

**DESIGN PEER REVIEW AND CONSTRUCTION MONITORING SERVICES
AGREEMENT**

FOR LENNAR MULTI-FAMILY COMMUNITIES

PUBLIC IMPROVEMENTS

THIS AGREEMENT is made this ___day of _____, 201_, by and between the Bloomington Port Authority, a public body organized under the laws of the State of Minnesota located at 1800 West Old Shakopee Road, Bloomington, Minnesota 55431 (hereinafter referred to as the “Authority”), and LSA Design, Inc. 219 North Second Street, Suite 302, Minneapolis, MN 55401 (hereinafter referred to as the “Consultant”).

WITNESSETH

WHEREAS, the Authority has a need for a Consultant to provide construction monitoring and budget review services (hereinafter collectively referred to as the “Construction Monitoring Services” and “Design Peer Review”) for the construction of a parking ramp and landscaping associated with the Lennar multi-family apartment and associated parking ramp project (collectively, the “Project”); and

WHEREAS, the Consultant is an engineering consulting firm and represents that it has the professional expertise and capabilities to perform its duties for these Construction Monitoring Services and Design Peer Review.

NOW, THEREFORE, in consideration of the terms and conditions expressed herein, the parties agree as follows:

I. TERM OF AGREEMENT

The term of this Agreement shall commence on the date a fully executed Agreement is received by the Consultant and shall expire on completion of all the terms and conditions of this Agreement, but no later than December 31, 2017, subject to termination as provided in Subdivision VII.

II. DUTIES OF CONSULTANT

A. The Consultant agrees to provide Construction Monitoring Services and Design Peer Review as outlined and attached as the Consultant's Proposal and incorporated by

reference herein as Exhibit A and B. All work will be performed consistent with the guidelines set forth in Exhibits A and B.

- B. The Consultant shall provide the Construction Monitoring Services and Design Peer Review on an hourly basis per the attached Exhibit C. The total amount of work authorized including reimbursable expenses shall not exceed \$76,000 (seventy-six-thousand dollars and no/100s) throughout the entire term of this Agreement without prior written authorization from the Authority.
- C. Subject to Article VI of this Agreement, the Consultant shall defend, indemnify and hold harmless the Authority and their respective officials, employees and agents, from any and all claims, causes of action, lawsuits, damages, losses, or expenses, including attorney fees, arising out of or resulting from the performance of the duties required under this Agreement by the Consultant, including its officers, agents, employees, subcontractors or subconsultants (collectively, the "Consultant Group"), provided that any such claim, damages, loss or expense is attributable to bodily injury, sickness, diseases or death or to damage, injury to or destruction of property including the loss of use resulting therefrom and is caused in whole or in part by any negligent act or omission or willful misconduct of Consultant or any other member of the Consultant Group.
- D. It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties hereto or as constituting the Consultant staff as the agents, representatives or employees of the Authority for any purpose in any manner whatsoever. The Consultant and its staff are to be and shall remain an independent contractor with respect to all services performed under this Agreement. The Consultant represents that it has, or will secure at its own expense, all personnel required in performing services under this Agreement. Any and all personnel of the Consultant or other persons, while engaged in the performance of any work or services required by the Consultant under this Agreement shall not be considered employees of the Authority, and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of said personnel or other persons while so engaged, and any and all claims whatsoever on behalf of any such person or personnel arising out of employment or alleged employment including, without limitation, claims of discrimination against the Consultant, its officers, agents, Consultant or employees shall in no way be the responsibility of the Authority; and the Consultant shall defend, indemnify and hold the Authority and their respective officers, agents and employees harmless from any and all such claims regardless of any determination of any pertinent tribunal, agency, board, commission

or court. Such personnel or other persons shall not be required nor be entitled to any compensation, rights or benefits of any kind whatsoever from the Authority, including, without limitation, tenure rights, medical and hospital care, sick and vacation leave, Workers' Compensation, Unemployment Compensation, disability, severance pay or PERA.

E. The parties agree to comply with the Minnesota State Human Rights Act, Minnesota Statutes, Section 363.

F. The Consultant shall not commence work under this Contract until all insurance required under this article has been obtained and until copies of policies and certificates required by this article are submitted to the Authority, Attention: Schane Rudlang, Port Authority of Bloomington, at the addresses listed above. The Consultant shall not allow any subcontractor or subconsultant to commence work until the insurance has been obtained and copies of policies and certificates submitted to the Authority.

1. Comprehensive General Liability and Property Damage Insurance.

The Consultant shall maintain at its own cost and expense, comprehensive general liability and property damage insurance in the following amounts:

- Commercial General Liability insurance of at least \$500,000 per individual and \$1,500,000 for injuries or death arising out of each occurrence.
- Property damage liability in the amount of \$1,500,000 for each occurrence.

2. Worker's Compensation Insurance.

The Consultant shall carry Worker's Compensation Insurance as required by Minnesota Statutes, Section 176.181 subd 2.

3. Automobile Insurance.

Consultant shall secure and maintain during the life of this Contract automobile liability insurance in the minimum amount of \$500,000 for bodily injuries, including death, for any one individual and \$1,500,000 per occurrence; and automobile property damage insurance in the minimum amount of \$1,500,000. Each motor vehicle, including hired vehicles, engaged in operation within the terms of this Contract shall be covered by such automobile insurance.

4. Professional insurance.

Consultant agrees to maintain professional liability insurance in the amount of

\$1,000,000 per claim and annual aggregate during the term of this Agreement.

5. Certificates.

The Consultant shall name the Authority as an additional insured on its commercial general liability policy. Certificates of insurance must be filed with the Authority and shall include a provision that states the insurance company shall give the Authority at least thirty (30) days written notice prior to cancellation, non-renewal or any material change in the policy.

6. All insurance policies required of Consultant under this Section F must be issued by insurance companies having an A.M. Best rating of A-VII or better.

G. The Consultant will comply with all applicable provisions of the Minnesota Government Data Practices Act, Chapter 13 of the Minnesota Statutes.

H. This Agreement shall not be assignable except at the written consent of the Authority and Consultant, as applicable.

I. The books, records, documents, and accounting procedures of the Consultant relevant to this Agreement are subject to examination by the Authority and either the legislative or state auditor as appropriate, pursuant to Minnesota Statutes, Section 16C.05, Subdivision 5.

J. The parties agree to comply with all applicable local, state and federal laws, rules and regulations in the performance of the duties of this Agreement in effect at the time of the Agreement.

K. The Authority and Consultant agree to submit all claims, disputes and other matters in question between the parties arising out of or relating to this Agreement, to mediation. The mediation shall be conducted through the Conflict Resolution Center, 2101 Hennepin Avenue, Suite 100, Minneapolis, MN 55405. The parties hereto shall decide whether mediation shall be binding or non-binding. If the parties cannot reach agreement, mediation shall be non-binding. In the event mediation is unsuccessful, any party may exercise its legal or equitable remedies and may commence such action prior to the expiration of the applicable statute of limitations.

L. The Contractor agrees to comply with the Americans With Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973 and not discriminate on the basis of disability in the admission or access to, or treatment of employment in its services, programs, or activities. The Consultant agrees to hold harmless and indemnify the

Authority from costs, including but not limited to damages, attorney's fees and staff time, in any action or proceeding brought alleging a violation of ADA and/or Section 504 caused by the Consultant. Upon request, accommodation will be provided to allow individuals with disabilities to participate in all services, programs and activities. The Authority has designated coordinators to facilitate compliance with the Americans with Disabilities Act of 1990, as required by Section 35.107 of the U.S. Department of Justice regulations, and to coordinate compliance with Section 504 of the Rehabilitation Act of 1973, as mandated by Section 8.53 of the U.S. Department of Housing and Urban Development regulations.

- M. The Consultant agrees that the Authority will have the right to use and reproduce, as it desires any data, reports, analyses, and materials which are collected or developed by the Consultant as a result of this Agreement. Any reuse for projects other than the Project shall be at such party's sole risk and such party shall defend, indemnify, and hold harmless Consultant from any and all claims arising from its use thereof for any projects other than the Project.
- N. Consultant shall use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession practicing in the same locality (the "Standard of Care").
- O. Any delays in or failure of performance by Authority or Consultant, other than payment of money, shall not constitute default hereunder if and to the extent such delays or failures of performance are caused by occurrences beyond the control of Authority or Consultant, as the case may be, including but not limited to: act of war; rebellion or sabotage or damage resulting therefrom; fires, floods, explosion, accidents; or any causes, whether or not of the same class of kind as those specifically above named, which are not within the control of the Authority or Consultant, respectively, and which by the exercise of reasonable diligence, Authority or Consultant are unable to prevent.
- P. Consultant shall retain its rights in its standard drawing details, designs, specifications, databases, computer software and any other proprietary property. Rights to intellectual property developed, utilized, or modified in the performance of the services shall remain the property of the Consultant. Consultant has no objection to the Authority and their respective successors and assigns reusing the drawings and documents in its possession from the Consultant with the limitations specified in Paragraph M of this Agreement. Consultant hereby grants to the Authority a non-exclusive, irrevocable license to use and reuse such drawings and documents.

Q. The Consultant agrees, as a condition of being awarded this Contract, to require each of its agents, officers, employees and other members of the Consultant Group to abide by the Authority's policies prohibiting sexual harassment, firearms and smoking, as well as all other reasonable work rules, safety rules or policies regulating the conduct of persons on Authority property or the development property at all times while performing duties pursuant to this Contract. The Consultant agrees and understands that a violation of any of these policies or rules constitutes a breach of the Contract and sufficient grounds for immediate termination of the Contract by the Authority.

III. DUTIES OF THE AUTHORITY

After the parties have signed this Agreement, and after the completion and acceptance of Consultant's performance of the duties under this Agreement the Authority shall cause payment to the Consultant in the not to exceed sum of hourly rates described in Exhibit A in the not to exceed amount of \$76,000 (Seventy-six-thousand dollars and no/100).

Payments to the Consultant will be made within thirty (30) days of receipt of invoice from Consultant. The Agreement payments to LSA shall be made by the Authority.

IV. MISCELLANEOUS

This Agreement represents the entire Agreement between the Consultant and the Authority and supersedes and cancels any and all prior agreements or quotes, written or oral, between the parties relating to the subject matter hereof; and amendments, addenda, alterations, or modifications to the terms and conditions of this Agreement shall be in writing and signed by all parties. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and together which shall constitute one and the same agreement.

V. NO THIRD PARTY BENEFICIARIES

All duties and responsibilities undertaken pursuant to this Agreement and work product resulting from this Agreement will be for the sole and exclusive benefit of Authority and Consultant and not for the benefit of any other party.

VI. LIMITATION OF LIABILITY

The Authority agrees that Consultant's review of the design, specifications, construction documents and/or bid documents prepared by the designer of record ("Designer") shall not relieve the Designer of any liabilities resulting from errors or omissions in the Designer's design, specifications,

construction documents or bid documents or for construction costs that exceed cost estimates prepared or provided by the Designer.

VII. TERMINATION

This Agreement may be terminated by the Authority with or without cause at any time upon written notice to the Consultant. In the event that such termination should take place at a time other than the completion of the work to be performed under this Agreement, the Consultant shall be paid for the work performed to the date of termination.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

[Signature page(s) are attached]

Bloomington Port Authority

Bloomington Port Authority

Dated: _____

By: _____
Port President

Reviewed and approved by Port General Counsel.

Consultant

LSA Engineering, Inc.

Dated: _____

By: _____

Title of Signatory: _____

EXHIBIT A

DESCRIPTION OF THE SCOPE OF WORK FOR DESIGN PEER REVIEW AND CONSTRUCTION MONITORING SERVICES

LMC Bloomington Holdings, LLC Public Improvements Project, Bloomington, MN includes the approximately 664 space parking ramp.

LMC Bloomington Holdings, LLC intends to build a 395 unit apartment building, including landscaping, which surrounds a 664 space parking ramp, which is known as the “Private Improvements” to be built by Lennar.

This Exhibit is provided to describe the scope of work as part of the Agreement between the Authority and Consultant.

Consultant will provide the following services as a consultant to Authority for the “Public Improvements” project at the Bloomington Central Station site in Bloomington, Minnesota.

Consultant will provide a familiarization review of construction documents. Consultant will review the construction hard cost and provide an opinion as to whether the budget appears reasonable as proposed. Consultant will provide on-site observation of construction visually apparent and physically accessible at the time of the visit and review the contractor's pay request. Further defined, Consultant will do the following:

Review of Construction Documents

A. Consultant will become generally familiar with parking ramp drawings, structural calculations specifications, the soils report, the construction agreement(s) and the construction hard cost budget, in order to perform cost review, structural peer review, and periodic visits to the site to review the contractor's pay request. The contractor will provide separate cost statements for each project.

B. It is understood that Consultant's review of plans and specifications and other construction documents is cursory in nature. Consultant will not attempt to verify the adequacy of design, other than the structural peer review. Detailed design for architectural, electrical and mechanical work is the normal function of the architect/engineer of record, and for Consultant to confirm details and computations would be a costly, time-consuming duplication of the design architect's and engineer's responsibilities.

C. The project is to be a “Fast Tracked” project meaning all plans will not be complete when construction commences. Plans will be submitted in the form of “Bid Packages” or other similar name to address the construction, as needed. As a result, the Consultant will likely be reviewing preliminary documents during the initial “upfront” document review. The Consultant will make a reasonable, good faith effort to gain a scope understanding of the project but the scope understanding will be based on documents provided, and could be preliminary as documents will still be incomplete and partial.

D. Consultant will review the construction hard cost and provide its opinion as to whether the budget appears reasonable for the construction proposed. Consultant will base its opinion on a comparison of the budget with other projects with which it has worked on in the recent past. Consultant's opinion shall be based on information available to Consultant and on the basis of Consultant's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since Consultant has no control over the cost of construction labor, materials, equipment or services furnished by others, or over the construction contractor(s)' methods of determining prices, or over competitive bidding or market conditions, Consultant does not guarantee that proposals, bids or actual project or construction cost will not vary from budgets reviewed by Consultant.

E. Consultant will provide structural peer review of the parking ramp as described in March 17, 2015 letter proposal (Exhibit B).

Site Observation

A. Consultant will periodically visit the project in conjunction with its review of the contractor's applications for payment (typically monthly) to review the status of the project with respect to the amount of construction completed and the construction progress.

B. It is understood that all aspects of construction cannot be physically verified through this review because of its limited scope and frequency. It is also understood that the review does not guaranty that all aspects of construction are in accordance with construction contract documents or satisfactory for the use intended; provided, however, that Consultant shall be obligated to identify any Discrepancy (as hereinafter defined) that a consultant satisfying the Standard of Care should identify, and Consultant shall immediately notify the Authority of any such Discrepancies. As used herein, "Discrepancy" means labor, materials or other work for which an application for payment has been made, but which labor, materials or other work is incomplete, defective or nonconforming or otherwise not completed in a good and workmanlike manner in accordance with the design build contract therefor, plans, specifications and change orders.

C. Consultant's observation or monitoring portions of the work performed under construction contracts shall not relieve construction contractor(s) from responsibility for performing work in accordance with applicable contract documents. Consultant shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. Consultant shall not be responsible for the acts or omissions of construction contractor(s) or other parties on the project.

Contractor's Payment Request Verification

A. Consultant will verify that actual construction completed is in agreement with the sum requested for each item in the payment request. The payment request will be reviewed item by item at the site to compare it with construction progress on a percentage basis of completion.

B. If the payment request includes funds for materials stored on site, not yet

incorporated into the project, Consultant will 1) verify that the amount requested corresponds to materials stored; and 2) comment whether stored materials are adequately protected against damage, deterioration, or loss by theft or destruction.

C. If the payment request includes funds for material stored off-site Consultant will point this out; however, approval is subject to the Authority's judgment. If requested, Consultant can review these off-site materials as additional services.

D. Consultant will review all change orders and proposed change orders and note them in each periodic report. If there are no change orders, or if Consultant has not received copies of any change order or proposed change order, Consultant will also note that in each periodic report, to the best of the Consultant's knowledge.

E. Neither Consultant's review of construction contractor's work for the purposes of recommending payments nor Consultant's recommendation of any payment including final payment will impose on Consultant responsibility to supervise, direct, or control construction contractor's work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or, subject to Section B of the "Site Observation" Section of this Exhibit A, construction contractor's compliance with Laws and Regulations applicable to construction contractor's furnishing and performing the Work. It will also not impose responsibility on Consultant to make any examination to ascertain how or for what purposes construction contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the work in progress, materials, or equipment has passed to the Owner free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between the Owner and construction contractor that might affect the amount that should be paid.

Final Observation

A. Review the complete (or substantially complete) project and note obvious significant items of work remaining to be completed or items not completed in reasonable accordance with contract documents, as well as any other Discrepancies.

B. Review any defects, deviations or other Discrepancies noted in previous reports in order to ascertain whether these matters have been satisfactorily addressed and/or resolved.

C. Review the final payment request for reasonableness.

D. It is understood that this observation cannot guaranty that construction has been completed free from defect.

Method of Reporting

Consultant will submit to Authority a written report of the findings of its up-front review of the Construction Documents and the Construction Hard Cost Budget. Authority is responsible for obtaining all necessary documents from the owner, contractor, and design professionals and submit or arrange for submittal to the Consultant.

On or before the 5th calendar day before the end of each month, or if such 5th day before is not a

Business Day, then on or before the first Business Day thereafter, Lennar shall submit to Consultant and review with Consultant a “pencil draw” draft of each of Lennar’s payment requirement for the upcoming month, and shall coordinate with Consultant for Consultant’s inspection for the work to be included in such payment requirement. Such draft payment requirements and inspections are for the purpose of giving Consultant sufficient preparatory information to expedite Consultant’s review of the actual payment requirement. Consultant will submit to Authority a written report of each site observation and its review of each contractor’s payment request within three (3) business days after consultant’s receipt of each such contractor’s payment request). If the contractor's payment request requires revision the report will be prepared upon receipt of the revised document. Consultant cannot sign the pay requests as this is not allowed by the terms and language on the standard AIA pay request documents. Each written report shall either (a) (i) confirm the progress of the work done to date, (ii) confirm that such work has been completed in a good and workmanlike manner in accordance with the design-build contract therefor, plans, specifications and change orders and (iii) agree with the percentage of completion stated in the payment request, or (b) provide written notice of insufficiency, specifying any Discrepancy or other insufficiency in reasonable detail and, if applicable, setting forth any action required to be taken to address the stated Discrepancy or other insufficiency. Each written report shall be delivered to Authority and to Lennar Multifamily, LLC (“Lennar”).

Each site observation report will include photographs to document project conditions. The purpose of these site observation reports is to advise Authority of Consultant's findings and opinions with respect to the progress of construction and comment regarding verification of contractor's payment requests. Consultant understands that Authority will rely on the site observation reports in making advances to the Contractor.

Consultant will submit to Authority, within five (5) business days after the final observation, a written final report satisfying the requirements of the periodic reports described above and also certifying, that, in Consultant's professional opinion, based on its observations (i) that the project was completed in substantial compliance with the project documents, including change orders, except for any exceptions, incomplete work or other Discrepancies that the report specifically identifies (and which the Consultant agrees will be identified subject and pursuant to Section B of the “Site Observation” section of this Exhibit A), and (ii) whether or not substantial completion, as defined in the design-build contract for the Project (or the applicable component thereof) has been achieved.

Authority of Consultant

- A. It is agreed that the Consultant will not:
1. Authorize deviations from the plans and specifications or other contract documents governing the responsibility of the Contractor, Architect of Record, or any subcontractors or suppliers; or
 2. Advise on or issue directions related to any aspect of the construction means, methods, techniques, sequence of procedures, or safety precautions and programs in connection with construction of the project. In addition, Consultant acknowledges that the direction and supervision of construction of the project rests exclusively with the Contractor; and Consultant agrees not to issue any instructions to workers on the job site or to otherwise interfere with construction of the project.

Additional Work

A. Some additional work, outside of the basic scope of services, such as review of materials stored offsite, can be performed if requested by the Authority and will be billed as additional services, but only in accordance with Authority's specific written authorization in advance.

B. The construction services portion of this Agreement shall be concurrent with the construction contract period for the project. A time extension granted to the construction contractor will be justification for negotiation of a change order to this Agreement, that includes a corresponding time extension and additional fee.

Additional Provisions

Consultant shall provide its services in a manner consistent with the level of care and skill ordinarily exercised by experienced and qualified professionals currently providing similar services under similar conditions. Consultant acknowledges that City will rely on Consultant's services in financing and/or providing equity for the project. This Exhibit is the entire and integrated description of the scope of work between Consultant and Authority regarding its subject matter and supersedes all previous negotiations, representations, or agreements, whether written or oral.



Exhibit B

LSA Design, Inc.
Northwestern Building
219 North Second Street
Suite 302
Minneapolis, MN 55401
T. 612.339.8729
F. 612.339.7433
www.lsadesigninc.com

Planning
Architecture
Urban Design

March 17, 2015

Rebecca Schindler
Development Specialist
City of Bloomington
1800 West Old Shakopee Road
Bloomington MN 55431-3027

RE: Consulting Services for Bloomington Central Station Residential Development

Dear Rebecca:

Thank you for considering LSA Design Inc. for Consulting Services related to the proposed residential development at Bloomington Central Station.

SCOPE OF WORK

We understand that Final Development Plans have been approved and that Permit Plans have been submitted with the targeted construction start of Spring 2015. Our understanding of the project is based on the Architectural and Civil Drawings in the 10/16/2013 Final Development Plans and the 11/14/2014 Permit and Bid Set. Our anticipated tasks will be:

1. COST CONSULTING.

LSA will review the Construction Cost Estimate for the structured parking provided to the City by the developer, Lennar Multifamily Housing Investors. The estimate will include Bid results submitted to the Construction Manager. LSA will review the Construction Documents Issued for Permit and the Development Agreements regarding shared costs for parking and assist the City in understanding these proposed costs relative to their Agreement.

LSA will review during construction, the Change Order Requests that impact the parking shared costs (note that the City has a not-to-exceed contract and that any amount over and above \$6.8M will be borne by Lennar).

2. STRUCTURAL PEER REVIEW

When the Final Design is significantly complete, and prior to permitting, LSA will provide a Structural Peer Review of the Construction Documents and the Structural Calculations for the Parking Structure, including foundations (this includes combined footings under the 3HR walls at the perimeter of the parking structure). The proposed review will include:

- a. Member Design for typical structural elements.
- b. Load Paths for the various code required load combinations.
- c. General compliance with the structural requirements of the 2007 Minnesota State Building Code.
- d. General conformance with industry standards.
- e. Meet with City Staff to discuss permit issues related to structural peer review as required.

During Construction, LSA will provide a Structural Peer Review of the Precast Concrete Erection Documents and the Precast Engineer's Structural Calculations for the Parking Structure. This review is not intended to replace the Structural Engineer of Records responsibility. The proposed review will include:

- a. Member Design for typical structural elements.
- b. Load Paths for the various code required load combinations.
- c. General compliance with the structural requirements of the 2007 Minnesota State Building Code.
- d. General conformance with industry standards.
- e. Meet with City Staff to discuss issues related to structural peer review as required.

Unless specifically requested and budgeted the Structural Peer Review will exclude the following:

- a. Construction means and methods including but not limited to demolition, shoring, temporary bracing, material handling and design for construction loads.
- b. All performance design and specialty engineering for connection design and element design for nonstructural members such as precast concrete cladding, curtain walls, light gage metal framing and metal cladding.
- c. All structural design for elements outboard of the 3HR wall along the perimeter of the parking structure.

3. PROGRESS / PAYMENT REVIEWS.

LSA will provide monthly construction progress reviews of the construction of the structured parking, indivisible improvements and any public improvements that are included in the City's agreement. LSA will compare the observed progress with the Contractors monthly Application for Payment to verify the authorized amount.

The Progress Review of the housing construction and other work not part of the shared cost will be much more cursory. We do not anticipate reviewing or commenting on the requested payments for this work.

4. LANDSCAPE REVIEWS.

The landscape construction costs for the project will be paid by Lennar, but may be reimbursed by the City. LSA will review the Landscape Contract Documents that are approved and permitted by the City. We will review the proposed construction costs for this landscape work.

In conjunction with our Progress Reviews during construction, LSA will verify that the landscaping construction and costs are reasonable and match to the approved plans and proposed costs.

We have not included time to review the means and methods of the landscape construction and installation. The quality assurance for this work is assumed to be by others.

SCHEDULE

Confidentiality Agreements with the developer were authorized just recently. The Cost Estimates for the structured parking should be available by late March with our review completed by early May, 2015. The construction is scheduled to start in May or June of 2015 and reach Final Completion of the parking structure by December, 2016. LSA is prepared to begin this work within a couple days of being authorized.

FEE

LSA will enter into an Owner/Consultant Agreement, provided by the City, and will then complete the work as indicated to be billed as an Hourly Not-To-Exceed contract to a maximum amount, including reimbursable expenses, of \$76,000.

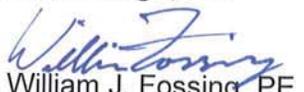
DELIVERABLES

Our deliverable product for the Cost Review and the Structural Peer Review will include a brief report to clarify the scope of the material reviewed and identify the findings. Monthly Progress Reports and a recommendation of payment amount will be issued for Task 3. A Progress Report and Final Report will be issued for the Landscape Review (Task 4).

SUMMARY

I would like to thank you for this opportunity to provide support services for this project. We would be available to meet and discuss this proposal upon your request.

Respectfully,
LSA Design, Inc.


William J. Fossing, PE
Sr. Structural Engineer

Attachments - LSA 2015 / 2016 Hourly Rate Schedule

Exhibit C

LSA DESIGN INC. 2015 Billing Rates* for City of Bloomington, MN

Principal	\$148.97
Senior Professional Eng/Arch.	\$147.00
Senior Professional Planner	\$114.65
Professional	\$ 92.95 - \$110.00
Technical/Admin	\$ 73.50 - \$114.03

(* Rates for 2016 will increase by an estimated 5%)