

## Maria Gallo

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**From:** Secretary-SRPOA <sierraranchospoa@rtci.net>  
**Sent:** Saturday, November 19, 2022 2:07 PM  
**To:** Maria Gallo  
**Cc:** Michelle D. Briggs  
**Subject:** Fwd: Documentation for CIC Commission Dec. 6th - Engineering & Reserve Study  
**Attachments:** Dec-6-ENG-Amendment.pdf; Addendum-Reserves-ORDER-1b.pdf; CS-Ltd-Sierra-Ranchos-Proposal-10-2022.pdf

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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*mgallo*

NEVADA COMMISSION FOR  
COMMON INTEREST COMMUNITIES  
AND CONDOMINIUM HOTELS

**WARNING** - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Maria Gallo / Michelle Briggs,

I am attaching documentation that I intend to discuss at the Dec. 6-8 Commission Meeting. Only Engineering Consultant proposals and costs for Reserve Study Update are documented / addressed in the attachments.

I assume that NRED already has documentation of our Equus Management contract and the approved (Nov. 12, 2022) 2023 Budget Proposal *from* Equus.

As I mentioned in a discussion with Ms Briggs, I am concerned that only a few Commission members even looked at the documentation that I provided at the Sept. 13th meeting.

The "**ENG-Amendment**" and "**Addendum-Reserves-ORDER-1b**" **supplement the documentation and discussion in my Sept. 13th material.**

Most notable is the fact that we (SRPOA) have finally received 2 engineering **proposals**, of which one was received in time for **acceptance** at our Nov. 12th Annual Membership meeting.

A proposal solicited and approved by the 2021 Board is also documented in the "**ENG-Amendment**" but was NOT funded by the 2021 Board because of high cost and insufficient funds.

If you have any last-minute questions I will be in Reno THROUGH Nov. 21st., and again Nov. 30th - Dec. 2nd.

I will be present in Las Vegas starting Dec. 6th.

William Roth, 2022-2023 Secretary  
Sierra Ranchos POA

**Amendment to Sept. 13<sup>th</sup> Documentation**

**Record of Interactions  
with Civil Engineers  
Order Item 1(c)**

**RE: Sierra Ranchos Property Owners Association  
Case No. 2018-1663 Continuation of Review of “Order”**

**for Dec. 6, 2022 Meeting of Commission for  
Common Interest Communities and Condominium Hotels**

## SUMMARY:

The following pages document continuing efforts by the Board of Sierra Ranchos Property Owners Association (SRPOA) to obtain at least 2 valid proposals from Nevada Licenced Civil Engineers to review, examine the sites, and propose work needed to correct Washoe County Violations WVIO-ENG-0029 and -0030. After the withdrawal of BOTH (a) Black Eagle Consulting (Scott Kelly, P.E.), (b) Meridian Land Solutions and Design (MLSD), 4 additional firms were contacted. Two - NORTECH, and Lumos & Associates submitted complete proposals to SRPOA. NORTECH's proposal was submitted before our Nov. 12<sup>th</sup> Annual Meeting and was selected / approved at the regular Board meeting which followed on Nov. 12<sup>th</sup>. Summit Engineering - mentioned at the Sept. 13<sup>th</sup> CICC meeting, did not submit a proposal.

Copies of email communications between SRPOA, the companies, and their proposals follow.

A copy of the 2021 CFA proposal signed by the 2021 SRPOA Board is also attached. That agreement was never completed, for 2 reasons : (i) SRPOA was nearly insolvent at the time it was signed, and could not make the \$ 8100 deposit, (ii) the Scope of Work was far in excess of the needs of SRPOA to resolve the Washoe Co. Violation issues, and would have required not only funds (\$ 53,000 + \$ 61,000) far in excess of SRPOA's budget, but a work commitment in excess of the 1 year limitation on contracts / engagements of SRPOA's By Laws.

Proposal of NORTECH Geotechnical Consultants  
Nicholas Vestbie, P.E., President

**Selected at Nov. 12th, 2022 Board Meeting**





300 Western Road, #3, Reno, NV 89506 • (775) 852-7475 FAX (775) 852-7488

## **PROPOSAL/WORK ORDER**

We are pleased to acknowledge the following work assignment. Please sign below where indicated as a basis of mutual understanding as to the terms and/or conditions of the assignment.

<b>NAME OF PROJECT</b>	Red Rock/Sierra Ranchos Project	<b>APN</b>	
<b>STREET LOCATION</b>	Sierra Ranchos Community Washoe County, Nevada	<b>DATE</b>	November 10, 2022
<b>CLIENT</b>	Sierra Ranchos Property Owners Association P. O. Box 11513 Reno, Nevada 89510	<b>PHONE EMAIL</b>	775-969-3882 roth-biomet@rtci.net sierraranchospoa@rtci.net
<b>AUTHORIZED BY:</b>	Nicholas S. Vestbie		
<b>SCOPE OF WORK</b>	Consultation and materials testing for road improvements to mitigate flood and drainage conditions. Work must be coordinated with a hydrology and drainage study performed by others.		
<b>FEES TO BE CHARGED</b>	Time and materials basis, Not to exceed \$7,000.00.		

### **TERMS & CONDITIONS:**

- Nortech Geotechnical/Civil Consultants, Ltd.** (herein referred to as: **Nortech**) agrees to perform services and **Client** agrees to pay for and in consideration of the performance set forth in this Work Order.
- INVOICING** - Invoices will be submitted at completion of work or progressed billed biweekly (monthly if requested), whichever would be applicable. Invoices are due and payable upon presentation.  
  
In general, payment will be required on work performed, therefore, payment is not contingent upon client's receipt of payment from other parties.  
  
All invoices will be charged at the current fee schedule or per any formal proposal presented for professional and laboratory services prevailing at the time services are rendered.  
  
A finance charge of one percent (1%) per month may be applied to the outstanding balance for accounts not paid within thirty (30) days of the invoice.
- PAYMENT- Clients** without existing credit established with **Nortech**, will be required to pay for the work upon completion.  
  
In the event payment is not made when due and it becomes necessary to commence suit to collect amounts due, client agrees to pay interest, collection company's fees, plus attorney's fees as the court may deem reasonable. It is our policy to place a mechanics lien against the property for the amount owed after 30 days from the date of billing. A \$100.00 lien fee will be added to the amount owed. **Nortech's** estimates of cost and schedule are for **Client** budgeting and planning purposes. Cost and schedule estimates are based upon information made available to **Nortech** at the time of Work Order generation. **Nortech** will endeavor to perform the services and accomplish the objectives within the estimated cost and schedule. **Nortech** will notify **Client** upon the discovery of changes or any other unforeseen circumstances that may impact cost and schedule.

4. **CLIENT INFORMATION-** *Client* accepts the liability for the accuracy and completeness of information, (including, but not limited to, specifications, work plans, drawings, maps, surveys, reports, historical land usage and operations, results of previous site investigations and surface or sub-surface conditions affecting the site) supplied by *Client* or its agents to *Nortech*, and acknowledges that *Nortech*, is relying upon such information or data in the preparation of this proposal and/or in performance of the resulting contract without further verification by *Nortech*, as to its accuracy or completeness. *Nortech*, shall be entitled to an equitable adjustment to the contract price and schedule to compensate for any inaccurate or incomplete information supplied by *Client*.
5. **EXPERT WITNESS SERVICES-** *Client* acknowledges that the work performed under this scope of services may result in legal action by one or more interested parties, including but not limited to the *Client*, the *Client's* insurance carrier, or a law firm retained by the *Client*. In the event of such legal action, *Client* agrees to compensate *Nortech* as an expert witness for these services on a time and expenses basis according to the *Nortech*, Fee Schedule that is current at the time of litigation, exclusive of and separate from the work scope being authorized at this time under the terms of this work order. Further, *Client* agrees to acknowledge said agreement to the insurance firm or law firm representatives retained on *Client's* behalf for the purposes of litigation resulting from the work scope authorized under this work order.
6. **JOBSITE HEALTH & SAFETY-** *Nortech*, is responsible solely for its own employees' activities on the jobsite, but this shall not be construed to relieve *Owner* or any construction contractors from their responsibilities for maintaining a safe jobsite. Neither the professional activities of *Nortech*, nor the presence of *Nortech*, or its employees and subcontractors, shall be construed to imply *Nortech*, has any responsibility for methods of work performance, superintendence, sequencing of construction, or safety in, on or about the jobsite.
7. **EXISTING SITE CONDITIONS-** *Client* acknowledges that *Nortech*, has played no part in the creation of any hazardous waste, pollution sources, nuisance, or chemical or industrial disposal problem, if any, which may exist and that *Nortech*, has been retained for the sole purpose of assisting the *Client* in assessing any problem which may exist and in formulating a mitigation program, if such is within the scope of work. It is recognized and agreed that *Nortech*, has assumed responsibility only for making the investigation, and providing consultation, subsequent reports and recommendations to the *Client*. The responsibility for making any disclosures or reports to any third party and for taking corrective, remedial or mitigative action shall be solely that of the *Client* and/or *Owner* unless specifically called out as a contract line item requirement.
8. **ACCESS TO SITE-** *Client* grants *Nortech*, and its subcontractors access and authority to enter the property to fulfill the scope of services called for by this Work Order. *Nortech*, will take reasonable precautions to minimize damage to the property and adjoining properties. *Client* understands and agrees that the use of subsurface exploration equipment may unavoidably cause some damage, the correction of which is not a part of this Work Order. *Client* also understands that the discovery of certain conditions may result in a reduction of the property's value.  
  
Unless otherwise specifically agreed to in writing by both parties, *Client* will obtain, if necessary, any adjoining property owners written approval for access to their property.
9. **CHANGED CONDITIONS-** *Client* may at any time, by written order, and within the general scope of this contract, make changes to the services called for hereunder. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the Work Order shall be modified in writing accordingly. In addition, *Nortech*, shall be entitled to an equitable adjustment for any actions, omissions, or directions by the *Client* which cause an increase to the cost of or the time required for the performance of any part of the work under this Work Order, whether or not directed in writing by the *Client*.
10. **RISK ACCEPTANCE** - In order to obtain the benefits of a fee which includes a lesser allowance for risk funding and in recognition of the relative risks and benefits of the Project to both the *Client* and *Nortech*, the risks have been allocated such that the *Client* agrees, to the fullest extent permitted by law, to limit the risks and liability of *Nortech* to the *Client*, all owners of the Project, subsequent owners of the Project, contractors, subcontractors, lenders, secured parties of the Project, and all other third-parties, for all claims, losses, costs, damages or expenses of any nature, including attorney's fees, so that the total aggregate liability of *Nortech*, its officers, directors, partners, employees and consultants to all those named shall not exceed Twenty-Five Thousand Dollars (\$25,000), or *Nortech's* total fee for the Services rendered on this Project, whichever is less. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, including without limitation, claims of negligence, including the sole negligence of *Nortech*, professional errors or omissions, strict liability, breach of contract, breach of warranty, indemnity and/or contribution. The *Client* further agrees to defend, indemnify, protect, hold harmless and reimburse *Nortech* as to all claims, liabilities, damages, expenses of any nature, including attorney's fees, brought by any party or incurred by *Nortech* which exceeds this aggregate amount.
11. **CONFIDENTIALITY-** *Nortech*, agrees to keep confidential and not to knowingly disclose to any person or entity, other than employees and subcontractors performing hereunder, without the prior consent of *Client*, any data or information not previously known to and generated by *Nortech*, or furnished to *Nortech*, and marked "CONFIDENTIAL" by *Client* in the course of performance hereunder; provided, however, that this provision shall not apply to data which are in the public domain, or which were acquired by *Nortech*, independently from third parties not under any obligation to *Client* to keep such information confidential. *Client* agrees that *Nortech*, may use and publish *Client's* name and a general description of services performed with respect to the project in describing *Nortech's*, experience and qualifications to other clients and prospective clients.





13. **DELAYS-** If the performance of all or any part of the work is for an unreasonable period of time suspended, delayed, or interrupted by *Client* or its employees, subcontractors, or agents, or other causes beyond *Nortech's* control in the performance of this Work Order, *Nortech*, shall be entitled to an equitable adjustment in cost and schedule.
14. **FORCE MAJEURE-** Neither party shall be deemed in default of this Work Order or any order hereunder to the extent that any delay or failure in the performance of its obligations (other than payment of money) results from any causes beyond its reasonable control and without its fault or negligence. Examples of such include, but are not limited to (1) Acts of God or the public enemy, (2) Acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) embargoes, (9) earthquakes and (10) unusually severe weather.
15. **CONFORMANCE WITH LAW-** The validity, performance and construction of this Work Order shall be governed and interpreted in accordance with the laws of the State of Nevada or California applicable to contracts.
16. **ASSIGNMENT-** There shall be no assignment of the rights or obligations in this agreement by either party without the written consent of the other party and any assignment absent such consent shall be null and void, and shall render the corresponding duties and obligations of the other party null and void.
17. **STANDARD OF SERVICES AND WARRANTY-** Services performed by *Nortech*, under this Work order shall be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions.
18. **PRIVILEGED TO TERMINATE-** Each party shall be privileged to terminate this agreement by giving the other party seven (7) days prior written notice thereof. In the event of termination by *Client*, *Nortech*, shall be paid for all services performed prior to the date of termination. In the event of termination by *Nortech*, *Nortech*, shall be paid for the value of services performed prior to the date of termination as a percentage completed of the total scope of work. In either event, *Client* will be liable for all costs through such termination, including all costs of settling and paying claims arising out of any subcontracts hereunder

I, the *Client/Owner* or *Client/Owner* representative, have read, understand and, hereby authorize *Nortech Geotechnical/-Civil Consultants, Limited*, to perform such services as set forth in this Work Order.

Nortech Geotechnical/Civil  
Consultants, Limited

BY:

  
Authorized Signature

Nicholas S. Vestbie, P.E.

AGREED TO AND ACCEPTED

By:

  
Authorizing Signature  
  
Client Name (Print)  
11/12/22  
Date

PLEASE SIGN AND RETURN TO  
OUR OFFICE FOR FINAL EXECUTION BY:

POSTAL SERVICE:

~ OR ~

ELECTRONICALLY TO:

Nortech Geotechnical/Civil Consultants, Ltd.  
300 Western Road, #3  
Reno, Nevada 89506

Lori@nortechltd.com

Proposal of Lumos Associates  
Brian Harer, Senior Project Manager



Carson City • Fallon • Lake Tahoe • Reno

[www.LumosInc.com](http://www.LumosInc.com)

**Reno**  
9222 Prototype Drive  
Reno, Nevada 89521  
775.827.6111

November 10, 2022

**Note: Agreement which follows  
is dated Nov. 14th, 2022**

Joy Marvin  
Sierra Ranchos P.O.A.  
16000 N. Red Rock Road  
Reno, NV 89508

**Subject: Sierra Ranchos Property Owners Association  
Existing Roadway Evaluations and Report**

Dear Joy:

Thank you for the opportunity to provide a proposal for the Sierra Ranchos P.O.A. Roadway Evaluations and Report.

### **Project Understanding**

The proposed project will include Unsurfaced Road Condition Index (URCI) surveys of applicable unpaved roadways within the Association, evaluation of the URCI surveys with treatment type recommendation, and a cost analysis of the recommended treatment.

URCI surveys will be completed utilizing the method outlined in the Special Report 87-15 – Rating Unsurfaced Roads from the US Army Corps of Engineers. This method consists of dividing the road network into sections, inspecting and identifying problems and calculating ratings that indicate the condition for each section.

### **Project Scope**

#### **Task 1 – Unpaved Roadway Inspections**

Provide Unpaved Roadway Inspection Services for all SRPOA roadway sections under SR 87-15 guidelines as follows:

- Identification and measurement of roadway network
- Logging and measurement of existing distresses
- Calculating ratings that indicate the condition for each section

One (1) Senior Inspector will be provided for four (4) shifts. 21-22 miles of unpaved inspection units are anticipated.

## **Task 2 – Roadway Management Program Report**

Provide a Roadway Management Program Report including, but not limited to the following:

- Purpose and main objectives of the study
- Project Approach
- Summary of the roadway network and condition
- Budgeting Needs
- Budget Scenarios and Summary
- Inventory Report for all the Association's roadways to include section descriptions and current and projected unpaved roadway condition index (URCI) values.
- Maintenance and Rehabilitation (M&R) Decision Tree
- Descriptions of Maintenance and Rehabilitation Treatments
- Projected URCI and Cost Summary
- Maintenance Treatment Cost Summary

## **Task 3 - Budgeting Analysis**

Provide Budgeting Analysis Services as follows:

Provide budgeting and cost analysis under the direction of the Association to assist in planning for the anticipated future conditions of the Association's unpaved roadways.

### **Fee Summary**

The tasks described in the Scope of Work will be completed for the following fees:

Task	Description	Fee
Task 1	Unpaved Roadway Inspections	\$ 4,250
Task 2	Roadway Management Program Report	\$ 4,000
Task 3	Budgeting Analysis	\$ 1,000
Total:		\$ 9,250

Tasks 1 through 3 are fixed fee tasks. Lumos & Associates will be happy to amend this proposal as necessary.

Any additional services requested but not covered by this Scope of Work can be provided by an amendment to this proposal. Lumos & Associates, Inc. will send monthly progress billings on this project. The amount of these billings will be based upon the percentage of work completed.

Thank you again for allowing Lumos & Associates to provide you with this proposal. Please do not hesitate to contact me at (775) 827-6111 if you have questions.

Sincerely,



Chris Lillo  
Project Coordinator  
Construction Division



Brian Harer  
Senior Project Manager  
Construction Division



**AGREEMENT**  
**To Engage the Services of**  
**LUMOS & ASSOCIATES, INC.**

THIS AGREEMENT, entered into on the 14th day of November 20 22, by and  
by and between Sierra Ranchos Property Owners Association

whose mailing address is 16000 N. Red Rock Road, Reno, Nevada 89508

hereinafter called "CLIENT," and LUMOS & ASSOCIATES, INC., hereinafter called "CONSULTANT," is as follows:

CLIENT intends to pursue work on SRPOA Existing Roadway Evaluations (Project Name)  
hereinafter called the "PROJECT" and whose location is SRPOA, Reno, Nevada

THE CLIENT/contact person for this project is Joy Marvin

Phone 775-240-1279 Email galwayjoul@aol.com

CLIENT and CONSULTANT, for mutual consideration hereinafter set forth, agree as follows:

A. CONSULTANT agrees to perform certain consulting, design, advisory, surveying, and/or testing  
services for CLIENT as follows: See proposal attached hereto as Exhibit "A"

B. CLIENT agrees to pay CONSULTANT as compensation for his/her services as follows:  
See proposal attached hereto as Exhibit "A"

This Agreement does not include any agency fees advanced on the CLIENT's behalf. All fees advanced for this project  
will be assessed a 15% handling fee in accordance with company policy. Should CLIENT wish to avoid the 15%  
charge, all agency and outside fees will be required 24 hours prior to submittal deadline.

C. CLIENT agrees to provide the following to CONSULTANT to aid in his/her work:  
See proposal attached hereto as Exhibit "A"

D. CONSULTANT will begin work on or about November 20 22; and have said  
work completed See proposal attached hereto as Exhibit "A"

CONSULTANT contact for this project is Brian Harer Phone (775) 827-6111

The attached Standard Provisions of Agreement are incorporated hereinto and made a part of this Agreement. In the  
event of any conflicts or inconsistencies between the terms contained in Exhibit "A" and those contained in the  
Standard Provisions of Agreement, the terms of the Standard Provisions of Agreement shall govern and control.

All notices, requests, demands, and other communications required under this Agreement shall be in writing and shall  
be deemed duly given and received: (i) if personally delivered, on the date of delivery; (ii) if mailed, three (3) days  
after deposit in the United States Mail, registered or certified, return receipt requested, postage prepaid; and/or (iii) if  
by a courier delivery service providing overnight or "next-day" delivery, on the next business day after deposit with  
such service. All written communications shall be addressed to CONSULTANT at 9222 Prototype Drive, Reno, NV  
89521, or to CLIENT at the address written above.

**IN WITNESS WHEREOF**, the parties hereto have accepted, made and executed this Agreement upon the terms,  
conditions, and provisions written above and incorporated herein as set forth in the attached, on the date first written  
above.

CONSULTANT:

PRINT Brian Harer

SIGN [Signature]

TITLE Senior Project Manager

DATE 11/14/2022

CLIENT:

PRINT \_\_\_\_\_

SIGN \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_



## **STANDARD PROVISIONS OF AGREEMENT**

### **1. AGREEMENT**

These Standard Provisions of Agreement are deemed part of the attached Agreement. As used herein, the term "Agreement" will mean the attached Agreement, the Proposal attached thereto as Exhibit "A," these Standard Provisions of Agreement, and any other exhibits attached hereto and specifically incorporated herein. Consultant shall provide for the Client the scope of services described in the referenced Proposal, and all services not specifically described therein are excluded from Consultant's scope of services.

### **2. BILLING AND PAYMENT**

Fees and other charges shall be billed monthly as the work progresses and shall be due and payable at the time of billing. Ten (10) days are allowed for processing payment, and any unpaid balance remaining twenty (20) days after the date of the original invoice shall be considered past due. Any unpaid balance remaining thirty (30) days after the date of the original invoice shall be considered Critically Past Due. Consultant reserves the right to suspend services on accounts with outstanding balances that are Critically Past Due. Consultant shall have no liability whatsoever to the Client for any costs or damages as a result of such suspension. Upon payment in full by the Client, Consultant shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension. In the event Client fails to pay Consultant within forty-five (45) days or more after invoices are rendered, Client agrees that Consultant shall have the right in its sole discretion to consider said default a material breach of the Agreement and the duties of Consultant under this Agreement terminated, without requiring the seven (7) days written advance notice otherwise required for termination pursuant to Section hereof.

Any payment not received within thirty (30) days of date of the original invoice shall accrue interest at the rate of eighteen percent (18%) per annum.

Client hereby agrees that the balance as stated on any invoice from Consultant to Client is correct and is acceptable to Client unless, within ten (10) days from the date of the original invoice, Client notifies Consultant in writing of the particular item that is alleged to be in error or is otherwise in dispute.

Client shall pay the costs for checking and inspection fees, zoning and annexation applications fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title company charges, blueprints and reproductions, and all other charges not specifically covered by the terms of this Agreement.

For projects that extend for more than one (1) year from the date of the Agreement, Consultant shall be entitled to an increase in fees in proportion to the increase in the Consumer Price Index over the preceding year, for the duration of the Agreement.

### **3. TERMINATION**

This Agreement may be terminated by either party upon seven (7) days advance written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

In the event all or any portion of the services performed or partially performed by Consultant be suspended, abandoned, or terminated, Client shall pay Consultant for all fees, charges and services provided up to the date of termination. In return, Consultant shall provide Client with copies of all drawings, specifications and reports prepared or partially prepared up to the date of termination, at Client's expense and for use solely with respect to the Project. Payment in full up to the date of termination shall be a condition precedent to Consultant's providing copies of all drawings, specifications and reports, regardless of the pendency of any dispute.

### **4. ADDITIONAL SERVICES**

Client may request that Consultant provide services beyond those set forth in Consultant's Proposal ("Additional Services"). The scope of such Additional Services and the compensation therefore shall be as mutually agreed upon in writing by Client and Consultant prior to commencement of such Additional Services.

The Consultant shall comply with applicable laws, codes and regulations in effect as of the date it provides its services pursuant to the standard of care in the industry. Changes to Consultant's services made necessary by newly enacted laws, codes and regulations after such date shall entitle the Consultant to a reasonable adjustment in the schedule and additional compensation in accordance with this Additional Services provision. In addition, the Consultant shall be entitled to rely reasonably on interpretations and approvals given by government officials with responsibility for enforcing such laws, codes, and regulations and shall not be responsible for changes made by such officials to interpretations or approvals previously given.

## 5. STANDARD OF CARE

Consultant shall perform its services in a manner consistent with the level of care and skill ordinarily exercised by members of Consultant's profession currently practicing in the same locality under similar circumstances and with reasonable diligence and expediency consistent with sound professional practices ("Standard of Care"). Nothing contained herein shall be construed to constitute a guarantee, warranty or assurance, either express or implied of the services to be provided herein.

## 6. COST ESTIMATES

Consultant makes no representation concerning estimates of construction costs other than that these are estimates only and Consultant shall not be responsible for fluctuations in cost factors. Any such estimates prepared or agreed to by Consultant represent the Consultant's judgment as a design professional. It is recognized that neither the Consultant nor the Client has control over the cost of labor, materials or equipment; the contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Consultant cannot and does not warrant or represent that bids or negotiated prices will not vary from the Client's budget or from any estimate of construction cost prepared or agreed to by the Consultant.

## 7. LIMITATIONS ON RESPONSIBILITIES

Consultant shall not be responsible for the acts or omissions of the Client, Client's other consultants, contractors, subcontractors, their agents or employees, or other persons providing work or services on the Project. Consultant does not guarantee the completion or quality of performance of work performed by the construction contractor(s) or other third parties. Site safety is the sole responsibility of the contractor. Consultant shall neither have control over nor be in charge of, nor be responsible for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with work for the Project.

Unless retained to perform a geotechnical investigation, Consultant makes no representations concerning soil conditions and Consultant is not responsible for any liability that may arise out of the making or failure to make soils surveys, or subsurface soil tests, or general soil testing.

Unless specifically included in the Proposal's scope of services, Consultant is neither responsible for notifying Client of any expiration or renewal dates for permits and/or approvals of any type or description, nor for renewing or requesting a renewal from any agency, municipality, or authority of any permits and/or approvals that may be due to expire.

## 8. OWNERSHIP OF DOCUMENTS

Drawings, details, specifications, reports, and other documents prepared by Consultant, including those in electronic form, are instruments of service for use solely with respect to this Project. Consultant shall be deemed the author and owner of the Consultant's instruments of service and shall retain all common law, statutory and other reserved rights, including copyrights. Upon execution of this Agreement Consultant grants to Client a nonexclusive license to reproduce the Consultant's Instruments of Service solely for purposes of the Project, provided the Client shall comply with all obligations, including prompt payment of all sums when due, under this Agreement. Client shall not use the instruments of service for future additions or alterations to this Project or for other projects without Consultant's prior written consent. Any unauthorized use, reuse or modifications of the instruments of service shall be at the Client's sole risk and without liability to Consultant, and Client agrees to defend, indemnify and hold harmless Consultant from all claims and damages arising out of or purported to arise out of the use, reuse, or modification of the Instruments of Service.

## 9. INDEMNIFICATION

Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless Consultant from and against any claims, damages, liabilities, suits, demands, losses, expenses or costs (including reasonable attorneys' fees and costs of defense) ("Claims"), to the extent caused by Client's negligent acts, errors, or omissions and those of its contractors, subcontractors or consultants or anyone for whom Client is legally liable, except for claims or litigation arising through the sole negligence or willful misconduct of Consultant..

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless Client from and against any claims, damages, liabilities, suits, demands, losses, expenses to the extent they are determined to have been caused by the negligent acts, errors or omissions of Consultant or anyone for whom Consultant is legally liable, to the extent consistent with the Limitation of Liability provision herein. Consultant shall not have an obligation to indemnify and hold harmless Client for claims or litigation arising through the sole negligence or willful misconduct of Client or anyone for whom Client is legally liable.

Neither party shall have an upfront duty to defend the other but shall reimburse reasonably incurred defense fees and costs (for fees and costs actually incurred in defending claims attributable to the other party's fault) to the extent of its indemnity obligation herein. Neither the Client nor the Consultant shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence.

10. RIGHT OF ENTRY

Client shall secure the permission necessary to allow Consultant's personnel and equipment access to the project site and any adjacent properties necessary to perform the services at no cost to Consultant. While Consultant will take all reasonable precautions to minimize any damages to the property, it is understood by the Client that in the normal course of field work some damage may occur, the correction of which is not part of this Agreement.

11. SAMPLES

Samples obtained for materials testing will be discarded upon completion of testing, and portions of samples not tested or unused shall be preserved for not longer than thirty (30) days.

12. GOVERNING LAW; DISPUTES

This Agreement shall be governed by the laws of the state, in which the Project is located, and all dispute resolution proceedings shall be venued in the county and state in which the services are rendered unless the parties mutually agree otherwise in writing.

The parties agree to first endeavor in good faith to resolve any dispute arising out of or related to this Agreement by mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association or JAMS. Mediation shall be a condition precedent to the instigation of any legal proceedings. If the claim or controversy is not resolved by mediation, the claim or controversy may be resolved by final and binding arbitration, if the parties so mutually agree in writing prior to the commencement of any arbitration proceeding. Absent express mutual consent to arbitrate, all disputes shall be litigated in a court of competent jurisdiction in the state in which the Project is located.

13. NO THIRD PARTY BENEFICIARIES

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or the Consultant.

14. WAIVER OF CONSEQUENTIAL DAMAGES

Notwithstanding any other provision in this Agreement, and to the fullest extent permitted by law, neither the Consultant nor the Client shall be liable to the other for, or shall make, any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the Project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, damage to reputation or any other consequential damages either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty.

15. FORCE MAJEURE

Client and Consultant are aware that many factors outside the Consultant's control may affect the Consultant's ability to complete the services to be provided under this Agreement. Client agrees that Consultant is not responsible for damages arising directly or indirectly from any delays for causes beyond Consultant's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by Client or Client's contractors or consultants; or discovery of any hazardous substances or differing site conditions.

16. SOLE CORPORATE REMEDY

It is intended by the parties to this Agreement that the Client's obligations and Consultant's services in connection with the Project shall not subject the Client's or Consultant's individual shareholders, officers, directors, members, managers or employees to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the parties agree that as their sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the business entities that are the parties to this Agreement and not against any of the parties' individual shareholders, officers, directors, members, managers or employees, except for acts of willful misconduct or as otherwise prohibited by law.

17. HAZARDOUS MATERIALS

The Consultant shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site. In the event the Consultant or any other party encounters any

hazardous materials, or should it become known to the Consultant that such materials may be present on or about the jobsite or any adjacent areas that may affect the performance of the Consultant's services, the Consultant may, at its option and without liability for consequential or any other damages, suspend performance of its services under this Agreement until the Client retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the jobsite is in full compliance with all applicable laws and regulations. Consultant shall not be responsible for locating or abating any hazardous materials.

#### 18. LIMITATION OF LIABILITY

In recognition of the relative risks and benefits of the Project to both the Client and the Consultant relating to Consultant's provision of services in accordance with this Agreement, the risks have been allocated such that the Client agrees that Consultant's total liability to Client for any and all injuries, claims, losses, expenses or damages whatsoever (including attorneys' fees and costs and expert witness fees and costs) arising out of or in any way related to the services provided for the Project and/or under this Agreement, regardless of theories of liability or causes of action asserted (unless otherwise prohibited by law) including, but not limited to, allegations of Consultant's negligence, errors, omissions, strict liability, breach of contract or breach of warranty, shall not exceed the total sum of \$50,000 or the total amount of fees paid to Consultant under this Agreement, whichever is less. Consultant currently maintains a policy of professional liability insurance. In no event shall Consultant's liability exceed the sum of Consultant's available professional liability insurance coverage at the time of settlement or judgment. Client and Consultant hereby acknowledge that this provision was expressly negotiated and agreed upon.

#### 19. MISCELLANEOUS

(a) Client and Consultant each respectively bind themselves, their partners, successors, executors, administrators, and assigns to the Agreement.

(b) Client agrees to cooperate fully with Consultant on the Project and to provide any and all information and/or documents reasonably necessary for Consultant to perform the agreed scope of services as detailed in the Agreement, and Consultant shall be entitled to rely upon the accuracy and completeness thereof.

(c) Neither Client nor Consultant shall assign its interest in the Agreement without the prior express written consent of the other.

(d) It is expressly understood that Consultant is an independent contractor and in no event will the Consultant, its agents, employees, representatives, or servants, be considered as the agent, employee, representative or servant of Client. Nothing contained in this Agreement or any action by Consultant shall be construed to impose a fiduciary duty on Consultant or create a fiduciary relationship between Consultant and Client or between Consultant and any third party.

(e) If any provision of this Agreement is invalid or unenforceable, such provision shall (i) be modified to the minimum extent necessary to render it valid and enforceable, or (ii) if it cannot be so modified, be deemed not to be a part of this Agreement and shall not affect the validity or enforceability of the remaining provisions.

(f) Waiver of any provision of this Agreement by either party shall not be deemed to constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver.

(g) This Agreement, and the attachments hereto, shall constitute the entire understanding between the parties, and no modification shall be binding unless in writing and signed by the parties.

#### 20. RETAINER

Client agrees to deposit the sum of N/A \$ N/A as a retainer, receipt of which is a prerequisite for Consultant to perform services for Client. The retainer will be held by Consultant to secure payment of Consultant's invoices in Consultant's general accounts with all benefits accruing to Consultant. Consultant, at its sole discretion, may apply the retainer to any outstanding invoices which Client has failed to pay in the time frames set forth in this Agreement; however, nothing herein shall be interpreted to relieve Client from paying Consultant's invoices as set forth in this Agreement. If any portion of the retainer is applied to an outstanding invoice, Client shall, within five (5) days of Consultant's request, replenish the retainer account to the original amount listed herein. The retainer, or unused portion thereof, shall be refunded to Client within thirty (30) days after Consultant's services conclude or termination of this Agreement, whichever comes first, provided that there is no balance owed to Consultant. If a balance is owed to Consultant when services conclude or this Agreement is terminated, Client will be refunded the difference between the amount owed and the remaining retainer, if any. Nothing herein shall limit Consultant's rights to collect any remaining balance owed by Client once the retainer is depleted.

CFA Proposal from 2021  
Kathleen Knight, P.E., Engineering Manager

**Approved by 2021 SRPOA  
Board, but NOT FUNDED**



**LAND SURVEYORS  
CIVIL ENGINEERS  
LAND USE PLANNERS**

June 10, 2021

VIA E-mail: [jgibbs@terrawest.com](mailto:jgibbs@terrawest.com)

Sierra Ranchos POA  
Attn. Jennifer Gibbs  
Terra West Management Services  
10651 Professional Circle, Ste A  
Reno, Nevada 89509

**RE: PROPOSAL FOR SURVEY AND ENGINEERING SERVICES – SIERRA RANCHOS POA  
DRAINAGE AND ROAD ISSUES THROUGHOUT THE SIERRA RANCHOS AREA, RENO, NEVADA**

Dear Jennifer:

CFA, Inc. (Consultant) is pleased to present this cost proposal to the Sierra Ranchos POA (SRPOA) to perform engineering services for the design phase to address road and drainage issues scattered throughout the area, specifically ones highlighted based on violations cited by Washoe County. These areas include east end of Buckboard Cir., Wrangler Rd, Panhandle and west end of Horseshoe Circle. Our proposal has been prepared based on our conversation and the information provided from.

#### **PROJECT DESCRIPTION**

The maps and listing involves addressing drainage and roadway issues across approximately 2 miles of roadway. Phase 1 of the project will specifically address any necessary drainage improvements. Phase 2 may include but not limited to new roadway, rehabilitation/reconstruction of existing roadway and other incidentals necessary for the project.

If available, Sierra Ranchos HOA will provide the following to the Consultant: Roadway work history, sewer and storm drain infrastructure maps.

Based upon this understanding, we have prepared the following scope of services:

#### **SCOPE OF SERVICES**

##### **A. Investigation of Existing Conditions**

- Site visit with Client - CFA will perform a brief condition survey on the road segments. Information on existing surface and drainage conditions will be obtained. Consultant will improve drainage issues within the project roadway limits including but not limited to roadside ditches and culverts.



Underground utilities are not expected in the project limits.

**B. Topographic Survey and Mapping**

- CFA will perform a topographic survey to map the planimetric and topographic features for areas highlighted on the illustration titled "SRPOA Map Highlighted". The area to be mapped consists of approximately 11,000 lineal feet of roadway and appurtenances. Sufficient data will be collected to enable preparation of a 1-foot contour map at a suitable scale. Existing structures, features and surface apparent utilities will be located. Invert elevations will be measured for all sewer and storm drain features on and directly adjacent to the roadway. Easements of record will be shown per record mapping. The final deliverable will be in AutoCAD format and will include planimetric and topographic features with 1-foot contours suitable for preparation of an architectural or civil site/grading plan.

**C. Preliminary Design**

- Prepare Preliminary Construction Plans with Details and Specifications, and/or referenced to the Standard Specifications for Public Works Construction to address the drainage concerns (3-5 main areas of concern per previous conversations), as required by the reviewing agencies.
- Hydrology/Hydraulic Analysis. Consultant will prepare an on-site hydrology/hydraulics report for the project to calculate the existing runoff and verify the adequacy of existing drainage facilities. Consultant will provide info to SRPOA to discuss the results of the analysis and determine the appropriate drainage improvements.

**D. Final Design**

- Prepare Final Plans and Specifications

Prepare Final Construction Plans with Details and Specifications, and/or referenced to the Standard Specifications for Public Works Construction, as required by the reviewing agencies. The SRPOA and Quality Control review comments will be incorporated into the final Plans and Specifications.

The final construction plans will be on 24" x 36" size sheets and will show all elements of the project construction, including plan/profile view for the drainage facilities, right-of-way lines, cross-sections and construction/slope limits. The final plan set will include, as a minimum:

- Cover Sheet
- General Notes Sheet
- Plan/Profile Sheets (at 1"=20' scale)
- Detail Sheets (scales as noted).

Underground utilities are not expected within the project limits. However, if found, the depths of existing sanitary sewer and storm drain utilities will be checked and noted on the plans if there is any reason to expect conflict due to vertical clearances. All located, existing underground utilities will be shown on the Plan Sheets.

#### **E. Meetings, Coordination, Submittal and Processing**

- CFA will be available, as directed by the Client for meetings and coordination with the owner, City, contractor, and consultants throughout the course of design as required. We will coordinate the desired drainage and road improvements, access and grading options and other items with all parties to complete a set of plans for permitting.
- CFA will prepare stamped civil plans for submittal to Washoe County, address agency redlines relative to civil plans and prepare revised sheets, as needed, to address the different citations received from Washoe County. We will also prepare submittal packages for NDEP (SWPPP) and City of Reno Air Quality to obtain a SWPPP and notice of intent (NOI), and dust control permit, respectively.

#### **F. Geotechnical Investigation**

- CFA will utilize Black Eagle Consulting as a sub consultant to perform geotechnical investigation, to comply with the requirements of the Standard Specifications for Public Works Construction (Orange Book). Work will be completed per the attached proposal. CFA has applied a 15% mark-up for oversight and administration for these sub-consulted services.

#### **FEE**

CFA will perform the services outlined above for the following fees. All fees will be invoiced on a fixed fee basis unless specifically noted to be a time and materials (T&M) fee item. All tasks identified as T&M provide services and efforts that are not fully within CFA's control as to how long each effort will take. An estimated budget amount for such tasks is provided and is offered as a not-to-exceed amount without authorization.

A retainer/deposit amount equal to 15% of the total Design Total fee estimate (\$8,158) will be required at the time of authorization of services. The retainer amount will be credited back to the Client with the final billing on the project.

#### **PHASE 1**

Task A – Investigation of Existing Conditions	\$ 1,500
Task B – Topographic Survey and Mapping	\$ 10,900
Task C – Preliminary Design (T&M)	\$ 12,000*
Task D – Final Design (T&M)	\$ 15,000*



Task E – Meetings, Coordination, Submittal and Processing (T&M)	\$ 9,000*
Task F – Geotechnical Investigation	\$ 5,989
<b>Total</b>	<b>\$ 54,389</b>

## PHASE 2

Task C – Preliminary Design (T&M)	\$ 22,000*
Task D – Final Design (T&M)	\$ 24,000*
Task E – Meetings, Coordination, Submittal and Processing (T&M)	\$ 7,000*
Task F – Geotechnical Investigation	\$ 8,452
<b>Total</b>	<b>\$ 61,452</b>

*Notes - If you make changes to the site plan, charges to update the plans and reports, as necessary, will be invoiced on a T&M basis and may be additional to the identified budget amounts identified,*

*\* - Client understands that the estimated cost for T&M tasks are estimates only and that all services under this/these items will be performed on a time & materials basis. T&M tasks may be either exceeded or reduced by actual billing. CFA will not exceed the T&M budget estimates without authorization from the client.*

## ITEMS PROVIDED BY CLIENT OR OTHERS

- All fees payable to government entities and utility companies.
- Geotechnical study/report, including geological hazards, recommendations for earthwork preparation, paving section design, and materials specifications. (a proposal from Black Eagle Consulting has been requested and provided. If this directly to the client)
- Client shall provide any "non-standard" reports or updates (not identified in any other portion of this proposal) required by the reviewing agencies including but not limited to acoustic, archaeological, wetlands, or another other specific report not typically required by reviewing agencies for a project of this type, regardless of location.

## ADDITIONAL SERVICES

CFA can also perform the additional services outlined below at your request. Budget amounts can be determined as information becomes available.

- Separate set of book specifications for inclusion into architect's specifications.
- Construction staking estimate will be provided upon completion of final improvement plans
- Revised civil drawings and reports based on Contractor Value Engineering (VE) review after the initiation of CDs.

Thank you for contacting CFA regarding this project. We are confident we will provide the quality and timeliness of professional services needed to assist in making this a successful project. Should you have any questions or require additional information, please feel free to contact me at (775) 856-7074 or by email at [kknight@cfareno.com](mailto:kknight@cfareno.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Kab Knight', written in a cursive style.

Kathleen Knight, P.E.  
Engineering Manager

Ms. Kathleen Knight, P.E.  
CFA, Inc.  
1150 Corporate Blvd.  
Reno, NV 89502

**Exhibit A**  
June 10, 2021

**RE: Proposal to Perform a Geotechnical Investigation  
Sierra Ranchos  
Washoe County, Nevada**

Dear Ms. Knight:

Black Eagle Consulting, Inc. (BEC) is pleased to submit the following proposal to perform a geotechnical investigation of erosion damage to various private roads in the Sierra Ranchos area of Washoe County, Nevada. It is our understanding that our geotechnical analysis would be divided into 2 phases, the first to address approximately 3 areas that need immediate repair and the second involving approximately 2 miles of existing roadways and associated drainage features.

Our investigation will include a site inspection, subsurface exploration, soil sampling, laboratory testing, and geotechnical analysis to formulate recommendations for design and construction. We would like to have a joint site inspection with the design team and the property owner's association representative to learn as much site history as possible. We will perform field exploration by excavating backhoe test pits to sufficient depths to adequately reveal subsurface soil conditions. A single test pit will be advanced at each area of immediate repair, and test pits will be advanced on approximate 500-foot centers for the second phase roadways. Underground Service Alert utility clearance will be obtained prior to any exploration. Our geotechnical personnel will log all exploration in the field. The groundwater surface will be measured if encountered. Representative samples will be returned to our Reno laboratory for testing. Test pits will be backfilled immediately after exploration. Backfill will be loosely placed and the area regraded to the extent possible with equipment on hand.

Representative samples of significant soil types will be tested in the laboratory to characterize the index properties of foundation soils, such as moisture content, grain size distribution, and plasticity. These index properties are indicative of the mechanical behavior of the soils.

The results of our research, site exploration, laboratory testing, and engineering analyses will allow formulation of geotechnical recommendations for the design and construction of this project. These recommendations will be summarized in a geotechnical report which will cover:

- site description and history
- summary of research performed
- summary of site exploration
- summary of laboratory testing
- site and regional geology
- site preparation/stabilization
- culvert bedding and backfill



**Black Eagle Consulting, Inc.**  
Geotechnical & Construction Services

1345 Capital Boulevard, Suite A  
Reno, Nevada 89502-7140

Tel: 775/359-6600 Fax: 775/359-7766  
Email: mail@blackeagleconsulting.com

CFA, Inc.

June 10, 2021

- erosion control
- grading
- structural fill requirements
- cut and fill slopes
- identification of recognizable construction problems

The cost for the Phase 1 areas in need of immediate repair will be \$5,200.00. The cost for the Phase 2 areas that need long-term remediation will be \$7,350.00. If the two phases could be performed simultaneously, the cost would be \$8,600.00. Further cost reductions are available if the property owner's association provides backhoe services. We can attend a site inspection immediately upon authorization. Verbal recommendations can be advanced within 10 days following exploration. Final reports will be available within 3 weeks following exploration. The final report can be completed sooner, if necessary, to meet project scheduling.

Unless BEC executes a contract to the contrary, all geotechnical work will be conducted in accordance with the attached Professional Services Agreement. If the terms of the contract and the scope of this proposal are acceptable, please execute the Professional Services Agreement, make a copy for your records, and return the executed agreement as your authorization for BEC to proceed. The Professional Services Agreement shall be binding on both parties if work is started prior to its execution. The proposed cost noted above includes an allowance for design coordination up until the final geotechnical report is issued. Any additional work the client deems necessary, such as client-requested meetings or construction-related consultation, will be billed on a time-and-materials basis in accordance with our Standard Rates for Services in effect at the time of service. A copy of our current standard rates schedule has also been attached to this proposal.

We wish to thank you for the opportunity to submit this proposal and look forward to the possibility of working with you on this project.

Sincerely,

**Black Eagle Consulting, Inc.**



Larry J. Johnson  
Senior Consultant

Enclosures: Professional Services Agreement  
2021 Standard Rates for Services

LJJ:cjr



**Black Eagle Consulting, Inc.**  
Geotechnical & Construction Services

1345 Capital Boulevard, Suite A  
Reno, Nevada 89502-7140

Tel: 775/359-6600

Fax: 775/359-7766

Email: [mail@blackeagleconsulting.com](mailto:mail@blackeagleconsulting.com)



**BLACK EAGLE CONSULTING, INC.**  
**GEOTECHNICAL CONSULTING PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into this 10<sup>th</sup> day of June, 2021 and between CFA, Inc.  
Hereinafter referred to as "CLIENT" and Black Eagle Consulting, Inc., herein after referred to as "CONSULTANT."

CLIENT CFA, Inc.

ADDRESS 1150 Corporate Blvd., Reno, NV 89502

PROJECT Sierra Ranchos

I SCOPE OF SERVICES Geotechnical Investigation in accordance with Exhibit A dated June 10, 2021

II COMPENSATION: Quote: \$5,200.00 for Phase 1; \$7,350.00 for Phase 2; OR \$8,600.00 for Simultaneous Phases in accordance with Exhibit A dated June 10, 2021

III PROFESSIONAL SERVICES

- 1 In providing service under this Agreement, Consultant will endeavor to perform its services in a manner consistent with that level of care and skill ordinarily exercised by members of the same profession practicing in the same County and at the same time the services were performed. Consultant's services shall be deemed acceptable under this standard, and Client waives all claims against Consultant which in any way relate to or arise from a claim of a breach of this standard, if Client does not notify Consultant in writing of such deficiencies or defects in Consultant's services within one year after performance of said Services. Upon notice to Consultant and by mutual agreement between the parties, the Consultant will without additional compensation, correct those services and meeting such a standard as the sole remedy related thereto. The Consultant makes no warranty, expressed or implied, as to its professional services rendered under this Agreement.
- 2 Client recognizes that subsurface conditions may vary from those encountered at the location where borings/test pits, surveys, or exploration are made by Consultant and that the data, interpretations and recommendations of Consultant are based solely on information available to Consultant. Consultant shall have no liability for geotechnical conditions different from those observed in the explorations. In the event geotechnical conditions different from those observed in the explorations are observed, corresponding revisions of geotechnical conclusions and recommendations may be necessary.
- 3 If expansive clay, collapsible soils, or expansive bedrock are present, such conditions cannot be completely eliminated and some expansive movements of any improvements constructed over expansive clay or expansive bedrock should be anticipated and Client releases Consultant from liability for any damages which result from expansive movements of improvements which Consultant reports should be anticipated in its geotechnical report.
- 4 Groundwater levels will be measured at the time of exploration. From this date of exploration, groundwater elevation may vary seasonally with changes in precipitation, runoff, and irrigation practices. Consultant makes no warranty either expressed or implied that water levels measured at the time of exploration will represent future conditions and Client releases Consultant from any claim related groundwater elevations which are not measured at the time of exploration.
- 5 The geotechnical investigation including exploration, testing, analysis, conclusions, and recommendations will be prepared for a specific project and cannot be extrapolated to other projects or locations. Any revision of the scope of the project, ownership, site conditions, ordinances or policies of review agencies will require a review and update of geotechnical conclusions and recommendations.
- 6 Recommendations are based upon the assumption that sufficient inspection and material testing will be provided during all phases of construction. During construction we should be retained to observe and test all site preparation, grading, fill placement, foundation preparation, underground utilities, and pavement. If Consultant is not retained to perform construction observations, Client assumes all responsibility for interpretation of the geotechnical report and any differences between the geotechnical report and actual site conditions which could have been observed by Consultant, and Client waives any claims against the Consultant related thereto.

IV HAZARDOUS SUBSTANCES: Both parties acknowledge that the Consultant's scope of services does not include any services related to the presence of any hazardous or toxic materials. In the event the Consultant or any other party encounters any hazardous or toxic materials, or should it become known to the Consultant that such materials may be present on or about the site, the Consultant may, at its option and without liability for consequential or any other damages, notify appropriate local, state or federal agencies and suspend performance of its services under this Agreement until the Client retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the site is in full compliance with all applicable laws and regulations. Client shall compensate for any additional work on a time and expense basis in accordance with the Consultant's current Standard Fee Schedule which relates to the presence of any hazardous or toxic materials. Client releases, covenants not to sue and agrees to defend and indemnify Consultant for any claim or cause of action which may arise out of, or is in any way connected to the presence of hazardous or toxic materials.

V. PAYMENT:

- 1 For services rendered, the Client shall pay Consultant upon submission of monthly invoices an amount equal to the actual hours of services furnished for the month or on a percentage of the Lump Sum amount.
- 2 In addition, the Client shall reimburse the Consultant at cost plus ten percent (10%) for service of Special Consultant, Subcontractor or other costs paid by the Consultant.
- 3 In the event all or any portion of the work shall be suspended, abandoned or terminated, the Client shall pay Consultant for all fees, charges and services already provided for the Project not to exceed the Contract Sum.
- 4 Client agrees to pay Consultant's invoices within thirty days after the date of the invoice. Client agrees to pay a late payment charge which will be computed at the periodic rate of one and one-half percent (1-1/2%) per month, which is an ANNUAL PERCENTAGE of eighteen percent (18%), and will be applied to any unpaid balance commencing thirty (30) days after the date of the original invoice.
- 5 Client agrees that the periodic billings from Consultant are correct, conclusive, and binding on Client unless Client, within ten (10) days from the receipt of such billing, notifies Consultant in writing of alleged inaccuracies, discrepancies, or errors in the billing.
- 6 If payment in full is not made by the Client within forty-five (45) days of the mailing date of any invoice, Consultant may treat such non-payment as a material breach of this Agreement and, at Consultant option, may without further notice, immediately stop work or terminate this Agreement without breaching this Agreement.

**VI. CHANGES IN WORK** If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the Consultant are revealed, to the extent they effect the scope of series, compensation, schedule, allocation of risks or other material terms of this Agreement, the Consultant may call for renegotiation of appropriate portions of this Agreement. In establishing fees for any additional services to be performed, the Consultant shall utilize its standard hourly fee schedule in effect at that time. If terms cannot be agreed to, Consultant has the absolute right to terminate this Agreement.

**VII. RIGHT OF ENTRY:**

1. The Client will provide the right of entry to Consultant and all necessary equipment in order to work.
2. While Consultant will take all reasonable precautions to minimize any damage to the property, it is understood by the Client that in the normal course of work some damage may occur, the correction of which is not part of this Agreement.

**VIII. UTILITIES**

1. In the performance of the work required hereunder, Consultant will take all reasonable precaution to avoid damage to subterranean structures or utilities. If subsurface exploration is required in dedicated rights of way, the Consultant shall notify USA DIG for utility clearance.
2. The Client agrees to defend, indemnify and hold Consultant harmless for any damages related to subterranean structures which are not called to Consultant's attention and correctly shown on the plans furnished. On private property, the Client will be responsible for identification and location of all underground utilities and structures. The Consultant can retain the services of an underground utility location service for such identification and location if mutually agreed upon in writing. The additional work required pursuant to the foregoing shall be compensated on an actual time and expense basis.

**IX. SAMPLES.** Consultant will retain all soil and rock samples for thirty (30) days. Further storage of samples can be made at Client's expense upon ten (10) days prior written notice from Client to Consultant.

**X. OWNERSHIP OF DOCUMENTS:**

1. Consultant shall be deemed the sole owner and author of its work product derived from performance of the services including all drawings, specifications, tests, reports, surveys, summaries, plans, maps, inventions, know-how, spreadsheets and other documents and Property, including those in electronic form prepared by Consultant, are ("Work Product") and Consultant shall retain all common law, statutory and other reserved rights, including copyrights to such Work Product. During the existence of this Agreement, Consultant grants the Client a nonexclusive license to reproduce the Work Product solely for the purposes of completing the project, provided that Client shall comply with all obligations, including prompt payment of all sums when due, under this Agreement. Any termination of this Agreement prior to completion of the Consultant's Services shall terminate this license. The nonexclusive license shall not be assigned to any other person or entity unless such assignment is approved in advance and in writing by Consultant. Neither the Client nor any other person may change or modify the Work Product without Consultant's written authorization.
2. Any unauthorized reuse, distribution or alterations to the Work Product will be at Client's sole risk and without liability or legal exposure to Consultant. The Client releases Consultant from any liability and shall defend, indemnify, protect and hold harmless Consultant as to all claims, liabilities, damages, expenses of any nature, including attorney fees, arising in whole or in part, directly or indirectly, from such unauthorized reuse, distribution or alteration to the Work Product. This obligation shall survive termination of this Agreement.

**XI. CONTRACTOR'S OR CLIENT'S WORK:** Client agrees that its contractors and subcontractors are responsible for the completion or quality of work that is performed by the Client or its contractors or subcontractors. Client therefore agrees to release, hold harmless, defend and indemnify Consultant from any claim related to its contractors and subcontractors completion or quality of work or the construction means, methods, techniques, sequences, time delays, procedures or safety precautions and programs in connection with the Project or the failure of any contractor, subcontractor, vendor or other project participant to comply with any laws, ordinances, regulations, rules, codes, orders, criteria, standards, contracts, reports or plans.

**XII. LIABILITY INSURANCE.** The Consultant shall provide and maintain comprehensive general liability coverage of not less than \$1,000,000 combined single limit bodily injury and property damage and automobile liability of not less than \$1,000,000 combined single limit bodily injury and property damage liability. The Consultant shall provide Workers' Compensation coverage in accordance with the laws of the State of Nevada. The Consultant shall provide and maintain professional liability insurance with an aggregate limit of \$500,000.

**XIII. LIMITATION OF LIABILITY:** In order to obtain the benefits of a fee which includes a lesser allowance for risk funding, and in recognition of the relative risks and benefits to both the Client and Consultant, the risks have been allocated such that Client agrees, to the fullest extent permitted by law, to limit the risks and liability of Consultant to the Client and to all other parties, including owners and subsequent owners of the project, contractors, subcontractors, consultants, lenders, suppliers, manufacturers and secured parties for all claims, losses, costs, damages or expenses of any nature, including attorney's fees, such that the total aggregate liability of Consultant, its owners, officers, directors, partners, employees, vendors and subconsultants, shall not exceed fifty thousand dollars (\$50,000), or Consultant's total fee for the services rendered on this project, whichever is less. Client further agrees to defend, indemnify, protect, hold harmless and reimburse Consultant as to all claims, liabilities, damages, costs, and expenses of any nature, including attorney's and expert's fees, brought by Client or any third party, including those named above which exceed this aggregate amount. The duty to defend Consultant shall arise immediately upon Consultant notice to Client of a claim which exceeds the aggregate liability set forth above. The obligations of this paragraph shall survive termination of this Agreement.

**XIV. TERMINATION.** This Agreement may be terminated by either party upon seven (7) days advance written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

**XV. DISPUTES**

1. If Consultant commences a claim due to Client's breach of this Agreement, or if Client institutes a lawsuit against Consultant for any alleged negligence, error, omission or other failure to perform, and if Client fails to obtain a judgment in Client's favor, or if the lawsuit is dismissed, or if judgment is rendered for Consultant, Client agrees to pay Consultant all costs of defense, including attorneys' fees, expert witness fees, court costs and any and all other expenses of defense. Such payment shall be made immediately following dismissal, or awarded by the court in its judgment.
2. Client agrees to indemnify, defend, and hold Consultant harmless from and against any and all claims, demands, losses, damages, and expenses, or liability of any kind or nature, including third-party claims, which Consultant may sustain or incur, or which may be imposed upon it, because of or arising out of, or attributable to, the actions or conduct of Client, or any of Client's agents or employees.
3. The services are being performed by Consultant as a Nevada corporation and the parties intend that the Consultant's services in connection with the project shall not subject Consultant's owners, individual employees, officers or directors to any personal legal exposure for the risks associated with the project. Therefore Client agrees that its sole and exclusive remedy, any claim or demand shall be asserted only against Black Eagle Consulting, Inc., a Nevada corporation, and not against any individual owners, employees, officers or directors and Client hereby releases any such individual owner, employee, officer or director from any such claim.

4. In the event that Client has a claim, demand, legal or administrative action of any type against Consultant, Client must file such claim in Washoe County, Nevada within two (2) years from Consultants last invoice under this Agreement. Client hereby waives the right to assert a claim, demand, legal or administrative action, of any type against Consultant after such time frame and the same shall be deemed forever barred

XVI. STANDARD CONDITIONS:

1. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of Client and Consultant
2. This Agreement shall not be assigned by either Client or Consultant without the prior written consent of the other
3. Consultant's waiver of any term, condition, or covenant, or breach of any term, condition, covenant, shall not constitute the waiver of any other term, condition or covenant, or the breach of any other term, condition or covenant
4. This Agreement is between Client and Consultant only and there are no third-party beneficiaries of this Agreement other than as expressly set forth herein

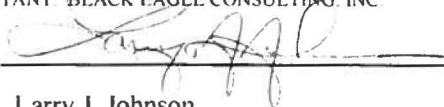
XVII. CHOICE OF LAW. This Professional Services Agreement shall be interpreted and construed according to the laws of the State of Nevada

IN WITNESS WHEREOF, the parties hereto have accepted, made and executed this Agreement upon the terms, conditions, and provisions above stated, the day and year first above written.

CONSULTANT: BLACK EAGLE CONSULTING, INC.

CLIENT: CFA, Inc.

BY:



BY:

NAME: Larry J. Johnson

NAME:

TITLE: Senior Consultant

TITLE:

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Revised: August 17, 2011



## BLACK EAGLE CONSULTING, INC.

### 2021 STANDARD RATES FOR SERVICES

The following lists a schedule of fees associated with engineering, materials testing, and construction testing and inspection support services. For projects lasting less than 4 weeks, invoices will be submitted upon project completion, while monthly invoices will be submitted for projects that last longer than 4 weeks. Overtime is defined as any hour of service provided in excess of 40 hours in a single week or any hour of service provided on a Saturday or Sunday. Any overtime work will be invoiced at time and one-half. Double time is defined as any hour of service provided on a holiday. Any double time work will be invoiced at double time.

<u>SUPPORT SERVICE</u>	<u>RATE/HOUR</u>
President	\$175.00
Vice President	\$175.00
Senior Consultant	\$175.00
<b>ENGINEERING:</b>	
Division Manager	\$160.00
Project Manager	\$130.00
Project Engineer/Geologist	\$120.00
Engineering Technician	\$ 95.00
Drafting	\$ 75.00
<b>MATERIALS TESTING:</b>	
Division Manager	\$140.00
Senior Materials Technician	\$100.00
Materials Technician	\$ 87.00
Materials Technician Trainee	\$ 75.00
<b>CONSTRUCTION TESTING AND INSPECTION:</b>	
Division Manager	\$150.00
Project Manager	\$130.00
Field Manager/Assistant Project Manager	\$105.00
Special Inspector	\$ 95.00
Senior Inspector	\$ 92.00
Inspector/Tester	\$ 85.00
<b>TRAVEL AND EQUIPMENT:</b>	
Vehicle	\$ 8.00
Mileage	\$ 1.50/mile
Per Diem	P.O.R."
Nuclear Densometer	\$ 10.00
Coring Machine	\$ 35.00
Pachometer	\$ 15.00
Torque Wrench	\$ 15.00
Skidmore-Wilhelm Bolt Tension	\$ 15.00
Ultrasonic Equipment	\$ 20.00
Thickness Gauge	\$ 15.00
Schmidt Hammer	\$ 10.00
Vane Shear	\$ 10.00
HERZ	\$ 60.00
ReMi Geophysical	\$600.00/day
Crosshole Sonic Logging	\$500.00/day
Floor Flatness Equipment + Labor	\$200.00/Hour
<b>CLERICAL:</b>	
Clerical/Word Processor	\$ 65.00
Computer	\$ 10.00
Supplies	Cost + 10%
Copying	\$ 0.20/page
Color Copies: 8-1/2" x 11"	\$ 0.50/page
Color Copies: 11" x 17"	\$ 2.00/page
<b>OUTSIDE SERVICES:</b>	Cost + 10%





## BLACK EAGLE CONSULTING, INC.

### 2021 STANDARD RATES FOR SERVICES

#### **2021 LABORATORY SERVICES SCHEDULE OF CHARGES**

<b><u>TESTS</u></b>	<b><u>UNIT PRICE</u></b>
<b>SOILS TESTING:</b>	
Moisture Content (ASTM D 2216)	\$ 25.00/test
Moisture Content and Dry Density (ASTM D 2937)	\$ 50.00/test
Atterberg Limit (ASTM D 4318)	\$ 95.00/test
Minus 200 Wash (ASTM D 1140)	\$ 70.00/test
Standard Sieve Analysis	\$100.00/test
Hydrometer Analysis minus No. 10 (ASTM D 422)	\$225.00/test
Soil Specific Gravity (ASTM D 854)	\$ 80.00/test
R-Value, Untreated Field Sample (ASTM D 2844)	\$255.00/test
▪ ¾" Batching	add \$ 35.00/test
Consolidation, 4 points & 1 Rebound Point (ASTM D 2435)	\$300.00/test
Direct Shear, UU, CU, CD (ASTM D 3080)	\$300.00/test
Unconfined Compression (ASTM D 2166)	\$ 90.00/test
Durability Index	\$120.00/test
California Bearing Ratio	\$700.00/test
Resistivity (Miller Soil Box)	\$100.00/test
Standard Proctor Compaction (ASTM D 698)	
Method A or B (4-inch mold) or Method C (6-inch mold)	\$160.00/test
Modified Proctor Compaction (ASTM D 1557)	
Method A or B (4-inch mold) or Method C (6-inch mold)	\$170.00/test
Compaction Check Point (4-inch or 6-inch mold)	\$ 50.00/test
Rock Correction (ASTM D 4718)	\$ 80.00/test
Harvard Miniature (Nev T-101)	\$200.00/test
Expansion Index	\$175.00/test
<b>AGGREGATE TESTING:</b>	
Standard Sieve Analysis	\$100.00/test
Atterberg Limit (ASTM D 4318)	\$ 95.00/test
Moisture Content (ASTM D 2216)	\$ 25.00/test
Specific Gravity Fine Aggregate with Absorption (ASTM C 128)	\$ 80.00/test
Specific Gravity Coarse Aggregate with Absorption (ASTM C 127)	\$ 80.00/test
Clay Lumps and Friable Particles (ASTM C 142)	\$ 85.00/test
Flat and Elongated Particles (CRD 119, 120)	\$ 75.00/test
Fractured Faces (Nev T-230)	\$ 75.00/test
Sand Equivalent (ASTM D 2419)	\$100.00/test
Cleanliness Test of Aggregate	\$100.00/test
Organic Impurities (ASTM C 40)	\$ 75.00/test
Dry Unit Weight of Aggregate (ASTM C 29)	\$ 60.00/test
Sodium Soundness of Aggregate (ASTM C 88)	\$ 90.00/fraction
Los Angeles Rattler, 1.5 inch minus aggregate size (ASTM C 131) and	
Los Angeles Rattler, greater than 1.5-inch aggregate size (ASTM C 535)	\$300.00/test
<b>PORTLAND CEMENT TESTING:</b>	
Compression of Concrete Cylinder (ASTM C 39)	\$ 22.00/ea.
Compression of Grout Cylinder (UBC 24-28)	\$ 22.00/ea.
Compression of Mortar Cylinder (UBC 24-22)	\$ 22.00/ea.
Compression of Cored Concrete (ASTM C 42)	\$ 40.00/ea.
Compression of Shotcrete	\$100.00/ea.
Flexural Strength of Concrete Beams (ASTM C 78, C 293)	\$ 75.00/ea.
Splitting Tensile Strength of Concrete Cylinder (ASTM C 496)	\$ 50.00/ea.



## BLACK EAGLE CONSULTING, INC.

### 2021 STANDARD RATES FOR SERVICES

**MASONRY TESTING:**

Compression of Masonry Unit (ASTM C 140) (Set of 3)	\$180.00/set
Compression of Masonry Prism (ASTM C 1314)	\$130.00/ea.
Shrinkage (Set of 3)	\$450.00/set
Moisture (Set of 3)	\$120.00/set

**ASPHALT CONCRETE TESTING:**

Bitumen Content by Ignition	\$110.00/test
Asphalt Gradation	\$ 90.00/test
Marshall Stability and Flow, Compaction and Unit Weight (ASTM D 1559)	\$210.00/test
Maximum Theoretical Specific Gravity (ASTM D 2041)	\$ 90.00/test
Unit Weight of Asphalt Cores (ASTM D 2726)	\$ 35.00/ea.
Hveem Compaction and Stability	\$120.00/ea.
Hot Mix Asphalt Mix Design	P.O.R.*
CTB Mix Design	P.O.R.*

**MISCELLANEOUS:**

Mobile Asphalt/Soils Testing Laboratory	\$150.00/working day**
Special Handling	\$ 75.00/hour
Rush Charge	50% Additional Charge
Fireproofing	\$ 65.00/test

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**ADDITIONAL  
INFORMATION**

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Laboratory test unit prices are based upon the average running time required for each test. Special research, sample or equipment preparation or laboratory consulting will be based upon hourly personnel charges. Fixed unit prices do not include extra preparation time for large bulk samples, saturated samples or extremely clayey samples. This time will be invoiced on a per-hour basis. Special report preparation and data presentation beyond industry standards will also be invoiced on a per-hour basis. Cost estimates for hourly charges will be provided on a project-specific basis upon request.

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Any specialized testing not covered by this fee schedule will be developed or subcontracted out under Black Eagle Consulting, Inc. supervision. Costs for these tests will be time-and-materials. When applicable, subcontractors' fees will be invoiced at cost plus ten (10) percent.

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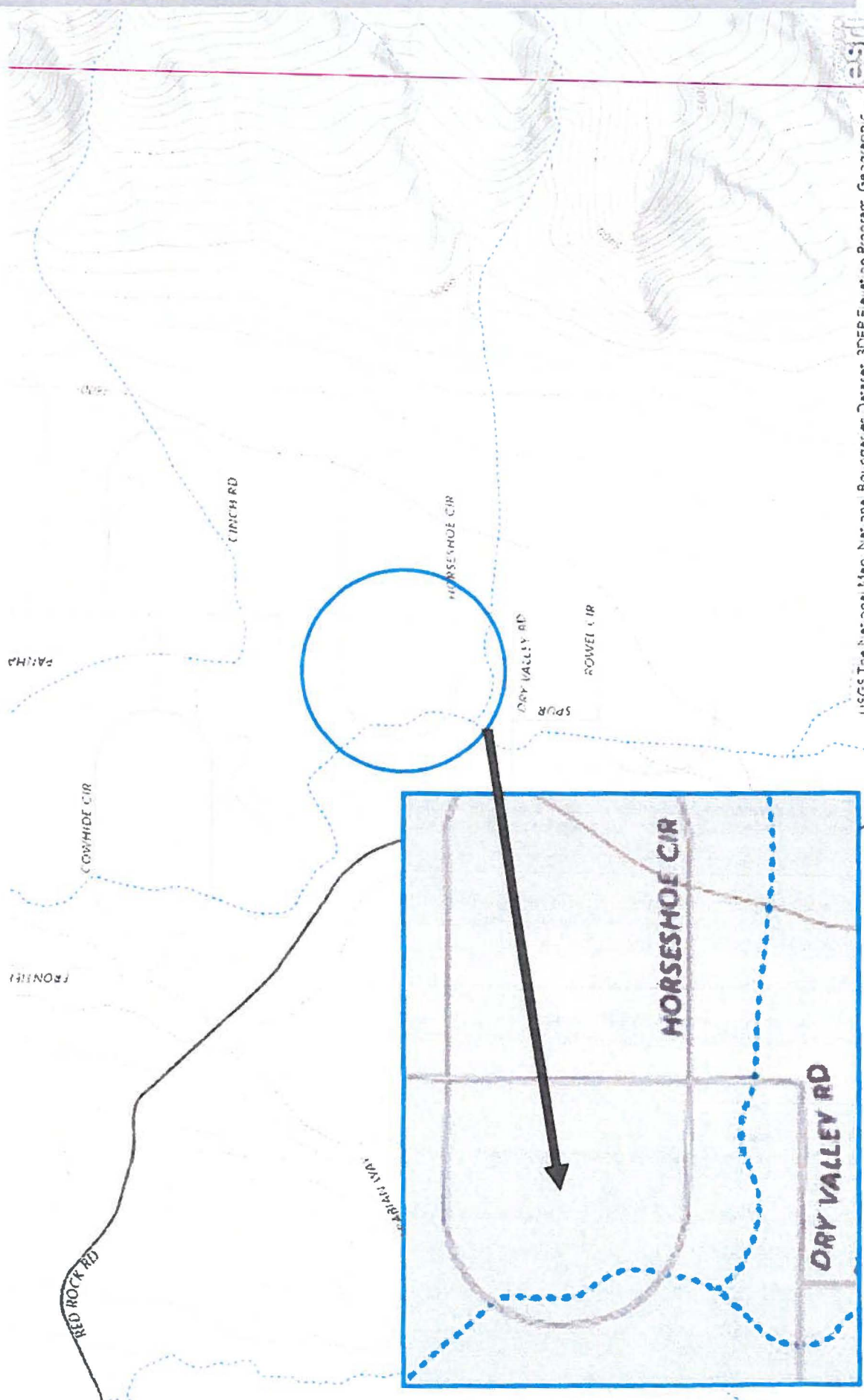
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All samples will be discarded thirty (30) days after submission of our report, unless otherwise directed by the client. Upon request, Black Eagle Consulting, Inc. will deliver samples to the client, shipping collect on delivery, or will store them for an agreed charge.

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\* Price on request

\*\*Excludes mobilization/demobilization, which is performed on a time-and-materials basis.





11 Oct 2022

Sierra Ranchos POA  
c/o Mr. William Roth  
Sierra Ranchos POA  
PO Box 11513  
Reno, NV 89510

Association ID: 20332

Dear Mr. Roth,

Thank you for allowing us the opportunity to provide a Reserve Study proposal for your client. The following are the levels of service and products that are available to meet your client's needs.

Levels Of Service		7 Week Turnaround	5 Week Turnaround	2 Week Turnaround
Level 1**	<b>Full or first time reserve study</b> <ul style="list-style-type: none"><li>• Perform a site visit</li><li>• Generate component list with life and cost estimates</li><li>• Prepare a financial analysis</li></ul>	\$1,850.00	\$2,325.00	\$3,175.00
Level 2**	<b>Update to a previous reserve study*</b> <ul style="list-style-type: none"><li>• Perform a site visit</li><li>• Update component list with life and cost estimates</li><li>• Prepare a financial analysis</li></ul>	\$1,550.00	\$1,950.00	\$2,625.00
Level 3	<b>Financial Update*</b> <ul style="list-style-type: none"><li>• No site visit performed</li><li>• Update component list with life and cost estimates</li><li>• Prepare a financial analysis</li></ul>	\$775.00	\$975.00	\$1,300.00

\* Previous study does not have to have been completed by Complex Solutions Ltd

\*\* Meets NRS 116.31152 requirements for a Full reserve study.

Completed report presentations, consulting, and board meeting appearances are available for an additional charge on an hourly basis. Prices are valid for 90 days. Payment terms: Full balance due at report delivery

**To accept this proposal:** Simply indicate the level of service and turnaround time you would like to have performed on the included contract. Sign, date, and return by email to [admin@complexsolutionsltd.com](mailto:admin@complexsolutionsltd.com). You may also fax/mail the contract.

Please feel free to call our office with any questions.

Sincerely,

Robert Forney

President

Complex Solutions Ltd

**RESERVE STUDIES SIMPLIFIED**

Corporate Office  
3203 E. Warm Springs Rd. #200  
Las Vegas, NV 89120

Southern California Office  
PO Box 2562  
Camarillo, CA 93011

Utah Office  
1106 E South Union Avenue, Suite 1  
Salt Lake City, UT 84107



# Terms and Conditions

## Article 1 – Contractor's Services, Client's Responsibilities, Specific Exclusions

- 1.1 Contracted work: Client has chosen a \_\_\_\_\_ Reserve Study with a \_\_\_\_\_ turnaround for a total fee of \_\_\_\_\_.
- 1.2 Client Defined. Sierra Ranchos POA (hereinafter "the Client") represents that it legally owns the property or common area upon which the Work is to be performed or has rights to execute agreements for such work. For the purpose of administration, wherever in this Agreement the word "Client" is used, it shall include any duly authorized representative of the Client.
- 1.3 Contractor Defined. The Contractor is Complex Solutions Ltd
- 1.4 Contractor will be performing a reserve study analysis of the property pursuant to and in compliance with Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) reserve study standards.
- 1.5 Client understands that services provided by the Contractor shall consist of developing a component list by identifying those common area components that, in Contractor's opinion, may require reserve funding based on either Contractor's physical inspection of the property, a previously generated component list from a prior report, or from a review of plans and other documents. The Contractor will then determine the Remaining Useful Life of each component and also determine current replacement costs ("Current Cost"). Contractor will recommend a Fully Funded Balance and a Funding Plan based on the component list, and the current financial information provided by Client (Contractor shall not audit or verify such information). Contractor will assume that all components have been and will be properly maintained. Should Contractor not be able to identify and typical reserve components that would normally require reserve funding then client shall receive written notification of their property's lack of typical reserve components in lieu of a reserve study
- 1.6 Methods of Inspection (Site Visit studies only) Client understands and acknowledges that Contractor will not use intrusive, invasive or destructive forensic inspection measures to obtain information regarding any areas of the community, including but not limited to, sprinkler systems, plumbing systems, electrical wiring, telephone wiring, or underground utility lines, including but not limited to sewer, drainage, electrical and water lines.
- 1.7 Specific Exclusion By signing the Agreement, Client acknowledges that the reserve study analysis will include only reserve components that have been properly built and installed and have predictable life expectancies of less than 30 years. In general, Reserve studies provided by Contractor will not include components generally considered to have "Extended Useful Life" expectancies per The Association of Professional Reserve Analysts (APRA).
- 1.7.1 Reserve studies conducted by Contractor specifically exclude issues having to do with unpredictable natural events (including but not limited to weather events such as hail, windstorms, etc.), environmental hazards (including but not limited to lead paint, asbestos, radon, etc.), and insect/animal infestations.
- 1.7.2 Reserve studies conducted by Contractor specifically exclude any and all construction defect related concerns. Contractor shall not be liable to any party, including but not limited to Client, homeowners associations, individual property owners, builders, subcontractors, financial institutions, etc. for any claims that involve construction defect related issues. Client acknowledges that it is aware that it is impossible for Contractor to know of any construction defects unless defects are disclosed to Contractor. Even if such disclosure is made to Contractor, it is not intended that reserve studies conducted by Contractor take any construction defects into consideration, whether disclosed or undisclosed.
- 1.7.3 Client understands and acknowledges that the provisions of Article 2 concerning indemnification and attorney's fees shall apply to any and all services provided by Contractor whether or not presented as a claim for breach of contract or any other cause of action or claim against Contractor.
- 1.7.4 Reserve study is not to be used as part of any public offering statement or transferred to a third party without the expressed written permission of Contractor. Any transmittal of Contractor's reserve study to a 3rd party must be in its entirety, not in part.
- 1.8 Client understands that the reserve study shall not be used as a financial audit. This reserve study shall not be used for the purpose of disproving another reserve study, without prior written agreement between Client and Contractor. The reserve study shall not be used as evidence of construction defects, damage, potential damage, health and safety concerns, or as a construction-quality inspection. In general, the reserve study shall not fund for leased items or items covered under an inclusive service contract, or in another part of the association's budget.
- 1.9 No responsibility is assumed by Contractor for matters which are legal in nature, such as title defects, liens, encumbrances, encroachments, interpretations of CCRs or Governing Documents, changes in building and zoning codes, pending litigations, etc.
- 1.10 Client understands and acknowledges that Contractor shall not be auditing the financial information received from Client. Further, financial information provided by client will be deemed to be reliable and will not be verified. Contractor may, at its discretion, as a courtesy, estimate a beginning reserve balance based on financial information provided by the client. Client agrees to review and verify the estimated starting balance.
- 1.10.1 Client acknowledges that they are more familiar with and know their property and financial situation better than Contractor. Therefore a reserve study is a collaboration between the client and Reserve Analyst (Contractor) that brings together the Client's unique firsthand knowledge with the Analyst's professional expertise
- 1.10.2 Client agrees to review the component list and starting fund balances for errors or omissions and to notify Contractor immediately if any errors or omissions are identified.
- 1.10.3 Client understands that Contractor will not alter or verify information regarding the common areas received from Client or any person or entity on behalf of Client, including but not limited to agents and vendors.
- 1.10.4 Should a disagreement or ambiguity arise regarding, but not limited to areas of common area property, areas of responsibility, financial position, etc. Contractor shall not take a position but will defer to client's direction on the matter. Client shall take sole responsibility for such direction.
- 1.10.5 Contractor shall not be responsible for intentional or unintentional misrepresentations regarding the common areas made by Client or any person or entity on behalf of Client, including but not limited to agents and vendors.
- 1.11 Update Reserve Studies: Quantities of major components as reported in previous reserve studies will be deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. Client shall be responsible for the accuracy and validity of the component list provided to Contractor. Level III Studies: In addition to the above Contractor shall not be visiting the property when completed a Level III "No Site Visit" study. Therefore we have not verified the current condition of the common area components.

- 1.12 Client understands and agrees that Contractor will not guarantee the adequacy of current or future reserve funding. Contractor will recommend a funding plan based on the current life and cost estimates of the reserve components assuming they were properly installed and will reach their normal, typical life expectancies. When feasible contractor will attempt to avoid recommending a special assessment but client acknowledges that a special assessment may be necessary even if contractors funding plan did not include one. Client acknowledges that current or historical underfunding of the reserves on clients part increases the chances of a special assessment becoming necessary even if Client follows Contractors recommendations in the future.
- 1.13 Client is entitled to one free revision of the reserve study report generated by Contractor. Revision requests are subject to Contractor's approval and cannot be used for the purpose of lowering the Fully Funded Balance or the Recommended Reserve Contribution. Client understands that a difference of opinion is not a valid reason to revise the study unless Client provides a professional opinion from an expert in a directly related field. Contractor reserves the right to use Contractor's opinion in Contractor's reserve study regardless of any outside opinion. Any further revisions other than the one free revision addressed in this paragraph will be billed at an hourly rate of \$75.
- 1.14 Contractor's involvement in events including but not limited to board meetings, presentations, and hypothetical analyses will be billed at an hourly rate of \$150 (not including travel or other related costs). Contractor's involvement in events associated with testimony or expert witness work shall be billed at an hourly rate of \$350 (not including travel or other related costs).
- 1.15 Client understands that the total reserve study fee is based on information provided to Contractor at time of obtaining the proposal. If it is later found that the information provided to Contractor is either inaccurate or incomplete, Contractor reserves the right to adjust the fee accordingly and Client agrees to pay adjusted fee.

## Article 2 – Indemnity and Standard of Care

- 2.1 **Indemnity.** Client shall, to the fullest extent permitted by law, fully indemnify, defend, and hold Contractor and its officers, employees, agents, consultants, representatives harmless from and against liability for all claims, losses, damages and expenses, known or unknown, including reasonable attorney's fees, arising out of the Contractor's performance of a reserve study, whether or not the Contractor is or without liability for any claimed loss unless the loss or damage was due solely to the gross negligence of the Contractor. The above duty to defend includes the duty to defend against any third party claims.
- 2.2 **Pre-existing Claims.** Client shall fully indemnify, defend, and hold Contractor harmless for any pre-existing claims, liabilities, losses or damages, including construction defects, which were identified or initiated prior to the effective date of this Agreement.
- 2.3 **Standard of Care.** No warranties express or implied are made by Contractor and its responsibility is limited to the services it provides to Client under this Agreement. Contractor agrees to perform the services described in this Agreement in good faith. Contractor is not responsible for acts or omissions of Client or any other Third Party.
- 2.4 **Limitation of Damages.** Client agrees, to the fullest extent permitted by law, to limit the liability of Contractor for any and all claims, losses, costs, and damages of any nature from any cause, including attorneys' fees and costs, expert witness fees and costs, and arbitration fees and costs, so that the total aggregate liability of the Contractor shall not exceed Contractor's total billing for this reserve study. Contractor shall not be liable for any special, indirect or consequential damages of Client.
- 2.5 **Work Product.** Client acknowledges that Contractor's professional opinion is based on information made available to Contractor at the time of physical inspection of the property. Client further acknowledges that conditions reported by the Contractor are applicable to the time frame of the report and these conditions, over time, may change. There is no implied warranty or guarantee in any of the Contractor's work product. Contractor will prepare all reports in good faith and in accordance with the skill and care used by members of Contractor's profession under similar circumstances in a similar time frame and in the same locality. Should Client utilize the work product other than as part of Contractor's paid services during or after the term of this Agreement, Contractor shall not be liable for errors or omissions in the work product, and Client shall make no claim against Contractor for such errors or omissions and shall waive any claim against Contractor and indemnify, defend and hold Contractor harmless from any claim or liability for injury or loss that may arise from any reuse of the work product by Client.

## Article 3 – Dispute Resolution

- 3.1 Client and Contractor shall negotiate in good faith to resolve any claims and disputes related to this Agreement.
- 3.2 Any claim or controversy arising out of or related to this Agreement or the breach thereof shall first be submitted to mediation, with fees and costs to be borne equally. Should the claim not be resolved by mediation, only then shall the claim be decided by binding arbitration under the AAA paid by the non-prevailing party.
- 3.3 **Attorneys' Fees and Costs.** Should arbitration or litigation arise relating to this Agreement, Client agrees that the non-prevailing party shall pay all reasonable attorneys' fees and costs to the prevailing party.

## Article 4 – Additional Provisions

- 4.1 **Governing Law.** This Agreement and all potential litigation arising from this Agreement shall be governed by the laws of the State of Nevada.
- 4.2 **Entire Agreement.** This Agreement represents the entire integrated agreement between Client and Contractor and supersedes all prior negotiations, representations or agreements, either oral or written. This Agreement shall not be amended, altered or terminated except by written instrument, signed by both parties.
- 4.3 **Binding Effect.** This Agreement, inclusive of its terms and provisions, shall survive the closing and shall be binding on and inure to the benefit of, and be enforceable by, the respective heirs, legal representatives, successors and assigns of the parties.
- 4.4 **Severability.** If any portion of this Agreement is held as a matter of law to be unenforceable, the remainder of this Agreement shall be enforceable without such provisions.
- 4.5 **Representation.** The parties represent that they have carefully read this Agreement, understand the contents within, have been represented by an attorney or have chosen not to be represented by an attorney, enter this agreement out of their own free will, and are not relying upon any representation or inducements, express or implied, from any other party except as expressly set forth herein.

## I HAVE FULLY READ THIS AGREEMENT AND UNDERSTAND THE TERMS AND CONDITIONS IN THIS AGREEMENT.

Signature:

Date:

Printed Name of Client:

Title:



**Robert A. Forney**  
**Complex Solutions Ltd.**

After working for a notable national reserve study provider Mr. Forney started Complex Solutions Ltd. in 2001. Complex Solutions provides reserve study consulting services to clients primarily in Nevada, California and Utah. Mr. Forney holds a Bachelor of Science degree in Business Administration from Pepperdine University.

- Nevada permit number RSS.0000004
- Vice President of the Association of Professional Reserve Analysts
- APRA "Professional Reserve Analyst" designee
- Personally has prepared over 4,000 reserve studies.
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual clients needs.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities.
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, worship facilities, day schools and more.
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Instructor for the Reserve Study portion of the UNLV community manager pre-certification course
- Member of CAMEO (Community Association Management Executive Offices)
- Frequent guest speaker for trade organizations, management companies, and other entities

Mr. Forney can be contacted at the number above should you have any questions regarding references, work experience, or reserve studies in general.

**RESERVE STUDIES SIMPLIFIED**

## Selected Projects

### **Aliante Master Association**

6,547 Unit master association in North Las Vegas, NV  
(7) Neighborhoods  
(5) Tot-lots  
3.5 Miles of Arroyo walkways  
2,664,525 Sq.ft. of streetscapes  
1,504,575 Sq.ft. of Arroyo landscaping

### **Solera at Anthem**

1,822 Unit community in Henderson, NV  
18,000 Sq.ft. rec. building  
50 Meter indoor pool  
Large professional fitness center  
Computer room, billiards room, library  
Tennis courts, bocce ball courts

### **Seven Hills Master Association**

2,962 Unit golf course master association in Henderson, NV  
(21) Sub-associations  
Extensive walking trails, parks and landscaping  
Approximately 60,000 Linear ft. of wrought iron fencing

### **Panorama Towers**

650 Unit High-rise community in Las Vegas, NV  
Mixed use commercial/residential  
(2) 35-Story towers  
(2) 10-Unit townhouse buildings  
At each tower:  
Spa/fitness center  
Valet parking  
2-Story racquetball court  
Pool area  
Movie theater

### **Providence Master Association**

5,500 Unit (7,500 at Build-out) master association in Las Vegas, NV  
(25) Neighborhoods  
(3) Large parks, extensive landscaping  
(2) Theme towers, decorative arches, theme corners

### **Sun City Summerlin**

7,781 Units  
(3) Golf courses  
(4) Clubhouses/Rec. centers  
(13) Tennis courts, baseball field, bocce ball courts  
(3) Restaurants  
Theater

### **One Queensridge Place**

219 High-rise units within (2) 20-story towers  
Barista/great room, media room, billiards room, library, wine cellar, kitchen, dining room  
Indoor spa area with (2) lap pools, treatment rooms, sauna/steam rooms  
Subterranean parking with individual garages  
(3) Casitas/guest houses

### **Mountain's Edge Master Association**

12,479 Units within 60 communities  
(4) Extensive parks  
(3) Paseos  
Approx 38 miles of block walls  
Admin offices, inspection vehicles



**Amendment to Sept. 13<sup>th</sup> Documentation**

**Proposal for Reserve Study Update  
and Relevant Cost Data  
Order Item 1(b)**

**for Dec. 6, 2022 Meeting of Commission for  
Common Interest Communities and Condominium Hotels**

## **Reserve Study Update and Relevant Cost Data**

**The NRS 116 and June 3<sup>rd</sup> Order requirement for a Reserve Study Update mentions “... additional work the Association must perform to adequately maintain roads ...” but does not mention current costs of materials and labor, which are critical components of a Reserve Study Update. A Level One study would include detailed plans as well as estimated costs. An Update Assumes that site conditions and Plans are very similar to those noted in the Original Level 1 Study.**

**The section which follows documents cost increases since the original 2020 Study, while also assuming that ALL improvements would be done in 1 year, as opposed to the 2020 Study assumption that projects would be initiated on the basis of the existing budget + Special Assessment.**

## Cost Estimates for Sierra Ranchos POA Road Improvement - 2022 Numbers

Modern engineering standards recommend the addition of rock to heavily traveled rural roads to strengthen and stabilize them for all weather conditions. Washoe County will not maintain any road that does not meet the minimum "Rural Road" standard of 6 inches of compacted rock. This does not mean that it is required - for instance Rancho Haven has NO rock "surface course" on its roads. The 6" compacted rock layer is required if asphalt is to be the surface cover. Culvert pipes have a limited lifespan and should also be replaced at the same time as surfacing.

The numbers which follow below are based on actual 2022 costs of two different sizes of rock needed for road "base" (where needed) and "surface course" (all surfaces) for stabilizing (soft) roads and hardening high traffic roads under our association's control. These prices have changed significantly since our 2020 Reserve Study. **It is also important to note that these are cumulative costs which assume that ALL of this work would be done in 1 year, rather than being completed as an ongoing process of maintenance and replacement, as the 2020 Reserve Study assumed.** Since we have continuing slow growth in the number of homes and traffic, we do not know what level of maintenance will be needed in 10 years or beyond.

### Basic Material Costs

**"Pit Run"** or heavy "Base" rock, 4 to 5 inch max. plus smaller aggregate. \$ 800 / 20 tons  
This cost includes, and primarily represents transportation from the quarry. (\$ 40 / ton)  
The price for the different sizes of rock are similar, but trucks used are different. "Pit Run" is carried 20 tons / load in a single truck.

**"Drain Rock"** for "Surface Course" usually 1½" max. plus smaller aggregate. \$ 1300/36 tons  
This size of rock can be carried and spread by "triple transport" trucks which (\$ 36 / ton)  
can deliver a maximum of about 39 tons, but 36 tons is average (12 tons/box).

### Surface Spread / Coverage

"Pit Run" is used to create a rough, solid, immovable **base** over soft sand or similar subbase road material. Required thickness varies, but may need be 5 to 8 inches in depth on initial spread. Assuming 4 to 5 inch depth, a layer of heavy rock 10 ft wide by 100 ft long can be created with 20 tons of pit run aggregate. **When needed for soft sub-bases, the base therefore costs about \$ 8 per linear ft of road (10 ft wide).**

The 1½" drain rock described is a larger aggregate than used under asphalt or for **surface courses** in wetter climates. Smaller rock sizes "washboard" when dry, and must be held together with an cohesive material. This size of rock can be spread to a 2 to 4 inch depth into scarified clay / sand subbase native to our valley. Assuming a 3 inch depth, a surface course 10 ft wide by 100 ft long can be created with 12 tons of 1½" drain rock. **Surface course of 1½" rock costs about \$ 4.35 / linear ft.**

### Culvert Pipe (18" to 72")

SRPOA roads include 27 aging (corroded / damaged) steel culvert pipes ranging from 18" to 72" in diameter. Some of these pipes have proven to be under-sized in the 50 years of use. Modern engineering standards recommend replacement of steel with HDPE pipes in areas of corrosive soils such as Lee's Flat. Prices for these basic culvert pipe sizes are listed below:

<u>All - double-wall, 20 ft length :</u>	18"	\$ 763	24"	\$ 1298	30"	\$ 1702
	36"	\$ 2257	48"	\$ 3855	60"	\$ 5037

### **Costs for Specific Road Sections**

The total length of SRPOA roads is in excess of 20 miles. Even the minimum surface course of 3 to 4 inches of drain rock would cost close to \$ 600,000 ( 5,280 ft/mile x 25 miles x \$ 4.35) if all of these roads were given only a surface cover. Many residents, particularly those who ride horses on local roads, do not want their "Circles" covered with rock. So the options priced below are for main "collector" roads, plus roads which are treacherous with precipitation.

### Dry Valley Road + Frontier Road

These two roads are the most heavily traveled in our area, and connect directly to Red Rock Road. The total length of Frontier Rd. is about 2 miles. The N-S section of Dry Valley Road is about 2.5 miles long. The E-W section of Dry Valley is about 0.5 miles long. Approximately 0.7 miles of Dry Valley has an initial cover of 1½" rock. Both Dry Valley and Frontier Roads have sections of 600 to 900 ft which are mostly sand, and would need a heavy base layer before a surface cover of smaller rock could be applied. These roads are also 20 ft wide, so the cost per linear ft (10 ft wide) of road listed above must be doubled.

Surface cover : (5 miles) x (5280 ft/mile) x (\$ 4.35 / ft) x 2 = \$ 229,680  
added "base" : (1800 ft) x (\$ 8 / ft) = \$ 14,400      Total rock = \$ 244,080 (5 miles)

### **Culvert Pipes :**

Culvert pipes should generally be replaced before or during the installation of surface rock cover. They also require small amounts of rip-rap and heavy "pit run" rock placed around them.

Dry Valley Road is "upstream" of most of the water flows, and has only a few large culvert pipes. The two largest are under the E-W section - 30" dia. Several smaller pipes of 18" to 24" diameter run under the N-S section of Dry Valley Rd. The 24" pipe was placed in 2020.

Replacement cost : 2 x 30" pipes = \$ 3404 + labor & mobilization (\$ 1300) = \$ 4700  
2 x 18" pipes = \$ 1526 + " (\$ 1300) = \$ 2026

Frontier road needs 3 very large pipes (2 x 60 " and 1 x 72") replaced. These are "downstream" and collect all of the water flowing from Lee's Flat towards Gymkhana road and on to California.  
Replacement cost : 2 x 60" pipes = \$ 10,074 + labor & mobilization (\$ 1300) = \$ 11,374

## **Total Cost for Dry Valley and Frontier Road Improvement**

The material costs do not include the costs of scarification / grading prior to rock application. Experience in SRPOA has shown that this process (grading + import / spreading) can be accomplished at the rate of 1/2 mile per day, so 5 miles would require about 10 days. Contractors employed in 2020 and 2021 charged about \$ 12,000 for 5 days, so the labor plus mobilization cost for this work would be about \$ 24,000.

If all of the work described for these roads were done next year, the estimated price would be

Rock + Culvert Pipes + Labor and Mobilization (road grading):

Total rock = \$ 244,080 (5 miles)

Total pipes = \$ 18,100

Labor +  
Mobilization = \$ 24,000

Overall (Est.) = \$ 286,180

**Cost per Parcel (212) = \$ 1350 / 1 year**

### “Circles” (Lonestar, Buckboard, Muletail, Cowhide, Rowel)

All of the “circles” in Lee’s Flat are nearly identical in size (1½ miles in circumference) and similar material costs apply to each. Some of these circles are only partially under SRPOA jurisdiction, so it would be questionable whether non-association owners would want their roads improved, OR WOULD PAY.

More important is the fact that many residents of these circles have horses, and DO NOT WANT hard asphalt or rock surfaces.

Cost of Surface Cover :

Each circle consists of a road about 10 ft wide, 1½ mile in circumference, with a lead-in road on each end, so the total linear surface to be covered would be 2 to 2¼ miles.

Cost = (11,500 linear ft) x (\$ 4.35 / linear ft) = \$ 50,025      ALL Circles = \$ 250,000

Average of 8 18 inch culvert pipes / circle = 8 x (\$ 763/20' pipe) = \$ 6104  
+ labor & mobilization (3 x \$ 1300)  
= \$ 10,004

**Total Cost / circle                      \$ 16,104 + \$ 50,025 = \$ 66,129**



### Panhandle Road

Panhandle Road is of importance primarily because its base is silty sand, and it has washed out completely in the past 5 years. One residence is currently served by its ½ mile of usable road.

$$\text{Cost} = (4000 \text{ ft}) \times (\$ 8 / \text{ft Pit Run base} + \$ 4.35 / \text{ft Drain Rock}) = \$ 49,400$$

Since this road is built along a natural drainage path (creek ?) construction of a large, dedicated drainage easement parallel to the road should be considered. Since it would be separate from the road and would need engineering design, including containment and erosion control features, a separate plan and budget would be needed for such work. The cost would be higher than the cost of restoration of the original road because of the Engineering and erosion control materials.

### Chariot Road

Chariot Road has lower traffic levels than either Dry Valley or Frontier Roads, and is mostly developed, so traffic levels are unlikely to increase. It also has several residents who own and ride horses. The residents would have to be consulted as to whether they want a rock cover, or perhaps only base stabilization with a soft cover on top. A few (2 - 4) 18" culvert pipes may need to be replaced or added. This could add \$ 5000 to \$ 6000 to the cost below.

$$\text{Cost} = (3500 \text{ linear ft}) \times (\$ 4.35 / \text{linear ft}) + (\$ 1300 / 1 \text{ day labor : equipment}) = \$ 16,525$$

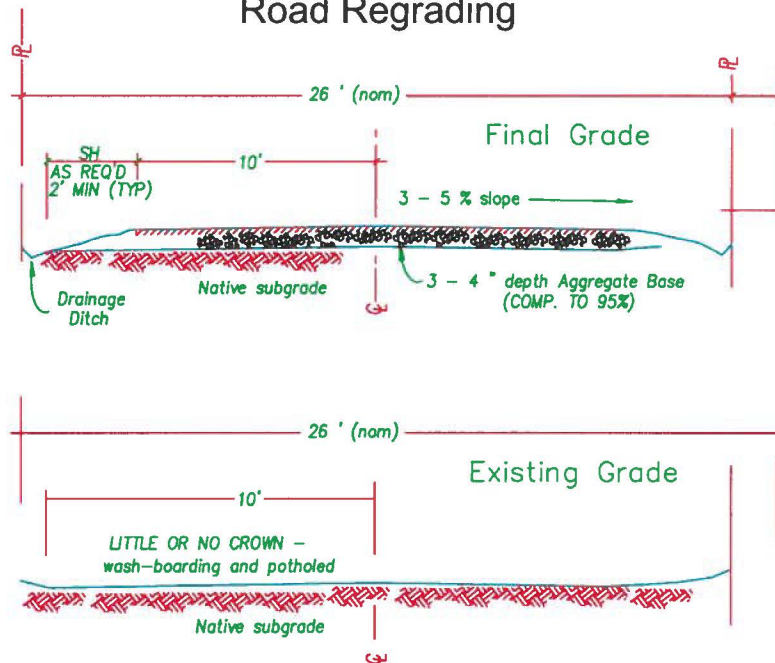
### Roundup Road

This road is similar in length to the circles, and is in poor condition. A 2020 proposal for pipe replacement and some rock cover came in at \$ 15,000. Additional rock would be needed to complete coverage of this road. Approximately 1000 ft of road at \$ 4.35 / ft = \$ 4350, so rock improvement of this road would likely cost in excess of \$ 20,000. As with Panhandle road, a natural drainage path crosses much of this road, so creation of a drainage easement could be necessary for long term maintenance of Roundup Road.

### Total Costs of Rock Cover / Stabilization for Roads Listed

Dry Valley + Frontier	\$ 286,180
Circles	\$ 330,645
Panhandle	\$ 49,400 (+ drainage easement cost)
Chariot	\$ 16,525 (?)
Roundup	\$ 20,000 (?)
Total for Listed	\$ 702,100

## Road Regrading

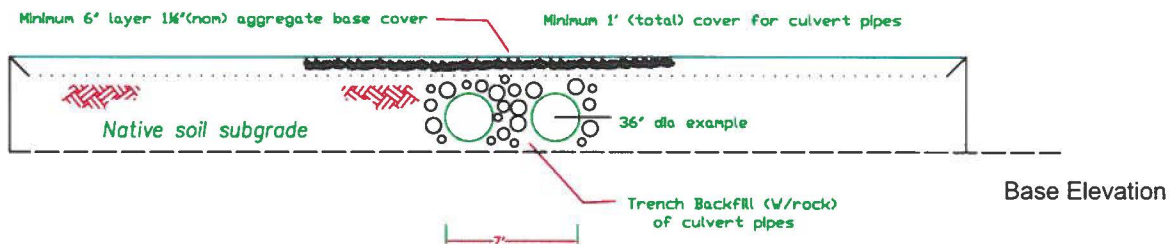


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### NOTES

1. ALL WIDTHS ARE IN FEET.
2. THE MINIMUM SHOULDER (SH) WIDTH 2 FEET,
3. EROSION PROTECTION MAY BE REQUIRED FOR DRAINAGE DITCHES
4. SLOPE EASEMENTS MAY BE REQ'D IN CERTAIN TERRAIN TO ACCOMMODATE ROADWAY SECTION.
5. MIN 7.5' PUBLIC UTILITY/TRAFFIC CONTROL SIGNAGE/PLOWED SNOW EASEMENT IS REQ'D ON BOTH SIDES OF ROW

## New Culvert Pipe Placement



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