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June 26th, 2015

Mr. Hardeep Anand
Director of Public Works
City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301

Re: Redevelopment of the Fort Lauderdale Aquatic Complex
City Clarification Letter Received June 26th, 2015

Dear Mr. Anand:

This communication shall serve to confirm receipt of your letter, dated June 22nd, regarding the City's clarifications and position regarding pending items at the Fort Lauderdale Aquatic Complex. As you might imagine, RDC does not concur with the City's position, and offers the following response:

Engineered Shop Drawings: While we understand the City's position that expenses for these items shall be paid during the construction phase, we find it unreasonable and unrealistic to expect the specialty contractors to provide specialty engineering services and then wait an untold amount of time to receive compensation. The whole reason that the specialty contractors charge for engineering is to ensure that their time and effort is not wasted by an owner who later decides to value engineer their scope or award the contract to an alternate manufacturer. We have no way of obtaining the shop drawings unless the City authorizes RDC to use the funds that were set aside for this purpose as part of the project estimate. Additionally, by committing the manufacturers at this time, pricing can be determined and held. If the City elects to maintain the previously stated position and refuse to fund this activity, RDC will have no choice but to proceed with construction documents without manufacturer input. This places the City at risk of redesign and delays, once the drawings are completed, as well as cost increases and escalations for each of these items. We would be remiss to fail to remind the City that many of these manufacturers have been holding their pricing for more than 3 years on the promise of a forthcoming commitment. We can no longer guarantee that the manufacturers will not raise their pricing.

Elevated Dive Bleachers: RDC disagrees with the City's position that the dive pool bleachers are to be elevated above the deck, as a project requirement. Elevating the first row of bleachers at the Dive Pool was never the intent, specification or requirement of the project. Additionally, there was not FINA or USA Swimming Facility rule requiring this at the time of the Agreement. In fact, to date, there has been no change to the

facility rules which would require this design element. RDC's basis of design drawings, as submitted and exhibited in the Developer Agreement, complies with all rules, requirements and regulations, and clearly indicates that the first row of the bleachers at the dive pool commence at deck level. Furthermore, as listed in article 3.43.1 of the Agreement, the project plans take precedence over the Agreement, GMP and the City's Construction Standards. As such, the decision to elevate the dive pool bleachers, similar to the competition pool bleachers, is an additional scope. Should the City elect to enforce its rights under the Agreement, please do so in accordance with Article 7 of the Agreement and Issue a Construction Change Directive.

Pool Treatment System: RDC shall direct the design team to incorporate this change.

GMP: We understand that the City Commission has authorized an increase to the GMP due to cost escalation. However, given continued delays and the City's position regarding shop drawings, RDC cannot agree or guarantee that there will be no further cost increases due to escalation. Further, the Commission's decision to approve a portion of our escalation does not invalidate the remaining amount.

Finally, given the delay in obtaining these clarifications, and a yet to be delivered Change Order 1, RDC cannot guarantee delivery of the 90% construction documents by the previously established deadline. As detailed in a letter to the City, dated June 24th, RDC has been forced to stop the design team due to resolution of pending items and delivery of the executed Change Order 1. As a reminder, Change Order 1 was approved by the City Commission on May 5th, but has yet to be executed.

Please feel free to contact me, should you have any questions, or if you would like to discuss any of the items detailed above.

Respectfully,



David A. Gomez
Project Manager

CC: Joe Cerrone, Recreational Design and Construction
Thomas Green, City of Fort Lauderdale
Lee Feldman, City of Fort Lauderdale
Susanne Torriente, City of Fort Lauderdale
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