

JANUARY 14, 2015

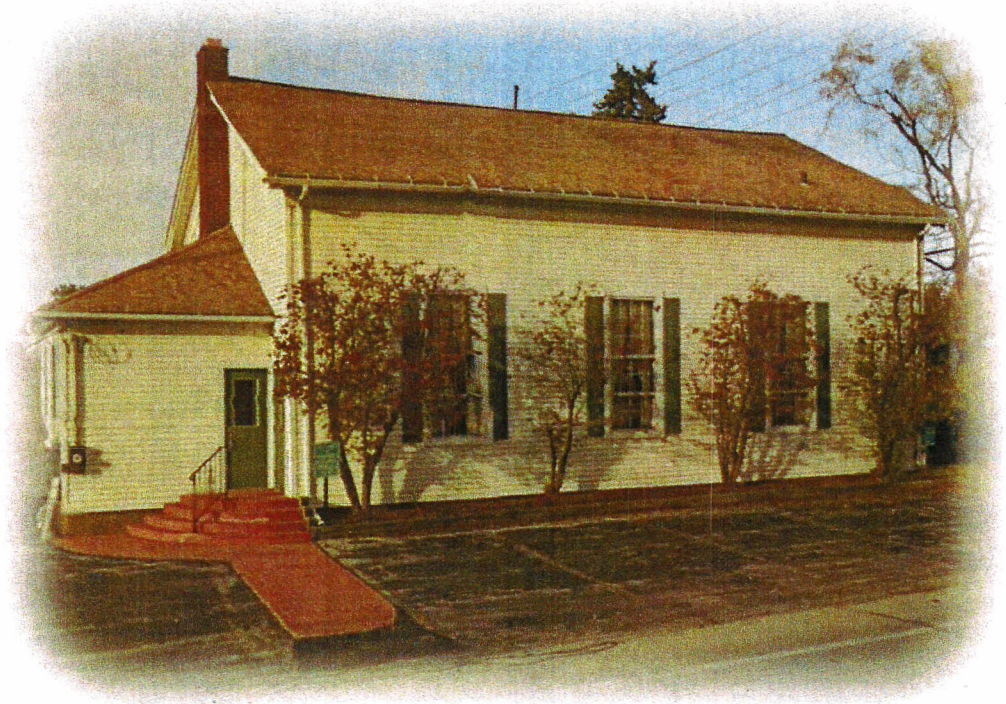
PROPOSAL FOR TOWN HALL

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Prepared for:

RUSSELL TOWNSHIP OHIO

Mr. Chuck Walder

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Novelty, OH 44072
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440.338.1965

Consultant:

millerdodson | Capital Reserve Consultants
ASSOCIATES

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Annapolis, MD 21401
410.268.0479
800.850.2835



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January 14, 2015

Mr. Chuck Walder
RUSSELL TOWNSHIP
8501 Kinsman Road
Novelty, OH 44072

Tel: (216) 554-1094

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Email: cwalder@russelltownship.us

RE: Town Hall
Level I, Full Replacement Reserve Study

Dear Mr. Walder,

We are pleased to submit this Proposal for a Replacement Reserve Study for Town Hall in Novelty, Ohio. MILLER - DODSON ASSOCIATES specializes in Replacement Reserve Studies and other technical inspection reports that are tailored to condominium and homeowner associations such as Town Hall. Our Reserve Studies are in full compliance with the current Community Associations Institute National Reserve Study Standards and are conducted under the direct supervision of an accredited Reserve Specialist as designated by the Community Associations Institute.

Perhaps the most salient aspect of our services is our proven experience and expertise with communities such as Town Hall. We are honored to have been selected to provide Reserve Study consulting for a wide number and type of communities throughout the United States. And we are proud that these clients look to us again and again to satisfy their Reserve Study needs.

We are proud of our reputation as one of the leading Reserve Study firms in the industry. We offer our professional services through our well-established network of experienced registered architects, professional engineers, and accredited Reserve Specialists with whom we have performed over 4,000 reserve studies. Our report not only offers realistic financial modeling for reserve funding requirements, but our proprietary, state-of-the-art Rstudy+ software provides useful, informative graphics and easy-to-understand text.

Furthermore, we recognize that, in today's economic climate, large assessment increases can bring with them myriad problems. These issues range from concerns about staying competitive in the housing market and the effects on homes sales of rising dues, to increased delinquencies which can limit a community's ability to qualify for FHA mortgages and capital bank loans. MILLER - DODSON addresses these issues by offering, as a follow-on service, the unique capability of developing **Strategic Funding Solutions** for those communities faced with large increases in their Reserve Funding requirements. By including such factors as incremental increases (ramping up), bank loans, and variable income sources, we can customize the funding program to each community's unique needs and abilities.

Please take a few moments to review the attached proposal. A list of community references is included for your convenience. Should you have any questions, or if we can be of further assistance, we trust that you will not hesitate to contact us.

Sincerely,
MILLER - DODSON ASSOCIATES, INC.



James W. Dodson, Jr., RS, PRA
Principal

Alexandria, VA
Annapolis, MD
Atlanta, GA
Charleston, SC
Colorado Springs, CO
Columbus, OH
Philadelphia, PA
Virginia Beach, VA

**PROPOSAL FOR RESERVE STUDY SERVICES
For Town Hall
January 14, 2015**

MILLER - DODSON ASSOCIATES proposes to provide a Level I Full Replacement Reserve Study for Town Hall located in Novelty, Ohio (hereafter referred to as Client). This Study is in compliance with the Community Associations Institute (CAI) National Reserve Study Standards as well as with the AICPA CIRA Guidelines. All Reserve Studies are conducted under the direct supervision of a Reserve Specialist as accredited by the CAI. This Study will contain an inventory of all commonly owned components for which a reserve should be maintained, and will provide an estimate of the remaining useful life and current replacement cost of each item. The Study will further provide an analysis of the current funding status of the Reserves and will recommend a funding plan for future annual contributions to the Reserve Fund.

SCOPE OF STUDY: The analysis is to cover all common components of the property including:

- Site features including power plants, well, septic, walkways, lots, exterior lighting, signage, flag poles, radio towers, hardscape, fencing, and other site amenities.
- Building exterior elements including building exteriors, roofs, windows, and doors.

EXCLUSIONS: Roads and equipment owned by Township.

We will need to inspect all secured common areas of the facility, as well as roofs, to determine the condition of the material used in their construction. The community manager will be requested to arrange access to these locations prior to our arrival on site. We further understand that to-scale site and construction plans accurately showing all site improvements are not available. We will assume that any items with a replacement value of less than \$1,000 will be treated as a maintenance item and, therefore, will not be included in the reserve study.

FEES: This fee is inclusive of all travel and direct expenses associated with the proposed study. The fees are payable in accordance with the following schedule. Accounts in arrears more than 30 days shall accrue at 1.5% per month. Additionally, the client will be responsible for any and all costs, including reasonable attorney fees, incurred in pursuing collection.

The fee for the Level I Full Replacement Reserve Study will be:		\$7,895.00
Retainer at the acceptance of the Proposal	(35%)	\$2,763.00
Payment due and payable at delivery of the Preliminary Report	(65%)	\$5,132.00

Meetings requested by the Client will be billed separately at our normal hourly rate and may be scheduled at the Client's discretion. Additional services for conferences, meetings, and other related services will be billed on an hourly basis under the rate schedule accompanying this proposal.

This Proposal is valid for six months from the date of the Proposal. If you have any questions concerning this proposal, or if we can be of assistance in other matters, please do not hesitate to contact me.

Respectfully submitted,
MILLER - DODSON ASSOCIATES, INC.

James W. Dodson, Jr., RS, PRA
Principal

The Undersigned hereby attests that they have read the Proposal as well as the Terms and Conditions which are incorporated herein and made a part hereof, and that they authorize Miller - Dodson Associates to perform the work as proposed. The undersigned further attests that they have the authority to authorize such work on behalf of the Client.			
 Signature	/	Fiscal Officer Title	/
		Tussell Twp OA Organization	/
		2-6-2015 Date	

Please mail a copy of this acceptance page with the retainer payment to the address above.

PROPOSAL TERMS AND CONDITIONS

STUDY METHODOLOGY

Report Production: Production of the preliminary report is typically completed within 30 working days of receiving a signed copy of this Proposal. This turnaround time varies based on several factors including availability of the site for inspection, availability of documents for review, requirements for advanced travel arrangements, and current workload. More stringent time requirements will be accommodated where possible.

Client Review and Revisions: Miller - Dodson Associates has learned, based on years of experience, that the most successful studies are those which are done in a closely interactive relationship with the Client and its management professional. A comprehensive on-site evaluation by an experienced Reserve Analyst will be conducted, and the resulting data compiled and analyzed. At that time, the preliminary report will be submitted to the Client for review and comment. Based on the Client's input, the report will be revised, as appropriate, and the final report submitted. There are no additional costs for the first revision.

Final Report: It is Miller - Dodson Associates' desire to afford the Client adequate time to review and respond to the completed study. However, such revision requests should be submitted in writing within 90 days of the date of the preliminary report. The Preliminary Report represents a valid opinion of our findings and recommendations, and is deemed as final if no changes or revisions are requested within 90 days of the date of the Preliminary Report.

Interest and Inflation Calculations: The Replacement Reserve Study we have proposed will include, at the discretion of the Client, factors for inflation and interest earned on the Reserve Balance using pre-agreed inflation and interest rates. We strongly recommend, however, that the Client update their Replacement Reserve Study regularly to account for actual increases in costs and actual interest earned on reserves.

Meetings: Miller - Dodson Associates and its staff make every effort to be available to meet with the Client to discuss the results of the study and to answer any questions. We welcome these meetings as opportunities for the free and open exchange of information that is valuable to the accuracy of the report. Please note that the cost of these meetings and additional services are not included in the Report fee.

Additional Services: Miller - Dodson Associates has attempted to tailor our services to the needs of the Association. Additional services available to the Association at its request include the planning of alternative funding strategies based on the results of the study, and professional presentations to the Association membership. Additional services for conferences, board meetings, and other related services will be billed on an hourly basis. Travel time associated with additional services will be billed on an hourly basis portal to portal plus expenses.

Additional Testing or Specialty Inspections: During the course of the visual inspection, conditions may be observed which reasonably warrant additional investigation. This may entail more detailed inspections, or testing of samples and systems. Any additional testing or inspection recommended during the course of our services will only be undertaken with the written approval of the client or their approved representative.

INSPECTION METHODOLOGY

Visual Inspection: Our inspection will be visual and in accordance with the standard practices in the industry for such inspections. The Client understands that our services are based on our observations of visible and apparent conditions at the time and date that the services are performed. Miller - Dodson Associates will not disassemble equipment, conduct engineering tests, make excavations or openings in walls or ceilings, or enter spaces that are inaccessible or potentially hazardous. Should the Client wish to have a thorough engineering inspection performed, Miller - Dodson Associates will be pleased to provide a formal quote for such services.

Standards of Care: Although care will be taken in the performance of these services, Miller - Dodson Associates makes no representations regarding latent or concealed defects or conditions that may exist. Certain elements, such as underground piping, and concealed wiring are not accessible for visual inspection. Our report may be based on representative samples of like items, and is not meant to imply that every component was inspected or every possible defect discovered.

Right of Entry to Site: The Client grants Miller - Dodson Associates the right of entry to the project sites by its employees, agents, and subcontractors, to perform the service. The Client warrants and represents that it has the authority and permission of the owner and occupant of the property to grant right of entry to Miller - Dodson Associates.

Access to Site: The Client is responsible for arranging access for Miller - Dodson Associates employees, agents, and subcontractors, to any and all secured or unsecured spaces. Ladders, lifts, hoists, or other such devices as are necessary for access within the property, shall be readily available for use by Miller - Dodson Associates. In the event complete access is denied at the time the site work is first performed and Miller -

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Dodson's analyst must make additional trips to the site to gain necessary access, the cost of all additional travel and time on site made necessary by the initial lack of access will be billable at our prevailing hourly rates.

Notice to Residents: Unit interiors will not be included in this study (except as noted in this Proposal). However, it may still be advisable to notify the homeowners of our presence on the site.

Force Majeure: Neither Miller - Dodson Associates or the Client shall hold the other responsible for damages or delays in performance caused by events beyond the control of the other party and which could not have been reasonably anticipated and prevented. These events include, but are not limited to, acts of governmental authority, acts of God, materially different site conditions, wars, riots, rebellions, sabotage, fires, explosions, accidents, floods, strikes or other conceded acts of workers, lockouts, changes in laws, regulations, or ordinances. The party intending to invoke force majeure shall provide prompt notice to the other party.

Delays in Work: Client will be responsible for reimbursing Miller - Dodson Associates at the normal customary hourly rate for any on site delays caused by failure of the Client or their agents to provide access or right of entry as provided in this Agreement.

OTHER CONSIDERATIONS

Estimates of Remaining Functional Utility: The Client understands and agrees that, due to the nature of the projections and future events outside of our control, Miller - Dodson Associates cannot guarantee the remaining life expectancy or replacement cost of individual components or systems included within this study. Estimates of remaining life are necessarily based on industry experience and statistical comparisons, and on the visually apparent conditions at the time and date that the inspections are performed. Actual conditions may alter the remaining life of any item. In particular, the previous use of an item, adequacy of previous, current and future maintenance, quality of original manufacture and installation, or other unknown conditions make it impossible to state precisely when each item will, in fact, require replacement or major repair. Estimates of remaining life are just that, estimates; they are to be used solely as parameters for funding and planning purposes.

Estimates of Probable Replacement Costs: The cost estimates included herein are strictly estimates. They are based on our best professional judgment and on recent experience of similar estimates and work in the area in which this study is conducted. It is the Client's responsibility to provide Miller - Dodson Associates with any information in its possession pertaining to more replacement costs of work recently proposed or completed.

Use of Information and Documents: Miller - Dodson Associates has the right to assume, without independent verification, that all financial and other information is accurate and complete. The client is responsible for providing documents suitable for review including, but not limited to, site and construction plans, current reserve schedules, and financial data pertaining to of reserves on hand and the annual contribution to reserves.

Confidentiality: Miller - Dodson Associates agrees to treat as confidential all client information generated by this work. The Client agrees that the report provided by Miller - Dodson Associates contains certain intellectual property and therefore will not distribute, reproduce or otherwise transmit this report to any party who may conduct reserve studies without the express written consent of Miller - Dodson Associates. Any breach of this paragraph by the Client or its representative shall entitle Miller - Dodson Associates to seek injunctive relief and enforcement of these terms.

Use of the Work: The Client agrees that this report is intended to provide funding parameters for the purpose of developing a capital reserve budget. Thorough engineering analysis and testing of the components included herein is outside the scope of this report. This report should not be construed to represent an appraisal of insurance or property value, or a replacement schedule or specification for bidding purposes.

SPECIFIC EXCLUSIONS

Hazardous Materials: Hazardous materials may be present in buildings including, but not limited to, molds, radon, urea formaldehyde foam, asbestos, and lead paint. We will not inspect or test for such materials unless otherwise requested and specifically included in the Scope of Services and covered by the agreed fee. The presence of these materials may affect the cost of future capital replacements. The Client agrees that it is the Client's responsibility to alert Miller - Dodson Associates to the presence of these materials.

Code Compliance Review: Unless defined in the Scope of Services above, these services will not include the evaluation of the properties' compliance with building codes, life safety codes, zoning requirements, nor other sub-trade codes. These services will not include any evaluation of the properties for compliance with the Americans with Disabilities Act, the Federal Rehabilitation Act, or the Fair Housing Act.


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Specialty Construction: Unless defined in the Scope of Service, our services do not include pest inspections, or evaluation of underground fuel tanks, wells, water treatment systems, septic systems, security systems, plants, foliage, trees, lawn sprinkler systems or any system with a timing control device, intercom systems, fire suppression systems, state of the art equipment (such as solar collectors), water or air quality, other general environmental factors. It is preferable to have these components evaluated by specialists in these fields. We will, however, incorporate the results of specialty inspections into the Study upon receipt of those inspection reports.

POST EVALUATION PROCEDURES

No Assignment: This is an agreement between Miller - Dodson Associates and the Client. The Terms and Conditions of this Agreement, as well as the final report and/or any work product, are not assignable without the prior written consent of Miller - Dodson. The contents of the Reserve Study are not to be relied upon by any firm, person or entity, other than the client for any reason whatsoever, except for Level II Updates of the studies content that are procured by the Client.

Arbitration of Disputes: If any claim arises related to this contract or our services or reports, it shall be filed within a reasonable time after the discovery of the problem, and in no event later than one (1) year from the date the services were performed. The parties will submit to mediation in Maryland before a mutually agreeable, formally trained mediator to resolve the claim. Should mediation fail to achieve complete resolution of all claims (evidenced by way of written release), then binding arbitration at Miller - Dodson's sole discretion before a formally trained arbitrator in Maryland may be implemented. If we choose to have a dispute settled by arbitration, judgment upon any award rendered by an arbitrator may be entered in any court having jurisdiction thereof. In any arbitration or legal action in which the defending party is found without fault, the prevailing party is entitled to the costs of its reasonable attorney's fees and costs from the non-prevailing party.

Maryland Law: This agreement shall be governed and interpreted according to the law of the State of Maryland, regardless of where any arbitration proceedings or litigation may take place.

Limit of Liability: Our liability for any claims related to this Agreement or the services rendered will not exceed the amount of the fee paid for the service.

Fee Schedule for Meetings and Additional Consulting Services:

	Hourly	Per Diem
James W. Dodson, Principal	\$160	\$1,200
Peter B. Miller, Principal	\$160	\$1,200
Other Analysts	\$120	\$1,000
Clerical	\$ 35	
Travel	Prevailing IRS rate	
Litigation Preparation	\$180	NA
Litigation Testimony	NA	\$1,800

END OF PROPOSAL TERMS AND CONDITIONS

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