

LETTER OF AGREEMENT

August 1, 2013

Lago Verde Villas
In Care of Greg Ribon, CAM
Association Services of Florida
10112 USA Today Way
Miramar, Florida
P: 954-922-3514
gribon@associaflorida.com

*RE: Lago Verde Villas
40 Year Certification Survey
KEG Project # 13RL-4028
CAMassistant RFP#999791*

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: 3810 NE 170th Street North Miami Beach, FL 33106. 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 two low rise building structures with 18 living units. The structure appears to be conventionally reinforced concrete with a stucco finish.

| 40 Year Building Safety Inspection Program - YEARLY SCHEDULE - | |
|--|--|
| Board of Rules and Appeals obtains building data from Property Appraisers Office and forwards it to each city | |
| Building Officials notify property owners whose buildings are subject to the Safety Inspection Program for the current year. | |
| 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.) | |
| 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

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 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.



Owner initial _____
Engineer initial _____

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 Three Thousand Five Hundred Fifty Dollars (\$3,550.00).
- Phase 2 – Restoration Project Manual and Bid Documents: a lump sum of Two Thousand Four Hundred Fifty Dollars (\$2,450.00).
- Phases 3, 4 and any requested additional services will be billed based on time expended according to our current hourly rates.

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. 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% 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.
3. 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.
4. 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.
5. 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, Materials Engineer | \$ 130.00 per hour |
| • Drafter, Junior Engineer | \$ 90.00 per hour |
| • Clerical | \$ 65.00 per hour |
6. 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.
7. Mileage shall be calculated from KEG nearest physical office address to the project site and shall be reimbursed at a maximum rate equal to the current IRS Standard Mileage Rate.
8. Reimbursable expenses shall be billed to the Client with a 10% carrying charge.
9. Ten copies of the final Construction Documents and/or Project Manual are included in the fee, where applicable. Three copies of final reports are included in the fee, where applicable. Preliminary or progress documents included in the fee are as specified in the Agreement. Additional copies of preliminary or progress documents or additional copies of final documents shall be supplied upon request as an Additional Service. Costs to produce Additional Service documents will



Owner initial _____
Engineer initial _____

be billed to the Client on a time and material basis. Material costs for letter-size documents shall be \$0.10 per page b/w and \$0.20 per page color. Material cost for large format documents shall be \$1.00 per page.

10. 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.
11. 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.
12. 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. KEG will coordinate its activities with those of the Client in an effort to avoid causing delays, damages, additional costs or expenses to the Client. However, KEG shall not be responsible for delay damages, costs or expenses related to the project.
13. 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 \$100,000.00, whichever is greater. KEG agrees to maintain Professional Liability Insurance in the amount of \$1,000,000.00 for the duration of the project.
14. **PURSUANT TO FS 558.0035, AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE.** The Client agrees that as the Client's sole and exclusive remedy, any claim, demand or suit (other than personal injury or property that is not the subject of this agreement) shall be directed and/or asserted only against the KEG, a Florida corporation, and not against any of the KEG employees, officers or directors.
15. Client agrees to 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 (excluding the Client, itself), 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, which Client agrees bears a reasonable commercial relationship to the Work undertaken by KEG. Client further agrees that these general conditions are a part of the Work's specifications bid documents or contracts with other parties who may claim damages, if any.
16. This agreement shall not be interpreted to create liability for KEG to any third party.
17. 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.
18. 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.
19. "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.
20. 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.
21. 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.
22. 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.



Owner initial _____
Engineer initial _____

23. This agreement represents the entire understanding between Karins Engineering Group, Inc. and the Client with respect to the project.
24. This agreement may only be modified in writing signed by both parties.
25. Neither party shall let, assign or transfer this Agreement, any part thereof or any interest therein without the written consent of the other party.
26. This agreement will be open for acceptance for 30 days following the date presented to the Client, unless agreed in writing by both parties.
27. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be binding on KEG and the Client.
28. Counterparts: This Agreement may be executed in one or more counterparts. Each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement may be evidenced by facsimile transmission.
29. 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 Miami-Dade County, Florida.
30. 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.
31. Notices to the parties as provided herein shall be by facsimile and certified mail to the following addresses:

As to Client:

As to KEG: Karins Engineering Group, Inc.
 Attn: David G. Karins, PE, President
 2017 Fiesta Drive
 Sarasota, FL 34231

---End General Conditions---

We trust that this agreement is responsive to your needs. This agreement represents the entire understanding between Karins Engineering Group, Inc. and Lago Verde Villas with respect to the project. 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. In order to proceed with services



Owner initial _____
Engineer initial _____

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please execute the bottom portion of this agreement and submit a deposit of \$750.00 to be applied against your final billing.

Sincerely,
Karins Engineering Group, Inc.

Hector Guerra

Hector Guerra
Senior Project Engineer

ACCEPTED this _____ day of _____, 2013

**AGREEMENT AUTHORIZED
BY ASSOCIATION:**

Authorized Signature

Printed Name, Title

**PRIMARY ASSOCIATION CONTACT
FOR PROJECT:**

Contact's Name

Phone and Cell Numbers: _____ Email: _____

ASSOCIATION BILLING ADDRESS:

To the Attention of:

Mailing Address

Billing Cycle Date: _____

Please indicate date by which Client requires
invoices in order to assure 30-day payment to KEG.



Owner initial _____
Engineer initial _____