

May 30, 2006

Village of Schaumburg
101 Schaumburg Court
Schaumburg, IL 60193

Sent via email to: dwillkerson@hdcinc.com

RE: Schaumburg Convention Center

Dear Mr. Townsend:

Pursuant to our earlier conversation, Madsen, Kneppers & Associates, Inc. (MKA) hereby confirms our involvement on the referenced project.

Our tasks will be as follows:

- On site cost / change order management.
- Review of cost submissions by contractors / subcontractors as directed by your office.
- Preparations of shadow estimates as directed by your office.
- Attend meetings as directed by your office.

NOT TO EXCEED THE AMOUNT OF \$141,741.00

The above services will be billed on a time and expense basis in accordance with the enclosed Fee Schedule and Terms and Conditions. Please advise us of any special billing procedures (i.e. claim number, case number, duplicate bills, etc) that would help facilitate the processing of our monthly invoices.

Please sign and date this letter agreement where indicated below and return the original to my attention. If an executed copy is not received within ten days, acceptance of this agreement will be assumed and work will be performed under the Terms and Conditions.

I would like to thank you for giving us the opportunity to assist you. If you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Madsen, Kneppers & Associates, Inc.

Accepted for: Village of Schaumburg

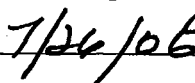


By: _____



Ron Z. Metcalf
Consultant

Date: _____



Enclosures: Fee Schedule, Terms & Conditions

Cc: John C. Hastie – MKA Walnut Creek

TERMS & CONDITIONS

This agreement is between Madsen, Kneppers & Associates, Inc, hereafter called "MKA", and Village of Schaumburg, hereafter called "Client".

MKA will provide services in a manner consistent with that level of care and skill ordinarily exercised by other professional consultants performing comparable services under comparable circumstances at the time services are performed under the Agreement. No other representations to Client, express or implied, and no warranty or guarantee not expressly stated herein is included or intended in this Agreement.

~~Limitation of Liability: To the fullest extent permitted by law, the Client agrees to limit the liability, if any, of MKA, its officers, directors, employees, consultants or agents, to the Client and to all contractors and subcontractors on the project, due to professional negligent acts, errors or omissions, strict liability or breach of contract of MKA, to the sum of \$50,000 or MKA's fee, whichever is greater. However, if MKA's fee exceeds \$250,000, liability to client and to all contractors and subcontractors shall not exceed \$250,000.~~

~~Indemnity: Client agrees to save, indemnify and hold harmless MKA, its officers, directors, employees, consultants or agents, against any and all liability, including negligence, breach of contract, breach of express or implied warranty, misrepresentation or strict liability or any other claims seeking damages for personal injury, death (Client's employees included), property damage, loss of profits, damage to products or business reputation or other losses or damage arising out of the services provided, judgments, or demands, save and except claims or litigation arising through the sole negligence or sole willful misconduct of MKA. Client will make good to and reimburse MKA for any expenditures, including reasonable attorneys' fees, MKA may make by reason of such matters and if requested by MKA will defend any such suits at the sole cost and expense of Client.~~

~~Billing and Payment of Services: Invoices are issued monthly according to the attached fee schedule. Payment is due in full within fifteen (15) days of the invoice date. Interest may be charged at 1.5% per month (or at the maximum legal rate) on all balances unpaid thirty (30) days after the invoice date. In addition, client agrees to pay all costs of collection, including reasonable attorneys' fees and court costs incurred by MKA in collecting any delinquent account.~~

~~Opinions of Cost. MKA does not guarantee that estimates, proposals, bids or actual construction costs will not vary from opinions of probable cost prepared by MKA nor that the project can be constructed or repaired within the budget established by the owner.~~

~~Dispute Resolution. All claims, disputes, and other matters in question between the parties to this agreement, arising out of or relating to this agreement or the breach thereof, may be decided by arbitration in accordance with the then-most current rules of the American Arbitration Association, unless the parties~~

mutually agree otherwise. Regardless of the outcome of the arbitration, the costs associated with the dispute resolution process, exclusive of attorney fees, expert fees and other costs not related to the actual cost of administering the mediation, shall be borne equally by the parties, except as noted above.

~~Claims by Parties: Should litigation occur between the parties relating to the provisions of this agreement or any act arising out of the performance of this agreement, all litigation expenses, collection expenses, witness fees, court costs and attorneys' fees shall be paid by the non-prevailing party to the prevailing party.~~

~~Miscellaneous.~~

~~No Third Party Beneficiaries: Nothing contained in this Agreement shall create a contractual relationship with, or a cause of action in favor of, a third party against either MKA or the Client.~~

~~Governing Law. These Terms and Conditions and the contract of which they are a part shall be governed by and construed under the laws of the State of Colorado. ILLINOIS.~~

~~Entire Agreement. This Agreement, including the Project Initiation Letter, the Fee Schedule and any other attached documents, embodies the entire Agreement between the parties and supersedes all prior conversations, proposals, negotiation, understandings or agreements, whether written or oral.~~

~~Severability. Should any provision of this Agreement be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be enforceable to the fullest extent permitted by law or in equity.~~

~~Force Majeure. MKA shall not be liable for any failure to perform or delay in the performance of the services due to circumstances beyond its control.~~

~~Termination. This agreement may be terminated by either party seven days after providing written notice of such intent to the other party. In the event of termination, MKA shall be paid compensation for services performed to termination date, including reimbursable expenses. In the event that compensation due MKA is over thirty days overdue, MKA has the right to suspend or terminate services without prior written notice.~~

~~Surviving Conditions: All provisions under the Terms and Conditions shall survive the termination or completion of this agreement.~~

May 4, 1999

FEE SCHEDULE

August 1, 2004 (Revised from October 2002)

<u>Professional Services</u>	<u>Hourly Rate</u>
Principals	\$ 157.5 -\$175
Architects / Engineers	\$ 121.5-139.5 -\$135-155
Project Consultant	\$ 117-139.5 -\$130-155
Senior Consultant	\$ 108-124.5 -\$120-135
Consultant	\$ 99-117 -\$110-130
Associate Consultant	\$ 85.5-103.5 -\$95-115
Senior Analyst	\$ 76.5-94.5 -\$85-105
Analyst	\$ 67.5-85.5 -\$75-95
Junior Analyst	\$ 58.5-76.5 -\$65-85
Graphics Preparation / Technical Support	\$ 49.5-67.5 -\$55-75
Support Services	\$ 40.5-58.5 -\$45-65
<u>Other Services</u>	
Deposition and Expert Witness Testimony (Travel To and From Testimony at Regular Rates)	\$ 247.5 -\$275
Reimbursable Expenses & Sub-contractor/Sub-consultant Services	Cost plus 10%
Automobile Use - Based Upon IRS Published Rates	
Infrared Scanning (Operator and Equipment)	\$200 per Hour
Photocopying, Binding and Digital Photo Printing	At MKA Cost
Moisture Gauge Usage Fee	\$100 per Day

Staffing Projection for MKA

Personnel	Asking Rates	VOS Rates	Projected Hours	Jun-06	Projected Hours	Jul-06	Projected Hours	Aug-06	Projected Hours	Sep-06	Totals
Ron M. (SPM)	\$ 130.00	\$ 117.00		\$	43	\$ 5,031	43	\$ 5,031	43	\$ 5,031	\$ 15,093.00
John W. (PM)	\$ 110.00	\$ 99.00	173	\$ 17,127	173	\$ 17,127	173	\$ 17,127	173	\$ 17,127	\$ 68,508.00
Harvey F. (MEP)	\$ 110.00	\$ 99.00		\$		\$		\$		\$	\$ -
Paul C. (MEP)	\$ 110.00	\$ 99.00	86	\$ 8,514	86	\$ 8,514	86	\$ 8,514		\$	\$ 25,542.00
?? (Struc. Steel)	\$ 110.00	\$ 99.00		\$	43	\$ 4,257	86	\$ 8,514	43	\$ 4,257	\$ 17,028.00
Brian Rebac (APM)	\$ 100.00	\$ 90.00		\$		\$		\$	173	\$ 15,570	\$ 15,570.00
										TOTAL	\$ 141,741.00