

EXHIBIT C

Gallery COA v K Hov at Gallery, LLC

BHA # 19-7096

Preliminary Defense Cost of Defense Scope Estimate

This document is provided for mediation purposes only and is protected under Arizona Rules of Evidence (Title 12)

| Ref | Description | Um | Unit Cost | Total Quantity | Total Cost |
|----------------------|--|----|---------------------|----------------|----------------------|
| ISSUE SUMMARY | | | Direct Const | | Burdened Cost |
| I. | Structural | | 0 | | 0 |
| 1.0 | Compliance with Geotechnical Report | | 0 | | 0 |
| 2.0 | Lateral Force Resisting System (LFRS) | | 0 | | 0 |
| II. | Civil | | 0 | | 0 |
| 1.0 | Grading and Drainage | | 0 | | 0 |
| 2.0 | Concrete Flatwork | | 0 | | 0 |
| III. | Building Envelope | | 49,905 | | 67,612 |
| 1.0 | Façade - Exterior Cladding and Sealants Type 1 - Stucco | | 43,975 | | 59,578 |
| 2.0 | Moisture Management System (Barriers, Flashings, Drainage) | | 5,930 | | 8,034 |
| 3.0 | Roofing System Type 1 - Modified Bitumen Roll Roofing | | 0 | | 0 |
| 4.0 | Elevated Decks, Balconies, or Walkways | | 0 | | 0 |
| 5.0 | Pool Area | | 0 | | 0 |
| TOTAL | | | 49,905 | | 67,612 |

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| I. Structural | | | | | |
| 1.0 | Allegation: Compliance with Geotechnical Report Summary: No repairs | | | | |
| 1.0 | Subtotal by issue | | | | 0 |
| 2.0 A | Allegation: Lateral Force Resisting System (LFRS) Defense Repair: No repairs | | | | |
| 2.0 A | Subtotal by issue | | | | 0 |
| I. Structural - SUBTOTAL | | | | | |
| 0 | | | | | |

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| II. Civil | | | | | |
| 1.0 Grading & Drainage | | | | | |
| 1.0 A | Allegation: Drainage Bounded by Concrete Flatwork Defense Repair: Per PGG report: No repairs | | | | |
| 1.0 A | Subtotal by issue | | | | 0 |
| 1.0 B | Allegation: Non-Compliant Management of Concentrated Flows Defense Repair: Per PGG report: No repairs | | | | |
| 1.0 B | Subtotal by issue | | | | 0 |
| 1.0 Grading and Drainage - SUBTOTAL | | | | | 0 |

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| 2.0 Concrete Flatwork | | | | | |
| 2.0 A | Allegation: Non-Compliant Cross-Slope of Sidewalks Defense Repair: Per PGG report: No repairs | | | | |
| 2.0 A | Subtotal by issue | | | | 0 |
| 2.0 B | Allegation: Non-Compliant Longitudinal Slope of Sidewalks Defense Repair: Per PGG report: No repairs | | | | |
| 2.0 B | Subtotal by issue | | | | 0 |
| 2.0 C | Allegation: Non-Compliant Landings Defense Repair: Per PGG report: No repairs | | | | |
| 2.0 C | Subtotal by issue | | | | 0 |
| 2.0 Concrete Flatwork - SUBTOTAL | | | | | 0 |

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| 3.0 Streets and Roadways | | | | | |
| 3.0 A | Allegation: Asphalt Pavement Distress | | | | |
| | Defense Repair: Per PGG report: No repairs required. | | | | |
| 3.0 A | Subtotal by issue | | | | 0 |
| 3.0 Streets and Roadways - SUBTOTAL | | | | | 0 |
| Civil - Subtotal | | | | | 0 |

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| III. Building Envelope | | | | | |
| 1.0 Façade - Exterior Cladding and Sealants Type 1 - Stucco | | | | | |
| <p>1.0 A Allegation: Missing Weep Mechanism in Stucco</p> <p>Defense Repair: Remove stucco at wall-to-soffit transitions, remove and replace damaged OSB sheathing as needed (assume 32 sf), install metal accessories, and patch the stucco to match the existing finish.</p> | | | | | |
| 3-Plex | | | | | |
| | Access repair, access and stock materials, protect adjacent surfaces | Loc | 56.50 | 1 | 56.50 |
| | Set up and lay out work | Loc | 176.00 | 1 | 176.00 |
| | Remove 12" strip of stucco at wall-to-soffit transition | Sf | 10.30 | 147 | 1,514.10 |
| | Replace damaged OSB sheathing as needed | Sf | 3.40 | 32 | 108.69 |
| | Install new Amerimix stucco system; including WRB, weep screeds, insulation, etc. | Sf | 11.69 | 147 | 1,718.43 |
| | Prime and paint all repairs and blend into adjacent finishes | Sf | 4.52 | 147 | 664.44 |
| | Clean up, debris disposal, material handling | Loc | 241.50 | 1 | 241.50 |
| | Subtotal (one repair) | | | | 4,480 |
| | Factor of occurrence | | | 1 | 1 |
| 5-plex | | | | | |
| | Access repair, access and stock materials, protect adjacent surfaces | Loc | 56.50 | 1 | 56.50 |
| | Set up and lay out work | Loc | 264.00 | 1 | 264.00 |
| | Remove 12" strip of stucco at wall-to-soffit transition | Sf | 10.30 | 267 | 2,750.10 |
| | Replace damaged OSB sheathing as needed | Sf | 3.40 | 64 | 217.39 |
| | Install new Amerimix stucco system; including WRB, weep screeds, insulation, etc. | Sf | 11.69 | 267 | 3,121.23 |
| | Prime and paint all repairs and blend into adjacent finishes | Sf | 4.52 | 267 | 1,206.84 |
| | Clean up, debris disposal, material handling | Loc | 283.00 | 1 | 283.00 |
| | Subtotal (one repair) | | | | 7,899 |
| | Factor of occurrence | | | 5 | 5 |
| 1.0 A | Subtotal by issue | | | | 43,975 |
| <p>1.0 B Allegation: Non-Compliant WRB for Stucco System</p> <p>Defense Repair: No repairs necessary.</p> | | | | | |
| 1.0 B | Subtotal by issue | | | | 0 |
| <p>1.0 C Allegation: Non-Compliant EPS Foam Board for Stucco System</p> <p>Defense Repair: No repairs necessary.</p> | | | | | |
| 1.0 C | Subtotal by issue | | | | 0 |

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| Ref | Description | Um | Unit Cost | Total Quantity | Total Cost |
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| 1.0 D | Allegation: Non-Compliant Slope of Horizontal Stucco Surfaces Defense Repair: No repairs necessary. | | | | |
| 1.0 D | Subtotal by issue | | | | 0 |
| 1.0 E | Allegation: Deficient Self-Adhered Membrane under Horizontal Stucco System Defense Repair: No repairs necessary. | | | | |
| 1.0 E | Subtotal by issue | | | | 0 |
| 1.0 F | Allegation: Missing Control/Movement Joints Defense Repair: No repairs necessary. | | | | |
| 1.0 F | Subtotal by issue | | | | 0 |
| 1.0 | Façade - Exterior Cladding and Sealants Type 1 - Stucco - SUBTOTAL | | | | 43,975 |

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| 2.0 Moisture Management System (Barriers, Flashings, Drainage) | | | | | |
| 2.0 A | Allegation: Missing Sheet Metal Flashing at Window Head Defense Repair: No repair is required. | | | | |
| 2.0 A | Subtotal by issue | | | | 0 |
| 2.0 B | Allegation: Non-Compliant Flashing to Stucco Interface Defense Repair: Where deck edge metal is buried in the stucco, extend the edge metal past the stucco face by installing new sheet metal under the existing drip edge. The new sheet metal should have a break to match the existing edge metal and be installed in a continuous bed of silicone sealant and then painted to match. (assume 10 decks total) | | | | |
| | Access repair, protect adjacent surfaces | Loc | 40.00 | 1 | 40.00 |
| | Set up and lay out work | Loc | 50.00 | 1 | 50.00 |
| | Lift edge metal and remove loose stucco | Loc | 100.00 | 1 | 100.00 |
| | Insert new sheet metal edge flashing under existing to extend past stucco face | Loc | 125.00 | 1 | 125.00 |
| | Paint to match existing | Loc | 100.00 | 1 | 100.00 |
| | Clean up, debris disposal, material handling | Loc | 50.00 | 1 | 50.00 |
| | Subtotal (one balcony deck) | | | | 465 |
| | Factor of occurrence | | | 10 | |
| 2.0 B | Subtotal by issue | | | | 4,650 |
| 2.0 C | Allegation: Non-Compliant Isolation Joints at Dissimilar Materials Defense Repair: At two (2) locations, route groove in cold joint crack; fill with high-grade flexible sealant; paint repair to match adjacent finishes. | | | | |
| | Access repair, protect adjacent surfaces | Loc | 40.00 | 1 | 40.00 |
| | Set up and lay out work | Loc | 50.00 | 1 | 50.00 |
| | Remove material at CMU cold joint | Loc | 50.00 | 1 | 50.00 |
| | Insert backer rod and fill joint with high-grade flexible sealant | Loc | 200.00 | 1 | 200.00 |
| | Paint to match existing | Loc | 150.00 | 1 | 150.00 |
| | Clean up, debris disposal, material handling | Loc | 150.00 | 1 | 150.00 |
| | Subtotal (one repair) | | | | 640 |
| | Factor of occurrence | | | 2 | |
| 2.0 C | Subtotal by issue | | | | 1,280 |
| 2.0 Moisture Management System (Barriers, Flashings, Drainage) - SUBTOTAL | | | | | 5,930 |

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| 3.0 Roofing System Type 1 - Spray Polyurethane Foam (SPF) | | | | | |
| 3.0A | <p>Allegation: Non-Compliant Slope to Roof Drains</p> <p>Defense Repair: No repair required.</p> | | | | |
| 3.0 A | Subtotal by issue | | | | 0 |
| 3.0 | Roofing System Type 1 - Modified Bitumen Roll Roofing - SUBTOTAL | | | | 0 |

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| 4.0 Elevated Decks, Balconies, or Walkways | | | | | |
| 4.0 A | Allegation: Non-Compliant Slope of Deck | | | | |
| | Defense Repair: No repairs needed. | | | | |
| 4.0 A | Subtotal by issue | | | | 0 |
| 4.0 Elevated Decks, Balconies, or Walkways - SUBTOTAL | | | | | 0 |

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| 5.0 Pool Area | | | | | |
| 5.0 | Allegation: Improper Wall & Ceiling Assembly and Fire Feature at Pool Defense Repair: No repairs needed. | | | | |
| 5.0 | Subtotal by issue | | | | 0 |
| 5.0 | Pool Area - SUBTOTAL | | | | 0 |
| | Building Envelope - SUBTOTAL | | | | 49,905 |

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| DIRECT COST TOTAL | | | | | 49,905 |
| | General Conditions | | | | 2,495 |
| Subtotal | | | | | 52,400 |
| | Contingency | | | | 5,240 |
| | Overhead and Administration | | | | 2,882 |
| | Contractors Fee | | | | 5,764 |
| | Permits, Bonds & Insurance | | | | 1,326 |
| Construction Subtotal | | | | | 67,612 |
| Design and Monitoring Fees | | | | | 0 |
| Total Relocation | | | | | 0 |
| Project Total | | | | | 67,612 |