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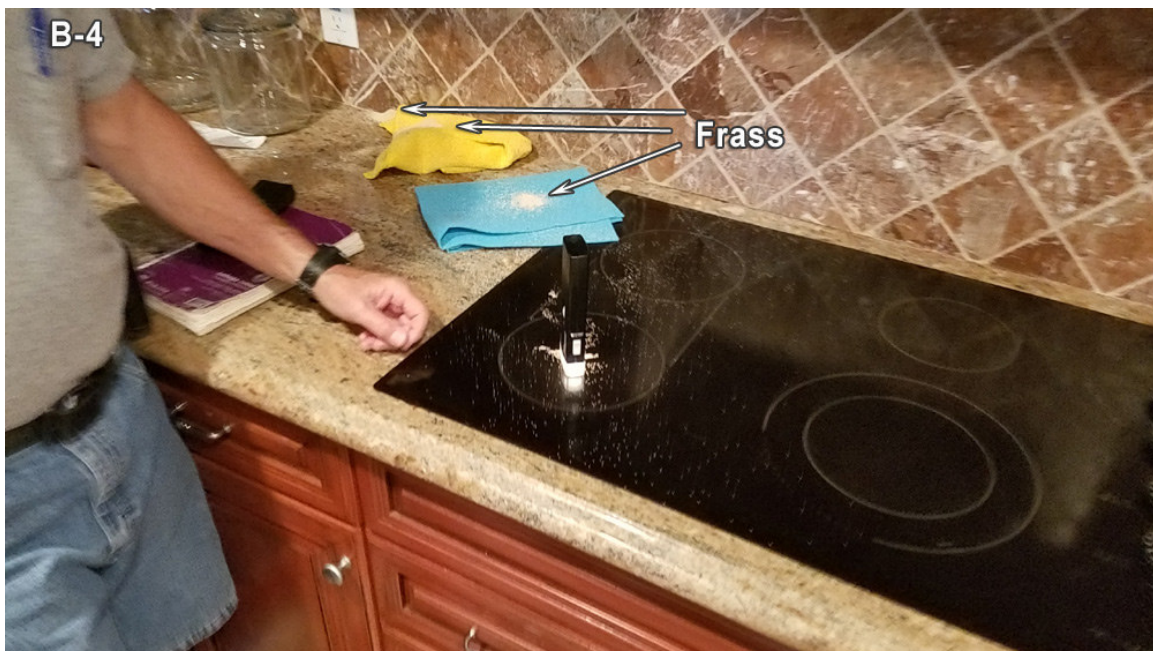
Tom Schiavo met Mary, Milo and myself at Pelican Point to go over fumigations and tenting.

Tom said the best time to do it would be during the summer time, when there is the least amount of people here. It would take 2 nights for the owners to leave for the night.

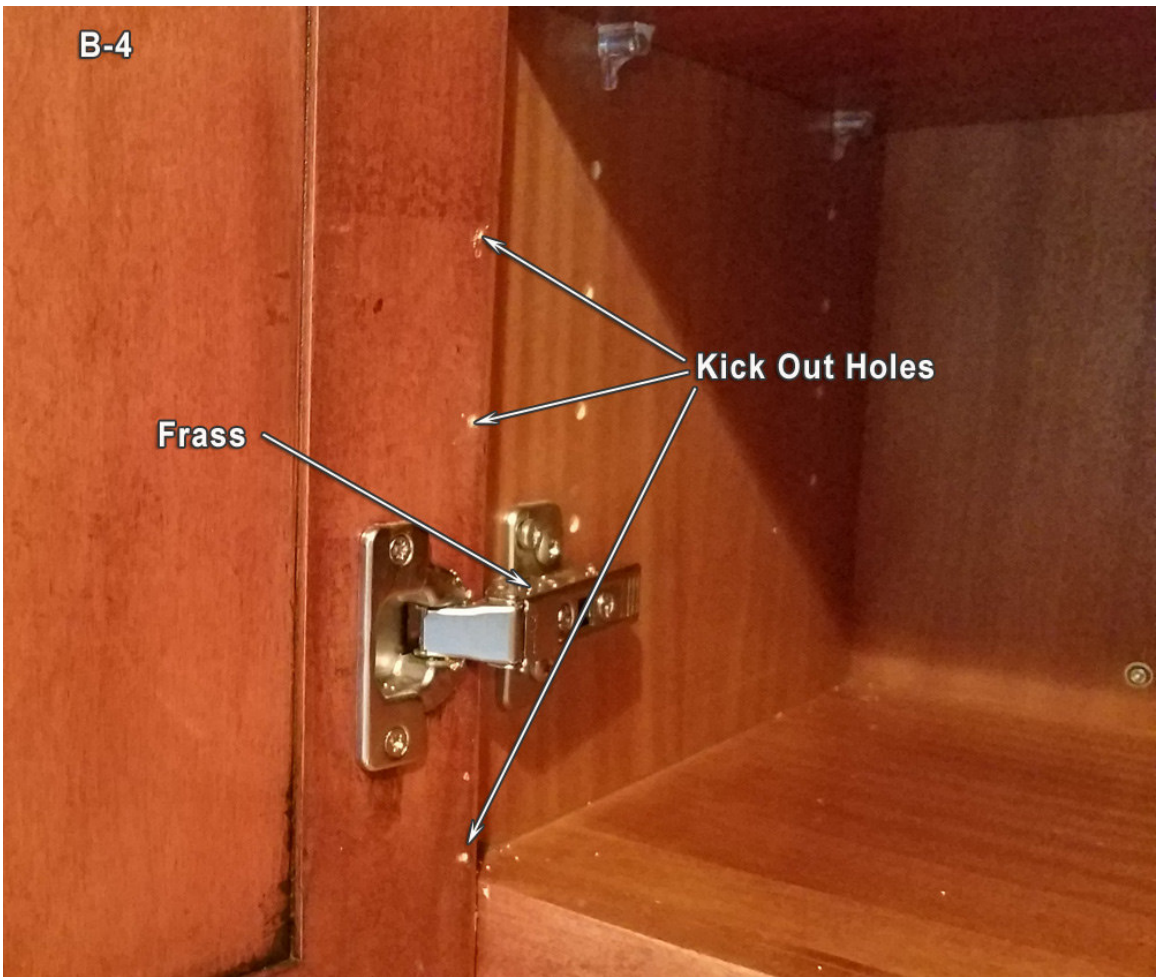
Tom said once fumigated, the day the tent comes down, it can become re-infested.

With wood coming in from out of this country now from South East Asia, alot of wood is coming in with dry wood termites and powder post beetles already in them. Termites originate in trees. They go from tree to tree, or from structure to structure. Everything in Lee County has dry wood termites or the potential for dry wood termites.

We first took Tom into B-4 to examine the cabinets. After seeing the numerous kick holes and frass in the cabinets, he said this is one of the worst cases of infestation in a singular group of cabinets that he has seen and he has been doing this 20 years..







B-4

Kick out holes

Frass







Tom examines the blond colored frass and explains the termite only digests the cellulose in the wood, and the matter left behind, is ONLY wood. It looks like kernals of corn.



Blond Frass

Every time Tom has seen cabinetry, which is builder grade plywood, it is ALWAYS blond.

Building plywood (The wood that is used to make the buildings) is always redish-brown. Sometimes it is black. Tom believes it has to do with the moisture in the wood causing the black color. He has never seen black pellets from inside wood.

Tom always personally fumigates his cabinets before putting them in, because he knows the wood is coming in from out of the country. The wood is now all coming from out of this country. They may assemble or manufacturer it to a degree here, but the raw material is coming from out of this country.

Mary said Mary Helen, the renter of Lois's unit, had bigger piles of frass from last year. Milo mentioned he believes these cabinets have been in 4-5 years as they were put in after Bob died.

I asked Tom if he could determine with any certainty if the termites that are in the cabinets originated FROM the cabinets, or if the termites were already existing in the unit, and then infested the cabinets.

Tom went on to tell me that he has customers in the 5 million dollar Bonita Bay condos that have the same problem. These are high end condos that are walled off with cement, so each unit is its completely own unit with no penetration from other units (including no conduits), they are all self contained and fire proof, and termites can not travel from unit to unit. He asked them if they re-did the kitchen, and they will tell him, "Well, yea, 6 years ago." Tom tells them they came in with the cabinetry because it is a concrete building unit, and there is no other way they could have been brought in. He sees it over and over again.

Andy asked Tom if they could fumigate individual units, and Tom said only if they are build like they are built now, made of solid block. The high rises have to be build this way for fire purposes. Everything is sealed off.

When I asked Tom about his opinion about this particular unit (unit B-4), Tom said: This particular infestation is probably a result of this cabinetry.

Milo asked Tom how we could treat this cabinets. Tom replied by saying there are companies out there that will do drilling, or spot treatments using foam or a powdery granular product that you can shoot in the cabinets. Tom can do it, and has done it. Tom asserts that ultimately, this is a band aid and does not work.

Another option is to pull the cabinets out, and fumigate them in Toms shop. He would recommend pulling out ALL of the cabinets, because they are all from the same lot, and all have to be considered suspect.

Tom asserts that fumigation is the only method of 100% elimination of dry wood termites.

I asked Tom how the dynamics of the pellets work, and how they end up where they end up:

Tom says: The termites are in the wood, and eating away, going with or against the grain and they are building tunnels, and eating the wood. The frass builds up in the tunnels, and after awhile, they designate a certain number of termites to eat through to the outside, which is the size of a pencil point hole where they push them out, one by one.

Milo asked Tom: If I had a place spot fixed, and 2 months later, there is frass falling from the hole, what does that tell you?

Tom replied that this is referred to as fallout, and even after a fumigation treatment where the termites are all dead, because of the shaking of the buildings or other reasons, the frass could still fall out through the holes. However, if it were a spot treatment, where you can not be certain all the termites have been killed, and the population start to bounce back, they will be back at it again pushing the pellet out again.

Milo asked Tom if he believes spot treatments would be the best way to treat the termites if the termites were in 3 of the 4 buildings.

Tom said no, and asserts that you would spend a lot of money, and have to do it over and over again. Tom said the best option is to fumigate the building.

Mary asked how long that lasts.

Tom replied there is no residual to the product they use. They use a gas that penetrates the walls and the wood, and is what kills the termites, but there is no residual when complete and the tents come down.

Milo asked if Tom does spot treatments, and Tom said no, they do not do spot treatments.

Tom said they can not sell something to the customers that does not work.

Milo: We have tented these buildings twice before and we seem to go about 8 years between tenting. We have had infestation in all 4 of the buildings in the last 2 years. My unit has been treated seven times and they move.

(Milo has confirmed that we tented one building in April of 2007 and the other in July, 2007)

Tom said there are people on the beach who have it mind to tent their buildings every 10 years because everything is so old and so close together.

Tom said after a spot treatment, they do not "move", they are different colonies.

Warranty Information:

Tom: The companies that have tented before generally have a 5 year warranty package. They have a 1 year warranty, with an option to renew each year for 4 years. After a tenting, it takes 4-8 years for evidence to start showing up again, which is why their warranty stops after the 5th year, because they know that is when they are going to start seeing infestations again.

Tom's company gives a one year warranty, and then an option every year to renew the warranty for 15% of the price of the tenting. If there was an infestation, they would re-treat at no charge. They do a termite inspection of the complex at the renewal of the warranty.

It is like pre-paid tenting, because after 7 years, you pay for a re-tenting.

If there is one pin hole problem after a period of time we may consider a spot treatment.

Andy: So, if there is 1 pin hole, and if all the residents want to tent, would you tent then, or would you do a spot treatment? Who makes the final decision?

Tom: We are the experts, you are going to have to go on our word. You are putting trust in us.

Milo: What if there was 1 small incident? Would you spot treat then?

Tom: We might. If we feel this is something that can be controlled with a minimal amount of impact on the homeowner and we are confident that it may have some success.

Milo: Do you do the spot treatments, or do you hire a company to do it?

Tom: Both.

Milo: When we are under warranty, you will determine if we are going to re-tent or not?

Tom: Yes, but it will be a cooperative decision.

We do about 3-4 re-tents per year. The average time frame of a re-tent is 7-8 years.

Andy: Is this annual cost of the warranty adjust for inflation?

Tom: The contract says that the renewal is subject to, up to a 3% increase starting the 2nd or 3rd year.

Milo: How much damage can dry wood termites do compared to sub terraneans?

Tom: It's a numbers game. A 10 year old colony of dry woods may have 2,000 termites in it. A 10 year old colony of sub terranean can have 2,000,000 in it.

Milo: Are sub terraneans around here, with all these block houses?

Tom: The sub terraneans are all over Lee county, it makes not difference if it is a block house. There is a lot of wood in a block house.

When building a house, use your own pest control company to pre-treat the house. Companies that builders use are known to have watered down the product, or use colored water. The pre-treatment needs to be done the same day. Tom called the State Inspector, because the State Inspectors follow everything fumigators do. The Inspector found out who was going to pour the concrete, and went to the site. The manager of the pest control of the company showed up, instead of their regular guys. Tom charges 30 cents per square foot, and the builders were using guys who charged 12 cents per square foot, which doesnt even cover the chemical costs.

Milo: How long is the process?

Tom: 16 - 24 hour process

Andy: What is the gas you use? A poison, or CO?

Tom: It is an inhalant poison gas like the lp gas in a stove. The body starts to shut down because the termites are not getting any more oxygen.

Andy: How dangerous is the fumigation to us when we re-enter the building?

Tom: It is not dangerous at all, because there is no residual. It is a non chlorine gas. You have to stay out of the building for 2 nights.

Andy: If there are pin holes found in a ceiling, what would you recommend? Would you recommend a spot treatment to see what happens, or tenting?

Tom: We know it is in the trusses, and because of the numerous locations here, I know they are in the whole area. Because the age of the building and the biology and nature of the termites, I would recommend tenting.

Andy: Lets say that we tent, and this same situation is here 4 years down the line, do we now recommend an immediate tent or spot treatments?

Tom: We will have to make a decision with everyone involved. We re-tent many more buildings than we spot treat.

Andy: What does the warranty cover?

Tom: If we find a new infestation of termites, we will re-treat at no charge.

Andy: Does that re-treatment mean re-tenting?

Tom: 98% of the time it is going to be a re-tent. If you want a re-tent, we will do it.

Milo: When you tent, will you have to do the 2 buildings together?

Tom: Yes, you have to. Building A and B would have to be together.

Milo: We paid about \$5,000 on each set of 2 buildings in the past. Have you ever seen the termites do damage to the point of where you need to do structure repair?

Tom: On older buildings, like downtown fort myers or 100 year old houses that never got done before.

Tom: Fumigation requires a special license, and fumigators need to take a yearly examine. State investigators may investigate while they are tenting.

Florida Pest Control Licensing Website:

(Andy checked, and Tom has been licensed since 2000, below is a link to the Florida licensing website)

<http://www.freshfromflorida.com/Divisions-Offices/Agricultural-Environmental-Services/Business-Services/Pest-Control/Licensing-and-Certification>

Milo: If we tent, and 8 months from now, and then the cabinets have termites in them again, will you re-rent at your cost?

Tom: They should not have termites in them. If they do, we will re-rent at our cost.

Milo: It sounds like the other option is to fumigate the cabinets and tent them separately?

Tom: Yes, but you will have to make sure the holes in the drywall are from the nails, and not from the termites into the walls.

Andy: Do termites eat drywall?

Tom: They do not eat drywall, but they will tunnel through.

Andy: Do you recommend any, or do you advocate any type of preventative measures to help keep the termites out?

Tom: There is really nothing you can do. Caulk everything, do not be into antiques which can bring them in. Fumigate new cabinets and furniture.

Andy: Are you an advocate of Borate treatments in addition to tenting? (such as the one JV Buggs gave us a bid to do)

Tom: Boric acid is a mineral mined in California. They SHOULD spray it twice. They should give one application, and then come back a couple days later, and

do a second application. The product they are using is probably bora care. The higher the content the moisture of the wood, the more of the product you are spraying into it. If there are any termites in the center of the wood, the boric acid treatment will not reach them. Only the gas will reach them and kill them.

After the fact, the Boric Acid treatment will have an effect on keeping them out from the outside.

Tom talking about biology:

Dry wood termites fly in from other structures and trees.

When a colony becomes mature, the queen tells 50-80 termites (male and female) to go out and find your own place to live because the colony is too big. So, those workers who are designated to be future re-productives will grow wings. Then, when the temperature and humidity becomes right, which is around May, they swarm, all flying around trying to mate. It is a cloud of them. They could be running around the floor following each other.

If they do not mate, they die. If they mate, they break their wings off and tunnel into the wood. You will find dead termites with wings on them, some without wings who lost their wings but did not mate. And then you will find wings alone. Those are the ones we know mated, and went and re-infested some place else. They are now the new king and queen. That happens every year, May through August. The swarms get less in size as the summer progresses.

Termites can get into anything that is 1/32 of an inch, so they do not need damage to a building, as there are enough cracks in the building to get in. It is easy for them to get into the eaves. It is easy for them to get into the eaves and different locations.

The tenting does not kill bed bugs

Legal

Every chemical manufactured has a label with active and inactive ingredience, and directions on how to use the product.

There is no law for specific chemicals. The feds and the state says that you have to follow whatever is on the label or you are in violation of the law. So, the term in the industry is "The label is the law"

The ratio on the label for the gas is 1x, 2x, 4x, 6x and 10x.

The label will dictate which bugs you can use it on. So, if that bug is not on the label, you can not use that product.

Dry wood termites is a 1x rate of gas.

Rodents and Rats is .5x rate of gas.

Carpet beetles is 4x rate of gas

Old house borer is 6x rate of gas
Powder Post Beetles is a 10x rate of gas.

So, treating for powder post beetles is 5 times as expensive because of the rate of gas needed.

With beetles you have to kill the egg stage, and it takes longer to kill the eggs and more gas to penetrate the egg.

With termites, you do not have to kill the egg stage, because termites have a micro organism in their gut that allows them to digest the cellulose in the wood. When the termite eggs hatch, they start eating, but they do not have the micro organisms to digest the food, and they starve to death. The micro organisms are past on from the parents, and if the parents are dead, the babies starve to death.

General

- Ants eat termites. Whenever there is a termite infestation, there will likely be an ant infestation.
- Powder Post Beetles frass is a gold colored powder, feels like talcom powder where the consistency is slippery.
- Wood is not solid, it is honeycombed with air pockets. The gas can penetrate the wood, the seal and paint.

Logistics

Other condos communities designate Captains, who are in charge of certain buildings, to inform and make sure the residents and everything is ready for the tenting process.

termitetenting.com is a website to see the whole process.

Walking out of B4, Tom noticed black frass by the dumb waiter



Andy: Does pest control do anything to deter termites at all?

Tom: No.

Andy: Do Carpenter ants eat wood?

Tom: No, they excavate wood. All insects need moisture, food and harborage.

Carpenter ants are good at tearing apart damp wood to make a nesting place.

They will eat their eggs for food. If termites are around, they will eat the termites.

We went up to D-5 (Andys unit) to show Tom where there were some wings laying on the Bay Window.

Tom pointed out the rainbow color on the wings.

The wings have multiple veins on the very leading edge. We can tell which particular termite it is by looking at the wings. There are 3 veins in these wings, which means they are dry wood termites. If there were 2 veins, then it is a subterranean termite.



These 3 main veins indicate a dry wood termite.

Rainbow colored wings are dry wood

Subterranean wings are silver tinted.

Termites are attracted to windows and light when they swarm. It is possible they are attracted to the light on the inside, and came in from the outside. Or they could be in the condo, and trying to get out.

They swarm in the evening. It is hard to tell from where they came in. All they need is 1/32nd of an inch.

We walked around the building, and Tom talked to us about preparatory work before tenting.

The tents will be put on the roof, and rolled off the side straight down off the drip edge. There can be 10 feet over lapping on the ground. Then we will have sand bags on the tents.

Cars can be left in place in the car ports as long as the windows are left open OR keys are left here, so they can clear the air after they are done. Cars will hold the gas.

1. Everything behind the tent will die, so you will want to remove the bushes next to the building, because the tent will hang down about 2 feet from the building. Tom also mentioned that it is a bad idea to have plants next to the building, because it is a breeding ground for bugs that will make their way into the building.

2. Tom said the flatter the ground, the better for the seal. The ground seal is paramount to the success of the procedure. Sand bags keep the tents in place, but the flat surface prevents gas seepage. Rocks is the enemy, because it creates a porous place for the gas to sneak out. All the rocks need to be pulled away, to get a flat surface. They do not prep anything, we are responsible for prepping the ground. 18-24 inch path is needed for the tent to drop down.





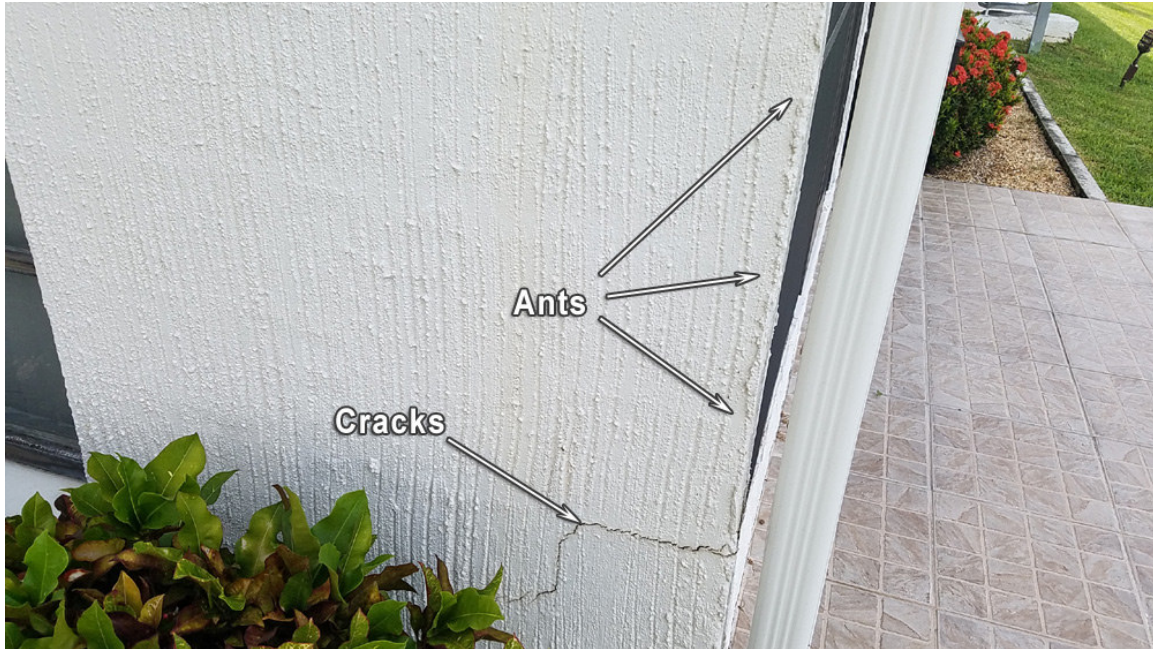


When the tent lays on the grass, they will compensate by increasing the amount of gas.



Tom points out that flours and vegetation against the wall increases the frequency and amount of pests that enter the structure, because pests like to live in vegetation. If you are trying to keep pests out, it is best not to have vegetation next to the building. Tom said you should be able to comfortably walk between

any plants and the building. You do not want to have plants, especially flowering plants, close to the structure, because they invite ants because of the nectar. Tom's recommendation is to move the plants away from the building.



Cracks in the building should be caulked.

Plants provide nutrition and harborage for ants. Ants are crawling up the building from plants.

Also, you do not want big stones, you want really really small stones. Pests can get through the big stones and harbour in there. The smaller the pea gravel, the better. Crushed sea shells from Sanibel is what Tom uses. Sanibel shell is really fine, and has a white look to it and is really inexpensive. Corner of Kelly Road and Pine Ridge Road is where they sell it.

Andy's Thoughts:

Overall condition of the buildings:

We do not seem to have a red alert, in the sense the building is going to fall down. We do have the luxury of making a prudent decision, and taking the steps necessary to maximize the effectiveness of the fumigation, so we do not throw money out the window by having to re-tent down the line. The following site say it takes a colony of termites 5 years to eat a pound of wood:

<http://pestkill.org/insect/insects/termites/>

Spot Treatments Versus Tenting and the Warranty:

On the one hand, when we are not yet a customer, Tom asserts that the only successful solution is tenting and spot treatments is not a viable option and they do not do spot treatments. However on the other hand, when we are a paying customer, and are under the warranty, they may consider spot treatments if there are issues.

So, when we are not customers, spot treatments do not work. When we are customers, and paying into a warranty, spot treatments work.

I am against pre-paying for termite fumigation, when ultimately, the decision to re-tent, is up to the fumigation company, and that is if they are actually still in business. Instead of paying 15% to a company where they have the final say in tenting, I would rather see 15% get paid into a reserve fund where we can make the decision when we need to tent.

On Tenting in general:

I am under the understanding, that simple paint and sealer, will keep termites out. Termites can not get through this. I propose we first seal the 4 buildings with paint, caulk and seal. Next, I propose we have an annual program to investigate and repair any places where places have been compromised to seal.

Given the high cost of the treatment, we need to take steps to ensure the highest possible results and outcome and preventative maintenance to help prevent this from the future. There are issues with the building that should be address

Preventative maintenance:

There seems to be an incentive in NOT having a preventative program for tenting companies, because if there were, then tenting would not be necessary. Is there a preventative program that is effective? Not according to this tenting company where they assert that a termite can get into a crack 1/32 of an inch.

Tom mentioned that Dry Wood termites fly in from other structures and trees. We know that termites can not penetrate wood that is sealed or painted.

Plan of Action.

Below is a plan of action that is certainly up for discussion. It is simply something I have tried to organize based on our education over the last few weeks with

termite folks. I am sure this view will be adjusted as we discuss and we get more information.

A. Seal the Building

- Caulk the cracks
- Addressing the bay windows
- Boric Acid treatments to the wood similar to that of which JV Buggs proposed

B. Tent the building

- If we do want to move forward with tenting the building, I would propose we do it in April. This would give the folks here time to prepare financially for an assessment, it would give them time to prepare as most people are here during the season, and then it would give them time to leave, as many folks do in April.

C. Maintenance program

Annual painting and sealing all outside wood including fixing the Bay Windows, caulking all cracks in the building, and caulking all other places that need it.

D. Reserve Fund

Create a reserve fund for the explicit use of these funds for tenting.

E. New Rules

- Create a rule and send it out every year, that ANY furniture, cabinets, etc, brought into the condo needs to be fumigated. (Up for discussion)
- Create a process and guidelines the board uses in the future to determine when a tenting should be done. Out of 10 people in a building, if 1 person has an issue with termites, it may not be prudent to tent the whole building, inconvenience 9 other people and have all 10 pay for the expense of 1 unit. At the same time, we do not have to wait until the all 10 units have termites, before deciding to tent. We should, before the situation occurs, determine when is appropriate to tent, and then follow those guidelines, so it is fair for everyone.

August 26th - Sept 3rd

I will be in town this week and would like to meet with another tenting company or 2, as Milo has suggested. If anyone has any leads on tenting companies, let me know.