

JONES EDMUNDS

February 11, 2010

Wendell Johnson, City Manager
City of Lake City
205 N. Marion Ave.
Lake City, FL 32055

Subject: Proposal for Structural Evaluation of the Blanche Hotel
Lake City, Florida

Dear Mr. Johnson:

Jones Edmunds is pleased to present this fee proposal to perform a structural evaluation of the Blanche Hotel in Lake City. We understand that this proposal is to cover an initial structural review to determine any repairs needed to make the building structurally sound for potential redevelopment as commercial and/or residential use. The findings of the study will be provided in a written report, which Jones Edmunds will provide the City within 90 days after contractual Notice to Proceed.

As discussed at our initial meeting and walk-through of the property, the Blanche Hotel is three stories tall and has approximately 75,000 SF of enclosed space. The core facility was initially built in the early 1900s as a load-bearing masonry structure. Two additions are apparent. Drawings of the installation of an elevator in the mid-1980s are available for review. Other drawings may be available but that is not yet confirmed.

Our scope of services includes the following tasks:

1. Meet with Lake City representatives to review scope of services required and intent of this evaluation.
2. Obtain copies of available drawings for the existing facility.
3. Survey the building to assess the structural condition of existing construction and to obtain any information not adequately defined on the construction documents.
4. Perform a structural analysis to assess the structural integrity of the building and assess the load capacity of the floor and roof systems.
5. Perform code review of the building to determine if it will meet building code requirements for its intended uses (commercial, retail, and residential).
6. Prepare a written report to be delivered to the City Manager summarizing the findings of the assessment and our recommendations regarding any potential upgrades needed to bring the building into conformance with current building requirements or into reliable service.
7. Meet with City Officials to discuss contents of the report.

Our proposed lump sum fee to perform this assessment is \$29,800.

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The following items are excluded from our proposal, but can be provided as additional services:

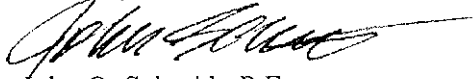
1. Detailed as-built drawings for the entire building, including a survey to document the dimensions, materials, and other as-built conditions of the building.
2. Performing an in-depth structural analysis of all structural elements to verify load capacity of the building.
3. Environmental survey and testing to identify hazardous materials in the construction of the building. Testing would be done for asbestos, lead paint and other identified hazardous materials.
4. Phasing analysis to plan out a staged redevelopment of the Blanche Hotel. Scenarios would be developed to show potential refurbishment of the building to support new tenants. This analysis would address architectural, mechanical, electrical and plumbing requirements. This analysis would provide recommendations for steps to be taken to "gut" the 3rd floor of the building and prepare it for tenant buildout as residential or commercial office space.
5. Detailed design of repairs or building modifications for redevelopment purposes.

We can provide fee proposals for the above additional services at your request.

If this proposal is acceptable to you, please forward written authorization to proceed in accordance with our continuing-service agreement dated January 22, 2008. We are prepared to begin work immediately upon receipt of your written authorization.

Thank you for the opportunity to work with the City on this important project.

Sincerely,

A handwritten signature in black ink, appearing to read 'John O. Schmidt', with a long horizontal flourish extending to the right.

John O. Schmidt, P.E.

Project Manager

xc: Richard N. Koller, PE, Jones Edmunds