

Reserve Study Proposals Resolution Worksheet

Date: June 26, 2024

Suggested Motion:

“I move to approve a New Reserve Study at a cost of \$_____ to be completed by _____ with funds to come from GL 60-5390170, Reserve Study.”

2nd:

Summary: The Association’s last reserve study update was completed by DMA Reserves, Inc. in December 2020. Bids have been solicited from four companies:

- Association Reserves - \$7,040.00
- Building Reserves - \$6,895
- ETC Engineering - \$15,000.00
- Miller Dodson, INC - \$10,300

Budget Considerations: The current reserve study has \$22,000 budgeted for a new reserve study.

Vote:

	In Favor	Opposed	Abstained	Absent
Scott Buchanan				
Dave Bush				
Robin Davis				
Jeff Lisanick				
Amanda Mullan				
Scott Mulrooney				
Mike Rothenberg				
Jim Wicker				

Serving the Mid-Atlantic

150 Riverside Parkway, Suite #115
Fredericksburg, VA 22406

Tel: (540) 693-0197
www.reservestudy.com



ASSOCIATION RESERVES™

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Midwest	Washington

April 16, 2024

52386 - 0a

Parkfairfax Unit Owners Assoc.

c/o Francisco Foschi
General Manager
3360 Gunston Road
Alexandria VA 22302

History with our organization

We have not had the pleasure of working with your Property yet!

Subject: Bid Options for 1,685 units in Alexandria, VA

Dear Mr. Foschi,

Thank you for your interest in a Reserve Study and for requesting a proposal from Association Reserves. It would be our privilege to serve as the Reserve Planning partner for your association! Your Reserve Study will answer the following fundamental questions:

1. What major common area assets should we fund through Reserves, what condition are they in, how much will it cost for their repair or replacement, and when will these expenses likely occur?
2. How well prepared is our Reserve Fund to handle these anticipated projects?
3. How much should we regularly transfer to reserves to offset the **ongoing deterioration** of these assets?

We recognize that you have a choice of Reserve Study providers and want to make sure you understand the many unique benefits of partnering with Association Reserves:

- Our experience preparing over **80,000 Reserve Studies** for clients in all 50 states is unmatched
- Your Reserve Study will be prepared by an experienced professional with the **"Reserve Specialist"®** (RS) designation, in accordance with national Reserve Study Standards.
- **Free access to uPlanIt**, our online Reserve calculator, so you can perform an unlimited number of "what if" analyses.
- Your report will be completed on time and posted online for easy 24/7 access

Please review the different levels of service options on the next page. When you're ready to start, simply **sign and return the Agreement(s)**. Whether you choose one of our Single Year Engagements, our popular three-yr "Loyalty Update Plan", or our economical "Do-It-Yourself" Reserve Study Kit or uPlanIt subscription, improving your future through Reserve Studies is all we do! **We'd love to start on yours!**

Sincerely,

Mark Bradley,
President

mbradley@ReserveStudy.com

Save time & money!



Introduction to Reserve Studies

What's a Reserve Study?

A Reserve Study is a budget planning tool that identifies the major repair, replace, and inspection projects necessary to sustain a property, the status of the reserve fund, and an equitable funding plan to offset ongoing deterioration and prepare for these anticipated future major expenditures. All this is done in compliance with national Reserve Study Standards (found [here](#)).



Why get a Reserve Study?

It's easy to plan and prepare for daily, weekly, and monthly recurring costs like management, insurance, landscaping, and utilities, but what about the big, expensive projects that DON'T happen every year? That's our specialty...identifying and forecasting projects that are *certain* to occur but are often overlooked or underestimated because they don't generate an invoice on a regular basis. The ongoing cost of deterioration is very real, often large, and doesn't go away if ignored. Setting aside "Reserve Funding" on an ongoing basis to offset ongoing deterioration is the fairest, most responsible, and least expensive way to prepare for major repair and replacement projects.

These projects will need to be done. It's up to property leadership and stakeholders to prepare. Without adequate Reserves, property leadership will have face tough choices about phasing projects, deferring projects (which typically leads to increased costs if not performed in a timely basis), special assessments to "make up" for inadequate financial planning, lower property values, and safety or liability risks. A current, informative Reserve Study is the first step toward financial stability at a property, which includes maximized property values and owner pride. Without current Reserve Study results, property owners and stakeholders will be misinformed, underprepared, and left exposed to potentially serious financial, safety, or litigious consequences. A current, reliable Reserve Study is simply a regular part of obtaining the information needed to care for a property in the best interest of its owners.

What components are included in a Reserve Study?

National Reserve Study Standards specify the following criteria for a project's inclusion in a Reserve Study:

- Must be the property's responsibility.
- Must be reasonably foreseeable.
- Must be a cost that can be reasonably estimated and is "material" in size.

Reports from Association Reserves typically include funding for projects such as: roof replacement, painting/waterproofing, pavement sealing and resurfacing, elevator modernization, balcony and deck sealing and restoration, major mechanical systems (HVAC, fire alarm, hot water, etc.), major pool and spa expenses, interior/amenity area remodeling, and many more. The bottom line is that every property is different and will require a thorough physical analysis to determine which projects belong in your report. Association Reserves will meet and exceed national Reserve Study Standards and local State requirements, ensuring that our clients are acting in an informed manner, in accordance with legal requirements and sound fiduciary responsibility.

The Reserve Study Process

Our Reserve Studies are prepared in accordance with national Reserve Study Standards, established in 1998 by the Community Associations Institute and updated in 2023. Per these standards, a Reserve Study engagement generally consists of the following:

1. Component Inventory & Condition Assessment

Component inventory is the task of selecting and quantifying Reserve components. This task can be accomplished through on-site visual observations, review of property design and organizational documents, a review of established precedents, and discussion with appropriate representative(s). The condition assessment is “the task of evaluating the current condition of the component based on observed or reported characteristics.” As part of our inspection, we may also review governing documents, building plans, inspection records, preventive maintenance schedules and interview service providers to gain insights about component conditions, project history, or expectations for upcoming work. We then measure, quantify, evaluate, and document all areas and components to be included.

→ For Update With-Site-Visit (WSV) Reserve Studies, the component inventory is updated based on a diligent visual inspection after reviewing the prior Reserve Study, with measurements only spot-checked for accuracy. Condition assessments are established based on current observed or reported conditions. For Update No-Site-Visit Reserve Studies, no on-site inspection of the property is included in the scope of work. The physical analysis consists of a review of the prior component inventory and conversations or correspondence with the client or service providers about recent project history or condition changes.



2. Life & Valuation Estimates

Your Association Reserves Project manager begins by organizing and interpreting the raw data gathered during the site inspection, reviewing all measurements, notes, and photographs for key details and insights. Next, we establish the component list structure, and determine the life and cost estimates for each Reserve component. Our standard procedure is to use any historical information provided to us by the Client (such as when certain projects were done and what they cost), and to review any bids or estimates for upcoming work. We review our findings with your current service providers for their insights and check their input against information we’ve gathered working with other comparable properties in the area. We constantly consult our own internal databases, comprised of data collected from Reserve Studies prepared for properties like yours, from the thousands of Reserve Studies we prepare nationally each year. As a supplement, we may also consult various guidebooks, publications, and manufacturer’s recommendations to supplement our evaluation of your property’s components. The result is a thorough set of estimates that are current and client-specific, generated by an experienced, credentialed, and independent third party.

3. Financial Analysis, Report Preparation & Delivery

Once the component list is established and we’ve reviewed your current annual budget and most recent Reserve fund balance, we will calculate your current Reserve Fund strength and develop a custom multi-year Funding Plan (following national Reserve Study Standard Funding Principles) designed to offset ongoing deterioration and prepare your property for the Reserve expenses predicted over at least the next **30 years**.

Why should we choose Association Reserves?

Association Reserves was established in 1986 as a professional consulting firm serving community associations and other types of properties, with clients in all 50 United States and international locations. To date, our firm has completed over **80,000** Reserve Studies for properties of all types of condominium and homeowners' associations, community development districts, timeshare and resort properties, commercial facilities, worship facilities, schools and more. Over the years, our firm has been instrumental in creating, updating, and applying national Reserve Study Standards to become the Reserve Study provider by which all others are measured.

Each Reserve Study we provide is conducted with special consideration for the unique characteristics of the client property, including age, regional weather patterns, local pricing factors, ongoing maintenance, and client input. Our time-tested approach involves thorough research of all key factors, especially project history, projected useful life and cost data, and community standards. Our staff members earn and maintain the "Reserve Specialist"® (RS) credential administered by the Community Associations Institute (CAI), the national trade organization.

We do not take a one-size-fits-all approach to our work, because we know that every property is different. We take the time to ensure our results will help you make wise decisions regarding the long-term care of your physical and financial assets. From our first email or phone call to final delivery of your report, we provide the most accurate, easy to understand Reserve Studies available, making the present less stressful and the future more secure.

Upon Completion

Upon completion, clients are notified via email that their Reserve Study, Executive Summary, and all pertinent documents are posted to our secure online "Client Center" portal. Clients can manage the list of board members or committee members able to view this information.

In addition to the electronic (pdf) version of the completed Reserve Study, all client information is uploaded to our online Reserve calculator "uPlanIt", enabling clients to perform an unlimited number of "what if" analyses throughout the remainder of their budget season. This allows our clients to add or delete components, test variations to component life and cost, change the starting balance, interest, or inflation, and test what happens with various Reserve Funding levels. See more [here](#).



Qualifications and Key Staff Members

All of our project staff members have college degrees and many come from construction, engineering, architecture and related backgrounds. We do not use sub-contractors—all staff members involved with your study are company employees trained specifically in the field of preparing Reserve Studies. As of 2023, 31 Association Reserves Project Managers have earned the prestigious Reserve Specialist® credential. This is the strong team we use to serve our clients.



Robert M. Nordlund, PE, RS is the Founder CEO of Association Reserves. Robert is a Professional Engineer, Reserve Specialist, and former board president of his own condominium association. In addition, he is a past Chairman of CAI's Reserve Professionals Committee, past Chairman of the Association of Professional Reserve Analysts, past President of CAI's Greater Los Angeles Chapter, and a frequent speaker in industry-sponsored seminars and presentations throughout the United States. He obtained his bachelor's degree from the University of Washington in mechanical engineering and is a member of the prestigious engineering honors society Tau Beta Pi.



Mark Bradley joined Association Reserves as a Project Manager and Mid-Atlantic Region President in 2023 and brings a decade of unique experience as a Marine Corps Officer with several deployments. Mark's years of active duty have endowed him with exceptional planning and communication skills. Hailing from New Jersey and currently residing in Central Virginia, he is a history enthusiast with a deep appreciation for the stories and beauty on the East Coast of the United States. He holds a Bachelor of Science degree from the United States Naval Academy and is dedicated to delivering outstanding service to the Mid-Atlantic region.



David Whann, MBA, RS, EBP joined the Association Reserves – FL team in 2016, and now represents Association Reserves as the Director of Operations. A lifelong Florida resident, David obtained both his bachelor's degree in accounting and master's degree in business administration from the University of South Florida. He has prepared Reserve Studies for a wide range of property types, from luxury high-rise properties to sprawling single-family home communities. David earned the Community Associations Institute (CAI) designation of Reserve Specialist (RS #369). David's other responsibilities include the development of internal tools and systems to ensure our studies are accurate, comprehensive, and consistent with the latest industry trends and knowledge.

Here's a sample of our Inventory Appendix pages. We devote a half-page summary to every single component included in your Reserve Study.

Comp #: 2343 Building Exteriors - Seal/Paint

Quantity: Approx 156,000 GSF

Location: Building exteriors

Funded?: Yes.

History: Per records provided, exterior building was painted in 2015 for \$250,000

Evaluation: Approximately 23,400 LF of sealants. Overall condition noted to be fair: Painted exterior surfaces determined to be in fair condition typically exhibit some minor to moderate signs of wear and age such as chalking, peeling, blistering, etc. Problems tend to develop in more exposed areas first. Hairline cracks may be present at this stage. Overall appearance is satisfactory.

There are two important reasons for painting and waterproofing a building: to protect the structure from damage caused by exposure to the elements, and to restore or maintain good aesthetic standards for curb appeal. As routine maintenance, we recommend that regular inspections, spot repairs and touch-up painting be included in the operating budget. Typical paint cycles can vary greatly depending upon many factors including: type of material painted, surface preparations, quality of material, application methods, weather conditions during application, moisture beneath paint, and exposure to weather conditions. Proper sealant/caulking at window and door perimeters and other "gaps" in the building structure are critical to preventing water intrusion and resulting damage. The general rule of thumb is that sealant/caulking should be in place wherever two dissimilar building surfaces meet, such as window frame to concrete structure junctions. For best results, the client may want to consult with a paint company representative, building envelope specialist and/or structural engineer to specify the types of materials to be used and define complete scope of work before bidding. In our experience, cost estimates for painting and waterproofing can vary widely, even when based on the same prescribed scope of work. Estimates shown here should be updated and revised as needed based on actual bids obtained or project cost history during future Reserve Study updates.

Useful Life:
7 years

Remaining Life:
4 years

Easy-to-find details



Descriptive,
thorough
observations

Full-color
photographs

Best Case: \$ 320,000

Worst Case: \$ 400,000

Lower estimate to seal/repaint

Higher estimate

Cost Source: AR Cost Database/Client Cost History

Deliverables

Upon completion of the Reserve Study, the Client will receive the following:

- **Electronic copy:** A digital version of the entire Reserve Study document is posted to our private (password protected) Client Center for easy access for viewing and downloading.
- **Hard Copy:** Upon request, printed and bound full-color copies of the Reserve Study are available at a nominal additional cost based on number of pages.
- **Funding plan software (uPlanIt):** uPlanIt, our online Reserve calculator, allows clients to easily test an unlimited # of what-if variations to their Reserve Study throughout their budget season. *Note that uPlanIt does not overwrite or replace the Reserve Study prepared and published for your association, and please note that uPlanIt is not suitable for annual updating of the Reserve Study, or the creation of a new Reserve Study document. It is just an online calculator, to empower your informed decision-making.*
- **Complimentary revision:** In the event there is a material error or discrepancy identified within the first 60 days after delivery, upon the Client's written request we will gladly revise the study at no charge with approximately a one week turnaround. One revision is prepared at no charge. Additional requests for changes will be billed at standard hourly rates for Project Management staff.
- **Video presentation:** Upon request, we will provide a brief video presentation to help explain the process, outcomes, and other key details found within your Reserve Study. The Reserve Study document is shown on-screen, and you'll hear our staff explain key terminology, review the component list, and explain our findings and Funding Plan recommendation.
- **Additional Consulting Services:** Following completion of the Reserve Study, one phone or online meeting conference is provided at no charge. If a client requests additional services, including in-person presentations, or other deliverables an additional charge must be established with the project manager. Please contact us directly for the availability of this add-on service for your property.

References and Testimonials

We have built our business on repeat engagements with clients, providing wise counsel at a fair price with every Full or Update Reserve Study “Level of Service”. Some recent testimonials are found below:

- *“As the owner of a fairly large property management company, I have been using Association Reserves since the firm was founded. Excellent staff, timely responses, easy to understand reports, and changing reports has never been problematic! I cannot recommend Association Reserves highly enough.”*
- *“Association Reserves provides incredible service, knowledge and professionalism.”*
- *“Until now, I had yet to see a Reserve Study whose overview so “user” friendly. Any novice may pick it up and understand the concepts behind a Reserve Study. Very impressive. To add to that, our Project Manager could not be more responsive in answering any of our questions and bending over backwards to work with us.”*
- *“I have been in this business since 1998 and not everyone understands how HOAs and Boards work. Association Reserves employees do, which makes my job easier.”*
- *“Our Board could not be more pleased with the report we have received and the manner in which the study was conducted. We highly recommend Association Reserves to prepare your Reserve Study.”*
- *“We have worked with Association Reserves for several years. This is a process which can be very cumbersome to say the least, but Association Reserves has streamlined the process and with their help it has been painless and very successful.”*
- *“Association Reserves far exceeded my expectations in terms of ease of access to our Reserve Study report on the internet, and quality of service.”*
- *“The Association Reserves representatives have been very friendly and professional and have been very responsive to our needs.”*



ASSOCIATION
RESERVES™

Services

In general, a **FULL Reserve Study** is required when the client has no prior Reserve Study or wishes to start “fresh” with a completely new report. This option, sometimes called a Level 1 Study will require our site inspection team to measure and quantify all common area assets while on site to create the reserve study’s component (project) list. This option will include a full-color photographic inventory.

A **With Site Visit (WSV) Update Reserve Study** can be selected when the client has a qualifying prior Reserve Study prepared according to national Reserve Study Standards, including quantities. In this option, a diligent visual site inspection will be accomplished, spot checking quantities, and updating all observed conditions. This option will also include a full-color photographic inventory.

A **No Site Visit (NSV) Update Reserve Study** can be selected when the client has a prior Reserve Study from Association Reserves. Typically, this service is offered as a part of our Loyalty Update Plan but can be done as a stand-alone service for existing clients. While no onsite evaluation is accomplished, this level of service is a popular and cost-effective option to obtain updated Reserve Study guidance, keeping the association “on track” in-between site-visit-based updates, especially in years of higher-than-normal inflation. Component conditions are based on client and service provider interview via phone, email, and/or online meetings. This option does not include a photographic inventory. Best practice is two NSV updates (one per year) following a WSV or Full Reserve Study.

Consulting services are typically requested after a Reserve Study is completed. Both professionally managed communities and volunteer run non-profits gain access to professionals with experience in the industry and a wealth of knowledge from everything from communication strategies to implementation planning. Pricing is determined by the desired outcomes of the consulting service and will require a new agreement with the client.

See below for our recommendation of which services we think are right for your community. For questions about which Level of Service, or to inquire about the availability of an accelerated turnaround (for an additional cost), please contact

MBradley@ReserveStudy.com.

Terms and Conditions

Fees and Start Date: Client agrees to pay 50% of the below cost as a deposit at the time of submitting the signed proposal. The remaining 50% is to be paid upon delivery of the Reserve Study. Once the deposit and signed proposal are delivered, the project manager will inform the client's primary contact of the first available start date. The client and project manager can adjust the start date if necessary to accommodate the client's needs.

Note: Client is to designate one "primary" contact person. All work to be accomplished during normal business hours (Mon-Fri, 8am-5pm). We are covered by General Liability insurance, Professional Liability insurance, and our staff is covered by Workman's Compensation. Certificates of insurance are available upon request.

We do not perform intrusive investigations or destructive testing of any type. In our work preparing Reserve Study we do not claim to inspect or provide opinions on "hidden" components such as piping or electrical components, nor do we claim an ability to identify construction defect issues, anticipate or reveal environmental hazards such as asbestos or radon, nor pest hazards such as termites, nor acts of God such as earthquake or flood. Association Reserves liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Indemnity: By signing below, the Client agrees to indemnify Association Reserves and to hold it harmless from and against any and all liability, loss, damage, claim, and expense, including reasonable attorney's fees and expenses that may be incurred by Association Reserves arising out of or related to Client's breach of this agreement, Client's violation of any law or regulation, and/or Client's intentional misconduct or gross negligence.

Execution: By signing below, Client is indicating Client's agreement to all terms & conditions of this agreement. Client has full right, power, and authority to enter into this agreement and to perform Client's obligations under this agreement without the approval or consent of any other party.

Proposal Acceptance (please sign and return)

Summary Of Services

- 1. Level of Service:** FULL
- 2. FEE:** \$7,040.00
- 3. Turn-around time:** 8 Weeks from start date.

Print Name: _____ Company/Title: _____

Signature: _____ Date: _____

Please make check payable to *Association Reserves Mid-Atlantic*

- Please email this signed agreement to: MBradley@ReserveStudy.com
- For electronic payments please [use this link](#). To pay by check send payment to: Association Reserves, 150 Riverside Parkway, Suite 115 , Fredericksburg, VA 22406.
- An Association Reserves project manager will establish a start date with the primary contact provided, once the 50% deposit and signed acceptance has been received.

Francisco Foschi
Self Managed
ffoschi@parkfairfax.org
(703) 998-6315

Reference Number: 240363

Dear Francisco Foschi,

Thank you for requesting a proposal from Building Reserves. We are pleased to have the opportunity to serve Parkfairfax Unit Owners Association. One of the most important roles of an association-governed community is defining, maintaining, prioritizing and budgeting for ALL physical assets owned by the community.

Building Reserve specializes in creating custom solutions to solve the following complex problems....

1. What physical assets does our association-governed community own?
 - a. What condition are these physical assets in?
 - b. When will these physical assets need to be repaired or replaced?
2. How do we prioritize capital projects to strategically get the most out of our resources?
3. How much will it cost to repair or replace these physical assets on an annual basis & over the next 30 years?

Why Building Reserves is the best partner for your Reserve Study:

1. We use a Multi-Disciplinary approach. Our team has a multitude of professional backgrounds all with 10+ years experience: Civil Engineering, Mechanical Engineering, Architectural Engineering, Environmental Systems, Water Management, Architectural Design. [View Team](#)
2. Our Preventative Maintenance Plans (PMP) help extend the useful life of your property's components and can result in significant long-term cost savings. [Sample PMP](#)
3. We save you time and money by creating a Priority Score for your capital projects and classifying them as Low Priority, Deferrable or Highly Recommended. [View Sample](#)
4. We work with your board to customize a funding plan that is uniquely designed for your property. [View Sample](#)
5. Excel spreadsheet with formulas. Our Excel spreadsheet COMBINES all reserve data, component data, cash flow & graphics on ONE spreadsheet. Create Unlimited Cash Flow Models for free. [View Sample](#)
6. Actual Property Conditions are documented with on-site photographs in our easy-to-read, transparent reports. Customized replacement schedules and funding plans are based upon real conditions found on site. [View Sample](#)

Sincerely,






















Kevin Bobb, CEO & Certified R.S.
kbobb@buildingreserves.com

Your Reserve Study will be prepared by a team of CAI-Reserve Specialists and Professional Engineers, in accordance with CAI-National Reserve Study Standards.



Service Packages:



SELECT ONE BOX 	Full New Study	Update with Site Inspection	Virtual Update, No Site Inspection
	<input type="checkbox"/> \$6,895	<input type="checkbox"/> n/a	<input type="checkbox"/> n/a
Full Site Inspection with Condition Assessment	●	●	Not Included
 Photographic Inventory & Captions of all Reserve Components	●	●	Not Included
Pre-Inspection Meeting	●	●	Virtual Call
 Reserve Component Inventory List Creation	●	Component List from Prior Report	Component List from Prior Report
 Measurements and Quantities of all Reserve Components	●	Measurements from Prior Report	Measurements from Prior Report
 Report compliant with CAI National Reserve Study Standards	●	●	●
 Analysis of all Property Documents	●	●	●
 Satellite Image Showing Property Boundaries	●	●	●
 Customized Engineering Narrative for all Reserve Components	●	●	Not Included
 Customized Funding Plan for Your Property	●	●	●
Number of Independent Budgets / Cash Flows: (1) Cash Flow	●	●	●
 30-Year Cash Flow Analysis + 5-Year Cash Flow Division Break-outs	●	●	●
 Phone / Email / Video Support with Senior Engineering Team	●	●	●
 Component Evaluation Framework	●	●	Not Included
 Building Reserves Exclusive Easy-to-Read PDF Report Layout	●	●	●
Two Revised Reports at No Additional Cost (upon request, within 6 months)	●	●	1 Revision Included
 Excel File - Create unlimited what-if scenarios for free NEW	●	●	●
 Reserve Health Assessment NEW	●	●	●
 Priority Rating System - Low Priority, Deferrable, Highly Recommended NEW	●	●	●
 Priority Scoring System - View projects sorted in order of high to low priority NEW	●	●	●
 Responsibility Matrix NEW	●	●	●
 Comparative Reserve Balance Scenarios at Varying Interest Rates NEW	●	●	●

Preventative Maintenance Plan



PREVENTATIVE MAINTENANCE PLAN:

\$895

Optimize and conserve the useful lives of your property's components. Our Preventative Maintenance Plan provides actionable recommendations and best practices for all commonly-owned assets at your property. [Download Sample](#)
PMP must be performed concurrently with a Building Reserves Study

Insurance Advisory Report



INSURANCE ADVISORY REPORT:

\$2,295

Ensure your property is adequately protected. Our Insurance Advisory Report is an independent evaluation of the existing insured value for the subject property common area. The report assists the Association in determining a fair market valuation for the subject property. [Download Sample](#)
Report must be performed concurrently with a Building Reserves Study

To Get Started: Sign and Send to Mike McDevitt, mmcdevitt@buildingreserves.com

Parkfairfax Unit Owners Association, Reference Number: 240363

By Signing below, Customer is indicating Customer's agreement to all terms & conditions of the attached Service Contract, based on selected services above.
If no above selection is made, Customer and Building Reserves agree to move forward with the "Full New Study" when this contract is executed.

Signature _____ Date _____

Print Name _____ Relationship to Property: _____

Phone _____ Email: _____

Please remit retainer fee of 50% to: Building Reserves INC - 310 Busse Highway #280, Park Ridge, IL 60068


See the Building Reserves DIFFERENCE:



Transparent Reports that are Easy-to-Read

A **BUILDING RESERVES** report is easy to understand. Our reports include photographs that clearly define each component and its condition, as well as provide evidence for replacement schedules. Many reserve study providers simply use generic text to describe your reserve components. This leaves you guessing about the condition of components, as well as the context or scope of what is being analyzed.

STANDARD RESERVE STUDY



COMPONENT #9: CONCRETE FLATWORK

DESCRIPTION:
Concrete stoops are located at unit entries. Some stoops and stairs have been replaced in past years. Concrete has a very long useful life, but will require periodic partial replacements as the property ages over time.

CONDITION:
Good

SCHEDULED EXPENDITURES:
\$5,000/2020 \$5,000/2030 \$5,000/2040

ANALYSIS:
Cracks noted throughout.

COMPONENT #10: FENCES, WOOD

DESCRIPTION:
Wood fencing is located at the property entrance, and also at the West property perimeter. The fence provides visual screening from neighboring properties, and should be replaced to maintain aesthetic appeal. The fence should be stained periodically to maintain the useful life of the wood fence members.

CONDITION:
Poor

SCHEDULED EXPENDITURES:
\$43,400/2019 \$76,900/2039

ANALYSIS:
Sections of the wood fence are badly leaning. Wood rot was noted throughout at fence posts, beams, and boards. Replacement is recommended near-term.

Reserve Provider Corporation
1124 Ridgeway Lane, Chicago, IL 60618
312-346-3466 - info@reserveprovider.com

Page 14

BUILDING RESERVES EASY-TO-READ COMPONENT EVALUATION FRAMEWORK

Concrete Stoops and Stairs, Partial Replacement

SITE COMPONENT

Line Item: 14

PERCENTAGE OF TOTAL FUTURE COSTS: 6.77%		ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	14,700 Square Feet	Current Unit Cost:	\$68.00		
Replacement Per Phase:	490 Square Feet	Current Cost Per Phase:	\$33,320		
Replaced in Next 30 Years:	5,350 Square Feet	Total Cost Next 30 Years:	\$574,626		
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	0 to 33		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	1	Useful Life in Bloomington, MN	to 65	Years	
Estimated First Year of Replacement:	2018	Full or Partial Replacement:	Partial	40.0%	



Typical concrete stoop and stairs at unit entry.



Crack between adjacent stair elevations.



Concrete flatwork at base of stair (installed 2017).



Spalled concrete stair corner at lowest step.

Schedule of Replacements Costs				Special Conditions			
2017	\$0	2028	\$45,632	2038	\$0	Concrete stairs / stoops and flatwork at lower landings are located at each homeowner entry area. Various concrete stoops, stairs, and flatwork have been replaced as needed in past years. An additional 40.0% replacement is forecasted within the next 30 years. All paint / waterproof coating (located at isolated areas only) should be funded from the association's operating budget if necessary. Phased replacements coincide with the phased replacement of the metal stair railings. Sandmud jacking is considered an operational expense.	
2018	\$34,286	2029	\$0	2039	\$62,495		
2020	\$0	2030	\$0	2040	\$0		
2021	\$0	2031	\$49,719	2041	\$66,172		
2022	\$38,440	2032	\$0	2042	\$0		
2023	\$0	2033	\$0	2043	\$70,065		
2024	\$0	2034	\$54,171	2044	\$0		
2025	\$41,882	2035	\$0	2045	\$74,188		
2026	\$0	2036	\$0	2046	\$0		
2027	\$0	2037	\$59,022	2047	\$78,554		

2-14

VS

Property Condition Drives Our Customized Reserve Studies

We assign customized replacement times that are based upon actual photographed conditions found at your property (not a standardized useful life chart).

All unit costs are uniquely tailored to your specific property and are based upon property-specific cost factors (not standardized cost indexes).

A **BUILDING RESERVES STUDY** is uniquely customized to your specific property.

Actual property conditions documented with on-site photographs

Customized replacement schedules based upon real conditions found on site

Customized funding plans that are based upon prioritizing capital projects at your property

Our Engineers Know Your Property Type:



Parkfairfax Unit Owners Association



**CLICK TO
DOWNLOAD A
SAMPLE RESERVE STUDY**

Clients Served:

Building Reserves has conducted Reserve Studies for **MANY** properties like Parkfairfax Unit Owners Association, similar in age, style, and building materials



River Hills Condominium Association



Lafayette Walk Condominium Association



Meadow Creek Condominium Association



East Point Commons



Country Greene Townhome Association



Huntwick Unit Owner's Association



Tudor Court Condominium Association



Lathrup Park Condominium Association



Founder's Row Rowhome Association



Rutherford Condominium Association



Warwick Pointe Condominium Association



Crestwood Condominium Association

Parkfairfax Unit Owners Association



Reserve Components:

Asphalt Pavement / Concrete Flatwork
Exterior Façades and Finishes
Exterior Light Fixtures
Façade Accessories (Shutters, Vents, etc.)
Fencing / Gates / Railings
Furniture, Pool
Garage Doors (if commonly owned)
Gutters and Downspouts
Irrigation Systems (if present)
Landscaping
Mailboxes (if commonly owned)
Pool Deck, Concrete
Pool Fence
Pool House / Club House Exteriors
Pool House / Club House Interiors
Pool House / Club House Life Safety Systems

Pool House / Club House Mechanical Equipment
Retaining Walls
Roof Assemblies
Sidewalks and Walkways
Siding and Trim
Signage and Entrance Monuments
Site Drainage
Site Lighting
Soffit and Fascia
Stormwater Management
Streets and Common Roadways
Surveillance / Access Systems
Swimming Pool Coping and Sealants
Swimming Pool Finishes (Plaster / Tile)
Swimming Pool Mechanical Equipment
Swimming Pool Structure

**ALL COMMON ASSETS OWNED BY Parkfairfax Unit Owners Association
WILL BE INCLUDED IN THE RESERVE STUDY AT NO ADDITIONAL CHARGE**

See the Building Reserves *DIFFERENCE*:




Component Evaluation Framework: Visually comprehensive and easy to understand

Our customized reports accurately illustrate and document all conditions, quantities, replacement costs and remaining useful lives for each common component on **ONE** page. It is important for board members to identify all components and conditions in the reserve study with many high quality photographs. This will create transparency. This will allow you to confirm what components are included in your funding plan, in order to create a transparent budget that everyone can understand.

Roofs, Asphalt Shingles, Phased Replacement

EXTERNAL BUILDING COMPONENT

PERCENTAGE OF TOTAL FUTURE COSTS: 32.07%		Line Item: 5	
ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	900 Squares	Current Unit Cost:	\$370.00
Replacement Per Phase:	300 Squares	Current Cost Per Phase:	\$111,000
Replaced in Next 30-Years:	1,800 Squares	Total Cost Next 30-Years:	\$1,068,662
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	19	Overall Current Condition:	Fair
Remaining Years Until Replacement:	3	Useful Life in South Milwaukee, WI:	15 to 20 Years
Estimated First Year of Replacement:	2023	Full or Partial Replacement:	Full
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	High Priority	Priority Score	102



Overview of roofs at 1st and 2nd stories



Valley flashing, plumbing boot, and box vents - Unit 5524



Downspout discharging onto lower roof may accelerate shingle deterioration - Unit 5758




Detached shingles at Unit 5158

Schedule of Replacements Costs			
2020	\$0	2031	\$0
2021	\$0	2032	\$0
2022	\$0	2033	\$0
2023	\$121,222	2034	\$0
2024	\$124,834	2035	\$224,591
2025	\$128,555	2036	\$231,284
2026	\$0	2037	\$238,176
2027	\$0	2038	\$0
2028	\$0	2039	\$0
2029	\$0	2040	\$0
2030	\$0	2041	\$0
		2042	\$0
		2043	\$0
		2044	\$224,591
		2045	\$231,284
		2046	\$238,176
		2047	\$0
		2048	\$0
		2049	\$0
		2050	\$0

Engineering Narrative

Asphalt shingle roofs are original and are in fair overall condition. Isolated past leaks were reported by management. We recommend budgeting for the phased replacement of the roofs from 2023 to 2025, and again from 2044 to 2046. We recommend periodic roof inspections to monitor roof condition and proactively identify needed areas of repair.


4-5

Accurate component quantities, conditions, remaining useful life, and estimated replacement costs

High resolution photographs document the condition of each component so that you can understand the customized replacement schedule

Customized, non-boiler-plate Engineering Narrative prepared by a CAI-designated Reserve Specialist and Engineer

Customized, prioritized replacement plan

See the Building Reserves DIFFERENCE:



Customized Reports that Prioritize Capital Projects

A **PRIORITY CHART** is included in every Building Reserves Study

- All components are identified as **Low Priority, Deferrable, or Highly Recommended**
- Easily determine which capital projects warrant the most attention, based upon a component's condition, impact on livability, and overall priority rating
- Ensure that your reserve funds are targeted at the most important property components
- Identify the **BEST USE** of your reserve funds
- Ensure that your customized Replacement Schedule is based upon components' priority, as well as available funding (*low priority projects may be postponed in order to maintain reasonable reserve contribution levels*)

PRIORITY CHART					
Priority Rating System					
Impact on Livability	High Impact	Deferrable	Highly Recommended	Highly Recommended	Highly Recommended
	Moderately High Impact	Deferrable	Deferrable	Deferrable	Highly Recommended
	Moderate Impact	Low Priority	Deferrable	Deferrable	Deferrable
	Low Impact	Low Priority	Low Priority	Low Priority	Deferrable
		Condition			
		Very Good	Good	Fair	Poor
Reserve Inventory					
Line Item	Reserve Component Listed by Property Class	Priority	Current Condition	Impact on Livability	
EXTERNAL BUILDING COMPONENTS					
1	Awnings, Fabric	Low Priority	Very Good	Low Impact	
2	Balconies, Concrete, Capital Repairs and Waterproof Coating Applications	Highly Recommended	Fair	High Impact	
3	Balconies, Railings, Steel, Paint Finishes and Capital Repairs	Highly Recommended	Fair	High Impact	
4	Doors, Glass, Front Entry	Deferrable	Fair	Moderately High Impact	
5	Doors, Metal	Deferrable	Fair	Moderate Impact	
6	Light Fixtures, Exterior	Deferrable	Fair	Moderate Impact	
7	Roofs, Coping, Aluminum	Highly Recommended	Poor	High Impact	
8	Roof, EPDM	Highly Recommended	Poor	High Impact	
9	Roofs, Skylights	Highly Recommended	Fair	High Impact	
10	Sealants - Windows, Doors, & Control Joints	Highly Recommended	Fair	High Impact	
11	Walls, Masonry, Inspection and Partial Repointing	Highly Recommended	Fair	High Impact	
INTERNAL BUILDING COMPONENTS					
12	Ceiling, Acoustical Tiles	Low Priority	Very Good	Low Impact	
13	Elevator Cab Finishes	Deferrable	Good	Moderate Impact	
14	Exercise Equipment, Cardio, Type	Deferrable	Good	Moderate Impact	
15	Exercise Equipment, Strength, Type	Deferrable	Good	Moderate Impact	
16	Floor Coverings, Carpet	Deferrable	Good	Moderate Impact	
17	Floor Coverings, Ceramic Tile	Low Priority	Good	Low Impact	
18	Furnishings	Low Priority	Very Good	Moderate Impact	
19	Light Fixtures, Interior	Deferrable	Good	Moderately High Impact	
20	Mailboxes, Interior	Deferrable	Fair	Moderately High Impact	
21	Paint Finishes, Hallways and Common Rooms	Deferrable	Fair	Moderate Impact	
22	Paint Finishes, Stairwells	Low Priority	Very Good	Low Impact	
SERVICE COMPONENTS					
23	Air Handling Units, Furnaces, 60-MBH	Deferrable	Good	High Impact	
24	Condensing Units, 5.0-ton	Deferrable	Good	High Impact	
25	Doors, Automatic Openers	Deferrable	Good	High Impact	
26	Electrical System, Thermostats and Capital Repairs	Deferrable	Good	High Impact	
27	Elevator, Traction, Modernization	Highly Recommended	Fair	High Impact	
28	Fire Detection, Control Panel / Fire Command Center	Highly Recommended	Fair	High Impact	
29	Fire Detection, Emergency Devices	Highly Recommended	Fair	High Impact	

Clear, Easy-to-Read Responsibility Matrix Includes ALL Property Components

Component Name	Association Responsibility			Owner	Other
	Reserve	Operating	Long-Lived		
Air Handling Unit	X				
Appliances	X				
Balconies, Concrete, Capital Repairs and Waterproof Coating	X				
Balconies, Railings, Steel, Paint Finishes and Capital Repairs	X				
Balconies, Railings, Steel, Replacement			X		
Baseboard Heaters, Electric/Hydronic	X				
Cabinetry and Countertops	X				
Ceiling, Acoustical Tiles	X				
City Streets (Broadway Blvd. & Sentry Ave.)					X
Common Interior Windows and Doors			X		
Doors, Glass, Front Entry	X				
Doors, Metal	X				
Electrical Systems			X		
Electrical Utility Boxes and Meters			X		X
Elevator Cab Finishes	X				
Elevator Hydraulic Cylinders			X		
Exercise Equipment, Cardio	X				
Exercise Equipment, Strength	X				
Fence along southwest perimeter (Neighboring Property)					X
Fire Hydrants					X
Fire Suppression / Sprinkler Systems			X		
Floor Coverings, Carpet	X				
Floor Coverings, Carpet, Vacuuming and Spot Treatments		X			
Floor Coverings, Ceramic Tile	X				
Floor Coverings, Sports Flooring	X				
Foundations			X		
Furnishings	X				
Irrigation System, Annual Repairs and Interim Replacement of Controllers		X			
Landscaping - Annual Groundskeeping		X			
Light Bulbs at Common Area Fixtures		X			
Light Fixtures, Exterior	X				
Light Fixtures, Interior	X				
Light Poles and Fixtures at Entrance Drive					X
Locker Rooms, Renovation	X				
Mailboxes, Interior	X				
Paint Finishes, Hallways and Common Rooms	X				
Paint Finishes, Stairwells	X				
Pipes, Building Interior, Water and Sewer, Common			X		
Pipes, Subsurface Utilities			X		
Riser Sections			X		
Roof Inspections, Annual		X			
Roof, EPDM	X				
Roofs, Coping, Aluminum	X				
Sealants and Caulking, Replaced Annually As-Needed		X			
Structural Building Frames		X	X		
Touch-Up Painting					
Unit Electrical and Plumbing Systems (Serving Only A Single Unit)					X
Unit Fire Detection Devices					X
Unit Heater at Garage Vestibule		X			
Unit Heating, Ventilation, and Air Conditioning (HVAC)					X
Unit Interiors					X
Unit Windows and Doors					X
Wall Coverings	X				
Walls, EIFS, Paint Finishes and Capital Repairs	X				
Walls, Masonry, Inspection and Partial Repointing	X				

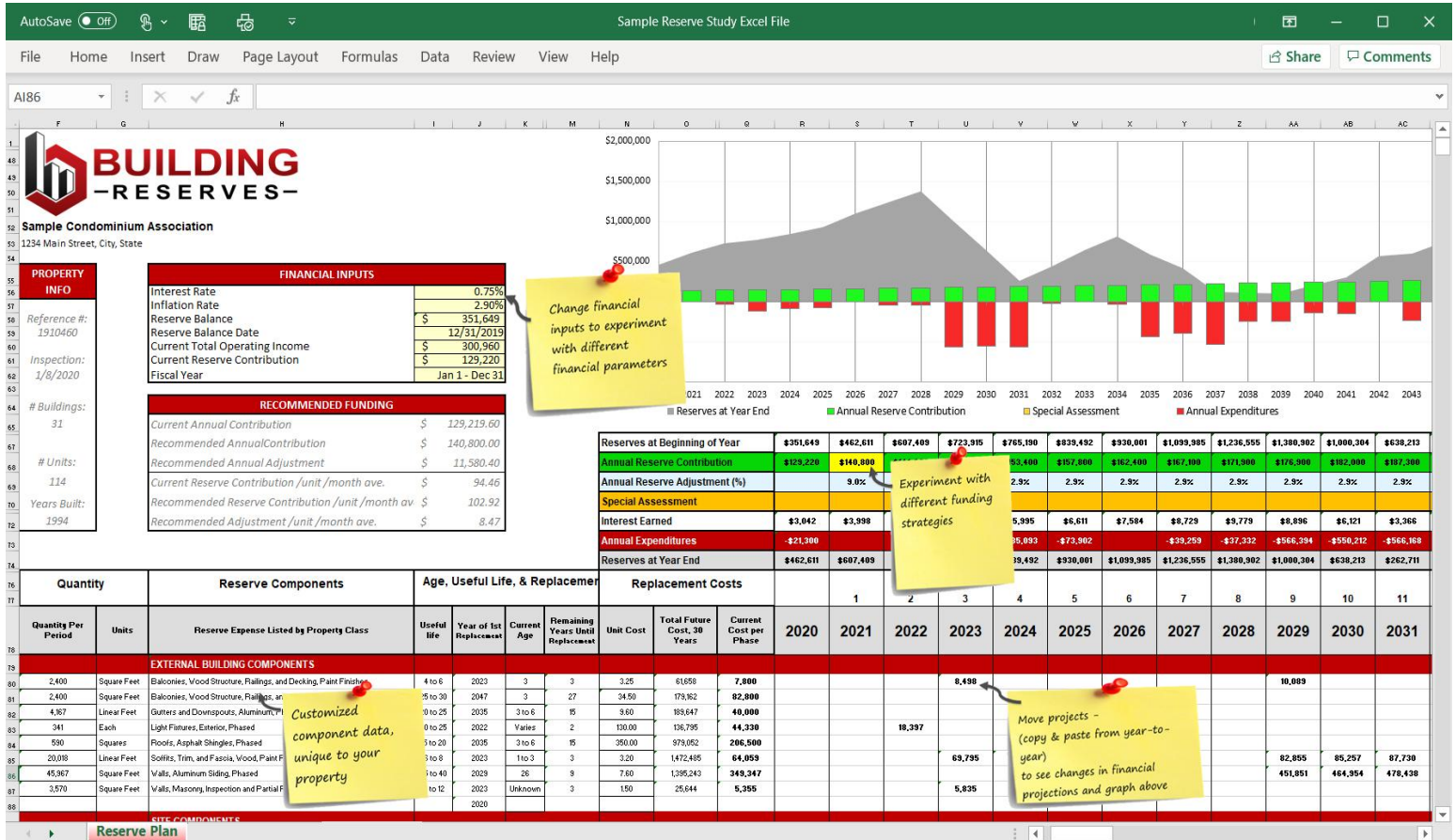
A **RESPONSIBILITY MATRIX** is included in every Building Reserves Study

- We interpret and translate your declaration into a clear, easy-to-read matrix
- Ensure that ALL property components are categorized and evaluated. *If a component is present at your property, it is noted in the matrix*
- Matrix serves as a convenient go-to guide that can be easily referenced
- Give owners a clear picture of what components the association is responsible for, and what owners are responsible for

See the Building Reserves DIFFERENCE:



FREE Excel Files with every Reserve Study



Free EXCEL FILE with every Building Reserves Study

- Easily move projects from year to year to experiment with different replacement schedules. Project costs automatically adjust to include inflation.
- Add or remove components to determine the impact on the funding plan.
- Experiment with different funding plans to find the most appropriate rates and levels of reserve contribution adjustments.
- Change interest rates, reserve balances, and other financial inputs to see the impact on the funding plan.
- Adjust project costs to determine the impact on reserve balances.

CLICK TO DOWNLOAD SAMPLE

- **FREE!**
- **UNLIMITED users**
- **Create UNLIMITED versions**
- **Familiar, easy-to-use Microsoft EXCEL software**

See the Building Reserves DIFFERENCE:



Preventative Maintenance Plans

Elevate your Reserve Study with a Preventative Maintenance Plan

Preventative Maintenance Programs result in **12% to 18% cost savings** compared to Reactive Maintenance Programs

Per US Dept of Energy Federal Energy Management Program

- Optimize the useful life of components
- Anticipate and prepare for repairs. Less emergencies!
- Reduced equipment failures, equipment downtime, and unexpected service calls
- Avoid deferred maintenance issues
- Improved building safety & increased reliability

1: Pump, Circulating, Base-Mounted, 5.0-HP		
Preventative Maintenance Tasks	Frequency	Your Recorded Cost
1) * Assure all bearings are lubricated per manufacturer's recommendations * Check packing for wear and repack as necessary. * Align the pump/motor couplings to allow for efficient torque to pump * Check and secure all pump mountings * Inspect bearings and drive belts for wear	Monthly	
2) * Adjust, repair, and replace bearing and drive belts as needed * Check condition of motor through temperature or vibration analysis.	Annually	
3) * Replace 5.0-HP motor	Every 5 Yrs	

Notes:
The predominant impact pumps have on water use relates to proper function and no leakage. A pump operating at too high of a pressure can lead to leak formation and/or leakage increase. As part of routine maintenance activity, pressure verification and leakage survey should be completed and documented.

2: Roofs, Flat, EPDM Membrane		
Preventative Maintenance Tasks	Frequency	Your Recorded Cost
1) * Examine the interior of the building for signs of water damage, such as mold, mildew, water stains, and peeling paint	Monthly	
2) * Inspect building roofs at least twice a year, in the spring and fall seasons (before and after severe weather seasons) * Look for signs of damage, weathering, low spots, standing water, blistering, scratches in tiles * Check roof drains for mold, or signs of blockage * Check equipment * Inspect stairs, handrails, and doors for soundness, do not rest directly on them * Ensure that roof is properly sealed and posted in a proper condition		
3) * Conduct roof repair as needed		

Notes:
Most roof system warranties have specific roofing maintenance guidelines that must be followed in order to keep the warranty in effect. Routine roof inspections are one of the best ways to continually monitor the condition of your roofs, as well as to proactively address issues that may lead to larger problems. In addition to biannual roof inspections, roofs should also be inspected directly following severe weather events, such as tornados, hailstorms, or damaging winds.

CLICK TO DOWNLOAD
A SAMPLE
PREVENTATIVE
MAINTENANCE PLAN

Reserve Health Assessment

RESERVE HEALTH ASSESSMENT

Evaluating Reserve Health

Instead of solely considering the reserve balance, generic stated useful lives, and remaining useful lives as the main indicators of CURRENT RESERVE HEALTH, a much more wholistic way to gauge the health of a reserve fund is to compare the rate of recommended reserve contribution increase to the rate of inflation.

Inflationary fluctuations can be one of the largest drivers of FUTURE RESERVE HEALTH. Even if an association currently holds a large reserve balance, there is no guarantee that future balances will be adequate to offset capital costs unless reserve contributions are designed to escalate to combat inflationary increases in construction costs.

Instead of only considering the current year's balance, we consider the cumulative reserve adjustment over the NEXT 10 YEARS, inclusive of special assessments, and compare this rate to the expected rate of inflation. This results in a much more robust and reliable health rating.

Health Assessment Rating: B

Target Inflationary Increase

A+ Highly Desirable - Reserve increases are less than inflationary increases
Generally, when a community's reserve fund contributions raise at a rate lower than inflation, this is a sign that existing funds on hand are healthy, sometimes excessive, and are likely adequate to fund future capital expenditures. The likelihood of special assessments is very low.

C B A Within Acceptable Range - Reserve increases are higher than inflationary increases, but within acceptable range
Generally, when a community's reserve fund contributions increase at a rate equal to or near inflation, this is a sign that existing reserves, with planned reasonable increases, will likely result in the ability to adequately fund future capital expenditures. The likelihood of special assessments remains relatively low.

F E D Not Sustainable - Reserve increases are significantly higher than inflationary increases
Generally, when a community's reserve fund contributions increase significantly higher than inflation, this is a sign that existing reserves and contribution levels are inadequate to fund future capital expenditures. Many times, this is caused by inadequate contributions to reserves in prior years, and/or unfavorable adjustments in macroeconomic factors, such as inflation rates or interest rates. Without increased reserve contributions, the reserve fund balance may run dangerously low, funds may not exist to complete projects when desired, and there is a higher likelihood of special assessment.

Reserve Study Updates

Reserve health evaluations are based upon the current reserve balance, current rate of reserve contribution, proposed replacement schedule, and current inflation and interest rates. It is critical to update this reserve plan on a frequent basis, as variances in any of these components may result in changes to the cash flow, therefore resulting in changes to the health assessment rating.

A HEALTH ASSESSMENT is included in every Building Reserves Study

- Understand the health of your reserve funding plan
- Track your assessment over time to gauge performance
- Easily see how your reserve increases compare to expected inflationary increases
- Determine if your reserve funding plan adjustments are within a desirable range
- Easy to understand A+ to F scale

Our Team of Employees:

We do not utilize 1099 Sub-Contractors on any aspect of your project!



Our Team of Industry Experts is Diverse and Experienced

We utilize a team approach to ensure that you have professionals with multiple backgrounds concurrently working on your Building Reserves Study. This ensures the most well-rounded and most accurate information.



Kevin Bobb, CEO & Founder, CAI-Reserve Specialist

Areas of Expertise: Mechanical Engineering

B.S. Mechanical Engineering
15 years of Reserve Study experience
Head of Sales and New Product Development



Brittany Eggert, CAI-Reserve Specialist

Areas of Expertise: Architectural Assemblies, Facade Systems

Masters in Architecture, Business Administration
750+ Reserve Studies conducted
13 years of Reserve Study experience, 16 years of industry-related experience



Jon Schreiner, PE, Senior Engineer

Areas of Expertise: Civil Engineering, Water Management, FAA Cert. Drone Operator

B.S. Civil Engineering
Licensed Engineer
Over 22 years of industry-related experience



Michael Bentley, CAI-Reserve Specialist

Areas of Expertise: Civil Engineering, Structural Design, Mechanical Systems

B.S. Civil Engineering
850+ Reserve Studies conducted
15 years of Reserve Study experience



John Aiello, CAI-Reserve Specialist

Areas of Expertise: Mechanical Systems, Environmental Systems

B.S. Architectural Engineering & Environmental Systems
800+ Reserve Studies conducted
14 years of Reserve Study experience



Andrew Herland, CAI-Reserve Specialist

Areas of Expertise: Architectural Assemblies, Building Construction Methods

Masters in Architecture
500+ Reserve Studies conducted
13 years of Reserve Study experience, 20 years of industry-related experience



Service Contract:



Date of Proposal: 4/24/2024

Customer: Parkfairfax Unit Owners Association

This Agreement is between Building Reserves, Inc. located at 1341 W Fullerton Ave #314, Chicago, IL 60614 (herein referred to as "BR"), and Parkfairfax Unit Owners Association (herein referred to as "Customer"). BR agrees to complete an investigation and reserve study of the Property (the "Study") that provides, among other things, an analysis of the unit quantities and unit costs, a life analysis and condition assessment, projected replacement times and a cash flow analysis with recommended reserve contributions to offset capital and replacement costs of Customer property.

Customer may elect to purchase additional or alternate services or packages provided by BR, which include but are not limited to Preventative Maintenance Plans (herein referred to as "PMP"). These additional or alternate services are also governed by the terms of this contract.

Customer shall pay to BR an amount equal to the Fee, as determined in accordance with the payment schedule set forth in the Proposal and any riders (and which may include the PMP, or other such programs or services.).

Customer agrees to cooperate and provide BR with access to the Property within a reasonable period of time following BR's request for an on-site inspection. Customer will use its best efforts to provide BR with historical and budgetary information for the Property as well as all governing documents and other information requested by BR with respect to the Property.

BR's inspection and analysis of the Property is limited to visual observations, with no testing, and is non-invasive. BR is not qualified to detect or quantify the impact of hazardous materials or adverse environmental concerns. Unless BR expressly states otherwise in writing, BR does not investigate or consider (nor assume any responsibility or liability for) the existence or impact of any hazardous materials or any structural, latent or hidden defects on or within the Property. BR will not conduct any soil or water analysis, geological survey or investigation of subsurface mineral rights (including, without limitation, water, oil, gas, coal or metal). The validity of BR's Study (and BR's opinions and estimates) could be affected adversely by the presence of substances such as asbestos, urea-formaldehyde foam insulation, toxic wastes, environmental mold, and other chemicals or hazardous materials. BR does not conduct any invasive or structural testing or inspections; accordingly, BR makes no representation, warranty or guarantee regarding (nor does BR assume any liability or responsibility for) the structural integrity of the Property, including, without limitation, any physical defects that were not readily apparent during BR's onsite inspection. BR will inspect sloped roofs only from the ground level. BR will inspect flat roofs from the roof level when and where safe access is available (as determined in BR's sole discretion). BR specifically disclaims any liability associated with studies or reports that are selected which do not include an on-site inspection at the onset, as all information necessary to provide the reports and plans are subject to information provided by Customer. As a result of the Study or upon information provided by the Customer, as the case may be, BR will prepare an initial report (the "Initial Report") that represents a valid opinion of BR's findings and recommendations. If requested by Customer within six (6) calendar months following the date of the Initial Report, BR will prepare up to two (2) revised reports, incorporating new information that is provided by Customer in written and list format, as well as any changes that are requested reasonably by Customer and agreed-upon by BR (the "Final Report" and, together with the Initial Report, the "Reports"). If Customer does not request a Final Report within six (6) calendar months following the date of the Initial Report, then the Initial Report shall be deemed as the Final Report.

This Preventative Maintenance Plan is provided as guidance only and provides suggestions for the Customers that may help maintain its property. It contains recognized information, standards and suggestions on the types and frequency of practices, and maintenance that may sustain the property and systems of the Customer. Sections of the guidance may not be applicable to every Customer and this guidance should be considered advisory, as individual conditions for each Customer property may affect the required maintenance of the individual Customer.

The Reports contain intellectual property that was developed by BR and is provided on a confidential basis to only Customer for only Customer's benefit. The Reports are limited to only the express purpose stated herein and may be relied upon only by Customer. The Reports, whether in whole or in part, may not be used for any purpose other than its intended purpose, including, but not limited to, as a design specification, design engineering study or an appraisal. Without BR's prior written consent, Customer may not reference BR's name or the Reports (or any information contained therein, whether in whole or in part) in any document that is reproduced or distributed to third parties without BR's prior written consent.

BR's opinions and estimates (whether oral or contained within the Initial Report or Final Report) are not (and shall not be construed as) a representation, warranty or guarantee of (i) the actual costs of replacement; (ii) the integrity of condition any common elements; (iii) the actual remaining useful life of the Property or any elements contained thereon or therein; or (iv) the actual quantities of components present at the property. BR's opinions and estimates do not constitute any representation, warranty or guarantee of the performance of any products, materials or workmanship with respect to the Property.

Service Contract:



Date of Proposal: 4/24/2024

Customer: Parkfairfax Unit Owners Association

BR's compensation is not dependent or contingent upon any conclusions in the Reports. Customer agrees to pay BR fifty percent (50%) of the quoted fee upon signing as a retainer, and prior to site inspection or shipment of Initial Report. The remaining Fifty percent (50%) is due within 30 days of shipment of Initial Report, and late payments are subject to a monthly interest rate of one and one-half percent (1.5%). If BR does not receive the Fee in accordance with such payment schedule, then BR shall have the immediate right (in BR's sole and absolute discretion) to cease all services hereunder and to withhold any Initial Report and/or Final Reports. Customer understands that the quoted Fee is based on the accuracy of relevant Customer information provided to BR in the initial request for proposal. Should the information provided by Customer pertaining to Customer's maintenance responsibilities, property or quantity of independent budgets be found to be misrepresented or inaccurate, BR reserves the right to requote the project. In addition, the accuracy of any Reports is subject to the accuracy of information provided by Customer. BR makes no representations that it will be able to identify all commonly-owned components unless they are properly identified by Customer.

BR assumes that all data and information provided to BR by Customer is accurate, without any independent investigation or verification by BR. Customer indemnifies and holds harmless BR (and its employees, officers and directors) from and against any and all losses, claims, actions, causes of action, damages, expenses or liabilities (including, without limitation, reasonable attorneys' fees and court costs) that BR might suffer or incur as a result of (i) any false, misleading or incomplete information supplied by or on behalf of Customer to BR; or (ii) any improper use or reliance on the Reports. To the best of BR's knowledge, all data set forth in the reports is true and accurate. Notwithstanding the foregoing, BR assumes no liability for the accuracy of any data, opinions or estimates that are furnished by third parties, even if BR relied upon such information in generating its reports. BR's liability (including, without limitation, the collective liability of any of BR's employees, officers or directors) is limited to actual damages in an amount not to exceed the amount of the fee actually received by BR.

Customer shall indemnify, defend and hold harmless BR (and its employees, officers and directors) from and against any and all losses, liabilities, claims, actions, lawsuits, demands, damages, costs, money judgments and expenses (including reasonable attorneys' fees) arising out of a breach of this Agreement by Customer. Customer warrants that it has all rights necessary to provide the Proprietary Information to BR. Customer's obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of BR.

Customer hereby grants BR the right to use Customer's name in marketing materials and in BR's client list; provided, however, BR reserves the right to use property information to obtain estimates of replacement costs, useful life estimations, or other information that BR, in its sole discretion, believes may be appropriate or beneficial.

This Agreement represents the entire understanding and agreement of the Parties and supersedes all prior communications, agreements and understandings, if any, between the Parties relating to the subject matter hereof. This Agreement may not be modified, amended or waived except by a written instrument duly executed by both Parties. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. If any clause or provision herein shall be adjudged invalid or unenforceable, it shall not affect the validity of any other provision, which shall remain in full force and effect.

This Agreement is made subject to, and shall be construed in accordance with, the laws of the State of Wisconsin (without regard to its conflict of laws provisions). The Parties agree to sole venue in the state or federal courts located in Waukesha County, Wisconsin, and each Party hereby consents to the jurisdiction of such courts over itself in any action relating to this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument. The Parties acknowledge and agree to accept and be bound by this Agreement and its counterparts.

By signing the Proposal, Customer is indicating Customer's agreement to all of the terms & conditions of the Proposal and this Service Contract. Customer has the full right, power, and authority to enter into and be bound by the terms and conditions of this agreement and to perform Customer's obligations under this agreement without the approval or consent of any other party. The person signing this agreement on behalf of Customer represents and warrants that he/she has the authority to do so.

Engineering and Technical Consultants, Inc.
7165 Columbia Gateway Drive, Suite B; Columbia, Maryland 21046
t410.312.4761 f410.312.0482

June 12, 2024

Parkfairfax Condominium
3360 Gunston Road
Alexandria, Virginia 22302

ATTENTION: Mr. Francisco Foschi

SUBJECT: Proposal for Level II Replacement Reserve Study
Parkfairfax Condominium
Alexandria, Virginia
ETC Proposal PM4-8960

Dear Mr. Foschi:

Engineering and Technical Consultants, Inc., (ETC) is very pleased to submit this proposal for performing a reserve study at the above referenced property. This proposal is submitted in accordance with your written request, and includes a brief discussion of background information, a listing of our proposed scope of services, and a summary of our fees for services.

BACKGROUND INFORMATION

Parkfairfax Condominium (Parkfairfax) is comprised of 285 buildings that enclose a total of 1,684 residential units. The buildings are two stories high and faced with brick masonry. The roofs are sloped and covered with cementitious tiles. Drainage is facilitated by gutters and downspouts mounted along the roof edges. We understand that the community was converted to a condominium in 1978..

Vehicular access and parking are provided by asphalt-paved roadways and parking areas. Concrete sidewalks extend along the roadways and lead to building entrances. There are a total of three swimming pools, each of which is surrounded by a concrete sundeck. Other recreational facilities include eight tennis courts and seventeen tot-lots.

The units are conditioned (heated and cooled) by individually owned HVAC systems. Domestic hot water is generated by a total of nineteen gas-fired water heaters.

ETC QUALIFICATIONS

The following information provides our qualifications for this project.

1. Since our company's inception in 1982, we have performed hundreds of reserve studies for property management firms, condominiums, cooperatives and homeowner associations throughout the Washington/Baltimore and Ocean City areas and beyond.

Professional Relationships That Endure...Over 40 Years!

Water Intrusion ♦ Roofing ♦ Structural ♦ Architectural ♦ Pavement ♦ Warranty/Reserve Studies ♦ Mechanical

2. Our Reserve Study Inspection services conform with the Community Associations Institute (CAI Best Practices, Report #1) and standards adopted by the American Society for Testing and Materials (ASTM Designation E 2018-15, "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process").
3. Our Reserve Study Group employs a team methodology wherein individuals are assigned specific tasks according to strength. Our technical staff members are qualified and cross-trained in multiple disciplines, but each is more intensively trained in a specific area. In other words, we assign roof specialists to evaluate roofs, concrete specialists to evaluate concrete, etc.
4. We have nearly twenty technical employees all of whom have extensive experience (over 13 years per person average) involving testing and inspection/evaluation of various aspects of construction. This experience involves all types of building applications (coatings and sealants, concrete, masonry, steel, waterproofing, and facade systems), as well as pavement and the entire spectrum of roofing systems.
5. Our staff members are kept current on technological developments through seminars conducted by various manufacturers and educational agencies such as the International Concrete Repair Institute (ICRI), the International Institute of Building Enclosure Consultants (IIBEC), the National Roofing Contractors Association (NRCA), the Asphalt Institute, and the American Concrete Institute (ACI).
6. Our reports are written with particular concern toward clarity and directness. Our internal review process ensures accuracy and the proper attention to detail.
7. Although we maintain a busy workload, we will make any arrangements necessary to provide you with responsive services. Our offices in Columbia, Maryland and Sterling, Virginia will provide needed field personnel to meet the requirements for all projects in a timely manner.
8. ETC is a totally independent engineering firm without ties to any contractor, materials supplier or materials manufacturer and so your interests are our interests, without conflicts or prejudices.

SCOPE OF SERVICES

Based on our current knowledge of this project, we understand that you wish to have the study include the following common and/or limited common elements:

1. Roof coverings;
2. Exterior facing systems;
3. Entrance porches;
4. Pavement;
5. Sidewalks;

6. Retaining walls;
7. Railings;
8. Fencing;
9. Community signage;
10. Swimming pools;
11. Tennis courts;
12. Tot-lots;
13. Fitness center;
14. Maintenance building;
15. Social room;
16. Administrative offices;
17. HVAC systems;
18. Plumbing systems;
19. Electric systems;
20. Gas systems;
21. Lighting systems;
22. Stormwater management systems; and
23. Maintenance vehicles.

The above list represents the complete inventory of items to be inspected for this study and no other items or building components will be inspected, reviewed or surveyed. Please let us know if there are other items that should be included that are not referenced above.

The primary aims of this study (for the above referenced items) are to help determine:

- In-place condition and recommended corrective measures, where needed;
- Normal, anticipated useful (design) life;
- Remaining useful life in this project;

- Current replacement cost; and
- Needed maintenance or repairs along with approximate costs and general recommendations for maximizing remaining useful life.

In addition, if we uncover any other items that should be included in the property's reserve schedule, we will delineate them. Other recommendations and findings which may be noted during our limited inspection (such as safety hazards, preventive and/or routine maintenance or energy conservation methods) will be delineated apart from the reserve study portion of the report.

Due to the nature of the work, no responsibility can be assumed for latent defects that may appear in the future, for items that were not examined, for the identification of hazardous materials (such as asbestos), or for differing opinions of others. Our services do not constitute a certification, guarantee, or warranty of the property (or any of its components) or compliance with applicable codes, standards, safety requirements, building plans, offering statements, etc. If such a warranty/certification is desired, it should be obtained from the original designers and/or developers of the project.

Project Review/Inspection

In order to accomplish this, we will review pertinent documents provided by your office. These documents will normally include:

- Building plans, specifications and change orders or other documents pertaining to building and building system modifications;
- Building system and fixture inventories;
- Sections of the Condominium Association documents relative to reserve requirements;
- Maintenance records;
- The current operating budget (to help assess preventive maintenance already in effect as well as the need for non-routine and/or "cyclical" repairs);
- Current reserve schedules, if any;
- Past studies and/or engineering reports; and
- Any other pertinent information made available to us.

We will perform limited visual inspection (of the project and designated components) of typical (representative) sections. This provides a good basis for determining the overall condition of the project and the items inspected. Our services will not include sampling and/or testing of any items; however, our reports will delineate where such services may be indicated.

Our general inspection procedures are outlined below.

Entrance Porches, Pavement, Concrete Site Elements, Retaining Walls, Railings, Fences, Community Signage, Swimming Pools, Pool Houses, Tennis Courts, Basketball Courts, Volleyball Courts, and Tot-lots, - All areas will be visually surveyed and evaluated for overall

conditions and general design considerations.

Roofing and Exterior Facing Systems - For this project, we will visually inspect the roof coverings and exterior facing systems on all residential buildings and the pool houses from ground level for overall conditions and general design considerations.

HVAC, Plumbing, Electrical, Fire Alarm, and Stormwater Management Systems, Swimming Pool Equipment, and Maintenance Vehicles - Inspection will be limited to visual examination of accessible, representative, external elements.

Lighting Systems - All common systems will be inspected during normal (daylight) working hours and evaluated on the basis of probable illumination and coverage characteristics as well as operating efficiency.

Interior Finishes and Furnishings - Representative sections of common-area floor coverings, wall coverings and furnishings will be inspected for overall condition only, unless aesthetic evaluation is specifically requested. Office furnishings and equipment will not be included.

Our inspections and other related activities will be performed in general conformance with standards adopted by the Community Associations Institute (CAI Best Practices, Report #1) and the American Society for Testing and Materials (ASTM Designation E 2018-15, "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process").

A basic inventory of the designated components will be completed based upon quantitative information provided to us. If such information is not available, we will offer rough quantitative analyses to include approximate square and/or linear footages of the main elements in our review. Such approximations will form the basis of repair and/or replacement costs.

Report

Upon completion of our on-site inspection, we will prepare and issue a written report that will include:

1. Discussions of our findings and comments relative to the property and the components inspected;
2. Our opinions (and a tabular summary) relative to the estimated remaining useful life, normal design life, current (general) condition and estimated replacement cost;
3. A twenty-year cash flow analysis; and
4. Our recommendations for needed repairs and/or maintenance.

PERSONNEL

All on-site inspections will be performed by members of our staff who are fully experienced and trained in the inspection and evaluation of the various items previously outlined in this proposal. Mr. Kyle Parsons (a Reserves Specialist as designated by the Community Associations Institute) will serve as our Project Manager and he will personally direct all of our activities.

SCHEDULE

We are currently available to begin our services within three weeks after we receive notification that ETC has been selected. A "draft" of our report should be submitted within about twelve weeks after authorization to proceed. Upon receipt of your written approval of the draft report, we will issue one printed original and an electronic copy of our final report; however, depending on your comments and the amount of revision required, it may be a couple of weeks before our final report is issued.

COMPENSATION

The estimated fee for our services is **\$15,000.00** and we will not exceed this figure without your prior authorization. All services, including those provided, at your request, that are beyond the scope of this proposal, will be charged in accordance with the rates shown on the Fee Schedule attached to this proposal.

AUTHORIZATION

To authorize us to provide the proposed services and to make this proposal, our statement of General Conditions and other enclosures the agreement between us, please execute the attached Proposal Acceptance Sheet and return a copy to us. Any exceptions to this proposal or special requirements not covered in this proposal should be listed on the Proposal Acceptance Sheet.

You may authorize us to provide the proposed services by issuing a purchase order. If you elect to issue a purchase order, please cross out and initial wording that does not apply to a professional service contract and reference this proposal in your purchase order.

We appreciate your consideration of ETC. Please feel free to contact us if any questions arise or if you wish to modify and/or negotiate any part of this proposal.

Very truly yours,

ENGINEERING AND TECHNICAL
CONSULTANTS, INC.

Kyle P. Parsons

Kyle P. Parsons, RS, RRC
Senior Project Manager

ATTACHMENTS: Fee Schedule
 General Conditions
 Proposal Acceptance Sheet

ETC FEE SCHEDULE

ITEM		UNIT FEE
P-1	STAFF ENGINEER I, per hour -----	\$120.00
P-2	STAFF ENGINEER II, ASSISTANT PROJECT MANAGER, BUILDING CONSULTANT, per hour -----	\$160.00
P-3	ARCHITECTURAL CONSULTANT, PROJECT ENGINEER, PROJECT CONSULTANT, PAVEMENT CONSULTANT, per hour -----	\$180.00
P-4	PROJECT MANAGER, REGISTERED ENGINEER I, per hour-----	\$200.00
P-5	REGISTERED ENGINEER II, REGISTERED CONSULTANT, RESERVE SPECIALIST, SENIOR PROJECT MANAGER, per hour -----	\$220.00
P-6	VICE PRESIDENT, SENIOR REGISTERED ENGINEER, REGISTERED ARCHITECT, SENIOR REGISTERED CONSULTANT per hour-	\$260.00
P-7	SENIOR STRUCTURAL ENGINEER, per hour -----	\$290.00
P-8	COMPANY PRESIDENT, CHIEF ENGINEER, per hour -----	\$400.00
P-9	PAVEMENT INSPECTOR, CERTIFIED EIFS INSPECTOR, per hour -----	\$140.00
P-10	SENIOR PROJECT INSPECTOR, REGISTERED ROOF OBSERVER, per hour	\$130.00
P-11	PROJECT INSPECTOR, BUILDING ANAYLST, per hour -----	\$110.00
P-12	STAFF INSPECTOR, INTERN ENGINEER, DRAFTSMAN, per hour -----	\$100.00
P-13	SECRETARIAL SERVICES, JUNIOR DRAFTSMAN, per hour -----	\$55.00
P-14	SPECIAL ASSIGNMENTS (including advanced research, experimentation, litigation support, testimony, aerial or underwater inspections, etc.), per hour -----	\$450.00
R-1	TRANSPORTATION AND OUT-OF-TOWN SUBSISTENCE, expenses of our staff will be billed at our direct cost divided by 0.8	
R-2	MILEAGE, for personal or company vehicles, per mile -----	\$0.80
R-3	LONG DISTANCE TELEPHONE CALLS, TELEGRAMS, SPECIAL PERMITS, SHIPPING CHARGES, PRINTINGS, OUT OF OFFICE REPRODUCTION, SPECIALTY PHOTOGRAPHIC EXPENSES, or items not customarily provided will be billed at our direct cost divided by 0.8	
R-4	SUBCONTRACTORS, retained for sampling, staging, laboratory analysis, etc. will be billed at our direct cost divided by 0.8	
R-5	Copy, Print or Scan building plans, per square foot -----	\$0.50
	minimum charge -----	\$10.00
E-1	Infra-Red Camera or Ground Penetrating Radar (GPR) Rental, Half day -----	\$500.00
	Full Day -----	\$750.00

02/22/2024

GENERAL CONDITIONS

1. **INSURANCE** - We maintain Workers' Compensation and Employer's Liability Insurance in accordance with state law. In addition, we maintain Comprehensive General Liability Insurance and Automobile Liability Insurance with bodily injury limits of \$300,000 - \$500,000 and property damage limits of \$100,000. A certificate of insurance can be supplied evidencing such coverage which contains a clause providing that fifteen days written notice be given prior to cancellation. Cost of this coverage is included in our quoted fees. If additional coverage or increased limits of liability are required, we will endeavor to obtain the requested insurance and charge separately for costs associated with the additional coverage or increased limits. Within the limits and conditions of such insurance, we agree to indemnify and save the Client harmless from and against any loss, damage, or liability arising from any negligent acts by the firm, its agents, staff and consultants employed by it. The Client agrees that we shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. We will only be responsible for issues that are the sole responsibility of our firm and we shall not be responsible for any loss, damage, or liability arising from any acts by the Client, its agents, staff, and other consultants employed by it.
2. **WARRANTY AND LIMITATION OF LIABILITY** - We warrant that we will perform services under this contract using that degree of skill and care ordinarily exercised under similar conditions by reputable members of our profession practicing in the same or similar locality. **NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE OR INTENDED** by our proposal for consulting services, our performance of the services, or by our furnishing oral or written reports. In addition, we will base our opinions and recommendations on our engineering judgement and are not responsible for latent defects that may appear in the future or for differing opinions of others.
 - a. Client agrees that our liability for any damage caused by any error, omission, or other professional negligence will be limited to a sum not to exceed \$20,000 or our fee, whichever is greater. If Client wishes our professional liability to exceed this sum, we agree to waive this limitation upon receiving Client's written request and written agreement to pay additional consideration in sufficient amount to cover our increased risk. The increased liability ceiling will be effective only when needed insurance has been verified and Client has paid the required additional consideration.
 - b. Client agrees to indemnify, defend, and hold us harmless from and against all past and future claims (including negligence claims), losses, damages, injuries, liabilities, and contract breaches asserted against us by any or all owners of buildings or units within buildings, and their tenants, families, guests, occupants, heirs, assigns, and all others, upon which building we perform services for Client.
 - c. Client agrees that other than for willful misconduct, the sole recourse for actions by our employees is against our firm.
 - d. Client agrees that Client's sole and exclusive remedy for non-conforming services shall be our duty to perform corrective, professional services at no cost to Client.
3. **OWNERSHIP OF DOCUMENTS** - All documents, including, but not limited to, drawings, specifications, reports, field notes, CAD files, laboratory test data, calculations and estimates, prepared by us, pursuant to this Agreement, shall be our sole property. Client agrees that all documents of any nature furnished to Client or Client's agents or designees, if not paid for, will be returned upon demand and will not be used by Client for any purpose whatever. Client further agrees that under no circumstances shall any documents produced by us, pursuant to this Agreement, be used at any location or for any project not expressly provided for in this Agreement without our written permission. We will retain all pertinent records relating to the services performed for a period of five (5) years following development, during which period the records will be made available to the Client at all reasonable times for a mutually agreed upon fee.
4. **REPORTS** – Client agrees that all reports issued by us will specifically not be used to obtain bids, estimates or pricing of any kind from contractors, or other engineers, architects, etc. for needed recommended repairs, replacement, renovation, etc. Unless agreed otherwise, one (1) hard copy and one (1) electronic (pdf) copy of our reports, drawings, sketches, specifications, etc., will be sent to the Client. Additional copies and/or distribution can be arranged for a nominal charge.
5. **SERVICES FOR JUDICIAL/ADMINISTRATION PROCEEDINGS** – Reports, letters, design documents, etc. are not to be used in any judicial or administrative procedures, including pre-litigation meetings, mediations, dispute resolutions, etc. unless specifically noted for this use.

6. FIDUCIARY DUTY – Client agrees that we do not assume a fiduciary duty in our relationship with the Client for any project.
7. THIRD PARTY BENEFICIARY – Client agrees that the performance of our services is for the sole benefit of the Client and no contractor, tenant, resident, future owner or any other party shall be deemed a third-party beneficiary to our contract with the Client.
8. CONTACT - Unless Client provides us with written instructions to the contrary, the person designated in the authorization as being responsible for approval of our invoices will be the Client's official contact (representative) for our staff. To help avoid confusion, all direction, communication and information regarding our services shall be provided by and/or through this individual only. This designated representative (Client contact) shall be deemed to have the authority to bind the Client.
9. CLIENT PROVIDED INFORMATION – Client agrees to provide copies of all available building plans, past studies/reports, maintenance/repair records, etc. applicable prior to the commencement of our services and that we have the right to rely on this information in the performance of our services.
10. TERMINATION - This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, or suspension for more than three (3) months, prior to completion of all reports contemplated by this Agreement, Client agrees that we may complete such analyses and records as are necessary to complete our files and may also complete a report on the services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs in completing such analyses, records and reports.
11. TERMINATION FOR CONVENIENCE - Either party may terminate this Agreement without cause at any time upon giving a minimum of thirty (30) days prior written notice to the other party. Such termination will be effective on the date stated in the notice and contingent upon our receipt of payment for all services provided up to the effective date of termination. Client agrees that we may complete such analyses, records and/or reports as are necessary to complete our files, or as needed to satisfy regulatory requirements and the costs associated with this will be paid by the Client.
12. PAYMENT TERMS - Payment is due upon receipt of our invoice. If payment is not received within thirty days from the invoice date, Client agrees to pay a finance charge on the principal amount of the past due account of one and one-half percent per month or the maximum allowed by law, whichever is the lesser rate. In the event Client requests termination of the work prior to completion, Client agrees to pay all charges to date and, at our discretion, a termination charge in an amount not to exceed thirty percent of all charges incurred through the date work is stopped plus any shutdown costs. Client agrees to pay all reasonable legal fees, court costs and collection charges (a minimum of \$200.00) associated with the collection of past due accounts.
13. INVOICES - Client agrees that all invoices submitted for our services are correct and conclusive, unless within ten (10) business days of receipt, the Client provides us a formal, written objection which outlines in detail all charges in dispute.
 - a. Client agrees that failure to make timely payment for our invoices constitutes a material breach of contract. In addition, Client agrees that failure to make timely payment of our invoices is justification for us to suspend performance of our services and/or initiate legal proceedings to collect payment for our invoices.
 - b. Client agrees that amounts payable shall not be subject to any reduction, delay, offset, withholding, etc. for any reason.
 - c. For field personnel, services performed will be invoiced as follows: Portal-to-portal, a minimum of four (4) hours (half day) and a minimum of eight (8) hours (full day), if time exceeds four (4) hours.
14. OVERTIME - All work performed at Client's request or approval over eight (8) hours per day, at night (5 PM to 6 AM), or on Saturdays, Sundays and/or Holidays will be charged at standard rate times 1.5.
15. SCHEDULING - We will provide personnel for this project at the request of your representatives. We require a 24-hour notice prior to providing on-call personnel to enable us to schedule the work efficiently.
16. CHANGED CONDITIONS - The outlined scope of services will be accomplished by our employees at the fees quoted. If, during the execution of the work, the scope of our work must be changed, such as due to requests by the Client or requirements of third parties, additional charges will be applicable and the Client agrees to pay such charges.

17. HIDDEN CONDITIONS – Investigations and designs for existing buildings require that certain assumptions be made regarding existing conditions. It is cost prohibitive to identify, define and/or detail all existing construction conditions. Therefore, modifications may be required to reports, designs, details, etc. based on hidden conditions that are exposed and/or revealed. These modifications may require additional fees and/or costs for which the Client alone will be responsible.
18. ADDITIONAL SERVICES - Any additional or continued services provided will be subject to the same terms and conditions as detailed in our proposal and these General Conditions.
19. REMEDIAL COSTS - The remedial fees provided as a result of our services represent our opinions of current anticipated costs. These represent only rough approximations to be used only for preliminary planning. Accurate cost figures can only be obtained by qualified contractors based on properly prepared plans and/or specifications.
20. CONSTRUCTION ADMINISTRATION - Client agrees that we will not be expected to make exhaustive or continuous on-site inspections, but that periodic observations appropriate to the construction stage shall be performed. It is further agreed that we will not assume responsibility for the contracting means, methods, techniques, supervision, sequences or procedures of construction. It is understood that field services provided by us will not relieve the contractors of their responsibilities for performing the work in accordance with the plans and specifications, and we will not be responsible for the failure of any contractor to perform work in accordance with the requirements of the contract documents. The words "supervision", "inspection", or "control" are used to mean periodic observation of the work to help verify substantial compliance with the plans, specifications and design concepts.
 - a. Review of Contractor invoices, shop drawings, samples, mock-ups, etc. is only for confirmation of general conformance with the plans and specifications and do not include issues of the Contractor's safety program or the Contractor's work, means, methods, sequencing, techniques, procedures, etc.
 - b. If we are not retained to perform periodic observations or monitoring services during construction, the Client agrees to indemnify and save us harmless from and against all loss, damage, or liability as a result of problems or misinterpretations of our reports, recommendations, specifications or other documents.
 - c. The Client agrees that ETC will have authority to order changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time. These changes are not required to be reported to the Client in advance. Such changes shall be binding on the Client. The Client agrees that ETC's decisions on matters relating to aesthetic effect will be final.
21. SAFETY - Should our services include periodic observations or monitoring services at the job site during construction, Client agrees that, in accordance with generally accepted construction practices, the contractor will be solely and completely responsible for working conditions on the job site, including safety of all persons and property during the performance of the work, and compliance with OSHA regulations, and that these requirements will apply continuously and not be limited to normal working hours. Any monitoring of the contractor's performance conducted by us is not intended to include review of the adequacy of the contractor's safety measures in, on, adjacent to, or near the construction site.
22. RIGHT-OF-ENTRY - Unless otherwise agreed, Client will furnish right-of-entry on the property for us to perform the planned services. We will take reasonable precautions to minimize damage caused by our equipment and personnel, but we have not included in our fee the cost of restoration or damage which may result from our operations, and we will not be responsible for the cost of restoration or damage.

When access is required into private residences, Client will arrange for and schedule access on dates and at times agreed to by all parties. Client agrees to provide an escort for our personnel whenever access into private residences is required for the performance of our services. Client also agrees to hold ETC harmless for any real or alleged damage as a result of access into private residences.

Client agrees that extra time spent by us due to denied or delayed access will result in appropriate additional hourly charges that will be paid by the Client. If ETC staff members are required to move belongings, furniture, etc. to perform our inspections, services, testing, etc., Client agrees to pay appropriate additional hourly charges for the time spent by our personnel and to hold ETC harmless for any real or alleged damage.
23. SAMPLING OR TESTING LOCATION - The unit fees included in this proposal do not include costs associated with surveying of the site or the accurate horizontal and vertical locations of tests. Field test locations described in our report or shown on our sketches are based on specific information furnished to us by others or estimates made in the field by our personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise specifically stated.

24. **SAMPLE DISPOSAL AGREEMENT** - Unless otherwise requested, the test specimens or samples will be disposed of immediately upon completion of tests. Upon written request, we will agree to retain test specimens or samples for a mutually acceptable storage charge.
25. **DAMAGE TO EXISTING MAN-MADE OBJECTS** - It shall be the responsibility of the Client or his duly authorized representative to disclose the presence and accurate location of all hidden or obscure man-made objects, relative to field tests. Our field personnel are trained to recognize clearly identifiable stakes or markings in the field, and without special written instructions, to initiate field-testing and/or sampling within a few feet of each designated location. If we are cautioned, advised or given data in writing that reveal the presence or potential presence of obstructions, such as utilities, we will give special instructions to our field personnel. As evidenced by your acceptance of this proposal, you agree to indemnify and save us harmless from all claims, suits, losses, personal injuries, death and property liability resulting from unusual conditions or damages to structures (including utilities), owned by you or third parties, occurring in the performance of the proposed work, whose presence and exact locations were not revealed to us in writing, and to reimburse us for expenses in connection with any such claims or suits, including reasonable attorney's fees.
26. **GOVERNING LAWS** - Unless noted otherwise by the Client in the Special Instructions section of this Agreement, the validity, enforceability and interpretation of this Agreement shall be determined and governed by the laws of the Commonwealth of Virginia. All parties consent to personal jurisdiction and venue in the courts of the Commonwealth of Virginia or in any federal court located in Virginia if any suit is brought under the terms of or relating to this Agreement.
27. **ASSIGNS** - Both parties agree not to delegate, assign, or transfer their duties or interests in this Agreement without the prior written consent from the other party. Both parties agree to designate one individual to manage this project and all communications, requests, etc. will be made solely through these designated individuals.
28. **NO WAIVER** – Failure of either party at any time to require performance by the other party of any provision hereof will in no way affect the full right to require such performance at any time thereafter, nor will the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach of the same or any other provision.
29. **SEVERABILITY** – If any provision of these General Conditions is deemed to be invalid or unenforceable under applicable law, these General Conditions will be considered divisible as to such provision and such provision will thereafter be inoperative, provided however, the remaining provisions of these General Conditions will be valid and binding.
30. **MEDIATION** – Prior to taking any legal action, any and all conflicts regarding this Agreement shall first be submitted to non-binding mediation, under the rules of the American Arbitration Association in effect at the time of the claim, unless mutually agreed otherwise. Costs for mediation shall be equally split between the parties involved.
31. **MERIT OF CLAIM** – Prior to any direct or third-party claims against us, the claimant shall first provide written certification, executed by at least two (2) independent engineers licensed and routinely providing similar services in applicable project jurisdictions, and who, after reviewing our contract(s) and issued documents, shall specify in detail each and every act or violation of care expected by an engineer under similar circumstances. Such certification shall be provided at least thirty (30) days prior to the presentation for any claim or counter claim.
32. **TIME TO BAR LEGAL ACTION** – The Client agrees that all claims against us for breach of agreement or for failure to perform in accordance with the “standard of care” shall not be initiated more than two (2) years from the date on which we completed the services involved, or a period of Client-requested inactivity exceeding sixty (60) days.
33. **RETAINERS** – Required retainers are established at the commencement of our services and must be paid before we begin performing the requested services. Should the scope of our services change, or in the event invoices are not paid in accordance with our General Condition, we reserve the right to modify the retainer at that time. All retainers are refundable, replenishing retainers. You agree that throughout the performance of our services you will maintain this replenishing retainer at the agreed upon level. At the conclusion of our services and upon credit of the retainer against the final invoice, any balance shall be returned. This retainer is not to be considered as a flat fee or any projection of what the anticipated fees might be for our services. Any estimate of fees and costs given by us will not limit actual fees or costs that you are required to pay and is not a promise or guarantee that actual fees and costs will not exceed the amount of the retainer or our estimate. Actual fees and costs may vary significantly from any initial estimates given. While we may or may not seek a separate retainer for additional matter(s) for which you engage our firm, you hereby authorize us to apply any retainer funds in a particular matter towards a balance due in any other matter you have with us.

34. CONTRACT – Our proposal and all attachments, including these General Conditions, constitute the entire contract with the Client. No changes, edits, modifications, etc. are valid or enforceable unless in writing and acceptable to us.
35. HAZARDOUS MATERIALS – Client agrees to disclose in writing, to us, all known or suspected hazardous materials, toxic substances, etc. Client agrees that our services do not include the investigation, remediation, removal, etc. of any hazardous material, toxic substance, etc.
36. FORCE MAJEURE – Client agrees that we may suspend our services or any obligations to the Client, without liability to the Client, resulting from causes beyond our control, including but not limited to fire, flood, epidemic, quarantine restrictions, acts of God, public enemies, acts of government entities, strikes, freight embargos, and unusual and/or severe weather.
37. MARKETING – Client agrees we may reference our work at this property, use photographs of the property, utilize artistic representations of our services, etc. in our written and electronic marketing materials.
38. PROPOSAL TIME LIMITATION – The terms, conditions, schedules, fees, etc. in this proposal will remain valid for a period of sixty (60) calendar days, starting on the date the proposal was issued. Any extensions of the proposal specifics beyond sixty (60) days are only valid if provided by us (ETC) in writing.
39. PROPOSAL ALTERATIONS – If the Client makes any alterations or deletions to our proposal, our Work Authorization, the Fee Schedule, these General Conditions and/or the Proposal Acceptance Sheet, these alternations or deletions will not be valid and/or enforceable unless specifically accepted by us (ETC) in writing.
40. EXTENDED CONTRACTS – For contracts that extend beyond one (1) year from the date of Client acceptance, we reserve the right to revise our fees (unit fees as well as total fee estimates) and schedules.
41. BUILDING CODE INTERPRETATION – Client agrees that code compliance issues are open to subjective interpretation by code enforcement agencies and ETC is not responsible for code rulings due to the subjective and/or unpredictable interpretation by code enforcement agencies or officials. In addition, Client agrees to pay all reasonable fees incurred by us associated with making document changes due to such code rulings.
42. PROTECTION OF PUBLIC – Client agrees to complete work we recommend related to building code compliance, as well as for the protection of life, safety, and welfare of the general public. Client agrees to hold us harmless for any issues that may develop if Client does not complete the recommended work. In addition, Client acknowledges we are required to notify (without adverse recourse) the appropriate building code officials if the Client does not complete the recommended work in the interest of public safety.
43. CERTIFICATION – If we are required to provide a “certification” of any kind by the Client, or a jurisdiction having appropriate authority, our “certification” will only constitute our professional opinion, to the best of our knowledge and belief, based on the services we have provided, of a condition. If provided, our “certification” is not a guarantee or warranty of a condition, and it does not relieve any other parties of their responsibilities or duties. Client specifically agrees resolution of any dispute with us, or the payment of any amount due us, will not be contingent upon the delivery of any “certification”.

PROPOSAL ACCEPTANCE SHEET

Description of Services: **Proposal for Professional Engineering and Consulting Services**

Project Name: _____

Project Location: _____

Proposal Number and Date: _____

FOR PAYMENT OF CHARGES - Charge invoice to the account of:

Firm _____

Address _____

Zip Code _____ Phone Number _____ Email: _____

Attention _____ Title _____

FOR APPROVAL OF CHARGES - If the invoice is to be mailed for approval to someone other than the account charged, please indicate where to mail the invoice in the space below.

Firm _____

Address _____

Zip Code _____ Phone Number _____ Email: _____

Attention _____ Title _____

Payment Terms - Payment is due upon receipt of our invoice. If payment is not received within thirty days from the invoice date, Client agrees to pay a finance charge on the principal amount of the past due account of one and one-half percent per month or the maximum allowed by law, whichever is the lesser rate. In the event Client requests termination of the work prior to completion, Client agrees to pay all charges to date and, at our discretion, a termination charge in an amount not to exceed thirty percent of all charges incurred through the date work is stopped plus any shutdown costs. Client agrees to pay all reasonable legal fees, court costs and collection charges (a minimum of \$200.00) associated with the collection of past due accounts.

SPECIAL INSTRUCTIONS: _____

PROPOSAL ACCEPTANCE - I certify that the Terms and Conditions of this Proposal, including the Terms on this page, the Fee Schedule, and the General Conditions have not been altered in anyway, and are:

Accepted this _____ day of _____, 20 _____

Print or type individual, firm or corporate body name _____

Signature of authorized representative _____

_____ Print or

type name of authorized representative and title

February 20, 2024

PROPOSAL FOR LEVEL 1 FULL REPLACEMENT RESERVE STUDY SERVICES

PARKFAIRFAX CONDOMINIUM ALEXANDRIA, VIRGINIA

Providing
• Local
• Regional or
• Specialty Analysts
for any size or type of
facility, Nationally!

Serving the following

- Alabama
- Alaska
- Arizona
- Arkansas
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Iowa
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Massachusetts
- Michigan
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- New Jersey
- New Mexico
- New York
- North Carolina
- North Dakota
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Virginia
- Vermont
- Washington
- West Virginia
- Wisconsin
- Wyoming
- Canada
- Mexico
- Virgin Islands
- Jamaica



C/O: PARKFAIRFAX CONDOMINIUM

Francisco Foschi, AMS, PCAM

703.998.6315
ffoschi@parkfairfax.org

3360 Gunston Rd
Alexandria, VA 22302

CONSULTANT:

millerdodson
CAPITAL RESERVE CONSULTANTS

2661 Riva Road, Suite 1042
Annapolis, MD 21401
410.268.0479
800.850.2835

Questions? ... We encourage you to visit our Video Library!

Proposal for Parkfairfax Condominium, Alexandria, VA



February 20, 2024

Francisco Foschi, AMS, PCAM
Parkfairfax Condominium
c/o: Parkfairfax Condominium
3360 Gunston Rd
Alexandria, VA 22302

ffoschi@parkfairfax.org

703.998.6315
571.723.6991

RE: Parkfairfax Condominium
Level 1 Full Replacement Reserve Study with On-Site Condition Assessment

Dear Foschi,

We understand and respect the important responsibility that each Member of the Board of Directors undertakes on behalf of their friends and neighbors in their Community Association. One of the most challenging aspects of this responsibility is the planning that is required for the prudent financial management of the Community Association's commonly-owned amenities and facilities. A Board must balance the community's near-term financial needs against the realities of the community's financial limitations and do so without jeopardizing the long-term financial health of the community and its future owners. Some people call this "not kicking the can down the road!" We call this becoming a "**Financially Sustainable Community.**"

For over three decades, the professionals at MillerDodson Associates, Inc. have successfully assisted Community Associations and their Boards in fulfilling that Duty to "**Protect, Preserve, and Enhance** the value of the homes in the community." Our Reserve Study supports the Board in this important goal by:

1. Ensuring that the funds are available to make timely replacements and, thus, maintain the aesthetic appeal of your Community.
2. Stabilizing normal assessments and preventing large increases in assessments or special assessments.
3. Providing a means for every owner to pay their fair share each year toward those replacements whether they live there for three years or thirty years.

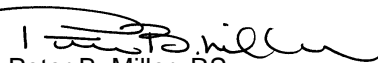
Each Reserve Study starts with a clearly worded "Executive Summary" which describes both the Current Reserve Fund Status and the Reserve Funding Plan. When needed, a "Strategic Funding Solution" can map out how best to get your reserves from their current status to where they are recommended to be. Here is a link to our [sample reports](#). See why our Clients have called this the "*Gold Standard of Reserve Studies,*"

In addition, we offer ongoing support in the form of educational seminars for Boards, Committee Members, and Community Managers, and can provide Reserve Study presentations at general membership meetings.

For over 30 years, MillerDodson has promoted the goal of "Financially Sustainable Communities" and has supported Boards and their Management professionals in pursuing that goal. Please take a few moments to review the attached Proposal. Should you have any questions, or if we can be of further assistance, we trust that you will not hesitate in contacting us. And thank you for the opportunity to submit this Proposal!

Respectfully Submitted,

MILLERDODSON ASSOCIATES


Peter B. Miller, RS
Principal

February 20, 2024

FACILITY DESCRIPTION: We understand that Parkfairfax Condominium (hereafter referred to as Client or Property) is a Unit Owner's Association and Large-Scale Community located in Alexandria, Virginia, built between 0 and 1943. The analysis is to cover all common- and limited-common elements of the Property as detailed on the attached Property Details page.

SCOPE OF WORK: MillerDodson Associates proposes to provide a Level 1 Full Replacement Reserve Study with On-Site Condition Assessment for Parkfairfax Condominium. This Study will comply with the Community Associations Institute (CAI) National Reserve Study Standards. The Study will contain an inventory of all commonly-owned components applicable to reserves, along with an estimate of the Remaining Useful Life and current Estimated Replacement Cost for each. The Current Reserve Fund Status will be noted, and the Recommended Annual Replacement Reserve Funding level will be provided. All Reserve Studies are conducted under the supervision of and reviewed by a CAI-accredited Reserve Specialist.

Currently, we are anticipating that our local analyst Maksim Kabaluk will be conducting your study. Analyst credentials can be reviewed on [MillerDodson's website](#). Typically, MillerDodson Reserve Studies are completed in 30 to 60 days after receipt of a signed contract. MillerDodson's on-site Condition Assessment is limited to a visual evaluation as defined under the Inspection Methodology in this proposal.

At the time of our on-site Condition Assessment, we will need to have access to all common-areas of the property, including secured areas, to determine the condition and configuration of the reservable components. Access equipment will not be provided. We understand that to-scale plans that accurately show the details of the property are not available. We will assume that any items with a replacement value of less than \$1,000 will be treated as a "Maintenance item", and therefore, will not be included in the reserve study. This proposal assumes that a single analysis will be required for this property.

FEES: The proposal fee quote below includes an initial meeting at the time of condition assessment, all travel, and all direct expenses associated with the execution of the proposed Reserve Study. We consider this proposal as accepted upon receipt of an executed copy of this signature page along with the 35% retainer. **The 65% balance is due upon delivery of the Electronic Preliminary Report.** Accounts in arrears for more than 30 days shall accrue at 1.5% per month. Additionally, the Client will be responsible for all costs, including reasonable attorney fees, incurred in pursuing collection.

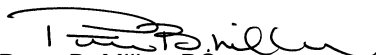
	Fee	35%	65%
Level 1 Full Replacement Reserve Study	\$10,300	\$3,605	\$6,695

Additional services such as follow-up meetings, Strategic Funding Solutions, and other related services will be performed only as requested by the Client and will be billed separately.

If you have any questions concerning this proposal, please do not hesitate to contact me.

Respectfully submitted,

MILLERDODSON ASSOCIATES



Peter B. Miller, RS
Principal

PROPOSAL ACCEPTANCE

By the signature below, this Proposal is accepted for Parkfairfax Condominium,
including the attached Property Details, and Terms and Conditions

Signature Title Date

Please return a signed copy of this acceptance page and mail the retainer to the address above.

February 20, 2024

PROPERTY DETAILS

MillerDodson has reviewed the provided Client materials and researched available satellite and other electronic media to gain an understanding of Parkfairfax Condominium. Below is a listing of the components we understand to be the common and limited common elements maintained by the Property.

Site Components: signage, some roadways, parking areas, gatehouse, gazebo, vehicles, sidewalks, paths, curbs and gutters, fencing, railing, site lighting, retaining walls, waterlines, sanitary lines, irrigation, gas lines, and stormwater management.

Recreational Components: exterior main pool, exterior wading pool, tot lot, tennis court, and pickleball.

Building Components:

- Two hundred and eighty-five (285) Townhouse Buildings with one thousand six hundred and eighty-five (1685) units, including site lights, roofing, siding and trim, unit doors, exterior painting, boiler, common building piping, and unit hot water heaters.
- Three (3) Pool Houses, including roofing, siding and trim, doors, restrooms, all building piping, hot water heaters, pool equipment, and building electrical systems.
- Three (3) Maintenance Buildings, including roofing, siding and trim, doors, garage doors, restrooms, and building electrical systems.
- Administration Building, including roofing, siding and trim, doors, windows, community room, office, restrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, and building electrical systems.
- Community Center, including roofing, siding and trim, doors, windows, lobby, kitchen, community room, restrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, and building electrical systems.
- Fitness Center, including roofing, siding and trim, doors, windows, exercise room, exercise equipment, restrooms, storage rooms, split HVAC systems, all building piping, hot water heaters, and building electrical systems.
- Storage Building, including roofing, siding and trim, doors, storage rooms, and building electrical systems.
- Warehouse, including roofing, siding and trim, doors, garage doors, and building electrical systems.

The provided components listed above are representational and will be adjusted and modified to suit your facility.

If there are significant discrepancies in our understanding of the number and types of buildings or the common- and limited-common elements of the Property, please let us know so we can modify this Proposal to reflect the anticipated hours needed to complete the proposed Reserve Study.

Please note that a Reserve Study is based upon a visual assessment of the condition of the common-elements present on the site at the date and time of the on-site condition assessment. A Reserve Study does not constitute an in-depth structural evaluation of any buildings or facilities. The Client is strongly advised to retain the services of a Structural Engineer to periodically perform thorough structural evaluations as appropriate.

February 20, 2024

PROPOSAL TERMS AND CONDITIONS

GENERAL:

This proposal is valid for six months from the date noted above. After that time, please send us an email or call and we typically will extend the time.

Types of Studies:

Level 1 Reserve Study includes an on-site condition assessment and is typically the first Reserve Study performed for a community, as defined by the Community Association's Institute (CAI) National Standards.

Level 2 Update Reserve Study includes an on-site condition assessment, and typically follows a previous Level 1 or Level 2 Reserve Study every 3 to 5 years, as defined by the CAI National Standards. State law may require a Reserve Study for your facility at a different interval.

Level 3 Update Reserve Study does not include an on-site condition assessment. This type of Reserve Study is performed for 1 or 2 years following Reserve Study with an on-site condition assessment, noted above. Performed using remote correspondence, like emails and telephone conversations, a Level 3 Reserve Study is not a substitute for a Level 2 Update Reserve Study, as defined by the CAI National Standards.

Level 4 Preliminary Reserve Study from Plans. This type of study performed from plans and other conceptual documents is intended for Developer budgeting purposes only, and is invalid after construction is complete. At completion of construction, this type of study must be replaced by a complete Level 1 Full Replacement Reserve Study, as defined by the CAI National Standards.

STUDY METHODOLOGY

Report Production: The preliminary Reserve Study is typically completed within 30 working days of receiving a signed copy of this Proposal. This turnaround time varies based on several factors including availability of the site for the condition assessment, availability of documents for review, requirements for advanced travel arrangements, and current workload. More stringent time requirements will be accommodated where possible.

Client Review and Revisions: MillerDodson Associates has learned, based on years of experience, that the most successful Reserve Studies are those which are done in a closely interactive relationship with the Client and its management professional. A comprehensive on-site condition assessment will be conducted by an experienced Reserve Analyst, and the resulting data compiled and analyzed. At that time, the preliminary Reserve Study will be submitted to the Client for review and comment. Based on the Client's input, the Reserve Study will be revised, as appropriate, and the final report submitted. There are no additional costs for the first revision.

Final Report: It is MillerDodson Associates' desire to afford the Client adequate time to review and respond to the completed study. However, revision requests should be submitted in writing within 90 days of the date of the preliminary report. The Preliminary Report represents a valid opinion of our findings and recommendations, and it is deemed as final if no changes or revisions are requested within 90 days of the date of the Preliminary Report. Additional revisions may be invoiced at our normal and hourly rate at our sole discretion.

Interest and Inflation Calculations: The Replacement Reserve Study we have proposed will include, at the discretion of the Client, factors for inflation and interest earned on the Reserve Balance using pre-agreed inflation and interest rates. We strongly recommend, however, that the Client update their Replacement Reserve Study regularly in order to account for actual increases in costs and actual interest earned on reserves.

February 20, 2024

Meetings: MillerDodson Associates and our staff make every effort to be available to meet with the Client to discuss the results of the Study and to answer any questions. We welcome these meetings as opportunities for the free and open exchange of information that is valuable to the accuracy of the report. Please note, however, that the cost of these meetings and additional services are not included in the Report fee. The initial meeting at the time of the on-site condition assessment is included in the Proposal cost.

Additional Services: MillerDodson has attempted to tailor our services to the needs of the Association. Additional services available to the Association at its request include the planning of Strategic Funding Solutions that increase the Reserve Funding incrementally, and formal presentations to the Association membership. Additional services for conferences, board meetings, and other related services will be billed on an hourly basis. Travel time associated with additional services will be billed on an hourly basis portal to portal plus expenses.

Additional Testing or Specialty Inspections: During the course of the visual condition assessment, conditions may be observed which reasonably warrant additional investigation. This may entail detailed third-party inspections, or testing of samples and systems. Any additional testing or inspection recommended during the course of our services will be undertaken only with the written approval of the client or their approved representative.

INSPECTION METHODOLOGY

Visual Condition Assessment: Our condition assessment of the common-area components will be visual in nature and conducted in accordance with the standard practices in the industry for a Reserve Study. The Client understands that our services are based on our observations of visible and apparent conditions at the time and date that the services are performed. MillerDodson Associates will not disassemble or test equipment, conduct engineering tests, make excavations, take core samples, or make openings in walls, ceilings or floors, video or scope pipes or other spaces, or enter or access spaces that are inaccessible or potentially hazardous. Should the Client wish to have a thorough engineering inspection performed, MillerDodson Associates will be pleased to provide additional quotes or recommendations for such services.

Standards of Care: Although care will be taken in the performance of these services, MillerDodson Associates makes no representations regarding latent or concealed defects or conditions that may exist. Certain elements, such as underground piping, and concealed wiring are not accessible for visual inspection. Our report may be based on representative samples of like items and is not meant to imply that every component was evaluated, or every possible defect discovered.

Right of Entry to Site: The Client grants MillerDodson Associates the right of entry to the project sites by its employees, agents, and subcontractors, to perform the service. The Client warrants and represents that it has the authority and permission of the owner and occupant of the property to grant right of entry to Miller+Dodson Associates.

Access to Site: The Client is responsible for arranging access for MillerDodson Associates employees, agents, and subcontractors, to all secured and unsecured spaces. Ladders, lifts, hoists, or other such devices as are necessary for access within the property, shall be readily available for use by Miller+Dodson Associates. In the event that the necessary access is not provided or is denied at the time that the on-site condition assessment is first performed and Miller+Dodson's Reserve Analyst must make additional trips to the site, the cost of all additional travel and time on site made necessary by the initial lack of access will be billable at our prevailing hourly rates.

Notice to Residents: Unit interiors will not be included in this study (except as noted in this Proposal). However, it may still be advisable to notify the homeowners in advance of our presence on the site.

February 20, 2024

Force Majeure: Neither MillerDodson Associates or the Client shall hold the other responsible for damages or delays in performance caused by events beyond the control of the other party and which could not have been reasonably anticipated and prevented. These events include, but are not limited to, acts of governmental authority, acts of God, materially different site conditions, wars, riots, rebellions, sabotage, fires, explosions, accidents, floods, strikes or other conceded acts of workers, lockouts, changes in laws, regulations, or ordinances. The party intending to invoke force majeure shall provide prompt notice to the other party.

Delays in Work: Client will be responsible for reimbursing MillerDodson Associates at the normal customary hourly rate for any on site delays caused by failure of the Client or their agents to provide access or right of entry as provided in this Agreement.

OTHER CONSIDERATIONS

Estimates of Remaining Functional Utility: The Client understands and agrees that, due to the nature of the projections and future events outside of our control, MillerDodson Associates cannot guarantee the Remaining Useful Life or Replacement Cost of individual components or systems included within this Reserve Study. Estimates of Remaining Useful Life are necessarily based on industry experience and statistical comparisons, and on the visually apparent conditions at the time and date that the on-site condition assessment is performed. Actual conditions may alter the Remaining Useful Life of any component. In particular, the previous use of a component, adequacy of previous, current and future maintenance, quality of original manufacture and installation, or other unknown conditions make it impossible to predict precisely when each item will require replacement or major repair. Estimates of Remaining Useful Life are just that, estimates and they are to be used solely as parameters for funding and planning purposes.

Estimates of Probable Replacement Costs: The cost estimates included herein are strictly estimates. They are based on our best professional judgment and on recent experience of similar communities and work in the area in which this Reserve Study is conducted. It is the Client's responsibility to provide MillerDodson Associates with any information in its possession pertaining to the replacement costs for work recently proposed or completed.

Use of Information and Documents: MillerDodson has the right to assume, without independent verification, that all financial and other information provided by the Client, or its Agent is accurate and complete. The Client is responsible for providing documents suitable for review including, but not limited to, site and construction plans, current or previous Reserve schedules, and financial data pertaining to the Reserves on hand and the Annual Replacement Reserves Funding level.

Confidentiality: MillerDodson Associates, Inc. agrees to treat all Client information contained in this report as confidential.

Proprietary Material: The Client agrees that the report provided by MillerDodson Associates is based upon proprietary software which produces specific graphs, tables, formatting, etc., and other certain intellectual property that is exclusive to MillerDodson Associates, Inc.

Ownership of the Data: The data that has been generated in the production of this Reserve Study and is contained in the Replacement Reserve Inventory section of the report is the property of the Client for their unrestricted use.

Intended Use of the Work: The Client agrees that this Reserve Study is intended to provide funding parameters for developing a Capital Reserve budget. Thorough engineering analysis and testing of the components included herein is outside the scope of this report. This report should not be construed to represent an appraisal for insurance purposes or property value, or a replacement schedule or specification for bidding purposes.

February 20, 2024

SPECIFIC EXCLUSIONS

ACCESS: Unless defined in the Scope of Services above, this Proposal does not include equipment for access, such as ladders, man-lifts, or scaffolding. Nor does this Proposal include underwater or boat inspections, or inspection of confined spaces.

Hazardous Materials: Hazardous materials may be present in buildings including, but not limited to, molds, radon, urea formaldehyde foam, asbestos, volatile materials and lead paint. We will not inspect or test for such materials unless otherwise requested and specifically included in the Scope of Services and covered by the agreed fee. The presence of these materials may affect the cost of future Capital Replacements. The Client agrees that it is the Client's responsibility to alert MillerDodson Associates to the presence of these materials.

Code Compliance Review: Unless defined in the Scope of Services, these services will not include the evaluation of the properties' compliance with Building Codes, Life Safety Codes, zoning requirements, nor other sub-trade codes. These services will not include any evaluation of the properties for compliance with the Americans with Disabilities Act, the Federal Rehabilitation Act, or the Fair Housing Act.

Specialty Construction: Unless defined in the Scope of Service, our services do not include pest inspections or evaluation of underground fuel tanks, soil contamination, wells, water treatment systems, ponds, septic systems, state of the art equipment (such as solar collectors), plants, foliage, trees, water or air quality, or other general environmental factors. It is preferable to have these components evaluated by specialists in these fields. However, we will incorporate the results of specialty inspections into the Study upon receipt of those inspection reports.

POST EVALUATION PROCEDURES

No Assignment: This is an agreement between MillerDodson Associates and the Client. The contents of the Reserve Study are not to be relied upon by any firm, person, or entity, other than the Client for any reason whatsoever, except for Level II Updates of the Reserve Study content that are procured by the Client.

Arbitration of Disputes: If any claim arises related to this contract or our services or Reserve Study, it shall be filed within a reasonable time after the discovery of the problem, and in no event later than one (1) year from the date that the services were performed. The parties will submit to mediation in Maryland before a mutually agreeable, formally trained mediator to resolve the claim. Should mediation fail to achieve complete resolution of all claims (evidenced by way of written release), then binding arbitration at MillerDodson's sole discretion before a formally trained arbitrator in Maryland may be implemented. If we choose to have, a dispute settled by arbitration, judgment upon any award rendered by an arbitrator may be entered in any court having authority thereof. In any arbitration or legal action in which the defending party is found without fault, the prevailing party is entitled to the costs of its reasonable attorney's fees and costs from the non-prevailing party.

Maryland Law: This agreement shall be governed and interpreted according to the law of the State of Maryland, regardless of where any arbitration proceedings or litigation may take place.

Limit of Liability: Our liability for any claims related to this Agreement or the services rendered will not exceed the amount of the fee paid for the service.

February 20, 2024

Fee Schedule for Meetings and Additional Consulting Services*:

	Hourly	Per Diem **
James W. Dodson, Principal	\$200	\$2,000
Peter B. Miller, Principal	\$200	\$2,000
Other Analysts	\$150	\$1,500
Strategic Funding Planning (quoted as "hourly not to exceed")	\$300	N/A
Clerical	\$75	N/A
Travel	\$75	N/A
Mileage	Prevailing IRS rates	
Litigation Preparation	\$200	N/A
Litigation Testimony	\$300	\$3,000

* Rates subject to change without notice.

** Per diem rates apply to expert witness preparation and testimony.

END OF PROPOSAL, AND TERMS AND CONDITIONS