

THE LANDINGS MANAGEMENT ASSOCIATION, INC.

TO: LMA Board of Directors  
FROM: R. Bayles  
SUBJECT: Status of the Main Gatehouse Reconstruction Project  
DATE: August 5, 2008  
CC:

---

This is intended to inform Board members ahead of Thursday's meeting regarding the numbers associated with the proposed Gatehouse reconstruction project. I've attached the prior status report as a lead-in to the following.

We submitted the permitted plans to three residential contractors known to Ronald De Anna, a member of the building committee with a response date of August 1, 2008. One chose not to submit a bid. The other two bids came in at \$152,000 and \$172,000.

At a meeting earlier today with Tom Wessel, the construction manager (essentially a general contractor specializing in commercial buildings), Ronald De Anna, Bob Capo and I reviewed his proposed Guaranteed Maximum Price ("GMP"), which was \$147,000.

In addition to the above would be additional costs removed from the contract (casework, signage, North Gate security costs, ...) that would total approximately \$6,000.

I have attached the details of the amounts spent to date on this project, comprising architect fees and costs, count application and permit fees and the tests required by the county for approval of the permit. As of the end of July 2008, the total is \$25,444, which would be an addition to the GMP and the other bids received. These are "sunk costs." If we choose to proceed with someone other than the construction manager (or if we choose to not proceed at all), there is an additional \$2,500 fee due to Wessel for his contributions in the design and bidding phases of the project. If we proceed with Wessel, he earns 25% of any reductions in actual cost from the GMP and we retain 75% of such savings. The building committee's opinion is that perhaps \$10,000 could result from "value engineering" the current design (eliminating some cosmetic elements, for example), which would result in a net savings of \$7,500.

At it's June meeting, the Board approved an expenditure of up to \$150,000 for the project. Based on the lowest of the above figures, the total spending would be approximately \$171,500 and exceed the approved amount by \$21,500.

As I see it, our alternatives are three:

1. Do nothing but replace the roof at an estimated cost of \$4,000.

2. Authorize the additional spending on the permitted project and consider postponing the implementation until next summer, as construction could not be completed prior to our self-imposed October deadline. This would probably involve an increase in price over the proposed GMP.
3. Determine the extent to which we can renovate the existing structure (fixing obvious problems like the roof, some slab settlement issues and limited internal modifications) and provide cosmetic improvements without triggering a requirement to adhere to the current building code, which would essentially result in a total cost not significantly different than proceeding with the proposed project.

The direction of this project will comprise a significant decision to be made at the August 7 Board meeting. For those of you who will not be present, please convey your opinions to other members of the Board so that the discussion can reflect your views.

[Note that this is being sent to Irwin Starr in advance of the meeting and will be read to attendees of the meeting before discussion of the issue.]

THE LANDINGS MANAGEMENT ASSOCIATION, INC.

TO: LMA Board of Directors  
FROM: R. Bayles  
SUBJECT: Status of the Main Gatehouse Reconstruction and Systems Projects  
DATE: July 11, 2008  
CC:

---

In the absence of a July board meeting, I thought it important to bring everyone up-to-date with regard to the Gatehouse construction project.

A preliminary budget from the construction manager, based on virtually final plans, came in at above \$150,000, substantially above our \$120,000 revised budget and in excess of the amount the Board approved at the June meeting.

I met with the construction manager and architect to review the numbers and we found some possible savings and made some minor plan changes in an effort to reduce the cost. Final plans were to be available on June 30 for filing with the County for the permit.

The building committee (Bob Capo, Bill Whitman, Ronald De Anna and I) met on July 1 to review our alternatives. We concluded that we should proceed with the permitting process (having gone this far) and submit the plans to selected residential contractors in addition to the formal bidding process to be conducted by the construction manager. Ronald De Anna agreed to manage this process, given his connections with the residential builder community.

It isn't at all clear that either of the bidding processes will materially lower the project cost. As a fall-back position, after the final bids come in and are determined to be "too rich for our blood," we will explore the extent to which the Gatehouse can be "remodeled" without incurring the need to conform to new building codes that would virtually require the tear-down of the current building (primarily due to ADA issues).

Bids are due in by August 1, 2008. Therefore, we should have enough information at the August meeting to make an informed decision on how to proceed.