

LETTER OF AGREEMENT

June 25, 2013

1475 Terra Towers Condominium Board of Directors
In Care of Greg Ribon, CAM
Association Services of Florida
10112 USA Today Way
Miramar, Florida
P: 954-922-3514
gribon@associaflorida.com

RE: *1475 Terra Towers Condominium Association*
 *Oxford Tower - Broward 40 Year Certification Structural Survey **Including Scope of Work for Elevator Recall***
 KEG Project # 13RL-4020
 CAMassistant RFP#138424

Dear Mr. Ribon and Board of Directors:

Karins Engineering Group, Inc. (KEG) appreciates the opportunity to propose professional engineering services for a 40 Year Certification Structural Service with a Scope of Work for Elevator Recall to: **1475 Terra Towers Condominium**, 1475 NE 125 Terrace, North Miami, FL 33161. Our staff is available to provide professional service for this project. If this proposed agreement meets with your approval, please sign same and return a copy of the Letter of Agreement to our office via fax and mail.

KEG expects the Client to furnish us with full information as to the requirements of the Project, including any special or extraordinary considerations for the Project or special services needed, and to make available all pertinent existing drawings and data.

KEG understands the project to consist of one 6 story mid rise building structure with 70 living units. The structure appears to be conventionally reinforced concrete with a stucco finish.

40 Year Building Safety Inspection Program - YEARLY SCHEDULE -	
JANUARY	Board of Rules and Appeals obtains building data from Property Appraisers Office and forwards it to each city
FEBRUARY NOTIFICATION	Building Officials notify property owners whose buildings are subject to the Safety Inspection Program for the current year.
MARCH, APRIL, MAY INSPECTION	90-day period for property owners to return Structural and Electrical Checklist to the City/County. (KEG is providing services for the Structural. KEG can recommend Electrical engineers to provide the services directly which will provide the most competitive pricing.)
JUNE – NOVEMBER REPAIR	180-day period of time for those buildings requiring structural or electrical repairs to complete the work.

FIGURE 2

Based on our discussions, site visit with you on March 1, 2011 and Building Safety Inspection Program for Buildings and Structures established by Broward County Board of Rules & Appeals, KEG proposes the following Scope of Services.

SCOPE OF SERVICES

Phase 1 – Dade 40 Year Certification Survey with Scope of Work for Elevator Recall

KEG will complete the requisite inspections for the purpose of determining the structural condition of the building or structure to the extent reasonably possible of any part, material or assembly of a building or structure which affects the safety of such building or structure and/or which supports any dead or designed live load pursuant to the Building Code.

KEG will complete the survey of the open balconies and miscellaneous structural components. In order to efficiently survey all the units, we require an Owners' representative to accompany KEG at all times while our representative is inside the units. This will expedite the survey and provide the least amount of disruption to your residents. During the course of our survey work, we may recommend that selective removal and replacement of existing wall and ceiling finishes be undertaken in order to determine the condition of the underlying structure. If required and upon authorization by the Association, a general contractor will be engaged to provide the required selective demolition and repair work and to provide high-lifts or scaffolding required to access areas of interest. The cost of such services will be billed to the Association as a reimbursable expense.

We will inventory damage noted during the survey and will prepare a written report detailing our findings. The report will also contain recommendations for correcting noted deficiencies.

Upon completion of our report, we will meet with representatives of the Association to discuss our findings and to assist in developing a repair and protection strategy. This meeting is included in the fixed price any subsequent meetings, if they become necessary, are not included in the fixed fee listed in the fee schedule. We will bill based on time expended according our current hourly rates.

Phase 2 - Project Manual, Restoration and Waterproofing

KEG will prepare a Project Manual including bid documents, contract documents and specifications for repair methods and procedures. Documents will be sufficiently detailed to secure competitive bids and a Building Permit. The Project Manual will include quantities for bidding purposes derived from estimated quantities of damage discovered during our observations. Specifications will be prepared in general accordance with the recommendations of the product manufacturers, appropriate standards of structural engineering practice and the guidelines of the International Concrete Repair Institute (ICRI).

Phase 3 - Bidding

Following completion of the Project Manual and approval by the Association, KEG will initiate the bidding process. KEG will recommend potential bidders for the work, distribute Project Manuals to desired bidders, and conduct a pre-bid conference at the Project site. KEG will receive and review bids and will assist the Association in their selection of a Contractor.

Work in the bidding phase will depend on the number of meetings held with the Association and/or bidders, and the expediency by the Association in selecting a Contractor. Therefore, no fixed fee has been provided



Owner initial _____
Engineer initial _____

in the Fee Schedule for this part of the work. We will bill based on time expended according to our current hourly rates.

Phase 4 - Construction Administration

KEG will make on-site observations of the work-in-progress to verify general compliance with the Project Manual. KEG will review and process product submittals, payment requests and change orders. We will convene regular construction progress meetings on-site and will provide meeting minutes for each meeting.

Work in this phase will depend on the extent of damage found during the prior phases of the project, the Contractor selected and his proposed schedule. Therefore, no fixed fee has been provided in the Fee Schedule for this part of the work. We will bill based on time expended according our current hourly rates.

FEES

The fees for Scope of Services as described herein will be as follows:

- Phase 1 – 40 Year Certification Survey of Existing Condition: a lump sum of Eight Thousand Five Hundred Fifty Dollars (\$8,550.00).
- Phase 2 – Restoration Project Manual and Bid Documents: a lump sum of Two Thousand Four Hundred Fifty Dollars (\$2,450.00).
- Phase 3 – Bidding: a Not-To-Exceed monthly sum of Two Thousand One Hundred Fifty Dollars (\$2,150.00/month) using the current hourly rates as the cost for the services. If the bidding phase does not require the full amount said above the client will only be billed for the time expended. The bidding phase starts and the Pre-Bid Meeting and Ends at the time of contract signature.
- Phase 4 – Construction Administration is broken down into the following services and not-to exceed cost:
 - Project Start Up
 - Pre-Construction Meeting
 - Submittal Review and Approval
 - Notice to Owner
 - Schedule Review and Approval
 - Office Start Up
 - No-To-Exceed: a sum of One Thousand Seven Hundred Dollars (\$1,700.00)
 - Monthly Construction Administration
 - Four Construction Meetings and Notes
 - Eight Site Visit Observations/Inspections and Signed/Sealed Reports
 - Review of Application for Payments
 - All Construction Correspondence
 - Management of Construction Quantities
 - No-To-Exceed: a sum of Six Thousand Five Hundred Fifty Dollars per month (\$6,550.00/month)
 - Project Closure
 - Project Closure Meeting and Notes
 - Review and Approval of Warranties
 - Final Punch
 - Final Releases of Liens



Owner initial _____
Engineer initial _____

- Final Pay Request
 - Not-To-Exceed: a sum of One Thousand Eight Hundred Eighty Dollars (\$1,880.00)

If the Construction Administration phase does not require the full amount said above the client will only be billed for the time expended.

GENERAL CONDITIONS

This Agreement is subject to the following conditions.

1. Karins Engineering Group, Inc. (KEG) will bill monthly for services. The financial arrangements contained in the fee proposal are based on prompt payment of our bills and the orderly progress of the Project through completion of the defined Scope of Services. Nonpayment of bills may result in KEG stopping work on the Project.
2. In accordance with Florida Statutes Chapter 713, to preserve KEG's lien rights, KEG will file a claim of lien against the project for any invoice that remains unpaid for a period of 60 days.
3. If the defined Scope of Services is changed at the request of the Client, additional charges will be applicable. If stipulated fees are not agreed upon in writing prior to the commencement of additional work, the additional charges will be billed based on KEG's current hourly rates, excluding services in conjunction with legal proceedings.
4. At the time this Agreement was drafted, KEG current hourly rates were as follows. These rates are subject to change from time to time to reflect current market conditions.

• Expert Witness Services	\$ 250.00 per hour
• President, CEO	\$ 170.00 per hour
• Director, Department Manager	\$ 150.00 per hour
• Project Manager , Sr. Materials Technician	\$ 140.00 per hour
• Engineer	\$ 130.00 per hour
• Drafter, Junior Engineer	\$ 90.00 per hour
• Clerical	\$ 65.00 per hour
5. Hourly billing is based on ½ hour increments, except for telephone calls, which are billed based on ¼ hour increments. When services are provided outside our offices, billing will be based on portal-to-portal time spent on the project with a 2-hour minimum charge.
6. Billed amounts are due upon receipt. Any billed amount that remains unpaid for a period greater than thirty (30) calendar days will accrue finance charges at the rate of 1-1/2% per month (but not exceeding the maximum rate allowable by law). Payments received subsequent to application of said finance charges will be applied as follows: a) first to any outstanding finance charges, then b) to the oldest outstanding principal balance. Client shall pay all costs incurred by KEG in attempting to collect any delinquent amount owed by the Client. These costs may include but not be limited to Attorneys fees, collection agency fees, fees for time expended by KEG personnel at current hourly rates, court costs, filing fees, mediator fees, or arbitrator fees.
7. In any claim made by the Client against KEG, at law or otherwise, for any alleged error, omission or other act arising out of the performance of our professional services, that is not proven by the Client, the Client shall pay all costs, including attorney's fees, incurred by KEG defending itself against the claim. In any claim made by KEG against the Client, at law or otherwise, for any act arising out of this professional service agreement, that is not proven by KEG, KEG shall pay all costs, including attorney's fees, incurred by the Client defending itself against the claim.
8. It is explicitly understood and agreed upon that the level of service to be provided under this Agreement shall be limited to the degree of care and skill ordinarily exercised under similar conditions by reputable members of the engineering profession practicing in the same or similar locality. No other warranty, expressed or implied, is made or intended by KEG's proposal for consulting services, or by any materials furnished by KEG to the Client in writing or orally.
9. KEG expects to commence work on the defined Scope of Services promptly after receipt of an executed proposal and to complete the defined Scope of Services in a timely manner. –End Item #10-
10. All work prepared by KEG shall constitute the intellectual property of KEG; however, Client is granted an exclusive, non-royalty bearing license to use the work for its intended purposes, at its intended location. Said work may not be used at any other location or for any other use without prior written authorization.



Owner initial _____
Engineer initial _____

11. This agreement is to be governed by the laws of the State of Florida. The venue for legal action arising out of this agreement shall lie exclusively in the Circuit Court in and for (county where building is located) County, Florida.
12. Any liability as a result of the services performed under this Agreement shall be limited to the amount of fees paid by the Client to KEG under this Agreement or \$100,000, whichever is greater.. KEG maintains Professional Liability Insurance in the amount of \$1,000,000.00.
13. To the fullest extent permitted by law, the Client shall indemnify and hold harmless KEG and its officers, directors, agents and employees from and against all claims, damages and expenses, including but not limited to attorney's fees arising out of or arising from the performance of the work and the obligations imposed by this agreement that is brought by the Client's individual or several members, contractors, subcontractors, sub-subcontractors, materialmen or agents of any tier or their respective employees, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. The monetary obligation under this paragraph shall be limited to \$1,000,000.00.
14. Should the Owner find these General Conditions unacceptable, an increase in KEG's proposed fee may be negotiated to offset the increased risk from that proposed by the General Conditions.
15. KEG does not guarantee that our opinions of probable construction costs will not differ materially from negotiated prices or bids. If the Client requires formal estimates or greater assurance as to probable construction costs, an independent cost estimator should be employed.
16. "Inspection," whenever used, shall be defined as "periodic construction observation of work in progress to verify general conformance with the project specifications and their intent." The use of the term "inspection" shall not imply that KEG is conducting or intends to conduct exhaustive inspections of all work to uncover any code violations, defects in the construction or undetected errors and omissions.
17. KEG will have no responsibility for the Contractor's means, methods, techniques, and procedures used in construction, and will not be held liable for the Contractor's inadequate or unsatisfactory performance of the Work.
18. Any changes, modifications or alteration to the plans and specifications requested by the Owner after completion of the documents at each project phase shall be accomplished as additional services.
19. Reimbursable expenses shall be billed to the Client with a 10% carrying charge.
20. If either party to this Agreement wishes to terminate the agreement, they may do so at any time upon ten days written notice, payment for services rendered as of the date of termination and delivery of reports commenced as of the date of termination.
21. This agreement represents the entire understanding between Karins Engineering Group, Inc. and the Client with respect to the project.
22. This agreement may only be modified in writing signed by both parties.
23. This agreement will be open for acceptance for 30 days following the date presented to the Client, unless agreed in writing by both parties.
24. Unless otherwise noted, KEG signage is permitted at the site, and photos of the project taken by KEG, and renderings, may be used in KEG literature.

End of General Conditions



Owner initial _____
Engineer initial _____

We trust that this agreement is responsive to your needs. Your signature in the space below with a deposit of \$1,500.00 will execute this agreement and authorize us to commence work.

If you have any questions or require additional information regarding this agreement, please do not hesitate to call. Thank you for the opportunity to assist you with your project.

Sincerely,
Karins Engineering Group, Inc.

Hector Guerra

Hector Guerra
Senior Project Engineer

Accepted this _____ day of _____, 2013

Billing Address: ☐ Same as above.
☐ Other:

By: _____
Authorized Signature

Printed Name, Title

Initial to Authorize Service Items:

40 Year Certification Survey and Report _____

Project Manual, Restoration _____

Bidding _____

Construction Administration _____



Owner initial _____
Engineer initial _____