

Brown Homestead Construction Monitoring Report

September 19, 2011

General Notes:

Annotated construction progress photos are posted at the following online locations:

August: <http://www.flickr.com/photos/bdealva/sets/72157627364821936/>

September: <http://www.flickr.com/photos/bdealva/sets/72157627633436114/>

For owners not living in Telluride; the last two months have seen a continuation of a very strong monsoon weather pattern with frequent (mostly) afternoon thunderstorms and more than a few days with (almost) continuous precipitation. The combination of wet weather and mitigation of rotted wood has delayed the project by at least three weeks. Fortunately, the impact to the budget has not been great and the forecast is finally calling for some drier weather.

Hope Construction (the carpentry subcontractor) included a \$5,000 allowance in their fixed bid for remediation of rotted wood. Relatively minor problems with rotted wood were encountered on Buildings A and B. More significant problems were discovered on Buildings C and D. The \$5k allowance has been consumed so the cost of any additional mitigation will come out of the mold mitigation budget.

Construction Progress and Schedule:

Owners are advised to check the progress photos (links above) as the best way to ascertain the current state of the project. The photos are in chronological order so the most recent photos will be at the end of the current month's album. New photos are added weekly.

Site Work, including trenching, excavation, backfill and restoration of landscape is running over budget. The budget has been depleted and the work originally scheduled is only +/- 60% complete. None of the work is by fixed bid. The cost overrun is primarily due to higher than anticipated costs for excavation of footers for the structural columns. Restoration of landscape has not begun and additional (Change Order) work is anticipated for drainage at the southwest corner of Building-C and at the D2 south patio. The HOA should anticipate costs will run at least \$5k over budget.

New Decks, Roofs, Siding and Trim: Hope Construction has been running a crew of 12 men since mid-July. In spite of the adverse weather, the pace has picked up with each building. Siding and trim on Buildings A and B are complete except for punch list work. Siding and trim on **Building-C** are approximately 75% complete as of this date. **Building-D** demolition of old siding and trim and installation of new windows and exterior doors is complete. Framing of the new decks and roofs is underway along with installation of new trim and siding.

Hope crews are scheduled to begin demolition on **Building-E** this week. Hope will prioritize **Building E** demolition, installation of new windows and doors, new deck and roof framing and work related to completion of roofs over completion of siding and trim on **Building-C**. The rational is to complete the work that would be most impacted by winter conditions first. Hope Construction expects to complete their entire scope of work by mid-November.

Stone Ridge Roofing has been the most impacted by the wet weather. The roofs on **Buildings A & B** are mostly complete. The **Building-C** roof installation is scheduled this week. New roofing underlayment has been installed on **Building-D** but the new chimney enclosures have not been installed. Stone

Ridge has started installation of corrugated metal skirting on Building-A. The current expectation is that Stone Ridge will not complete the metal cladding on **Building-E** before late November. Stone Ridge will not commence installation of snow retention and heat-traced gutters and downspouts until completion of the standing-seam roofing on Building-E – currently expected around mid-October.

Summit Metal Works has completed fabrication of new deck and stair railings for Buildings A & B. Those railings are scheduled for powder-coating (baked on enamel finish) this week and installation next week. Buildings C & D railings are scheduled for fabrication in the next two weeks and should be installed by mid-October. A sample architectural chimney cap should be installed next week. They will proceed with fabrication of the remaining caps once they have confirmed there are no problems with the sample cap.

Schedule Summary: New siding and trim, all roofing, metal cladding, chimneys, gutters and down spouts and metal railings are currently expected to be complete by the end of November. Buildings A, B & C should see completion of final punch list work this year as well. Completion of punch list work, final painting on Building-E as well as restoration of landscape around buildings D & E will most likely push till next spring.

Budget:

A budget update report is attached. Lines shaded red are currently anticipated to go over budget, lines shaded green are anticipated to be under. Overall, the project budget is in very good shape. The only change orders to date have been for; (1) a new deck membrane over the B1 enclosed porch and (2) added windows in Buildings D & E. The roof membrane over the B1 enclosed porch had to be replaced because the existing membrane was not wide enough to cover the edges where the deck railing walls were removed. The added windows in Building-E will be paid for by those owners. A Change Order is pending for additional site work related to drainage.

As mentioned above, Hope Construction has used up the entire \$5k allowance that was part of their fixed bid for mitigation of rotted wood. It appears unlikely there will be any need for mold mitigation so that \$6,725 budget allowance will be used for additional costs related to mitigation of rotted wood. To date, Hopgood has used \$6,158 of his \$47,308 contingency budget. Hopgood's general conditions costs are running over budget and can be expected to go further over budget due the extended time of construction. General conditions overruns will come out of HBC's contingency budget unless the overrun is due to an owner requested change. Given the remaining balance in the HBC contingency (\$41,150) it very unlikely the budget will be depleted.

The HOA has a separate contingency budget with \$63,221 remaining. That amount is higher than the original target for the HOA contingency that was set prior to start of construction.

Any questions may be directed to Bill de Alva at the number or email address provided above.

Thank you,
Bill de Alva

cc: Budget Status Report

Brown Homestead Exterior Renovation Budget Update

As of 9/19/2011

Category	Original Budget	Change Orders	Revised Budget	Cost to Date	\$ Remaining	% Disb.
Soft Costs						
Owners Rep Construction Admin	40,000.00		40,000.00	23,281.75	16,718.25	58%
FC Construction Admin	3,000.00		3,000.00	1,330.00	1,670.00	44%
Extra Meetings and Mailings	2,000.00		2,000.00	1,638.00	362.00	82%
Building Permit	5,000.00		5,000.00	4,791.00	209.00	96%
Design	4,188.00		4,188.00	3,041.02	1,146.98	73%
HBC Precon Services	1,280.00		1,280.00	1,280.00	-	100%
Hard Costs				0.00	0.00	0%
General Conditions	35,266.50		35,266.50	25,688.03	9,578.47	73%
Site Construction	14,175.00		14,175.00	14,075.00	100.00	99%
Concrete	6,000.00		6,000.00	1,792.55	4,207.45	30%
Metals	65,750.00		65,750.00	15,164.00	50,586.00	23%
Wood & Plastic	390,895.72		390,895.72	265,069.34	125,826.38	68%
Thermal & Moisture	192,650.00	893.00	193,543.00	66,629.50	126,913.50	34%
Doors & Windows	123,144.72	7,886.65	133,413.44	130,395.18	3,018.26	98%
Finishes	31,550.00		31,550.00	14,750.00	16,800.00	47%
Chimney Flues	7,292.80		7,292.80	345.00	6,947.80	5%
Mold Mitigation	6,725.00		6,725.00	0.00	6,725.00	0%
Mechanical	26,500.00		26,500.00	5,833.20	20,666.80	22%
Electric	46,227.63		46,227.63	13,374.50	32,853.13	29%
HBC Contingencies / Freight	47,308.87		47,308.87	6,158.50	41,150.37	13%
Overhead 7%	69,544.04		69,544.04	39,149.24	30,394.80	56%
Insurance	4,158.00		4,158.00	3,960.35	197.65	95%
Total Hard Costs	1,067,188.28		1,078,350.00	602,384.39	475,965.61	56%
Other (Owner) Contingency	72,583.72	(8,779.65)	63,804.07	582.75	63,221.32	1%
Total Project Costs	1,195,240.00	-	1,197,622.07	638,328.91	559,293.16	53%