

SCHNEIDER



ASSOCIATES
STRUCTURAL
ENGINEERS

4060 B Street
Anchorage, Alaska
Phone: (907) 561-2135 Fax: (907) 561-2136

PROPOSAL FOR PROFESSIONAL STRUCTURAL ENGINEERING SERVICES

AGREEMENT made as of the 10th day of September, 2010

Between the Structural Engineer (SE): SCHNEIDER & ASSOCIATES
4060 B Street
Anchorage, Alaska 99503

And the Client: CONWAY MANAGEMENT GROUP, LLC
4721 Haru Lane
Anchorage, Alaska 99517

Attention: Mr. John Conway

For the following Project: Jesse Lee Home Site Visit and Recommendations

Located in: Seward, Alaska

S&A Proposal No.: 10-127

Scope of Work:

The SE shall conduct a site visit to the existing building site to provide a structural condition assessment. The purpose of this structural condition assessment is as follows:

- Identify structural deficiencies that may be an immediate threat to the structure due to collapse or failure
- Propose immediate repairs for these deficiencies
- Review the conditions assessment conducted in 2003 and provide further explanation and/or clarification based on current conditions
- Provide a written report of the findings
- Provide a structural narrative discussing the potential repairs, renovation and/or strengthening that would be required to bring the building into compliance with the current building code
- If request, produce electronic CAD drawings of the existing structure based on hand drawings and field dimensioning provided by the Client.
- If request, provide Concept Level structural drawings to identify structural elements discussed in the structural narrative.

Basis of Compensation:

The SE shall be compensated for services described above.

The SE's fee will be based on time expended, and charged at the SE's standard hourly rates, as follows:

Principal	\$150/Hour	Senior Computer Aided Drafter	\$ 75/Hour
Associate/Project Manager	\$115/Hour	Junior Computer Aided Drafter	\$ 65/Hour
Senior Engineer	\$105/Hour	Clerical	\$ 40/Hour
Junior Engineer	\$ 85/Hour		

We estimate a not to exceed total fee for this effort to be \$10,000. If it becomes apparent that this estimate may be exceeded by more than 10% we will contact the Client to discuss if limits to the proposed scope should be made, additional fee is available, and/or other arrangements can be made.

This proposal is valid for a period of 90 days from the Agreement date.

ACCEPTED FOR
SCHNEIDER & ASSOCIATES
STRUCTURAL ENGINEERS, INC.

ACCEPTED FOR
CONWAY MANAGEMENT GROUP, LLC



Jeffrey S. Robertson, PE
Principal
Dated: 09/10/2010

By: _____

Date: _____

Terms and Conditions

Fee

The total fee, except stated lump sum, shall be understood to be an opinion of probable cost, based upon Scope of Work, and shall not be exceeded by more than ten percent, without written approval of the Client. Where the fee arrangement is to be on an hourly basis, the rates shall be those that prevail at the time services are rendered.

Billings/Payments

Invoice shall be considered PAST DUE if not paid within 30 days after the invoice date and the SE may, without waiving any claim or right against Client, and without liability whatsoever to the Client, suspend the performance of the service. Retainers shall be credited on the final invoice. A service charge will be added at 1.5 percent (or the legal rate) per month on the unpaid balance outstanding after 90 days. In the event any portion of an account remains unpaid 120 days after billing, the Client shall pay cost of collection, including reasonable attorneys' fees.

Geotechnical Issues

The SE will not be responsible for any geotechnical aspects of the project. Unless specifically stated otherwise in the Scope of Work, a geotechnical investigation report (soils report), including foundation design criteria, shall be provided to the SE prior to commencement of design work.

Access to Site

Unless otherwise stated, the SE will have access to the site for activities necessary for the performance of the services. The SE will take precautions to minimize damage due to these activities, but has not included in the fee the cost of restoration of any resulting damage.

Hidden Conditions and Hazardous Materials

A structural condition is hidden if concealed by existing finishes or if it cannot be investigated by reasonable visual observation. If the SE has reason to believe that such a condition may exist, the SE shall notify the Client who shall authorize and pay for all costs associated with the investigation of such a condition and, if necessary, all costs necessary to correct said condition. If (1) the Client fails to authorize such investigation or correction after due notification, or (2) the SE has no reason to believe that such a condition exists, the Client is responsible for all risks associated with this condition, and the SE shall not be responsible for the existing condition nor any resulting damages to persons or property. SE shall have no responsibility for the discovery, presence, handling, removal, disposal or exposure of persons to hazardous materials of any form.

Indemnifications

The SE shall indemnify, hold harmless, and defend the Client from and against any claim of, or liability for negligent acts, errors or omissions of SE under this Agreement. SE shall not be required to indemnify the Client for a claim of, or liability for, the independent negligence of the Client. If there is a claim, of or liability for, the joint negligent error or omission of SE and the independent negligence of the Client, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. SE and Client, as used herein, include the employees, agents, and other contractors who are directly responsible, respectively, to each. The term "Independent Negligence" is negligence other than in the Client's selection, administration, monitoring, or controlling of SE and in approving or accepting SE's work.

SE shall correct, through re-performance at its expense, any services which are deficient or defective because of SE's failure to perform said services in accordance with the Standard of Care, provided the Client has notified SE in writing within a reasonable time, not to exceed 60 days, of the discovery of any such deficiency during the performance of the services and within 12 months of the date of final payment under this Agreement.

Termination of Services

This agreement may be terminated upon 7 calendar days written notice by either party should the other substantially fail to perform in accordance with the terms of this agreement. In the event of termination, the Client shall pay the SE for all services rendered to the date of termination, all reimbursable expenses, and reasonable termination expenses.

Ownership of Documents

All documents are instruments of service in respect to this Project, and SE shall retain an ownership and property interest therein (including the right to reuse at the discretion of SE) whether or not the Project is completed.

Client may make and retain copies of Documents for information and reference in connection with Client's use on the Project. The Documents are not intended or represented to be suitable for re-use by Client or others on extensions of the Project or on any other project. Any such re-use or modification without written verification or adaptation by SE, as appropriate for the specific purpose intended, will be at Client's sole risk and without liability or legal exposure to SE. Client shall indemnify and hold harmless SE from all claims, damages, losses, and expenses, including attorneys' fees arising out of or resulting there from. Any verification or adaptation of the Documents for extensions of the Project or for any other project will entitle SE to further compensation at rates to be agreed upon by Client and SE.

Dispute Resolution

In an effort to resolve any conflicts that arise during the design and construction of the Project or following the completion of the Project, the Client and the SE agree that all disputes between them arising out of or relating to this agreement or the Project shall be submitted to non-binding mediation unless the parties mutually agree otherwise. This agreement shall be governed by the laws of the principal place of business of the SE.

Standard of Care

Services shall be performed in accordance with the standard of professional practice ordinarily exercised by the applicable profession at the time and within the locality where the Services are performed. As with all documents that are intended to formalize contractual relationships, the guidance and advice of an attorney is necessary to assure proper usage for specific applications and jurisdictions. We strongly recommend that you have your legal advisor, professional liability carrier, and your accountant review this document. No warranty of any kind is made with respect to this document or other contractual or consequential damages in connection with, or arising out of, the furnishing, performance, or use of this document.



SE Initial

Client Initial