

August 28, 2017

Grantly Benton, Assistant General Manager
Crested Butte Lodging & Property Management
701 Gothic Rd.
P.O. Box 5013
Crested Butte, CO 81224 / Grant@CrestedButteLodging.com

RE: Timberline Condominiums Retaining Wall Rehabilitation

Dear Grant:

We appreciate the opportunity to provide this proposal for engineering services related to the above project. In 2016, we proposed services to prepare construction documents for a retaining wall system design to replace the existing timber crib retaining wall system as well as improvements to the site parking lot. After visiting the site July 24, 2017 with Timberline Condominiums homeowner association (HOA) president Rick Vila and following subsequent correspondence with you, Rick and geotechnical engineer Darin Duran, PE, of Cesare, Inc., we now understand the general scope of the requested services to be limited to an alternatives analysis for retaining wall replacement systems to be considered by the association board for selection of a preferred design and subsequent development of the construction documents.

The purpose of this letter is to further describe the SGM scope of work and estimated fees associated with this work. As requested, the steps, or tasks, needed to complete the work include the following:

Task 1: Project Management

This task will include serving as a local point of contact with you for overall project coordination with the project geotechnical engineer, Cesare, Inc. Cesare has provided a separate proposal for subsurface investigations and conceptual design services and will contract directly with Crested Butte Lodging & Property Management. Project manager Randy Sackett will be responsible for the scheduling of SGM staff and the review of project deliverables and budgets. Cesare will provide a report of the findings from its on-site investigations as well as recommended design alternatives for the retaining wall rehabilitation.

Task 2: Site Survey

In anticipation of an eventual final retaining wall layout and potential parking lot improvements design, and to better estimate unit construction costs, a field survey of the site is recommended for including existing conditions and topography. Property corners and utility locates provided by others for the geotechnical investigations will be included, along with the boring locations. A base map will be prepared in computer-aided design (CAD) format for use in preparing exhibits and quantity take-offs for Task 3. We recommend that, prior to construction of any proposed retaining wall improvements, a building monitoring program be implemented for documenting the single-family residence directly above the project site and the condominium building do not demonstrate significant movement or changes in physical condition because of the construction. This program should be developed in conjunction with the geotechnical engineer for addressing the findings of the soil investigations and based upon the selected wall system type and method of construction, but the site survey control points will facilitate being able to complete this work at a later date.

Task 3: Retaining Wall Alternatives Analysis

Based upon the Cesare geotechnical investigations report of Task 1, two (2) design alternatives will be used in the development of final design and construction cost estimates to be summarized in a letter report to be prepared for consideration by the HOA in its selection of a preferred design. Other factors,

such as permitting, constructability, project phasing, visual aesthetics, maintenance and potential impacts to adjacent properties will be discussed in the report for each alternative.

Schedule:

SGM is available to begin work immediately upon authorization to proceed. It is our understanding that you wish to have the on-site geotechnical investigations completed on or about September 1, 2017 and that any final design work will be completed during the upcoming winter, in anticipation of constructing the improvements during the summer of 2018. We expect to complete the survey work in September, and assuming this and the geotechnical report are made available by the end of September, will prepare the alternatives analysis by the end of October. It is our understanding that Crested Butte Lodging & Property Management will provide all necessary coordination with the HOA, along with any information or decisions needed to proceed with the work in a timely manner.

Fees:

Work will be completed on a Time and Materials basis at an estimated total cost of \$7,900, which will not be exceeded without prior authorization. SGM will bill monthly and provide detailed invoices describing the work. The fees include personnel assignments required to complete the work described above. All other tasks, including parking lot improvements design and construction documents preparation for final wall layout and design and building monitoring program surveying, will be billed as additional services for a subsequent scope of work and contract amendment to be provided following this first phase of the project. SGM will work diligently to complete all work in an efficient manner.

If you find these terms acceptable SGM will forward a standard Letter Agreement for Professional Services form to be executed. Please feel free to contact me if you have any questions.

Sincerely,

SGM



Randy W. Sackett, PE
Project Manager