

KHATIB AND ASSOCIATES, INC.

111 NORTH CANAL STREET · CHICAGO, ILLINOIS 60606 · PHONE (312) 993-0438 · FAX (312) 993-0448

March 14, 2011

To: Flaherty & Collins Properties
Attention: Mr. Jesse Fisher, Senior A&E Services Associate
8900 Keystone Crossing, Suite 1200
Indianapolis, IN 46240

Via: RTKL Associates, Inc.
Attention: Mr. Patrick Murphy
200 S. Michigan Ave., Suite 1800
Chicago, Illinois 60604

RE: Mechanical, Electrical and Plumbing (MEP) Engineering for Main Street Triangle, Orland Park, IL - Concept Package 2

Dear Mr. Fisher:

We are pleased to resubmit this proposal for our MEP engineering services for the above captioned project. Based upon the Architect's "Concept Package 2" dated 10.06.10 emailed to us on 3/10/2011 with, unit mix areas, the following revised proposal is submitted for your review and action as requested. The scope of our services shall include the following:

1. **MEP-FP Engineering Services for MEP Design Build per 50% DD Scope Set and Performance Specifications:** Documents resulting from 50% DD phase to include major schematic MEP riser diagrams, general coordination of MEP shaft and floor spaces worked out with the Architect to accommodate all major MEP equipment and MEP equipment and system capacities specified for the Owner selected and approved MEP systems. This would also include conducting all necessary preliminary MEP calculations for same to ensure all MEP Owner criteria is satisfied and reasonably accommodated into the project to suit the Architectural design as well. Permit and Construction drawings and certification of MEP drawings are not included. The Design Build MEP contractors would therefore be Engineer(s) of Record. Interaction with the Design/Build firm (during Bidding and Negotiation Phase) would be included for providing clarification of MEP systems and equipment as required and evaluating any further value engineering/coordination of bid systems between the Contractor and Architect that may be necessary. Construction Administration (i.e., review of contractor's permit and shop drawings, and punch list) will be included in our base MEP-FP Construction Administration Engineering Services. All 50% design development drawings and specification to meet Local Code requirements and the Owner's/Architect's agenda for the nature and size of the project as indicated by "Concept Package 2" plans emailed for your review on 3/10/2011. MEP documents to be limited up to 5'-0" outside of each building proper and shall be coordinated with Civil Plans by others.
2. Clarifications:
 - a. Lighting plans as part of our base fee shall include the documenting and wiring of all lighting based upon lighting design (i.e., fixture selection, fixture location and energy code compliance) by others. We will specify garage lighting and back-of-house area lighting only. All other lighting decorative lighting including, but not limited to, exterior building lighting, site lighting, lobby lighting, apartment lighting and corridor lighting to be specified by others and shall meet the criteria as set forth in the Local Code's, latest edition regarding same.
 - b. We will coordinate all security, television, internet and any other specialty systems with the overall design and incorporate said systems in our bid documents. Said specialty system equipment and requirements to be submitted by other vendors of same.

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- c. Green Roof systems, if required, shall be by others; we will coordinate plumbing and electrical systems as required to accommodate the Landscape designer's requirements.
- d. Coordination meetings as required to establish and/or clarify the MEP schemes are included in the base fee.
- e. Two (2) site observation visits with observation report during construction phase, including producing a final punch list, are included in the base fee. Additional site visits, when requested, will be billed as additional services at our hourly rates listed below.
- f. We will coordinate to 5'-0" outside each building site sewer, water and electric utilities to each building with the project Civil Engineer.
- g. Shop drawing review is included in the base fee. Additional construction administration services such as assisting in solving field problems which may occur due to structural or architectural revisions during the construction phase and any other undefined service requested during the construction administration of the project will be billed as additional services and at the rates listed below.
- h. LEED or local energy Code certifications and calculations are not included in the base fee. We can provide this service if necessary and as requested under separate RFP.
- i. Fire protection design drawings and specifications will be submitted for bidding and as a guideline for the Fire Protection (FP) contractor's use. We will be coordinating the fire pump location, water services, riser locations, sprinkler piping routing and general sprinkler head placement with the MEP system design as a whole. With respect to the bidding documents, the FP contractor will provide the required pipe sizing and hydraulic calculations and produce the final shop drawings for final approval by the local authority, obtaining a permit and for final construction of the fire protection system.
- j. Construction Cost Estimating/Review is not included in the base fee.

To provide the services outlined above for the subject project, our engineering fees will be based on a lump sum base fee of \$137,500 (ONE HUNDRED THIRTY SEVEN THOUSAND FIVE THOUSAND DOLLARS). Per RFP, the breakdown of our fee would be as follows:

| Cost Summary Breakdown | |
|--|--------------|
| DESIGN PHASE | COST |
| Schematic Design Thru 50% Design Development Package and Performance Specifications for Design Build by Others | \$100,000.00 |
| Construction Administration | \$37,500.00 |
| Total Lump Sum Fee => | \$137,500.00 |

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Additional services for undefined projects during or after completion of the subject project, and for the base services described above, will be billed at the following rates:

| | |
|-----------------------|-------------|
| Principal | \$160.00/hr |
| Senior Engineer | \$130.00/hr |
| Junior Engineer | \$ 85.00/hr |
| CAD drafting | \$ 65.00/hr |

Reimbursable expenses, such as blueprinting, messenger fees and CAD plotting expenses, are in addition to compensation for basic services and will be billed at same rate to us.

Payments of the professional fees shall be made monthly in proportion to services performed.

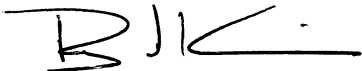
In the event that the contents of this proposal are acceptable, please acknowledge your acceptance by preparing your own standard contract that would indicate the same.

If you have any questions regarding the content of this proposal or if any additional information is necessary, please contact us.

We appreciate your interest in working with our firm.

Very truly yours,

KHATIB & ASSOCIATES, INC.



Rayad Khatib, President

RK/rk