

Property Consulting Group, Inc.

Date: January 2, 2023

Prepared For: Nancy Rudick, Fairbanks Terrace
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Subject: Proposal for Structural Integrity Reserve Study
Fairbanks Terrace - Was PCG Project 09-11013
Two Story Co-Op Building
1105 South Riverside Drive
Pompano Beach FL 33062
21 Units Built in 1961 (61 Years Old)
Folio #4943-06-PR-0010 thru -0200

Property Consulting Group, Inc. (PCG) is pleased to offer you a proposal for Structural Integrity Reserve Study of the above-referenced property.

To ensure aging structures are safe, Florida legislators signed Senate Bill 4D into law on May 26, 2022, which as enacted is Florida Statute section 553.899. This new law requires multi-story residential buildings and condominiums over three (3) stories in height to receive mandatory structural inspections called Milestone Inspections. In both Miami-Dade and Broward County, they have determined that the current 40/10 Year Safety Inspection Program meets the requirements of the new 25/30/40/10 Year Milestone Inspections so no action is required at this time if you have a current 40/10 Year report on file with the city or county. However, the law also mandates that Structural Integrity Reserve Studies are completed every ten years.

Although the Florida Condominium Act requires the condominium association to obtain an insurance appraisal at least every 36 months, there is no requirement for a reserve study in the law. However, reserve studies are highly recommended for establishing reserve schedules, which are to be updated regularly based on changes in replacement cost and useful life assumptions, as well as expenditures made from the available association funds.

Milestone and Reserve Studies are mandatory for condo buildings with three and more stories. Further, condominium associations are required to budget for capital expenditures and deferred maintenance (Florida Statute 718.112). The Statute requires reserves for roof replacement, building painting, pavement resurfacing, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000.

Florida law does not specifically state the need for a reserve study. Reserve contributions must be established using a formula which is based upon the remaining useful life and estimated replacement cost of the reserve items. Therefore, condominium associations need to review and amend their reserve fund and ongoing fund contributions annually.

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"Structural Integrity Reserve Study" means a study of the reserve funds required for future major repairs or replacement of the common areas based on a visual inspection of the common areas. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed by an engineer licensed under Florida Chapter 471 or an architect licensed under Florida Chapter 481.

At a minimum, a structural integrity reserve study must identify the common areas being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of the common areas being visually inspected, and provide a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each common area.

The Structural Integrity Reserve Study must be performed every 10 years commencing no later than December 31, 2024.

PROJECT UNDERSTANDING:

The condominium association must complete a Structural Integrity Reserve Study for each building on the condominium property that is three or more stories high, at least every 10 years after the condominium's creation commencing no later than December 31, 2024. The Study is to include, at a minimum, the following items as related to the structural integrity and safety of each building:

1. Roof.
2. Load-bearing walls or other primary structural members.
3. Floor.
4. Foundation.
5. Fireproofing and fire protection systems.
6. Plumbing.
7. Electrical systems.
8. Waterproofing and exterior painting.
9. Windows.
10. Any other item that has a deferred maintenance expense or replacement cost exceeding \$10,000.

The failure to replace or maintain such item negatively affects the items listed above as determined by the licensed engineer or architect performing the visual inspection portion of the structural integrity reserve study.

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ESTIMATED COSTS

In consideration of services conducted as outlined in the Scope of Work and services under this agreement, Client agrees to pay the following associated fees:

STRUCTURAL INTEGRITY RESERVE STUDY

Two Story Co-OP with 21 Units	\$ 3,200
Estimated Total	\$ 3,200

This quoted price and estimated time of completion shall remain in effect for five (5) days. If this proposal has not been accepted within said 5-day period, PCG reserves the right to alter estimated cost and/or time of completion.

The above price includes electronic originals of each report including photographs and other attachments. If Client requires hard copy originals, Client shall notify PCG in writing of same and hereby agrees to pay an additional \$75.00 per original ordered.

Our services for the outlined scope of work will be performed in accordance with generally accepted professional practices as related to the nature of the work accomplished, at the time services are performed.

Invoices will be submitted upon completion of work performed. All invoices will be due and payable upon receipt unless otherwise agreed to in advance.

Delinquent accounts will be charged interest at the rate of 12 percent per year. Delinquent accounts may be subject to filing suit or submittal to a collection agency; and, in addition to the interest accruing, Client will be charged and hereby agrees to pay for all costs of collection, as well as reasonable attorney fees incurred by PCG.

DELAY AND/OR CANCELLATION

If after authorization to proceed has been given, Client requests that work as outlined in this agreement be postponed or canceled, Client agrees to reimburse PCG for all costs incurred plus time spent on the job at the rate of \$75 per hour. PCG shall furnish Client with a detailed invoice outlining said charges, with payment due upon receipt.

Should Client in the future desire to resume work as outlined in this agreement, any monies paid by Client as described in the preceding paragraph shall be considered as an advance and subsequently deducted from the total amount due under this agreement.

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LIMITATION OF LIABILITY

To the fullest extent permitted by law, the total liability, in the aggregate, of the Design Professional and Design Professional's officers, directors, employees, agents, and consultants to Client and anyone claiming by, through or under Client, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to Design Professional's services, the Project or this Agreement, from any cause or causes whatsoever, including but not limited to, negligence, strict liability, breach of contract or breach of warranty shall not exceed the total compensation received by Design Professional under this Agreement.

PURSUANT TO FLORIDA STATUTE § 558.035, AN INDIVIDUAL EMPLOYEE OR AGENT OF PROPERTY CONSULTING GROUP, INC., MAY NOT BE HELD INDIVIDUALLY LIABLE FOR DAMAGES RESULTING FROM NEGLIGENCE OCCURRING WITHIN THE COURSE AND SCOPE OF PROFESSIONAL SERVICES RENDERED UNDER THIS PROFESSIONAL SERVICES CONTRACT.

INDEMNIFICATION

The Contractor agrees to indemnify, defend, and save harmless the Client from any and all claims resulting from the sole negligence or willful misconduct of Contractor in the performance of this agreement. Such indemnity shall be limited to the extent of the benefits and payments afforded to Contractor by insurance policies now in force and to be maintained by Contractor during the period of this agreement. However, such benefits and payments shall not exceed the value of this contract. The Client agrees to indemnify, defend, and save harmless the Contractor for any loss or liability for damages sustained by, or on the part of, any person or entity which was not the result of Contractor's illegal or negligent performance under this agreement.

REPORTS, RECOMMENDATIONS, AND OWNERSHIP OF DOCUMENTS

Reports, recommendations, and other materials resulting from PCG's efforts are intended solely for the purposes of this agreement; any reuse by Client or others for purposes outside of this agreement or any failure to follow PCG's recommendations, without written permission, shall be at the Client's or user's sole risk.

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ESTIMATED PROJECT TOTAL	\$ 3,200
Requested Retainer (50%)	\$ 1,600
Payment due upon receipt of reports	\$ 1,600

AUTHORIZATION TO PROCEED

In WITNESS whereof, the duly authorized representative of the Client and Contractor have executed this agreement on the dates shown. We appreciate this opportunity to submit this proposal and look forward to supporting your efforts in this matter. If you agree to the above terms and conditions, sign this authorization and fax to our office. Send the signed authorization to proceed and retainer check to our Pompano Beach Office by mail or overnight courier.

CLIENT EXECUTION APPROVED BY:

Signature	Date
Title	

CONTRACTOR EXECUTION APPROVED BY:

Signature	Date: January 2, 2023
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James Hanskat, P.E., Florida Registration # 49801