY

Robert Cruse

CONFERRED WITH

Mr. Ramiro Wong, General Manager

DATE

12 May 2016

PURPOSE OF VISIT

The purpose of this property survey letter is to offer information about vulnerability pertaining to existing automatic sprinklers installed, the Grinnell model F950; and communicate a recommendation for mitigating risk associated with sprinklers activating without fire. Although the affected sprinklers do not appear to have received product recall, multiple documents were reviewed that raise legitimate concern that the aforementioned sprinkler model may be more prone to failure. The concern is the original model F-950 sprinklers are likely to increase exposure for reoccurring water discharge damage (as previously encountered). A property risk control recommendation is formed after viewing the documents noted below, and communicating briefly with a forensic engineer.

U.S. Department of Energy / EH, (August 2001). Safety & Health Hazards Alert, Potentially Defective Automatic Fire Sprinklers - An Update. Retrieved from <http://www.readbag.com/hss-energy-publications-hha-hha-2001-01>

Sears, Roebuck and Co. and Kmart Corporation v. Tyco Fire Products LP, Simplex Grinnell LP and Star Sprinkler, Inc. No. 08 C 2838. U.S. District Court for the Northern District of Illinois Eastern Division. 2011. Retrieved from <http://law.justia.com/cases/federal/district-courts/illinois/ilndce/1:2008cv02838/219999/134/>

Forensic Engineering Inc. (September 23, 2015). Failed Fire Sprinkler Investigation Prepared for Allianz / Fireman's Fund Insurance.

Feel welcome to contact me with questions, discuss any aspect of this letter, and also submit sprinkler change out plans to me. My contact information is (317) 966.4968 and Robert.Cruse@ffic.com.

An on-line resource for checking recall notices about sprinklers may be viewed at <http://sprinklerreplacement.com/>

RECOMMENDATIONS

2016-05-001

Grinnell Sprinklers Duraspeed F950 HPR - Automatic Sprinklers Advisory HPR

A site survey should be performed, for all buildings, to identify location of all original Grinnell Duraspeed Model F-950 sprinklers. Once sprinkler locations are identified, a plan should be implemented to replace them with new appropriate sprinklers, with a qualified sprinkler contractor. In considering type of replacement sprinklers, water supply flow and pressures should be analyzed. Final plans for sprinklers replacement should be submitted to the HPR Department of Allianz Risk Consulting for acceptance prior to the beginning of work.

Reason/Purpose: The F-950 sprinklers appear more prone to failure, and therefore, similar water damage claims as experienced are more likely to re-occur.

Plans

PLANS AND SPECIFICATION CHANGES

All plans and specifications pertaining to new construction, renovation to existing facilities, installation of new fire protection systems or modifications of existing fire protection systems should be forwarded to the HPR Department of Allianz for review and acceptance prior to the beginning of construction or installation.

Impairment

NOTIFICATION OF IMPAIRMENT

Before sprinklers, fire protection water supplies, or other fire protection equipment is shut-off, notice should be given to the HPR Department of Allianz. Work should be planned so as to minimize the time and area involved in the impairment of protection. In the event of fire or emergency shutoff, telephone the HPR Department of Allianz at 1-800-659-7581.