

Exhibit D



NAUTILUS

Reconstruction
Contracting & Consulting

Preliminary
ESTIMATE OF COSTS

Gallery Community Association
Scottsdale, Arizona

July 23, 2021
(REVISED November 08, 2021)

Date		July 23, 2021(REVISED November 08, 2021)		Gallery Community Association		
Preliminary ESTIMATE OF COSTS				Direct Cost		
SUMMARY						
I. STRUCTURAL						
1.0	Compliance with Geotechnical Report (Informational Only)					
2.0	Lateral Force Resisting System (LFRS)				\$	200,000.00
				Structural Subtotal	\$	200,000.00
II. CIVIL						
1.0	Grading and Drainage				\$	25,532.88
2.0	Concrete Flatwork				\$	32,703.46
				Civil Subtotal	\$	58,236.34
III. BUILDING ENVELOPE						
1.0	Facade (Exterior Cladding and Sealants) Type 1 - Stucco				\$	1,336,137.90
2.0	Moisture-Management System (Barriers, Flashings, Drainage, Etc.)				\$	82,986.99
3.0	Roofing System Type 1 - Spray Polyurethane Foam (SPF)				\$	168,616.70
4.0	Elevated Decks, Balconies, or Walkways (Included in 2.0B)					
				Building Envelope Subtotal	\$	1,587,741.59
IV. MISCELLANEOUS						
1.0	Pool Cabana				\$	8,337.48
2.0	Roof Deck Penthouse Door				\$	590.00
3.0	Interior Repairs - Resultant Damage				\$	4,820.00
				Miscellaneous Subtotal	\$	13,747.48
				Subtotal	\$	1,859,725.41
Contingency				10%	\$	185,972.54
General Conditions				12.5%	\$	255,712.24
Contractor's Fee				17.5%	\$	402,746.78
GL Insurance				2%	\$	54,083.14
				Construction Total:	\$	2,758,240.12
Professional Fees				12%	\$	330,988.81
Estimated Market Escalation (2-Year)				7%	\$	193,076.81
				Grand Total:	\$	3,282,305.74

Date	July 23, 2021 (REVISED November 08, 2021)		Preliminary ESTIMATE OF COSTS for Gallery Community Association				
I.	STRUCTURAL		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description						
<p>Costs and repairs are based upon SBSA, LLC's, Construction and Design Compliance Report, dated 06/23/2021, and Supplemental Construction and Design Compliance Report, dated 10/14/2021</p>							
1.0 Compliance with Geotechnical Report							
	1.	The original geotechnical report presents recommendations for over excavation, soil stabilization, and drainage on the site. Review the original geotechnical report for applicable design and construction recommendations for informational purposes.					
2.0 Lateral Force Resisting System (LFRS)							
	2.0A	Non-Compliant LFRS					
	Loc.	Buildings A-D					
	Qty.	100%					
	Ext.	All LFRS repairs shall be performed per the braced/ shear wall and hold-down schedule provided on Sheets S3.1 through S3.6 of the Felten structural plans as designed by the Structural FOR.					
	Ext.	The as-built construction of the LFRS will be compared with LFRS design on the Felten structural plans as designed by the Structural EOR after the stucco system is removed.					
	Ext.	Repair contractor to verify and confirm the extent of repairs to the LFRS.					
	1.	For Unit 3111 of Building D, perform the following repairs to the LFRS.					
	a.	Remove existing stucco to coordinate with repairs recommended in Sections C.1 and C.2 of engineer's report.					Included in Building Envelope 1.0B
	b.	Where exterior sheathing is identified as missing, install new 3/8-inch minimum-rated sheathing using specified nails spaced to provide minimum shear resistance of 306-plf per the braced/ shear wall schedule.					Included below 2.a.
	c.	Where existing strap is identified as installed incorrectly, remove and replace with new strap per the hold-down schedule. Install according to the manufacturer's installation requirements.					Included below 2.a.
	d.	Reinstall cladding per the repairs recommended in Sections C.1 and C.2 of engineer's report.					Included in Building Envelope 1.0B

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I. STRUCTURAL		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
Repair Description						
	2.	Repair contractor to include 10-percent of the stucco repair costs for use as a contingency for the repairs for the non-compliant LFRS.				Included below 2.a.
	a.	1	al	\$ 200,000.00	\$ 200,000.00	Allowance pending further investigation
		Subtotal			\$ 200,000.00	
				SUBTOTAL	\$ 200,000.00	

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II.	CIVIL Repair Description	Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
Costs and repairs are based upon SBSA, LLC's, Construction and Design Compliance Report, dated 06/23/2021, and Supplemental Construction and Design Compliance Report, dated 10/14/2021						
1.0 Grading and Drainage						
1.0A	Drainage Bounded by Concrete Flatwork					
Loc.	Perform repairs at all locations noted in the Civil Repair Drawings.					
Ext.	Coordinate sidewalks, curbs, and roadway to allow for proper site geometric integration in all new construction.					
1.	A full topographical survey from the curb line to the face of the building will be required due to the limited site elevation difference to enable design to correct the deficient construction.	1	al	\$ 10,000.00	\$ 10,000.00	Allowance
2.	Construct concrete aprons below roof drain terminations.					Included below in 2.a & b.
a.	Where sidewalks exist, remove sidewalk to nearest joint and provide sidewalk chase. (Buildings A and B / 344 SF total)	344	sf	\$ 34.00	\$ 11,696.37	(Per 50 SF / Avg repair area) Skilled Crew @\$175 hour / 6 hours (\$1050); Materials/Disposal/Equipment (\$650); \$1700 / 50 SF = \$34.00 SF
b.	Where no sidewalks are constructed, construct curb cut to allow flow out of bounded area, and re grade unpaved area to drain. (Buildings C and D / 174 SF total)	174	sf	\$ 22.00	\$ 3,836.51	(Per 21 SF / Avg repair area) Skilled and helper @\$110 hour / 3 hours (\$330); Materials/Disposal/Equipment (\$125); \$455 / 21 SF = \$22.00 SF
3.	Place rocks (4- to 6-inch diameter) in concrete aprons.					Included above in 2.a & b.
4.	Adjust existing electrical and irrigation boxes as required.					Included above in 2.a & b.
		Subtotal			\$ 25,532.88	
1.0B	Non-Compliant Management of Concentrated Flows					
Loc.	Perform repairs at all locations noted in the Civil Repair Drawings.					
1.	Same scope of repair as Civil 1.0A					
						Included in Civil 1.0A
2.0 Concrete Flatwork						
2.0A	Non-Compliant Cross-Slope of Sidewalks					
Loc.	Perform repairs at all locations noted in the Civil Repair Drawings.					
Ext.	Coordinate sidewalks, curbs, and roadway to allow for proper site geometric integration in all new construction.					
1.	Remove and replace concrete to the nearest construction/ control joint.	661	sf	\$ 23.00	\$ 15,203.46	(Per 50 SF) Skilled Crew @\$175 hour / 4 hours (\$700); Materials/Disposal/Equipment (\$450); \$1150 / 50 SF = \$23.00 SF
a.	Ensure that subgrade is prepared in compliance with the recommendations of a geotechnical engineer prior to the placement of concrete.					Included above in 1.
b.	Ensure grading and drainage direct runoff away from flatwork subbase.					Included above in 1.

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III.	BUILDING ENVELOPE		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description						
<p>Costs and repairs are based upon SBSA, LLC's, Construction and Design Compliance Report, dated 06/23/2021, and Supplemental Construction and Design Compliance Report, dated 10/14/2021</p>							
1.0 Facade (Exterior Cladding and Sealants) Type 1 - Stucco							
1.0A	Missing Weep Mechanism in Stucco						
Loc.	Buildings A-D						
Qty.	100%						
Ext.	Coordinate repair with related stucco and underlying moisture-management repair recommendations as well as all adjacent civil repair recommendations.						
1.	Coordinate with replacement of the WRB and the stucco system as described in Sections C.1.b and C.1.c of engineer's report.						Included in Building Envelope 1.0B
2.	Install new weep mechanisms at the following horizontal terminations.						
a.	At window heads, slider door heads, swing door heads, and garage door heads, terminate the weep casing bead 1/ 4-inch above sheet metal head flashing.		1,518	lf	\$ 9.50	\$ 14,419.96	(Per 15 LF Install only) Plaster and helper @ \$110 hour / 1 hours (\$110); Materials (\$30): \$140 / 15 LF = \$9.50 LF
b.	At soffits, install weeps per the architectural Detail 4/ AS.03 and manufacturer's requirements.		1,768	lf	\$ 11.00	\$ 19,442.80	(Per 15 LF Install only) Plaster and helper @ \$110 hour / 1 hours (\$110); Materials (\$50): \$160 / 15 LF = \$11.00 LF RU
3.	Shingle-lap WRB with new weep mechanisms.						Included above in 2.b.
			Subtotal			\$ 33,862.76	
1.0B	Non-Compliant WRB for Stucco System						
Scope.	Full removal and replacement of the stucco and the exterior insulation is required to address the non-compliant installation of the WRB for the existing stucco system.						
Loc.	Buildings A-D						
Qty.	100%						
Ext.	Coordinate repair with related stucco and underlying moisture-management repair recommendations as well as all adjacent civil repair recommendations.						
1.	Provide allowance for protection of adjacent surfaces and content manipulation as required.						
a.	3-Plex (Building A)		1	loc	\$ 9,380.00	\$ 9,380.00	24 hours - Building Labor Crew @ \$245 per hour Materials (\$3500)
b.	5-Plex (Buildings B, C and D)		3	loc	\$ 11,400.00	\$ 34,200.00	40 hours - Plasterer and a helper @ \$110 per hour Materials (\$7000)
2.	Provide allowance for removal, staging and reinstallation of wall obstructions including but not limited to signage, light fixtures, utility boxes and window awnings.						
a.	3-Plex (Building A)		1	loc	\$ 6,250.00	\$ 6,250.00	30 hours - Skilled Crew @ \$175 per hour Materials (\$1000)
b.	5-Plex (Buildings B, C and D)		3	loc	\$ 8,500.00	\$ 25,500.00	40 hours - Skilled Crew @ \$175 per hour Materials (\$1500)
3.	Provide allowance for access including scaffolding, lifts, etc.		57,696	sf	\$ 2.50	\$ 144,239.46	

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III. BUILDING ENVELOPE						
Repair Description						
4.	Remove and replace existing stucco assembly per engineer's specifications. Includes hauling and disposal.	57,696	sf	\$ 14.70	\$ 848,128.04	(Per 30 SF typical site conditions including confined, difficult access areas and select demolition where required) Plaster and helper @ \$110 hour / 3 hours (\$330); Materials/Disposal (\$110): \$440 / 30 SF = \$14.70 SF
a.	Install new WRB per the requirements of ESR-3529 for the existing stucco system.					Included above in 4.
b.	Ensure that the WRB above is shingle-lapped with the sheet metal flashing.					Included above in 4.
c.	Repair contractor to estimate using between two layers of Grade D kraft building paper or one layer of Grade D kraft paper with minimum water-resistance rating of 60-minutes or using Tyvek products such as Stucco Wrap or Drain Wrap as specified in Section 3.2.4 and Section 3.2.10 of ESR-3529.					Included above in 4.
d.	Ensure all WRB terminations shingle-lap with all surrounding rigid and flexible flashings, weeps, and accessories.					Included above in 4.
e.	Install sheet metal flashings per Section C.2.a of engineer's report.					Included above in 4.
f.	Install new stucco system to comply with the current requirements of ESR-2359.					Included above in 4.
g.	Install lath per the stucco manufacturer and ASTM C1063.					Included above in 4.
5.	Install missing exterior sheathing and straps, as necessary, per the LFRS repairs recommended in Section A.2 of this report.					Included in Structural 2.0
6.	Install EPS foam boards per repairs recommended in Section C.1.c of engineer's report.					Included above in 4.
7.	Install control joints at fenestration comers, floor lines, top plate/truss lines, and within the field of the wall to comply with ASTM C1063 and the stucco manufacturer.	10,265	lf	\$ 4.00	\$ 41,059.86	(Per 1000 LF Install only) Plaster Crew @ \$240 hour / 8 hours (\$1920); Materials (\$2000): \$3920 / 1000 LF = \$4.00 LF RU
8.	Install weep casing beads with 3-1/2-inch vertical legs at all stucco terminations Ensure that the WRB shingle-laps with the new weep casing beads.					Included above in 4.
9.	Exterior painting	57,696	lf	\$ 2.90	\$ 167,317.78	(Per 1000 SF Prime / Masking / Caulking / Paint 2 coats / 2 colors) Painter Crew \$350 hour / 4 hours (\$1400); Materials (\$1500): \$2900 / 1000 SF = \$2.90 SF
		Subtotal			\$ 1,276,075.15	

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III.	BUILDING ENVELOPE		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description						
	1.0C	Non-Compliant EPS Foam Board for Stucco System					
	Scope.	Full removal and replacement of the stucco is required to address the noncompliant installation of the EPS foam board for the existing stucco system.					
	Loc.	Buildings A-D					
	Qty.	100%					
	Ext.	Coordinate with adjacent repairs, including underlying moisture-management and stucco repair recommendations.					
	1.	Where installed over solid substrates, remove existing EPS foam board to perform the following repairs.					Included in Building Envelope 1.0B
	a.	Ensure all EPS foam boards have 3/8-inch projecting tongues with compatible grooves at horizontal joints.					Included in Building Envelope 1.0B
	b.	At solid substrates, install new minimum 1/2-inch-thick EPS foam board with vertical grooves spaced at a maximum 12-inches on-center on the back face of the boards.					Included in Building Envelope 1.0B
	c.	The vertical grooves should be a minimum 1/4-inch wide by 1/8-inch deep as required by ESR-3529.					Included in Building Envelope 1.0B
	d.	Where EPS foam board repairs are necessary at open stud framing, use minimum 1-inch-thick EPS boards installed in compliance with ESR-3529.					Included in Building Envelope 1.0B
	2.	As an alternative to EPS foam boards with vertical grooves, flat-faced EPS foam boards may be installed over the solid substrates provided the WRB recommended in Section 3.2.4 of ESR-3529 is used.					Included in Building Envelope 1.0B
	1.0D	Non-Compliant Slope of Horizontal Stucco Surfaces					
	Loc.	Buildings A-D					
	Qty.	100%					
	Ext.	Coordinate repair with related cladding, flashing, and underlying moisture-management recommendations.					
	1.	Repair to be performed at all stucco parapet walls and pop-out boxes sloped less than 2:1.					Included below in 5.a. & b.
	2.	Remove existing stucco, lath, and building paper as required to perform the repair as described below.					Included in Building Envelope 1.0B
	3.	Install continuous shims to provide a 2:1 minimum slope on stucco wall caps.					Included below in 5.a. & b.
	4.	Install new self-sealing SAM that reduces the potential for water intrusion due to fastener holes.					Included below in 5.a. & b.

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III.	BUILDING ENVELOPE		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes	
	Repair Description							
	5.	Install new SAM over the top of the continuous shim, ensuring SAM shingle-laps over the adjacent WRB on all sides and forms a continuous saddle at the intersections with the adjacent wall.					Included below in 5.a. & b.	
	a.	3-Plex (Building A)	1	al	\$ 7,300.00	\$ 7,300.00	20 hours - Stucco Crew @ \$240 per hour Materials (\$2500)	
	b.	5-Plex (Buildings B, C and D)	3	al	\$ 6,300.00	\$ 18,900.00	30 hours - Plasterer and a helper @ \$110 per hour Materials (\$3000)	
	6.	Reinstall stucco as described in Repair Section C.1.c.					Included in Building Envelope 1.0B	
			Subtotal			\$ 26,200.00		
	1.0E	Deficient Self-Adhered Membrane under Horizontal Stucco System						
	1.	Refer to Repair Section C.1.d of engineer's report.					Included in Building Envelope 1.0B	
	1.0D	Missing Control/Movement Joints						
	1.	Refer to Repair Section C.1.b of engineer's report.					Included in Building Envelope 1.0B	
	2.0	Moisture-Management System (Barriers, Flashings, Drainage, Etc.)						
	2.0A	Missing Sheet Metal Flashing at Window Head						
	Loc.	Buildings A-D						
	Qty.	100%						
	Ext.	Coordinate repair with related cladding, flashing, and underlying moisture-management recommendations.						
	1.	Where sheet metal flashing is missing at fenestration heads, perform the repair described below.						
	a.	Install new pre-finished sheet metal flashings with 4-inch vertical legs and horizontal legs sloped 10- to 15-degrees as detailed on the architectural plans with hemmed drip edges.	1,518	loc	\$ 13.00	\$ 19,732.57	(Per 10 LF Install only) Plaster and helper @ \$110 hour / 1 hours (\$110); Materials (\$20); \$130 / 10 LF = \$13.00 LF	
	b.	Apply sealant at ends of sheet metal flashing to provide end dams.					Included above in 1.a.	
	c.	Ensure all flashing joints and comers are sealed.					Included above in 1.a.	
	d.	Ensure that the WRB above is shingle-lapped with the sheet metal flashing.					Included above in 1.a.	
	2.	Reinstall cladding per manufacturer instructions with a minimum 1/ 4-inch clearance between the bottom of cladding and the back of the sloped sheet metal flashing.					Included in Building Envelope 1.0B	
			Subtotal			\$ 19,732.57		

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III.	BUILDING ENVELOPE		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description						
	2.0B	Non-Compliant Flashing to Stucco Interface					
	Scope.	At elevated decks and awnings, remove existing edge flashing and membrane/ coating to allow for stucco repairs described below.					
	Loc.	Buildings A-D					
	Qty.	100%					
	Ext.	Coordinate with replacement of the WRB and the stucco system as described in the stucco repair sections of this report.					
	1.	Remove and reinstall existing railings as required.	456	lf	\$ 15.50	\$ 7,066.51	(Per 25 LF Typical railing) Skilled and helper @\$110 hour / 3 hours (\$330); Materials (\$50): \$380 / 25 LF = \$15.50 LF RU
	a.	Railings at 2nd level sliding glass doors.	8	loc	\$ 235.00	\$ 1,880.00	2 hours - Skilled labor & helper @ \$110 per hour Materials (\$15)
	2.	In conjunction with stucco repairs, remove and replace existing edge flashing and membrane/coating as required.	456	lf	\$ 22.50	\$ 10,257.84	(Per 25 LF Typical balcony edge) Skilled and helper @\$110 hour / 4 hours (\$440); Materials/Disposal (\$120): \$560 / 25 LF = \$22.50 LF RU
	a.	New deck coating and new awning TPO perimeter edge membrane will be required to facilitate the repairs.	2,410	sf	\$ 9.50	\$ 22,893.38	(Per 100 SF Typical balcony area) Skilled and helper @\$110 hour / 5 hours (\$550); Materials (\$400): \$950 / 100 SF = \$9.50 SF
	b.	Provide allowance for replacement of substrate as required. (Per location)	18	loc	\$ 345.00	\$ 6,210.00	2 hours - Skilled labor & helper @ \$110 per hour Materials (\$125) Allowance
	c.	Ensure the flashing is integrated with the new deck coating and awning TPO membrane.					Included above in 2.
	d.	Install new edge flashing at decks per Section C.4.a of this report.					Included above in 2.
	3.	Remove and replace stucco as required by the architectural details 12/ A8.03 and 5/ A8.04.					Included in Building Envelope 1.0B
		Subtotal				\$ 48,307.74	
	2.0C	Non-Compliant Isolation Joints at Dissimilar Materials					
	Loc.	Buildings A-D					
	Qty.	100%					
	Ext.	Typical locations for repair include joints at fenestrations, penetrations at all cladding types, vertical joints between cladding types, and joints between all cladding types and wood trim, including fascia trim at re-entrant corners.					
	1.	At locations where stucco interfaces with dissimilar materials, perform the following repairs.					Stone veneer locations only: Other non-compliant isolation joints covered in Building Envelope 1.0B
	a.	Remove and reinstall existing stone veneer as required.	380	lf	\$ 36.25	\$ 13,766.68	(Per 20 LF) Skilled and helper @\$110 hour / 5 hours (\$550); Materials/Disposal (\$175): \$725 / 20 LF = \$36.25 LF
	b.	At stucco, provide casing bead at edge of joint.					Included above in 1.a.
	c.	The depth to width ratio for the joint should be equal to 2:1.					Included above in 1.a.

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	Repair Description						
	d.	Install type B backer rod and low-modulus elastomeric sealant to provide compliant butt isolation joint at dissimilar material interfaces with joint widths that are 3/8-inch or greater.					Included above in 1.a.
	e.	Install polyethylene bond breaker tape and low-modulus elastomeric sealant to provide compliant fillet isolation joint at dissimilar material interfaces where the existing space is less than 3/8-inch wide or the dissimilar materials are out of plane.					Included above in 1.a.
	2.	Reinstall cladding as required to address other repair recommendations, providing 3/8- to 1/2-inch-wide gap between dissimilar materials.					Included above in 1.a.
	3.	Following installation of sealant isolation joints at penetrations through the cladding, set surface-mounted objects in continuous sealant against the face of the cladding.					Included in Building Envelope 1.0B
	a.	Where applicable, profile the sealant at the top of the surface-mounted objects to promote drainage over the top flanges.					Included in Building Envelope 1.0B
	4.	At isolation joints at tops of stair walls located between buildings, remove and replace sealant and backer rod; color of sealant to match existing.	2	loc	\$ 590.00	\$ 1,180.00	4 hours - Skilled labor & helper @ \$110 per hour Materials (\$150) 15 LF per location
			Subtotal			\$ 14,946.68	
3.0 Roofing System Type 1 - Spray Polyurethane Foam (SPF)							
	3.0A	Non-Compliant Slope to Roof Drains					
	Loc.	Repairs to be performed at all roof decks with non-compliant drainage.					
	Qty.	100%					
	1.	Safe off and remove existing HVAC equipment and conduit. Includes reinstallation.					
	a.	3-Plex (Building A)	1	loc	\$ 6,180.00	\$ 6,180.00	12 hours - HVAC Crew @ \$215 per hour Materials (\$3600)
	b.	5-Plex (Buildings B, C and D)	3	loc	\$ 10,300.00	\$ 30,900.00	20 hours - HVAC Crew @ \$215 per hour Materials (\$6000)

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	Repair Description						
	2.	Remove and replace membrane and underlying substrates as necessary to perform repairs described below.	14,974	sf	\$ 7.00	\$ 104,820.85	Behmer Roofing
	a.	Provide and install new flashing assembly at perimeter terminations.	2,335	lf	\$ 10.00	\$ 23,346.61	Behmer Roofing
	b.	Remove and replace damaged underlying coverboard and structure, if present. (Estimate 5%)	749	sf	\$ 4.50	\$ 3,369.24	Behmer Roofing
	c.	Install tapered insulation to provide positive drainage (1/4-inch minimum) towards roof drains.					Included above in 1.
	d.	Slope cricket a minimum of 1/4-inch-per-foot along the valley.					Included above in 1.
			Subtotal			\$ 168,616.70	
	3.0B	Roof Leaks					
	Loc.	Transition from the SPF roof and perimeter of the roof drain sump.					
	Qty.	All building B units					
	1.	Prepare the existing waterproofing system for installation of reinforcing fabric at transition from the SPF and the perimeter of the roof drain sump at all units of Building B.					Included in 3.0A
	2.	Apply waterproofing coating per manufacturer's instructions.					Included in 3.0A
	3.	At the Unit 3106 AC unit pad, provide a permanent roof repair and coordinate with repairs for C.3a in SBSA's CDC Report.					Included in 3.0A
	4.	At Unit 3104, reinstall front light to electrical box and apply a compliant sealant joint. Coordinate with repairs recommended in SBSA's CDC Report.					Included in 1.0B

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4.0 Elevated Decks, Balconies, or Walkways							
4.0A	Non-Compliant Slope of Deck						
Loc.	Repairs to be performed at all decks with non-compliant slope and drainage at edge flashing.						
Qty.	Building A: Units 3118, 3122, 3124 Building B: Units 3106, 3110, 3112, 3116 Building C: Units 3113, 3123, 3125, 3127 Building D: Units 3105, 3121, 3125						
Ext.	Coordinate with repairs recommended in engineer's report.						
1.	Remove existing deck edge flashing, membrane, and underlying substrates as necessary to perform repairs described below.						Included in Building Envelope 2.0B
a.	Remove and replace damaged underlying structure, if present.						Included in Building Envelope 2.0B
2.	Provide a notch equivalent to the thickness of the metal flashing and deck coating for a length equal to the horizontal leg of the flashing.						Included in Building Envelope 2.0B
a.	Ensure the notch slopes positively towards the deck edge.						Included in Building Envelope 2.0B
3.	Install new flashing and deck coating flush to the existing deck surface and sloped a minimum of 2-percent to the deck edge.						Included in Building Envelope 2.0B
					SUBTOTAL	\$ 1,587,741.59	

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IV.	MISCELLANEOUS	Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description					
Costs and repairs are based upon SBSA, LLC's, Construction and Design Compliance Report, dated 06/23/2021, and Supplemental Construction and Design Compliance Report, dated 10/14/2021						
1.0 Pool Cabana						
1.0A	Ceiling Damage					
Ext.	There are areas of the pool cabana ceiling that are cracked and have peeling paint. A previous repair by the original contractor was performed on the ceiling area near the area of the damaged ceiling per the disclosed Nautilus photographs. The standing seam metal roof panels of the cabana are riveted at the overlap with the metal drip edge. At the standing seam metal roof panels and drip edge interface, there are openings and at one location there are no rivets. The openings allow water to enter between the drip edge and roof panels. The disclosed photographs of the previous repair show that the repair does not appear to have addressed the underlying issue that caused the damage.					
Scope.	A) Remove existing rivets at the downhill side of the roof. B) Install sheet metal flashing under the existing standing seam metal roof. Extend the leg of the sheet metal flashing under the standing seam metal panels and under the roof underlayment a minimum of 4-inches. Extend the edge of the sheet metal flashing 1/ 4-inch past the edge of the fascia. Color to match existing roof and sheet metal drip edge. C) Drill a pilot hole through the new sheet metal flashing at the existing rivet holes and apply heat-resistant silicone sealant in the existing rivet holes. D) Attach standing seam metal roof with screws and neoprene washers at the location of the existing rivets. E) Crimp the ends of the standing seam metal roofs. F) Fix damaged drywall ceiling and paint to match.					
Loc.	Common Area / Pool					
Standing Seam Metal Roof						
1.	Remove existing rivets as required	1	loc	\$ 1,250.00	\$ 1,250.00	6 hours - Roofer (2) @ \$150 per hour Materials (\$350)
2.	Install sheet metal flashing and new rivets as required. (Estimated 22 LF)					Included in 1.0 #1
3.	Crimp ends of standing seam roof.					Included in 1.0 #1
Ceilings and Walls						
4.	Provide protection of adjacent finishes and content manipulation as required.					Included in 1.0 #7
5.	Remove and reinstall existing recessed light fixtures.	12	loc	\$ 75.00	\$ 900.00	1 hours - Skilled labor @ \$65 per hour Materials (\$10)
6.	Remove and replace damaged drywall where required. Add blocking where missing.	1	loc	\$ 435.00	\$ 435.00	3 hours - Drywall Installer (2) @ \$120 per hour Materials (\$75)
7.	Seal new drywall and paint entire ceiling to match existing.	283	sf	\$ 3.06	\$ 865.29	(Per 75 SF Prime / Caulk / Paint (2) coats) Painters (2) \$130 hour / 1 hours (\$130): Materials (\$100): \$230 / 75 SF = \$3.06 SF
8.	Remove protection and clean repair area.					Included in 1.0 #7

Date	July 23, 2021 (REVISED November 08, 2021)		Preliminary ESTIMATE OF COSTS for Gallery Community Association				
IV.	MISCELLANEOUS		Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes
	Repair Description						
Fire Feature							
9.	In conjunction with repairs above, remove and replace existing wall finishes as required.		1	al	\$ 740.00	\$ 740.00	4 hours - Skilled labor & helper @ \$110 per hour Materials (\$300)
10.	Furnish and install new hardwired switch control box.		1	al	\$ 590.00	\$ 590.00	3 hours - Electrician and helper @ \$130 per hour Materials (\$200)
11.	Furnish and install new remote system control box. Make up the wire connections from the switch control box to the remote receiver.		1	ls	\$ 1,980.97	\$ 1,980.97	Magic Touch Mechanical: Estimate #32855778
12.	Furnish and install new igniter control box.		1	ls	\$ 1,576.22	\$ 1,576.22	Magic Touch Mechanical: Estimate #17942481
			Subtotal			\$ 8,337.48	
2.0 Roof Deck Penthouse Door							
2.0A	Interior Door Trim Damage						
Loc.	Roof access door / Units 3106 and 3123						
Qty.	(2) Locations						
1.	Apply sealant at door jambs, prep and paint to match existing.		2	loc	\$ 295.00	\$ 590.00	2 hours - Skilled labor & helper @ \$110 per hour Materials (\$75) Includes protection and clean up
			Subtotal			\$ 590.00	
3.0 Interior Repairs - Resultant Damage							
Scope.	Perform repairs to damaged interior finishes as required.						
Loc.	Where observed (Per SBSA Observation Drawing Set)						
Ext.	Repair includes protection and content manipulation as required.						
Building B							
1.	Unit 3104						
a.	Upper level / Drywall repair: Water damaged ceiling in back room.		1	al	\$ 555.00	\$ 555.00	4 hours - Drywall Installer (2) @ \$120 per hour Materials (\$75)
b.	Upper level / Drywall repair: Water damaged ceiling vent in hallway.		1	al	\$ 290.00	\$ 290.00	2 hours - Drywall Installer (2) @ \$120 per hour Materials (\$50)
c.	Seal all new drywall and paint wall and ceiling planes as required (2) colors / (2) coats. Includes masking and caulking as required.		1	al	\$ 950.00	\$ 950.00	5 hours - Painters (2) @ \$130 per hour Materials (\$300)
2.	Unit 3106						
a.	Upper level / Drywall repair: Water damaged ceiling at bedroom and laundry room.		1	al	\$ 580.00	\$ 580.00	4 hours - Drywall Installer (2) @ \$120 per hour Materials (\$100) Included in 3.0 #2
b.	Swollen interior door jambs and moisture under tile. (Perform in conjunction with 2.0 #1)		1	al	\$ 700.00	\$ 700.00	5 hours - Skilled labor & helper @ \$110 per hour Materials (\$150)
c.	Seal all new drywall and paint wall and ceiling planes as required (2) colors / (2) coats. Includes masking and caulking as required.		1	al	\$ 1,340.00	\$ 1,340.00	8 hours - Painters (2) @ \$130 per hour Materials (\$300)

Date		July 23, 2021 (REVISED November 08, 2021)					Preliminary ESTIMATE OF COSTS for Gallery Community Association	
IV.	MISCELLANEOUS	Repair Description	Repair Quantity	Unit Type	Unit Cost	Direct Cost	Notes	
							Building C	
7.	Unit 3123							
a.	Swollen interior base trim at Penthouse doorway. Includes removal and replacement, and painting as required. (Perform in conjunction with 2.0 #1)	1	al	\$ 405.00	\$ 405.00	3 hours - Skilled labor & helper @ \$110 per hour Materials (\$75)		
		Subtotal			\$ 4,820.00			
				SUBTOTAL	\$ 13,747.48			

Exhibit E

1 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

2 IN AND FOR THE COUNTY OF MARICOPA

3 GALLERY COMMUNITY ASSOCIATION, an Arizona non-profit
4 corporation,
5 Plaintiff,

6 v. CASE NO. CV2020-008714

7 K. HOVNIANIAN AT GALLERY, LLC, an Arizona limited
8 liability company; K. HOVNIANIAN ARIZONA OPERATIONS,
9 LLC, an Arizona limited liability company; K. HOVNIANIAN
10 DEVELOPMENTS OF ARIZONA, INC., an Arizona corporation;
11 K. HOVNIANIAN COMPANIES OF ARIZONA, LLC, an Arizona
12 limited liability company; JOHN DOES I-X AND JANE DOES
13 I-X, WHITE CORPORATIONS I-X; BLACK PARTNERSHIPS I-X;
14 and GRAY LIMITED LIABILITY COMPANIES I-X,
15 Defendants.

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K. HOVNIANIAN AT GALLERY, LLC, an Arizona limited
liability company; K. HOVNIANIAN ARIZONA OPERATIONS,
LLC, an Arizona limited liability company; K. HOVNIANIAN
DEVELOPMENTS OF ARIZONA, INC., an Arizona corporation;
K. HOVNIANIAN COMPANIES OF ARIZONA, LLC, an Arizona
limited liability company,
Third-Party Plaintiffs,

v.

CHAS ROBERTS AIR CONDITIONING, INC., an Arizona
corporation; DESERT VISTA, INC., an Arizona corporation;
GOTHIC LANDSCAPING, INC., a California corporation;
HOME BUILDERS SITE SERVICES OF ARIZONA, LLC, an Arizona
limited liability company; LEBLANC BUILDING CO., INC.,
an Arizona corporation; LIBERTY CONSTRUCTORS, LLC, an
Arizona limited liability company, d/b/a LIBERTY
ARIZONA; RENCO, LLC, an Arizona limited liability
company, d/b/a RENCO ROOFING; R/S SERVICE & SUPPLY,
INC., an Arizona corporation; SARGON MASONRY
CONSTRUCTION, LLC, an Arizona limited liability
company; and DOES 1-50,
Third-Party Defendants.

1 Q. Got it.

2 MS. MANSHIP: (Unintelligible.)

3 MR. HOROWITZ: Sorry. I hear someone else
4 talking.

5 MS. MANSHIP: Oh, sorry. That was me, Penny.
6 Are you marking this as Exhibit 50?

7 MR. HOROWITZ: Yes.

8 Q. (BY MR. HOROWITZ) If I look at the second
9 page, regarding "Tenant-Reported Leaks." Do you see
10 that?

11 A. Yes.

12 Q. Do you recall how that information came to
13 you?

14 A. The tenant told us that when we were on-site.

15 Q. Was that when you were on-site in October or
16 previously?

17 A. Based upon the square with the letter G, that
18 was August of 2021.

19 Q. Okay. Do you recall what you were out
20 on-site for on August 24? Do you recall how that came
21 to you in August 2021?

22 A. Give me one second. Give me one second.

23 Q. Yeah.

24 A. That's OBS8. Jeff Felderman was on-site, I
25 believe, at that point to observe these leaks. Let me

1 get you his front photo. On August 23rd, he was
2 looking at the pool cabana roof damage, interior
3 drywall damage from -- and there was a repair -- I
4 guess I wouldn't call it a repair.

5 There was a patch being conducted to stop the
6 water damage with some plastic over it. My
7 recollection is he went down due to the leak was the
8 main reason he was there.

9 Q. The main reason that he was on the property
10 was because of a roof leak, correct?

11 A. That's my recollection. On that
12 August date --

13 Q. Okay.

14 A. -- he took 200 photographs that day.

15 Q. And do you recall if there was any particular
16 reason to be looking at nail pops, door issues, or --

17 A. Any time --

18 Q. -- cabana issues?

19 A. Sure. Any time we go into these units, we
20 want to document levels of damage. Obviously, with the
21 civil engineering post-tensioned slab, the original GTI
22 report indicating highly expansive soils, the
23 expectations of a slab on grade, resulting in a
24 manifestation of damage due to the interdisciplinary
25 issues.

1 I had my staff always look at these issues
2 and write them down.

3 Q. Had someone indicated to you that the nail
4 pops were new?

5 A. We had noted upper-level pops in the OBS1 in
6 2019 when Sameer was on-site. Mr. Felderman was just
7 rephotographing some of those. I'd have to go photo by
8 photo against that to see if there were new ones. But
9 he is certainly just re-walking the unit and making
10 notes as he goes.

11 Q. Okay. Was there something -- some -- let me
12 ask it -- let me ask this a different way. Had you
13 been to the cabana prior to the August 23rd
14 investigation? When I say "you," I mean you personally
15 or anyone on SBSA staff.

16 A. I had and my staff had.

17 Q. Okay. Had you taken photographs prior to
18 August 23rd?

19 A. Yes, I would have taken them. I believe
20 Mr. Faris did in December of '18. I did as well in, I
21 believe, May of '19.

22 Q. Okay. And I'm going to close this exhibit.
23 Stop share on each of these. I want to go back to the
24 things that are in your job file and, in particular,
25 the repair -- repair plans.