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**CITY OF PROVIDENCE
RHODE ISLAND**



**CITY COUNCIL
JOURNAL OF PROCEEDINGS**

No. 33 City Council Special Meeting, Thursday, December 28, 2006, 7:30 o'clock P.M. (E.S.T.)

PRESIDING

**COUNCIL PRESIDENT
JOHN J. LOMBARDI**

ROLL CALL

**Present: COUNCIL PRESIDENT
LOMBARDI, COUNCILMEN APONTE,
BUTLER, COUNCILWOMAN DIRUZZO,
COUNCILMEN HASSETT, IGLIOZZI,
JACKSON, LUNA, MANCINI, COUNCIL-
WOMAN ROMANO, COUNCILMAN
SEGAL and COUNCILWOMAN YOUNG-
12.**

**Absent: COUNCILMEN ALLEN, DeLUCA
and COUNCILWOMAN WILLIAMS- 3**

**Also Present: Anna M. Stetson, City
Clerk, Claire E. Bestwick, First Deputy
City Clerk, Sheri A. Petronio, Assistant
Clerk, Adrienne G. Southgate, Deputy
City Solicitor and Vincent J. Berarducci,
City Sergeant.**

**JUN 7 2007
IN CITY COUNCIL**
A handwritten signature, likely of Anna M. Stetson, is written over the "IN CITY COUNCIL" text.

**READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE APPROVED.**

INVOCATION

The Invocation is given by COUNCIL-
WOMAN CAROL A. ROMANO.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

HALEY A. BUTLER Leads the Members
of the City Council and the Assemblage
in the Pledge of Allegiance to the Flag of
the United States of America.

CALL FOR SPECIAL MEETING

COMMUNICATION FROM COUNCIL PRESIDENT JOHN J. LOMBARDI

Request, filed with the City Clerk,
December 26, 2006, Requesting a Special
Meeting of the City Council to be Called on

the 28th day of December, 2006 at 5:30 o'clock
P.M., in the City Council Chamber, Third
Floor, City Hall.

JOHN J. LOMBARDI

City of Providence, Rhode Island

December 26, 2006

Anna M. Stetson
City Clerk
City Hall
Providence, RI 02903

Dear Ms. Stetson:

In accordance with the Provisions of Sections 406 of the Providence Home Rule Charter of 1980, I am, this day, calling a Special Meeting of the City Council to be held on Thursday, the 28th day of December 2006 at 5:30 o'clock P.M., in the City Council Chamber, Third Floor, City Hall for the purpose of acting upon the following:

An Ordinance Amending Ordinance Chapter 2006-33 No. 235, Approved June 12, 2006, regarding Predatory Lending.

An Ordinance Establishing and Granting a Tax Stabilization Plan for Providence Piers, LLC, on behalf of Tax Assessor's Lot 630 of Plat 46, being designated the Conley Wharf Project.

An Ordinance Establishing and Granting a Tax Stabilization Plan for Milhaus, LLC, on behalf of Tax Assessor's Lot 2 of Plat 27, being designated the Steel Yard Project.

An Ordinance in Amendment of Section 16-55 of the Code of Ordinances, Entitled: "Offenses and Miscellaneous Provisions."

An Ordinance Regarding Avoidance of Purchasing Items Fabricated in Sweatshops.

An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006.

An Ordinance Establishing a "Living Wage", As Amended.

Respectfully,

Council President
John. J. Lombardi

WARRANT FOR SPECIAL MEETING

Warrant of the City Clerk to Vincent J. Berarducci, City Sergeant with Return Certification that he has notified each Member of the City Council of the Special Meeting Called for the 28th day of December, 2006 at 5:30 o'clock P.M., in the City Council Chamber, Third Floor, City Hall.

**DEPARTMENT OF CITY CLERK
CITY HALL**

December 26, 2006

VINCENT J. BERARDUCCI, CITY
SERGEANT:

Whereas, Council President John J. Lombardi has, pursuant to Sections 406 of the Providence Home Rule Charter of 1980, requested the City Clerk, in writing, to Call a Special Meeting of the City Council to be held on the 28th day of December, 2006, A.D. at 5:30 o'clock P.M., in the Chamber of the City Council, Third Floor, City Hall for the purpose of Enacting the following:

An Ordinance Amending Ordinance Chapter 2006-33 No. 235, Approved June 12, 2006, regarding Predatory Lending.

An Ordinance Establishing and Granting a Tax Stabilization Plan for Providence Piers, LLC, on behalf of Tax Assessor's Lot 630 of Plat 46, being designated the Conley Wharf Project.

An Ordinance Establishing and Granting a Tax Stabilization Plan for Milhaus, LLC, on behalf of Tax

Assessor's Lot 2 of Plat 27, being designated the Steel Yard Project.

An Ordinance in Amendment of Section 16-55 of the Code of Ordinances, Entitled: "Offenses and Miscellaneous Provisions."

An Ordinance Regarding Avoidance of Purchasing Items Fabricated in Sweatshops.

An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006.

An Ordinance Establishing a "Living Wage", As Amended.

You are therefore, hereby commanded and required to summon each Member of the City Council to that Special Meeting, as Called.

Hereof, Fail Not, and make a true return of this Warrant, with your doings thereon.

Given under my Hand
and the Official Seal of
the City of Providence,
State of Rhode Island
and Providence
Plantations this 26th
day of December, 2006,
A.D.

Anna M. Stetson City
Clerk

STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS
THE CITY OF PROVIDENCE, Sc.

warrant by delivering to each member a copy thereof.

DECEMBER 26, 2006

Date

I, Vincent J. Berarducci, City Sergeant do hereby certify that I have notified each Member of the City Council of the Special Meeting scheduled to be held on Thursday, December 28, 2006 at 5:30 o'clock P.M., in the Chamber of the City Council, City Hall, Providence, in accordance with the subject

COUNCILMAN APONTE Moves to Dispense with the Reading of the foregoing matter.

COUNCIL PRESIDENT LOMBARDI Receives the foregoing Communication and Warrant.

CONTINUED BUSINESS

The Following Ordinance was in City Council December 21, 2006 and Laid on the Clerk's Desk until December 28, 2006.

An Ordinance Amending Ordinance Chapter 2006-33 No. 245, Approved June 12, 2006, regarding Predatory Lending.

office and for each branch office or facility information that shall include, but is not limited to, the following:

Be it ordained by the City of Providence:

SECTION 1. The Code of Ordinances of the City of Providence is hereby amended as follows:

Section 1. Lending and deposit specifications required.

With each bid for interest upon city and school funds, the controller shall obtain, in a form prescribed by him from each bidder, the lending and deposit information for its home

- (a.) the affidavit required under Section 2;
- (b.) the number of high cost loans made by the lender and its affiliates;
- (c.) the market share ratio of the lender's refinance loans in minority census tracts in Providence to non-minority census tracts in Providence;

- (d.) the market share ratio of the lender's refinance loans in low and moderate income census tracts in Providence to middle and upper income census tracts.
- (e.) Ratios of high cost loans shall be broken out separately; and considering each lender and affiliate separately in the calculations.

Section 2. Definitions; city depository.

(a.) The definitions of R.I.G.L. § 34-25.2-4, as amended from time to time, are hereby incorporated into this Ordinance by reference. In addition, as used in this Ordinance, the following terms shall have the meanings respectively indicated below:

"Predatory lender" means a business entity that has made, within the previous 24 month period, predatory loans that comprise either:

- (1) 5% of the total annual number of loans made; or
- (2) 25 individual loans; whichever is less.

Each lender and affiliate shall be considered separately for the purposes of these calculations, and only loans secured by residential real estate that is located within the City of Providence shall be considered. The term "predatory lender" shall not include a business entity that has demonstrated to the satisfaction of the Director of Finance that it has discontinued the practice of making predatory loans and has taken steps to ensure that it does not make such loans in the future.

"Predatory loan" means a loan that violates any of the provisions of R.I.G.L. § 35-25.2-5 or § 35-25.2-6.

(b.) No bidding bank or savings and loan association may be designated as a city depository if it or any of its affiliates is a predatory lender. Every bidding bank and loan association shall, prior to any such designation, submit to the City an affidavit certifying that neither it, nor any of its affiliates, is a predatory lender. The affidavit shall be in a form prescribed by the Director of Finance and shall be sworn by one or more of the officers of the bank or loan association.

Section 3. City contracts.

(a) No person or business entity shall be awarded a contract with the City if the person or business entity, or any of its affiliates is a predatory lender. Every person or business entity seeking to do business with the City shall submit to the City an affidavit certifying that neither it, nor any of its affiliates, is a predatory lender. The affidavit shall be in a form prescribed by the Director of Finance and shall be sworn by the person or one or more of the officers or owners of the business entity, as the case may be. Nothing in this section shall affect the validity of any contract entered into in connection with any debt obligations issued by or on behalf of the City, regardless of whether the contract is awarded in compliance with this Section. Any other contract awarded in violation of this Section shall be voidable at the option of the City.

(b) The purchasing agent may suspend the ineligibility of a person or business entity in order to allow execution of a contract with the person or entity, upon written application by the head of a city agency or department

affected by the proposed contract, setting forth facts sufficient in the judgment of the purchasing agent to establish: (i) that the public health, safety or welfare of the city requires the goods or services of the person or business entity; and (ii) that the city is unable to acquire the goods or services at comparable price and quality, and in sufficient quantity from other sources.

Section 4. Severability.

If any provision of this ordinance is held invalid, such provision shall be deemed excised from this ordinance and the invalidity thereof shall not affect any of the other provisions of this ordinance. If the application of any provision of this ordinance to any person or circumstance is held invalid, it shall not affect the application of such provision to other persons or circumstances.

SECTION 2. This ordinance shall take effect on passage and shall be retroactive to July 11, 2006.

ADRIENNE SOUTHGATE Reads the amendments to the Ordinance. "There are actually three small changes to the Ordinance that is in front of you. These are changes that were worked out with the Rhode Island Mortgage Bankers Association and the New England Bankers Association and also some suggestions from other mortgage lenders. The first is to change the definition section slightly that is incorporated in the State Law definitions that was part of the original submission that you received. The change is to re-incorporate some of the language that was stricken in the earlier draft specifically the definitions of Predatory Loan and Predatory Lender. The third change is to change the effective date so

that loans that were made from the period beginning on July 11th and continuing until this second passage of the ordinance would now be covered by these changes. There are a number of loans outstanding that were made in that period that have not been able to be sold on the secondary market so people are finding themselves in an awkward situation. So to address that we've changed the effective date of the legislation, made it retro-active to the original date of effectiveness in July of 2006."

COUNCILMAN APONTE Moves to Amend item Number 6 to reflect the amendments offered by the City Solicitor's Office, seconded by COUNCILWOMAN YOUNG.

COUNCILMAN APONTE Moves Approval of the Ordinance the Second time, As Amended, seconded by COUNCILWOMAN YOUNG, by the following Roll Call Vote.

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, JACKSON, LUNA, MANCINI, COUNCILWOMAN ROMANO, COUNCILMAN SEGAL and COUNCILWOMAN YOUNG-12.

NAYES: NONE.

ABSENT: COUNCILMEN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion for Passage the Second Time, As Amended is Sustained.

ORDINANCE SECOND READING

**The Following Ordinances were in City
Council December 21, 2006, Read and
Passed the First Time and are Severally
Returned for Passage the Second Time:**

An Ordinance Establishing and Granting a Tax Stabilization Plan for Providence Piers, LLC, on behalf of Tax Assessor's Lot 630 of Plat 46, being designated the Conley Wharf Project.

Whereas, the City Council of the City of Providence, pursuant to the General Laws of the State of Rhode Island, as amended from time to time, and Sections 21-160 through 21-172 of the Code of Ordinances of the City of Providence, has the authority to exempt real and personal property used for manufacturing, commercial, and/or residential purposes from the payment of property taxes, or to stabilize said taxes, if time granting of the exemption or stabilization plan inures to the benefit of the City of Providence by reason of physical improvements within the City of Providence which will result in long-term economic benefit, and/or by reason of the willingness of a commercial enterprise to construct new buildings or to replace, reconstruct, renovate, convert, expand, retain or remodel existing buildings; and

Whereas, the City Council of the City of Providence enacted Section 21-169 of the Code of Ordinances of the City of Providence whereby eligible properties, upon application, may be granted tax stabilization by the Providence City Council upon finding that project will incur to the benefit of the citizens

of the City of Providence (Section 21-169 property); and,

Whereas, the City Council of the City of Providence enacted Section 21-172 of the Code of Ordinances of the City of Providence whereby eligible properties, defined as properties designated on the landmark list as part of the mill restoration program and the arts and entertainment district in the City of Providence as approved by the City Council and certified by the building inspector of the City of Providence as in need of substantial rehabilitation, may be provided tax considerations, upon application, for a period beginning with the assessments of December 31, 2000 up to and including December 2011, so that the annual taxes on the eligible and approved land and buildings for this period shall equal the taxes based on the assessment date of December 31, 2000 for the tax year 2001, regardless of any increase in value attributable to the substantial rehabilitation undertaken, provided such rehabilitation commences prior to December 31, 2005, with any business or businesses located in such eligible and approved property or moving to such property from outside the City of Providence being considered, by application, for a tax program taxing their tangible personal property at the rate of \$33.44 per thousand dollars of assessed value for the same period as discussed above (Section 21-172 property).

Whereas, there is underdeveloped land and improvements in need of renovation located at 200 Allens Avenue, Providence, Rhode Island, more specifically described as Tax Assessor's Plat 46, Lot 630, a portion of which is Section 172 property and a portion is Section 21-169 property, the whole of which to be treated under Section 21-172; and

Whereas, Providence Piers, LLC (defined below as the "Project Owner"), as the property owner of said Lot 630 of Plat 46 has made application under Sections 21-169 and 21-172 of the Code of Ordinances of the City of Providence for tax stabilization, the whole to be treated under Section 21-172, and has satisfied each condition of said sections of the Code of Ordinances of the City of Providence in relation to its "Conley Wharf Project," more particularly described in its application to the City Council of the City of Providence for consideration of its request for tax stabilization as attached hereto and incorporated herein as Exhibit A; and

Whereas, the Project Owner has evidenced a willingness to renovate the existing improvements on the Project Site, as hereinafter defined, to create a mixed-use complex featuring a "banquet facility" consisting of approximately five thousand five hundred (5,500) square feet ("Patrick's Pier One"), a "meeting facility" of approximately three thousand five hundred (3,500) square feet for use by not-for-profit entities ("Conference Center"), upon request, for no fee, and approximately thirty-two thousand (32,000) square feet for artist studio space to be rented to Artists (defined below) at below market rates of \$6.00 per square feet for a term not less than five (5) years and a second term of five (5) years for no more than \$9.00 per square foot ("Artist Studio Space"); and

Whereas, it is in the public interest to provide and attract new residential and retail/commercial/warehouse uses as envisioned in the Conley Wharf Project; and

Whereas, the Conley Wharf Project shall incorporate three (3) buildings to undergo substantial rehabilitation, as certified by the building inspector of the City of Providence, for commercial and artist studio space, with related parking, uses as located on Lot 630 of Tax Assessor's Plat 46; and

Whereas, the City Council of the City of Providence has determined that the Conley Wharf Project will assist the City of Providence in its mill restoration program by renovating buildings designated on its landmark list and contributing to the economic well-being of the City of Providence by renovating existing structures and providing below market rentals for artists, thereby increasing the tax base of the City of Providence, expenditures by guests and residents of the City of Providence and employment opportunities in the City of Providence; and

Whereas, the City Council of the City of Providence has determined it is in the interest of the residents of the City of Providence to grant such tax stabilization to the Conley Wharf Project so as to induce the renovation of mill buildings in the City of Providence, and such tax stabilization will inure to the long-term benefit of the City of Providence:

Be It Ordained by the City of Providence:

Section 1. That the findings set forth in the preceding recitals are hereby made and confirmed in their entirety.

Section 2. Definitions. The following terms shall have the meanings set forth herein:

(a) "Artists" means those individuals, working individually or collectively, in the categories of visual, performing and/or literary arts, architects and designers in conformance with the eligibility guidelines propounded by PCIS, amended from time to time, as attached herein and incorporated by reference.

(b) "Commencement Date" means the date of passage of this ordinance.

(c) "Personal Property" means any and all tangible personal property, including, but not limited to, all fixtures, equipment, furnishings and other personal property, now or hereafter located at the Project Site, as hereinafter defined.

(d) "Project" means and shall consist of the complete interior/exterior renovation of the Real Property, as hereinafter defined, so as to provide for a "banquet facility" consisting of approximately five thousand five hundred (5,500) square feet for use for the general public for a fee ("Patrick's Pier One"), a "meeting facility" of approximately three thousand five hundred (3,500) square feet for use by not-for-profit entities ("Conference Center"), upon application, for no fee, and approximately thirty-two thousand (32,000) square feet for use by Artists for working studio and/or gallery space at the Project Site ("Artist Studio Space") for not more than \$6.00 per square foot for a period not less than five (5) years from the date of passage of this ordinance (Initial Term) nor more than \$9.00 per square foot for the five (5) year period following the Initial Term (Second Term).

(e) "Project Owner" means Providence Piers, LLC, being a Rhode Island limited liability company, or any successor and/or assign permitted hereunder.

(f) "Project Site" means the land, as well as improvements found thereon, designated as Lot 630 of Assessor's Plat 46 located at 200 Aliens Avenue, Providence, Rhode Island, more particularly described in the application made by Project Owner to the City Council of the City of Providence for consideration for tax stabilization as attached hereto and incorporated herein by reference as Exhibit A.

(g) "Project Taxable Properties" means, collectively, the Project Site, as proposed, the Real Property Improvements, as hereinafter defined, and the Personal Property, together constituting the Project.

(h) "Real Property Improvements" means all structures, buildings, renovations and improvements currently proposed to be located at the Project Site as identified in Exhibit A as attached hereto; provided, that it is understood that any material additional improvements, excluding customary repairs and renovations, shall require an amendment of this tax stabilization ordinance.

(i) "Stabilized Tax Payment(s)" means, with respect to the Project Taxable Properties, the amounts listed on the attached schedule found on Exhibit B, as prepared by the tax assessor of the City of Providence and attached hereto and incorporated herein by reference.

(j) "Termination Date" means June 30 of the year in which Stabilized Tax Payment(s) based on the December 31, 2011 assessment date are to be paid in full.

Section 3. Tax Stabilization. That the City of Providence hereby grants to the Project Owner for the Project Site the stabilized assessment at the stabilized tax rate in accordance with Exhibit B, as attached hereto, for the period commencing as of the December 31, 2005 assessment date through the dates shown on Exhibit B.

Section 4. Term. The term of the tax stabilization hereby granted shall be for a period commencing on the Commencement Date and terminating on the Termination Date, all as more particularly described on Exhibit B, as attached hereto, unless earlier terminated as provided herein.

Section 5. Stabilized Tax Payments. As long as Project Owner, or any permitted transferee, owns or operates the Project Site, it will continue to make the Stabilized Tax Payment(s) as set forth in Exhibit B as attached hereto, during the term of this tax stabilization plan. Project Owner, and any transferee permitted hereunder, agrees that the Project Site will be subject to taxation, without regard to any tax stabilization, as of the Termination Date and thereafter. Project Owner agrees not to transfer the Project Site, or any portion thereof, to any tax-exempt entity which does not waive in writing its exemption and right to assert any exemption from any real and/or personal property taxes assessed by the City of Providence ("Waiver") or to allow any transfer by any subsequent transferee to any tax-exempt entity which does not also provide such Waiver during the term of this plan to stabilize taxes. Project Owner is required as a condition precedent to this tax treaty to record notice in the Land Evidence Records of the City of Providence of the requirement that the subject property covered by this ordinance be transferred only to a tax paying entity or to a tax exempt

entity which provides such Waiver as long as this agreement is in effect. In the event that the subject property covered by this ordinance is transferred to a tax-exempt entity without such Waiver, despite the prohibition against such transfer, whether by Project Owner or any subsequent transferee of such property, Project Owner will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes as set forth in Exhibit B, as attached hereto, which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity without a Waiver had not been violated. In the event that Project Owner shall divide the Project Site or convert all or any portion thereof into residential and/or commercial condominium or a cooperative, such residential and/or commercial condominium and/or cooperative so converted and sold as a condominium and/or cooperative unit shall, upon recording of the deed for transfer of such unit by the Project Owner to a third party purchaser, no longer be covered under this ordinance and shall be subject to taxation without regard to any tax stabilization agreement (the remaining portion of the Project to be prorated accordingly and the Tax Stabilized Payments scheduled hereunder will thereby be reduced accordingly), provided that Project Owner provides written notice of any such sale to the tax assessor of the City of Providence indicating the name(s) of the purchaser, the date of purchase and the purchase price of the unit sold, otherwise said unit shall remain as a part of the tax payments due from Project Owner.

Section 6. Payment of Taxes. The following shall pertain to the payment of taxes set forth herein:

(a) Project Owner shall make Stabilized Tax Payment(s) to the City of Providence as prescribed in the attached schedule set forth in Exhibit B in lieu of all other real property and personal property taxes and assessments of every kind and nature which would now or hereafter otherwise be levied upon the Project and the City of Providence agrees to accept the Stabilized Tax Payments in lieu of all such other real property and personal property taxes.

(b) Stabilized Tax Payment(s) due to the City of Providence, pursuant to the terms of this agreement, may be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments. If quarterly payments are to be made, they shall be due on the same dates that quarterly taxes are due for all other taxpayers in the City of Providence for property taxes and similarly subject to interest and late fee penalties if not timely made.

(c) It is understood by the parties that the Stabilized Tax Payment(s) made hereunder are tax payments; and, the Project Owner shall be entitled to all the rights, privileges, and obligations of a taxpayer in the City of Providence.

(d) The liability for the Stabilized Tax Payment(s) due and owing under this agreement shall constitute an obligation of Project Owner, and the City of Providence shall be granted by the Project Owner a lien on the Project Taxable Properties, which lien shall be of the same priority and entitle the City of Providence to the same foreclosure remedy as the lien and foreclosure remedy provided under applicable laws and ordinances with respect to real and personal

property taxes, not subject to a tax treaty or this agreement.

Section 7. Satisfaction of Obligations. The City of Providence agrees that so long as the Stabilized Tax Payment(s) are made by the Project Owner in accordance with the terms of this agreement, the City of Providence shall, during the term of this agreement, accept said payments in full satisfaction of the obligations of the Project Owner as to the payment of any and all taxes and property assessments to the City of Providence which would otherwise be levied upon or with respect to the Project Taxable Properties, including future customary repairs and customary renovations of the Real Property Improvements and the Personal Property which may now exist or which may hereafter be placed or erected thereon or located thereat or used therein, but excluding material renovations or improvements beyond that contemplated in the Project.

Section 8. Minority and Local Contractors/Vendors. It shall be the goal of the Project Owner and the Project Owner shall use its best efforts to hire contractors and subcontractors and to purchase construction materials from entities which/who are situated in and/or are residents of the City of Providence. Further, the Project Owner shall use its best efforts to award 25% of the total dollar value of construction to Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs"), as defined and pursuant to Section 21-52 of the Code of City Ordinances, City of Providence, as certified by state agency or the Director of the Department of Planning and Development, City of Providence. The total fee and non-biddable "General Conditions" of the prime

contractor will be deducted from this calculation. The Project Owner will use its best efforts to work with the prime contractor to reduce the size of bid packages where possible so as to maximize accessibility of contract work to small contractors from the community.

It is the intent of the parties that the participation of each element of minority and women business enterprise not fall below twelve and a half (12.5%) percent.

Section 9. First Source and Employment. Project Owner shall in all respects comply with the First Source Ordinance, so-called, and shall enter a contract with the City of Providence which contract shall set forth the obligations of the Project Owner. Further, Project Owner will include in all subcontracts an affirmative action and community hiring program in which the contractor commits to notify Project Owner of any job openings at the Project Site and to a willingness to interview candidates identified through said program. Project Owner has set a target minimum of ten (10%) percent of total hires as community hires over the course of the Project construction period. In addition, Project Owner agrees to provide training and/or apprenticeships for City of Providence residents hired on the Project. Such training and/or apprenticeship program shall be submitted in writing to the Director of the Department of Planning and Development, City of Providence, for his or her written approval, as a condition precedent to any tax stabilization as envisioned under this ordinance, which may include an apprenticeship created under Section 28-45-1, et seq., of the General Laws of Rhode Island, as amended.

Section 10. Purpose. The City of Providence has entered into this tax stabilization plan to renovate mill buildings and to provide commercial, not-for-profit meeting and artist studio space in the City of Providence and to increase its tax base as a result of such renovation. This plan shall be in effect during its term as long as the property is utilized primarily for the Project with the meeting space, so-called, to be made available for use by not-for-profit organizations for no fee upon request and the artist studio space to be rented for no more than \$6.00 per square foot during the Initial Term, as defined herein, and no more than \$9.00 per square foot during the Second Term, as defined herein, and failure to use the Project Site primarily for such purposes, under such terms, renders this tax stabilization plan null and void. It is understood that this ordinance does not extend to any building or buildings used as a "dormitory" or "apartment dormitory". The use of any building or portion of a building for "dormitory" or "apartment dormitory" purposes renders the treaty null and void. The tax stabilization plan being rendered null and void for any reason would require the Project Owner to pay all taxes and fees as would have been due and owing as if no plan had been entered, *ab initio*.

Section 11. Basis of Calculation for Tax Payments. The schedule listed in Exhibit B, as attached hereto, is based, in part, upon information provided to the tax assessor of the City of Providence by Project Owner including, but not limited to, estimated construction costs. In the event any of this information is inaccurate or proves to be materially erroneous, this treaty shall be modified to reflect the accurate information. This tax treaty is conditioned upon commencement of construction by December

31, 2005. Failure to begin construction by December 31, 2005 renders the plan null and void and shall subject the Project Owner liable for the difference of the taxes due under Exhibit B and the taxes that would have been payable but for the tax treaty as if no treaty had been entered, all in accordance with Sections 169 and 172 of the Code of Ordinances of the City, of Providence.

Section 12. Back Taxes. This treaty is conditioned upon Project Owner at all times owing no back taxes to the City of Providence and remaining current on all payments due under this tax stabilization plan. Failure to make timely payments renders this treaty null and void, *ab initio*.

Section 13. Assignment. Notwithstanding anything to the contrary contained herein, this tax treaty is not assignable by Project Owner without the express written consent of the Director, Department of Planning and Development, City of Providence, which consent will be not be unreasonably withheld.

Section 14. Reporting and Monitoring. Project Owner shall, not less than sixty (60) days after the end of each fiscal year of the Project Owner, submit to the Director, Department of Planning and Development of the City of Providence, a report that will provide evidence of compliance with Sections 8, 9 and 10 hereof on forms provided by said director for said purpose. The director may require additional information to demonstrate compliance.

Section 15. Notices. All notices, certificates, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this section, collectively called "Notices") shall be in writing and shall be sent by registered or certified mail, postage pre-paid,

return receipt requested and received overnight delivery by a recognized public or private carrier, or by facsimile, in either case as evidenced by a receipt or other evidence of delivery showing the date, time and, for facsimile, telephone number or receipt and addressed to the party to receive such Notice as identified below:

If to: City of Providence
City Hall
25 Dorrance Street
Providence, RI 02903
Attn: Mayor, City of Providence

Copies to: City Solicitor
City of Providence
275 Westminster Street,
2nd Fl.
Providence, RI 02903

Director, Department of
Planning and Development
400 Westminster Street
Providence, RI 02903

If to: Providence Piers, LLC
1445 Wampanoag Trail
East Providence, RI 02915

Copy to: Patrick Conley, Esq.
1445 Wampanoag Trail
East Providence, RI 02915

Section 16. Penalties and Petition for Relief. In the event that Project Owner does not comply in all material respects with any and/or all of the material provisions of this ordinance, the Director of the Department of Planning and Development, City of Providence, or the City Council of the City of Providence by resolution, may provide written notice, mailed, postage-prepaid, to Project Owner at its/his/her last known

address, setting forth the nature of the non-compliance and the date upon which the tax stabilization agreement shall be rendered null and void because of the non-compliance, unless said non-compliance is cured prior to said date ("Early Termination Date"). The full tax which would otherwise have been due and payable, if there had been no tax agreement, plus interest and penalties as provided by law ("Full Tax"), will become immediately due and payable on the Early Termination Date, with the calculation thereof being contained in the notice. However, the Early Termination Date shall be at least one hundred and twenty (120) days from the mailing of written notice. Project Owner may petition the City Council, City of Providence, for a hearing with respect to the issue of non-compliance. The hearing shall be held within sixty (60) days of the receipt of the petition by the City Clerk, City of Providence. At the hearing Project Owner shall have an opportunity to present evidence of compliance and/or request relief. In the event that the City Council, City of Providence, does not act after a hearing of Project Owner prior to the Early Termination Date, the determination of the Director, Department of Planning and Development, City of Providence, shall be conclusive and Project Owner shall immediately make payment of the Full Tax to the City of Providence.

Section 17. Expiration Dates. That in accordance with the laws of the State of Rhode Island and the Code of Ordinances of the City of Providence, the City Council hereby approves the Project Owner's application for tax stabilization as set forth as Exhibit A and authorizes said tax stabilization as provided in this ordinance in accordance with it and with the schedule of payments set forth in Exhibit B as attached hereto.

Section 18. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

Section 19. Effective Date. This ordinance shall take effect upon its passage.

PCIS Artist Definition

© PCIS, 2004

The artist definition includes and is not limited to individuals in the categories of visual, performing & literary arts, architects and designers. It is recognized that a majority of artists do not earn a living through sales of their artwork. "Professional" therefore refers to the nature of the artist's commitment to their work on a professional basis that is incorporated into their identity whether or not it is a means of making a living. Under no circumstances is the content or quality of the work within the application a consideration for eligibility.

Eligibility

The category of visual arts encompasses both two and three-dimensional artwork that can include one of a kind and production pieces.

Two-dimensional includes but is not limited to: drawing, illustration, painting, printing, etching, carving, photography, film and video, using any material whether original, traditional or digital.

Three-dimensional includes, but is not limited to: sculpture, installations, and crafts in all mediums including conceptual translations in model or the virtual format of digital media. Crafts are defined in the traditional areas of fiber & textiles (apparel incl.), clay, glass (stained glass incl.), metal (jewelry incl.), stone (lapidary incl.) and wood

(furniture incl.). Installation art is a creative assemblage of objects that may be exhibited indoors or outdoors. **It is important to note that within these different media, hand fabrication is a crucial qualification, but casting and other industrial tools such as knitting machines can be used in a creative process or to produce production items.**

Production work is tolerated within the artist definition, but should be reviewed for creativity. For example, limited editions, frequent changes of new designs or lines of work and a balance between production and one-of-a-kind work are positive signs of a creative artist, designer or craftsman. The original design or creation of the production item must belong to the artist or craftsman in question. Replications of traditional designs of folk art are also allowed in the category of craft as long as there is no copyright infringement and the craftsman is carrying on a traditional line of folk art that transcends generations within a region or country.

The category of performing arts includes singers, musicians, actors, dancers, performing artists, choreographers, composers, stylists (photo & fashion incl.) and set designers. Actors and set designers may be working in the fields of theatre, television or screen film. Performance artists may work on the stage, street, or circus for example. In the same vein, performance artists may be clowns, jugglers or acrobats.

The category of literary art includes, but is not limited to; fiction writers, poets or playwrights. For example, a writer whose work is limited to journalism, biography, non-

fiction or technical manuals would not qualify.

The category of architecture may only include architects or landscape architects who have received a college level degree in their respective fields. Those applicants who are currently unemployed or not teaching in their fields of architecture must show a continued commitment or practice in their field whether it be in the form of conceptual drawings or on the basis of consulting or volunteer work within their community.

The category of design includes, but is not limited to; graphic design, industrial design, interior design, set design, web design and animation. Interior decorators may be considered as interior designers provided they have an ASID certification. Other design forms within digital media may be considered under the category of web design.

Qualifying an applicant as a legitimate artist, crafts person, architect or designer involves an extensive review of their application form, supporting material, resume and artist statement or biography. The ability to show a commitment towards exhibiting, performing or working in one's category as a consistent part of the applicants life is the most important guideline. An applicant's ability to show community involvement through their work is also a quality of importance. If offered as proof of eligibility (except in the case of architecture where it is required) college transcripts or tax returns for respective categories should be requested. An applicant's education or employment may be noted as a way to help establish a commitment to their work, however, an applicant's lack of education or inability to make living in their field should in no way prevent their ability to qualify. In fact, a self-

taught applicant who shows an equal commitment to his or her work compared to one who was educated by an institution, should be considered by the selection committee for their self motivation and commitment to their process.

RI State Pier Properties.xls

Stabilization For: Sedona Assoc. LLC (Rhode Island State Location: 200 Allens Ave
 Date of Application: April 12, 2005
 Code of Ordinance City Providence 21-172 Landmark Mill Restoration Program)
 Building Name Providence Teaming Co.
Parcels (Plat/Lot): Plat 46 Lots 630 (NOTE: Project Includes former Plat 46 Lot 317 & 319 making it Eligible for Mill Stabilization Ordinance by recognition of the RI Historic Preservation Council)

Assessment Assumptions:

Assessment Date of December 31, 2000

Tax Rate : of (2001) \$34.07

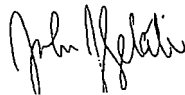
REAL ESTATE ASSESSMENT: **\$681,600**

TAX RATE PER \$1000: **\$34.07**

UNADJUSTED TAX CONCLUSIONS: **\$23,222**

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2005	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
2	12/31/2006	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
3	12/31/2007	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
4	12/31/2008	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
5	12/31/2009	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
6	12/31/2010	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
7	12/31/2011	\$ 681,600	0%	\$ -	\$ 23,222	\$ -	\$ 23,222
Totals				\$ -	\$ 162,555	\$ -	\$ 162,555

12/11/2006 3:57 PM



Real Estate Mill Lots 317&319

INSTRUCTION FOR FILING
APPLICATION FOR TAX STABILIZATION
FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTIES

PURPOSE: THE PURPOSE OF THE ORDINANCE IS TO GRANT A PROPERTY TAX EXEMPTION FOR PROPERTY USED FOR INDUSTRIAL PURPOSES IF THE GRANTING OF AN EXEMPTION WILL:

- * cause a commercial/industrial & residential concern to locate in the city;
- * cause a commercial/industrial & residential concern to replace, reconstruct, expand or remodel existing buildings and facilities and thereby increase the tax base in the city.
- * cause a commercial/industrial & residential concern to construct new buildings or facilities and thereby increase employment opportunities

ELIGIBILITY: PROVISIONS OF THIS ORDINANCE SHALL APPLY TO COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTY DEFINED TO MEAN BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS THERETO, THE PRIMARY PURPOSE AND USE OF WHICH IS THE MANUFACTURE OF GOODS AND MATERIALS, OFFICE USE, RETAIL USE, OR HOUSING.

Commercial/Industrial property shall include facilities related to a manufacturing operation including but not limited to office, engine, research and development, warehousing or parts distribution facilities, but shall not include land.

PROCEDURE: 1. No person shall be entitled to any exemption without first filing an application with the Office of City Assessor.

2. No application shall be considered unless application is filed prior to the issuance of building permit with respect to the property.
3. No application shall be considered unless estimated cost of new construction exceeds 20 % of the assessed value of the commercial/industrial property or \$100,000 whichever is less.
4. The Building Inspector shall review the application to determine any violations of the provisions of the building code with respect to the property of the applicant and any other property in the city owned by the applicant.

If violation(s) so exist, the Building Inspector shall forward a statement stating the nature and extent of such violations. No exemptions shall be granted until such violations have been cured.

CITY OF PROVIDENCE, RHODE ISLAND

APPLICATION REQUESTING

TAX STABILIZATION FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTIES

ACCORDING TO

CHAPTER 21 OF THE CODE ORDINANCES AS AMENDED

PAY OF NON-REFUNDABLE APPLICATION FEE
MUST ACCOMPANY APPLICATION ACCORDING TO
THE FOLLOWING SCHEDULE:

\$150.00 FOR PERMIT UP TO - \$30,000 (COMM/IND)
\$225.00 FOR PERMIT FROM \$31 - \$750,000
\$500.00 FOR PERMIT OVER - \$751,000 ✓
\$200.00 FOR COMPUTER/TELEPHONE
90% OF EST. CONSTRUCTION COSTS (RESIDENTIAL)

DATE 4/12/05

1. NAME & ADDRESS OF APPLICANT RHODE ISLAND STATE PER SERVICES LLC
(IF CORPORATION/PARTNERSHIP, GIVE NAME & TITLE OF CEO FILING APPLICATION) Patrick V Conley Managing Member

2. IF APPLICANT IS LESSEE, GIVE NAME AND ADDRESS OF OWNER AND SPECIFIC TERMS OF LEASE

N/A

3. LOCATION OF PROPERTY

200 ALLANS AVE F/H/A 206 and 230

4. ASSESSOR'S PLAT AND LOT

PLAT 46 LOTS 317 and 319

5. DATE & PURCHASE PRICE OF EXISTING PROPERTY

2001 BOUGHT AT TAX SALE
AFTER ABANDONMENT \$706,000

6. COST & PROJECTED DATE OF ADDITIONAL PROPERTY TO BE PURCHASED FOR THIS EXPANSION PROJECT

N/A

7. ESTIMATED COST OF EXPANSION, RENOVATION, (ATTACH EVIDENCE SUPPORTING SUCH FIGURE: COPY OF BIDS, CONSTRUCTION CONTRACT, ARCHITECT'S CERTIFICATION, GIVE DETAILS AS TO SCOPE OF PROJECT TO BE UNDERTAKEN--# OF STORIES, TYPE OF CONSTRUCTION, TOTAL SQ. FT., ETC.) 3.1 MILLION
4 STORY FULL HISTORIC REHAB 45,000 S.F.
ARCHITECT CERT TO FOLLOW

8. DESCRIBE EXISTING FACILITY:
OF STORIES 4 STOREYS
OF SQ. FT. FLOOR 16,000 SQ FT
AGE OF BUILDING(S) 8000 YRS
TYPE OF CONSTRUCTION 8000 YRS
INTERIOR CONDITION 8000 YRS
EXTERIOR CONDITION BUILT 1894 FINE COND.

9. APPLICATION IS MADE UNDER THE PROVISION OF THE ORDINANCE FOR THE FOLLOWING REASON(S) (CHECK ONE OR MORE)
☒ a. locate in City of Providence
☒ b. replace section of premises
☒ c. expand building
☒ d. remodel facility
☒ e. construct new building (f)
☒ f. computer/telephone
☒ g. other

10. WILL PROPOSED CONSTRUCTION ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY? YES ☒ NO ☐

IF YES, GIVE ESTIMATE AS TO NEW POSITIONS TO BE CREATED AND JUSTIFICATION FOR SAME 41 ARTISTS/STUDIOS
30 RESTAURANT WORKERS

11. WILL THE PROPOSED ALTERATION CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE? YES ☐ NO ☒

12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? YES ☒ NO ☐
IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED FURNISHINGS FOR
CONFERENCE CENTER
AND RESTAURANT

13. CONSTRUCTION/ALTERATION ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED NOW
ETD OCTOBER 2005

14. ARE ALTERATIONS/CONSTRUCTION PLANS PERMITTED UNDER THE PRESENT ZONING? YES ☒ NO ☐

IF NO, PLEASE ADVISE AS TO WHETHER APPLICATION HAS BEEN OR WILL BE FILED WITH ZONING BOARD OF REVIEW. APPLICATION ON FILE
JUNE HEARING

HAS HEARING BEEN SCHEDULED? YES

IT IS THE UNDERSTANDING OF THE APPLICANT(S) THAT THE EXEMPTION, IF APPROVED, IS APPLICABLE ONLY TO COMMERCIAL/INDUSTRIAL CONCERNS WHO WISH TO LOCATE IN THE CITY OR WHO WISH TO REPLACE, RECONSTRUCT, EXPAND OR REMODEL EXISTING FACILITIES, THAT MEET THE APPROVAL OF THE BUILDING INSPECTOR, THAT ALL CURRENT AND PAST TAXES DUE BY THE APPLICANTS MUST BE PAID IN FULL, THAT THE EXEMPTION WOULD BE ATTRIBUTABLE ONLY TO THAT PORTION OF THE ASSESSMENT ATTRIBUTABLE TO THIS CONSTRUCTION/RENOVATION, THAT THE EXEMPTION MAY BE REVOKED IN THE EVENT OF FRAUD OR MISREPRESENTATION BY THE APPLICANT(S).

Patrick V Conley
WITNESS

Patrick V Conley
SIGNATURE OF APPLICANT
180 Allans Ave Providence RI 02903
ADDRESS

4/12/05
DATE

4/12/05
DATE

RECEIVED BY CITY ASSESSOR
PROVIDENCE, RHODE ISLAND 4/12/05 DATE

MUNICIPAL LIEN CERTIFICATE
CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
CITY HALL PROVIDENCE, R.I. 02903 (401) 331-2222

DATE PLAT LOT UNIT LOCATION CERT #
May 17, 2005 046 0317 0000 206 Allens Ave 49,930
ASSESSED Sedona Associates
OWNER Thomas Wilson Dorr Associates

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST DUE	TOTAL DUE	DEB NAME
04	RE	\$18,148.52	\$0.00	\$0.00	\$18,148.52	\$0.00	\$0.00	\$0.00	Sedona Assu
		\$18,148.52	\$0.00	\$0.00	\$18,148.52	\$0.00	\$0.00	\$0.00	

NOTE - INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED LATER THAN 30 DAYS FROM DATE.
NOTE - PLEASE BE AWARE THAT UNPAID TAXES MAY BE SUBJECT TO TAX SALE.

PLEASE CONTACT THE WATER SUPPLY BOARD AT 521-6300
PLEASE CONTACT THE NARRAGANSETT BAY COMMISSION AT 521-6300

CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE IS TRUE AND CORRECT. SAID CERTIFICATION BEING GIVEN IN ACCORDANCE WITH 44-7-11 OF THE GENERAL LAWS OF RHODE ISLAND 1956, AS OF THE DATE PRINTED ABOVE.

MAILED TO: Sedona Associates, LLC

ROBERT P. CEPFRANO
TAX COLLECTOR
MARC CASTALDI
DEPUTY COLLECTOR

41901

Webster/Covers Return ref: 1

MUNICIPAL LIEN CERTIFICATE
CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
CITY HALL PROVIDENCE, R.I. 02903 (401) 331-2222

DATE PLAT LOT UNIT LOCATION CERT # PAGE
May 17, 2005 046 0317 0000 206 Allens Ave 49,930
ASSESSED Sedona Associates
OWNER Thomas Wilson Dorr Associates

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

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04	RE	\$18,148.52	\$0.00	\$0.00	\$18,148.52	\$0.00	\$0.00	\$0.00	Sedona Associates
		\$18,148.52	\$0.00	\$0.00	\$18,148.52	\$0.00	\$0.00	\$0.00	

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MAILED TO: Sedona Associates, LLC

ROBERT P. CEPFRANO
TAX COLLECTOR
MARC CASTALDI
DEPUTY COLLECTOR

41901

Webster/Covers Return ref: 1

MUNICIPAL LIEN CERTIFICATE
CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
CITY HALL PROVIDENCE, R.I. 02903 (401) 331-2222

DATE PLAT LOT UNIT LOCATION CERT #
November 15, 2005 046 0650 0000 200 Allens Ave 49,930
ASSESSED Rhode Island State Pier Properties
OWNER CO Patrick T Cusley

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST DUE	TOTAL DUE	DEB NAME
08	RE	\$74,753.52	\$0.00	\$0.00	\$18,088.38	\$56,665.14	\$0.00	\$56,665.14	Rhode Island
		\$74,753.52	\$0.00	\$0.00	\$18,088.38	\$56,665.14	\$0.00	\$56,665.14	

INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED LATER THAN 30 DAYS FROM DATE.

Notes:

- Please be aware that unpaid taxes may be subject to tax sale.
- Please contact the Water Supply Board at 521-6300.
- Please contact the Narragansett Bay Commission at 521-6300.
- Property within designated City plat maps known as 19, 20, 24, 25, and 26 may be subject to assessment by the Downtown Providence District Management Authority Downtown Improvement District. Please call (401) 421-4450 for payment information.

CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE IS TRUE AND CORRECT. SAID CERTIFICATION BEING GIVEN IN ACCORDANCE WITH 44-7-11 OF THE GENERAL LAWS OF RHODE ISLAND 1956, AS OF THE DATE PRINTED ABOVE.

MAILED TO: City Council
City of Providence

ROBERT P. CEPFRANO
TAX COLLECTOR
MARC CASTALDI
DEPUTY COLLECTOR

Webster/Covers Return ref: 1

City of Providence
Duplicate Bill

Rhode Island State Pier Properties
CO Patrick T Cusley
100 Allens Ave
Providence, RI 02903

ACCOUNT NO: 9208632001
LENDER

2006 TAX DUE: \$56,665.14
2006 INTEREST DUE: \$0.00
PRIOR YEARS TAXES DUE: \$0.00
PRIOR YEARS INTEREST DUE: \$0.00
TOTAL AMOUNT DUE: \$56,665.14

DESCRIPTION:

REAL ESTATE											
YR	PLAT	PROPERTY	UNIT	CHARGE	PAID	ADJUSTMENT	CHARGE	PAID	ADJUSTMENT	CHARGE	PAID
08	046	200 Allens Ave	0650	\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REAL ESTATE TOTAL				\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PRIOR YEARS				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL AMOUNT DUE:				\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

COLLECTION STATEMENT											
YR	PLAT	PROPERTY	UNIT	CHARGE	PAID	ADJUSTMENT	CHARGE	PAID	ADJUSTMENT	CHARGE	PAID
08	046	200 Allens Ave	0650	\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL				\$74,753.52	\$18,088.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

[illegible]



FIRST SOURCE AGREEMENT

WHEREAS, the City of Providence (the "City") has enacted an ordinance presently codified at Article III, Sections 21-91 through 21-96 of the City's Code of Ordinances (the "Ordinance"), which is designed to encourage the retention in the City of working, home-owning families and to help to assure employers located in the City that a trained and motivated workforce will be in place to fill their requirements; and

WHEREAS, the Ordinance applies to all businesses employing more than four (4) employees who receive aid in cash or in-kind from the City above and beyond the normal services provided to all businesses and residents of the City; and

WHEREAS, PCIS (Grant) (the "Employer") hereby acknowledges that it has received such aid from the City and that the Ordinance is applicable to it for as long as it receives such aid, but in no event for less than three (3) years nor more than ten (10) years;

THEREFORE, Employer hereby contracts and agrees to abide by the Ordinance, which shall include compliance with the following provisions:

1. Whenever Employer shall have a vacancy in any non-supervisory position created as a result of an internal promotion, termination, and/or expansion of the Employer's workforce that is not filled by internal promotion from within the Employer's local workforce (a "Position"), Employer shall attempt to recruit and hire with respect to the Position from the so-called First Source List, aka the Providence Connects List (the "List") maintained by the City's Department of Planning and Development and/or its agent (collectively, "D.O.P.D.");
2. Employer shall notify D.O.P.D. at least ten (10) days before filling a Position, and in the event that Employer is unable to find an acceptable candidate to fill a Position from the List, Employer shall then notify D.O.P.D. that it wishes to seek to fill the Position from outside the List;
3. If, after a conference, D.O.P.D. agrees that Employer is unable to find an acceptable candidate on the List to fill a Position, the Employer shall be free to seek candidates from other sources. If, on the other hand, D.O.P.D. believes that there is an acceptable candidate or candidates who reside in Providence on the List or otherwise available, D.O.P.D. shall be given an additional thirty (30) days to recruit said candidate or candidates. In the event that D.O.P.D. is unable to present a suitable candidate within said thirty (30) day period, Employer shall then be free to hire from other sources.
4. Employer shall comply with the Federal Equal Employment Opportunity Policy on non-discrimination for those with prison records. Whenever Employer is in

receipt of information which is part of an employment applicant's or employee's criminal history record information file, Employer may use that information for the purpose of deciding whether or not to hire the applicant or fire the employee, only in the manner set forth below, unless such denial of employment or termination is required by municipal, state or federal law:

- (a) Convictions will only be considered by Employer to the extent that they relate to the applicant's suitability for employment in the position for which they have applied or in which they are in, that is, where there is a justified business necessity. In determining whether a justified business necessity exists, Employer shall consider:
 - (i) The gravity of the offense or offenses;
 - (ii) The time that has passed since the conviction and/or completion of the sentence; and
 - (iii) The nature of the job held or sought.
- (b) In the case when an individual is being denied employment as a result of a business necessity as described above, Employer shall give written notification to the individual being denied or fired, explaining the reasons why he/she was denied employment and informing him/her of the right to appeal to the D.O.P.D.

IN WITNESS WHEREOF, _____ has caused this Agreement to be executed by a duly authorized individual on the ____ day of _____, 2006.

By: Erik BrightName: ERIK BRIGHTTitle: DIRECTOR, PCIS (Partnership for Creative Industrial Space)Dated: 11/14/06

Accepted: _____ Dated: _____
Thomas E. Deiter, Director

* subject to Tax abatement 2 (property) final approval.



FIRST SOURCE AGREEMENT

WHEREAS, the City of Providence (the "City") has enacted an ordinance presently codified at Article III, Sections 21-91 through 21-96 of the City's Code of Ordinances (the "Ordinance"), which is designed to encourage the retention in the City of working, home-owning families and to help to assure employers located in the City that a trained and motivated workforce will be in place to fill their requirements; and

WHEREAS, the Ordinance applies to all businesses employing more than four (4) employees who receive aid in cash or in-kind from the City above and beyond the normal services provided to all businesses and residents of the City; and

WHEREAS, Providence Trees LLC Alpha Forest's Tree One LLC (the "Employer") hereby acknowledges that it has received such aid from the City and that the Ordinance is applicable to it for as long as it receives such aid, but in no event for less than three (3) years nor more than ten (10) years;

THEREFORE, Employer hereby contracts and agrees to abide by the Ordinance, which shall include compliance with the following provisions:

1. Whenever Employer shall have a vacancy in any non-supervisory position created as a result of an internal promotion, termination, and/or expansion of the Employer's workforce that is not filled by internal promotion from within the Employer's local workforce (a "Position"), Employer shall attempt to recruit and hire with respect to the Position from the so-called First Source List, aka the Providence Connects List (the "List") maintained by the City's Department of Planning and Development and/or its agent (collectively, "D.O.P.D.");
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 - (i) The gravity of the offense or offenses;
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- (b) In the case when an individual is being denied employment as a result of a business necessity as described above, Employer shall give written notification to the individual being denied or fired, explaining the reasons why he/she was denied employment and informing him/her of the right to appeal to the D.O.P.D.

IN WITNESS WHEREOF, _____ has caused this Agreement to be executed by a duly authorized individual on the ____ day of _____, 2006.

By: Providence Trees LLC Alpha Forest's Tree One LLCName: Scott V. BaileyTitle: Managing MemberDated: 11/14/06

Accepted: _____ Dated: _____
Thomas E. Deiter, Director

* subject to tax abatement final approval



**PCIS LETTER OF INTENT - CONLEY'S
WHARF (200 ALL33ENS AVENUE)**

Partnership for Creative Industrial Space (PCIS) is a non-profit organization with the mission to facilitate artistic and small business growth through real access of space in the city of Providence. We work to preserve and provide affordable and sustainable commercial space in the Mill District. PCIS was formed to counteract the ongoing displacement of these groups throughout our city.

In December 2005, PCIS signed a five-year master lease on approximately 31,000 square feet of fully renovated, code compliant, commercial space at an affordable rate of \$6 per square foot. This lease provides an option to renew for an additional 5 years at \$9 a sq. ft., which will allow the project to sustain itself for 10 years. This rate is being passed on directly to tenants over a spread of \$5-\$8 sq. ft. for the first five years and will increase to a spread of \$8-\$11 sq ft. from the 6th to the 10th year without an increase for profit. Under the contract, this space, located at 200 Aliens Avenue, is to be subleased to artists and small industrial & commercial businesses. By agreeing to take on the master entire lease, PCIS negotiated this low rate in order to provide accessible space for this group, a criteria that is directly in line with our mission. With the average rate of commercial space costing \$15-\$20 per square foot in Providence, we are excited to have this unprecedented opportunity - safe, legitimate and long-term work space for artists & small commercial businesses at a rate they can afford.

In the past few years, Providence has seen an increase in adaptive re-use projects throughout the Mill District. The automatic live/work

variance given to the industrial buildings on the ICDB list, coupled with eligibility for State Historic Tax Credits and a real estate tax abatement program provided (by) through the Urban Mill Initiative have spurred the rapid development of buildings in the Mill District into residential condos. We are currently watching this happen at alarming speed due to the housing demand in Providence. As much as this is good for city revenue, the creation of jobs and especially the preservation of our historic mills, these developments are displacing the industrial and creative sector of Providence. This rapid development jeopardizes the fabric of our city, its community and its attraction as a destination.

A cross-section mill survey conducted by PCIS through a mini grant from your organization found approximately 1,261 businesses and 15,672 employees and artists are located in the buildings of the ICBD (totaling 250). At the end of this summer, a building located at 25 Eagle Street in Providence will displace 14 businesses, 142 employees, 3 non-profits and over 21 artists to a condo conversion of the mill. With (five) Seven (Rising, Mono, Eagle, Procaccianti, Foundry, Fastner, Dike,) (known Eliminate) adaptive reuse projects currently underway (currently) in the Mill District, the trend towards this type of preservation has gained momentum. The results of the survey support our argument that we are losing a significant population of the creative and industrial sector to residential mill conversions.

To offset these displacements, PCIS has positioned ourselves to be a resource for both artists and small-scale industrial businesses and owners of buildings within the Mill District. As "brokers" of space/ we serve as a

buffer between owner and tenants. We negotiate the relationship terms, consult on the redevelopment of space for use from these creative sectors, secure the space for a long-term period, and enforce owner responsibilities. With a history of owner/tenant issues in these mills, we see this as a direct benefit to the artist and small-scale industrial business constituency. For owners, we are helping them fill their buildings and assuring the tenants will honor the code and zoning criteria. And for the city, we are assuring

economic vitality (through) by keeping these sectors alive in our city and cultivating their growth for long-term success.

With this in mind, we ask that the Finance Committee approve the tax stabilization for Conley's Wharf contingent upon the occupancy of PCIS. The lowered taxes will allow us to reduce the association fees on the tenants and ensure that we are able to maintain affordable commercial space in the building.

Rental Budget

Conley's Wharf

6/14/06

	Sq. Ft. Unit	Sq. Ft. Common Space	Total Sq. Ft. (Incl. Unit & Common Space)	\$ Per Sq. Ft.	Monthly Rent per Unit	Monthly Assoc. Fee for entire Studio	Total Monthly Rent (incl. Unit & Assoc. Fee)	Max. Tenant Leases	Suggested cost per tenant (Unit & Assoc. Fee)
Gallery	1440								
Studio #1	840	77.5	917.5	\$7	\$535	\$35	\$571	1	\$ 571
Studio #2	1354	124.5	1478.5	\$6	\$739	\$57	\$796	2	\$ 398
Studio #3	1763	162	1925	\$6	\$963	\$74	\$1,037	3	\$ 346
Studio #4A	1704	156	1860	\$7	\$994	\$72	\$1,066	3	\$ 355
Studio #4B	1485	137	1622	\$6	\$811	\$63	\$874	3	\$ 291
Studio #5A	3575	329	3904	\$6	\$1,952	\$151	\$2,103	6	\$ 350
Studio #5B	733	68	801	\$5	\$334	\$31	\$365	1	\$ 365
Studio #5C	963	88.5	1051.5	\$5	\$438	\$41	\$479	1	\$ 479
Studio #5D	923	83	1006	\$7	\$587	\$39	\$626	2	\$ 313
Studio #5E	1711	157.5	1868.5	\$7	\$1,090	\$72	\$1,162	3	\$ 387
Studio #6	2857	872.5	3739.5	\$8	\$2,493	\$121	\$2,614	5	\$ 523
Studio #7A	773	240	1013	\$8	\$675	\$33	\$708	1	\$ 708
Studio #7B	3438	1068.5	4506.5	\$8	\$3,004	\$145	\$3,149	6	\$ 525
Studio #8	2867	943.5	3810.5	\$9	\$2,858	\$121	\$2,979	5	\$ 596
Studio #9	3438	1130.5	4568.5	\$9	\$3,426	\$145	\$3,571	6	\$ 595
TOTAL/AVERAGES	29874	5638	34072	\$7.43	\$20,900	\$1,200	\$22,099	48	
				Annual	\$250,795	\$14,399	\$265,193		

ANNUAL ASSOC. BUDGET :	\$1,500	Wireless Internet
	\$2,500	Janitorial
	\$2,500	Liability Insurance
	\$1,500	Gallery and Event Insurance
	\$3,600	Gallery and Common Space Utilities
	\$2,800	ADT Security System

TOTAL \$ 14,400

An Ordinance Establishing and Granting a Tax Stabilization Plan for Milhaus, LLC, on behalf of Tax Assessor's Lot 2 of Plat 27, being designated the Steel Yard Project.

Be it ordained by the City of Providence:

Whereas, the City Council of the City of Providence, pursuant to the General Laws of the State of Rhode Island, as amended from time to time, and Sections 21-160 through 21-172 of the Code of Ordinances of the City of Providence, has the authority to exempt real and personal property used for manufacturing, commercial, and/or residential purposes from the payment of property taxes, or to stabilize said taxes, if the granting of the exemption or stabilization plan inures to the benefit of the City of Providence by reason of physical improvements within the City of Providence which will result in long-term economic benefit, and/or by reason of the willingness of a commercial enterprise to construct new buildings or to replace, reconstruct, renovate, convert, expand, retain or remodel existing buildings; and

Whereas, the City Council of the City of Providence enacted Section 21-172 of the Code of Ordinances of the City of Providence whereby eligible properties, defined as properties designated on the landmark list as part of the mill restoration program and the arts and entertainment district in the City of Providence as approved by the City Council and certified by the building inspector of the City of Providence as in need of substantial rehabilitation, may be provided tax considerations, upon application, for a period beginning with the assessments of December 31, 2000 up to and including December 2011, so that the annual taxes on the eligible and approved land and buildings for this period

shall equal the taxes based on the assessment date of December 31, 2000 for the tax year 2001, regardless of any increase in value attributable to the substantial rehabilitation undertaken, provided such rehabilitation commences prior to December 31, 2005, with any business located in such eligible and approved property or moving to such property from outside the City of Providence being considered, by application, for a tax program taxing their tangible personal property at the rate of \$33.44 per thousand dollars of assessed value for the same period as discussed above (Section 21-172 property).

Whereas, there is underdeveloped land and improvements in need of renovation located at 27 Sims Avenue, Providence, Rhode Island, more specifically described as Tax Assessor's Plat 27, Lot 2, the whole of which is Section 172 property; and

Whereas, MILHAUS, LLC (defined below as the "Project Owner"), as the property owner of said Lot 2 of Plat 27 has made application under Section 21-172 of the Code of Ordinances of the City of Providence for tax stabilization and has satisfied each condition of said sections of the Code of Ordinances of the City of Providence in relation to its "The Steel Yard Project," more particularly described in its application to the City Council of the City of Providence for consideration of its request for tax stabilization as attached hereto and incorporated herein as Exhibit A; and

Whereas, the Project Owner has evidenced a willingness to renovate the existing improvements on the Project Site, as hereinafter defined, to create approximately twenty-eight thousand (28,000) square feet of commercial property to be rented at below market rates, whereby at least 20% of the

gross rentable square feet shall not exceed 40% of the highest square foot rate, as follows: Building 1 is three thousand nine hundred sixty (3,960) square feet of general office space; Building 2 is eleven thousand eight hundred and seventy (11,870) square feet of commercial space; and, Building 3 is thirteen thousand (13,000) square feet of industrial space ("The Steel Yard Project"), together with "green space" as currently situate on the Project Site for the enjoyment of the general public during the term of tax stabilization; and

Whereas, it is in the public interest to provide and attract new residential and retail/commercial/warehouse uses as envisioned in The Steel Yard Project; and

Whereas, The Steel Yard Project shall involve the substantial rehabilitation of the existing buildings, as certified by the building inspector of the City of Providence, for commercial and artist studio space, with related parking uses, as located on Lot 2 of Tax Assessor's Plat 27; and

Whereas, the City Council of the City of Providence has determined that The Steel Yard Project will assist the City of Providence in its mill restoration program by renovating buildings designated on its landmark list and contributing to the economic well-being of the City of Providence by renovating existing structures and providing below market rentals for artists, thereby increasing the tax base of the City of Providence, expenditures by guests and residents of the City of Providence and employment opportunities in the City of Providence; and

Whereas, the City Council of the City of Providence has determined it is in the interest of the residents of the City of

Providence to grant such tax stabilization to The Steel Yard Project so as to induce the renovation of mill buildings in the City of Providence, and such tax stabilization will inure to the long-term benefit of the City of Providence:

Be It Ordained by the City of Providence:

Section 1. That the findings set forth in the preceding recitals are hereby made and confirmed in their entirety.

Section 2. Definitions. The following terms shall have the meanings set forth herein:

(a) "Commencement Date" means the date of passage of this ordinance.

(b) "Personal Property" means any and all tangible personal property, including, but not limited to, all fixtures, equipment, furnishings and other personal property, now or hereafter located at the Project Site, as hereinafter defined.

(c) "Project" means and shall consist of the complete interior/exterior renovation of the Real Property, as hereinafter defined, so as to provide approximately twenty-eight thousand (28,000) square feet of commercial property to be rented at below market rates, whereby at least 20% of the gross rentable square feet shall not exceed 40% of the highest square foot rate, as follows: Building 1 is three thousand nine hundred sixty (3,960) square feet of general office space; Building 2 is eleven thousand eight hundred and seventy (11,870) square feet of commercial space; and, Building 3 is thirteen thousand (13,000) square feet of industrial space ("The Steel Yard Project"), together with "green space" as currently situate on the

Project Site for the enjoyment of the general public during the term of tax stabilization.

(d) "Project Owner" means MILHAUS, LLC, being a Rhode Island limited liability company, or any successor and/or assign permitted hereunder.

(e) "Project Site" means the land, as well as improvements found thereon, designated as Lot 2 of Assessor's Plat 27 located at 27 Sims Avenue, Providence, Rhode Island, more particularly described in the application made by Project Owner to the City Council of the City of Providence for consideration for tax stabilization as attached hereto and incorporated herein by reference as Exhibit A.

(f) "Project Taxable Properties" means, collectively, the Project Site, as proposed, the Real Property Improvements, as hereinafter defined, and the Personal Property, together constituting the Project.

(g) "Real Property Improvements" means all structures, buildings, renovations and improvements currently proposed to be located at the Project Site as identified in Exhibit A as attached hereto; provided, that it is understood that any material additional improvements, excluding customary repairs and renovations, shall require an amendment of this tax stabilization ordinance.

(h) "Stabilized Tax Payment(s)" means, with respect to the Project Taxable Properties, the amounts listed on the attached schedule found on Exhibit B, as prepared by the tax assessor of the City of Providence and attached hereto and incorporated herein by reference.

(i) "Termination Date" means June 30 of the year in which Stabilized Tax Payment(s) based on the December 31, 2011 assessment date are to be paid in full.

Section 3. Tax Stabilization. That the City of Providence hereby grants to the Project Owner for the Project Site the stabilized assessment at the stabilized tax rate in accordance with Exhibit B, as attached hereto, for the period commencing as of the December 31, 2004 assessment date through the dates shown on Exhibit B.

Section 4. Term. The term of the tax stabilization hereby granted shall be for a period commencing on the Commencement Date and terminating on the Termination Date, all as more particularly described on Exhibit B, as attached hereto, unless earlier terminated as provided herein.

Section 5. Stabilized Tax Payments. As long as Project Owner, or any permitted transferee, owns or operates the Project Site, it will continue to make the Stabilized Tax Payment(s) as set forth in Exhibit B as attached hereto, during the term of this tax stabilization plan. Project Owner, and any transferee permitted hereunder, agrees that the Project Site will be subject to taxation, without regard to any tax stabilization, as of the Termination Date and thereafter. Project Owner agrees not to transfer the Project Site, or any portion thereof, to any tax-exempt entity which does not waive in writing its exemption and right to assert any exemption from any real and/or personal property taxes assessed by the City of Providence ("Waiver") or to allow any transfer by any subsequent transferee to any tax-exempt entity which does not also provide such Waiver during the term of this plan to stabilize taxes. Project Owner is required as a condition precedent to

this tax treaty to record notice in the Land Evidence Records of the City of Providence of the requirement that the subject property covered by this ordinance be transferred only to a tax paying entity or to a tax exempt entity which provides such Waiver as long as this agreement is in effect. In the event that the subject property covered by this ordinance is transferred to a tax-exempt entity without such Waiver, despite the prohibition against such transfer, whether by Project Owner or any subsequent transferee of such property, Project Owner will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes as set forth in Exhibit B, as attached hereto, which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity without a Waiver had not been violated. In the event that Project Owner shall divide the Project Site or convert all or any portion thereof into residential and/or commercial condominium or a cooperative, such residential and/or commercial condominium and/or cooperative so converted and sold as a condominium and/or cooperative unit shall, upon recording of the deed for transfer of such unit by the Project Owner to a third party purchaser, no longer be covered under this ordinance and shall be subject to taxation without regard to any tax stabilization agreement (the remaining portion of the Project to be prorated accordingly and the Tax Stabilized Payments scheduled hereunder will thereby be reduced accordingly), provided that Project Owner provides written notice of any such sale to the tax assessor of the City of Providence indicating the name(s) of the purchaser, the date of purchase and the unit sold, otherwise said unit shall remain as a part of the tax payments due from Project Owner.

Section 6. Payment of Taxes. The following shall pertain to the payment of taxes set forth herein:

(a) Project Owner shall make Stabilized Tax Payment(s) to the City of Providence as prescribed in the attached schedule set forth in Exhibit B in lieu of all other real property and personal property taxes and assessments of every kind and nature which would now or hereafter otherwise be levied upon the Project and the City of Providence agrees to accept the Stabilized Tax Payments in lieu of all such other real property and personal property taxes.

(b) Stabilized Tax Payment(s) due to the City of Providence, pursuant to the terms of this agreement, may be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments. If quarterly payments are to be made, they shall be due on the same dates that quarterly taxes are due for all other taxpayers in the City of Providence for property taxes and similarly subject to interest and late fee penalties if not timely made.

(c) It is understood by the parties that the Stabilized Tax Payment(s) made hereunder are tax payments; and, the Project Owner shall be entitled to all the rights, privileges, and obligations of a taxpayer in the City of Providence.

(d) The liability for the Stabilized Tax Payment(s) due and owing under this agreement shall constitute an obligation of Project Owner, and the City of Providence shall be granted by the Project Owner a lien on the Project Taxable Properties, which lien shall be of the same priority and entitle the City of Providence to the same foreclosure

remedy as the lien and foreclosure remedy provided under applicable laws and ordinances with respect to real and personal property taxes, not subject to a tax treaty or this agreement.

Section 7. Satisfaction of Obligations. The City of Providence agrees that so long as the Stabilized Tax Payment(s) are made by the Project Owner in accordance with the terms of this agreement, the City of Providence shall, during the term of this agreement, accept said payments in full satisfaction of the obligations of the Project Owner as to the payment of any and all taxes property assessments to the City of Providence which would otherwise be levied upon or with respect to the Project Taxable Properties, including future customary repairs and customary renovations of the Real Property Improvements and the Personal Property which may now exist or which may hereafter be placed or erected thereon or located thereat or used therein, but excluding material renovations or improvements beyond that contemplated in the Project.

Section 8. Minority and Local Contractors/Vendors. It shall be the goal of the Project Owner and the Project Owner shall use its best efforts to hire contractors and subcontractors and to purchase construction materials from entities which/who are situated in and/or are residents of the City of Providence. Further, the Project Owner shall use its best efforts to award 25% of the total dollar value of construction to Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs"), as defined and pursuant to Section 21-52 of the Code of City Ordinances, City of Providence, as certified by state agency or the Director of the

Department of Planning and Development, City of Providence. The total fee and non-biddable "General Conditions" of the prime contractor will be deducted from this calculation. The Project Owner will use its best efforts to work with the prime contractor to reduce the size of bid packages where possible so as to maximize accessibility of contract work to small contractors from the community.

It is the intent of the parties that the participation of each element of minority and women business enterprise not fall below twelve and a half (12.5%) percent.

Section 9. First Source and Employment. Project Owner shall in all respects comply with the First Source Ordinance, so-called; and shall enter a contract with the City of Providence which contract shall set forth the obligations of the Project owner. Further, Project Owner will include in all subcontracts an affirmative action and community hiring program in which the contractor commits to notify Project Owner of any job openings at the Project Site and to a willingness to interview candidates identified through said program. Project Owner has set a target minimum of ten (10%) percent of total hires as community hires over the course of the Project construction period. In addition, Project Owner agrees to provide training and/or apprenticeships for City of Providence residents hired on the Project. Such training and/or apprenticeship program shall be submitted in writing to the Director of the Department of Planning and Development, City of Providence, for his or her written approval, as a condition precedent to any tax stabilization as envisioned under this ordinance, which may include an apprenticeship created under Section 28-45-1,

et seq., of the General Laws of Rhode Island, as amended.

Section 10. Purpose. The City of Providence has entered into this tax stabilization plan to renovate mill buildings and to provide commercial, exhibition, performance and art studio/resident space. It is understood that this ordinance does not extend to any building or buildings used as a "dormitory" or "apartment dormitory". The use of any building or portion of a building for "dormitory" or "apartment dormitory" purposes renders the treaty null and void. The tax stabilization plan being rendered null and void for any reason would require the Project Owner to pay all taxes and fees as would have been due and owing as if no plan had been entered, *ab initio*.

Section 11. Basis of Calculation for Tax Payment(s). The schedule listed in Exhibit B, as attached hereto, is based, in part, upon information provided to the tax assessor of the City of Providence by Project Owner including, but not limited to, estimated construction costs. In the event any of this information is inaccurate or proves to be materially erroneous, this treaty shall be modified to reflect the accurate information. This tax treaty is conditioned upon commencement of construction by December 31, 2005. Failure to begin construction by December 31, 2005 renders the plan null and void and shall subject the Project Owner liable for the difference of the taxes due under Exhibit B and the taxes that would have been payable but for the tax treaty as if no treaty had been entered, all in accordance with Section 172 of the Code of Ordinances of the City of Providence.

Section 12. Back Taxes. This treaty is conditioned upon Project Owner at all times owing no back taxes to the City of Providence and remaining current on all payments due under this tax stabilization plan. Failure to make timely payments renders this treaty null and void, *ab initio*.

Section 13. Assignment. Notwithstanding any thing to the contrary contained herein, this tax treaty is not assignable by Project Owner without the express written consent of the Director, Department of Planning and Development, City of Providence, which consent will be not be unreasonable withheld.

Section 14. Reporting and Monitoring. Project Owner shall, not less than sixty (60) days after the end of each fiscal year of the Project Owner, submit to the Director, Department of Planning and Development of the City of Providence, a report that will provide evidence of compliance with Sections 8, 9 and 10 hereof on forms provided by said director for said purpose. The director may require additional information to demonstrate compliance.

Section 15. Notices. All notices, certificates, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this section, collectively called "Notices") shall be in writing and shall be sent by registered or certified mail, postage pre-paid, return receipt requested and received overnight delivery by a recognized public or private carrier, or by facsimile, in either case as evidenced by a receipt or other evidence of delivery showing the date, time and, for facsimile, telephone number or receipt and addressed to the party to receive such Notice as identified below:

If to: City of Providence
City Hall
25 Dorrance Street
Providence, RI 02903

Attn: Mayor, City of Providence

Copies to: City Solicitor
City of Providence
275 Westminster Street,
2nd Fl.
Providence, RI 02903

Director, Department
of Planning and
Development
400 Westminster Street
Providence, RI 02903

If to: Milhaus, LLC
27 Sims Avenue
Providence, RI 02909

Copy to: Nicolas Bauta, Manager
27 Sims Street
Providence, RI 02909

Section 16. Penalties and Petition for Relief. In the event that Project Owner does not comply in all material respects with any and/or all of the material provisions of this ordinance, the Director of the Department of Planning and Development, City of Providence, or the City Council of the City of Providence by resolution, may provide written notice, mailed, postage-prepaid, to Project Owner at its/his/her last known address, setting forth the nature of the non-compliance and the date upon which the tax stabilization agreement shall be rendered null and void because of the non-compliance, unless said non-compliance is cured prior to said date ("Early Termination Date"). The full tax which would otherwise have been due and

payable, if there had been no tax agreement, plus interest and penalties as provided by law ("Full Tax"), will become immediately due and payable on the Early Termination Date, with the calculation thereof being contained in the notice. However, the Early Termination Date shall be at least one hundred and twenty (120) days from the mailing of written notice. Project Owner may petition the City Council, City of Providence, for a hearing with respect to the issue of non-compliance. The hearing shall be held within sixty (60) days of the receipt of the petition by the City Clerk, City of Providence. At the hearing Project Owner shall have an opportunity to present evidence of compliance and/or request relief. In the event that the City Council, City of Providence, does not act after a hearing of Project Owner prior to the Early Termination Date, the determination of the Director, Department of Planning and Development, City of Providence, shall be conclusive and Project Owner shall immediately make payment of the Full Tax to the City of Providence.

Section 17. Expiration Dates. That in accordance with the laws of the State of Rhode Island and the Code of Ordinances of the City of Providence, the City Council hereby approves the Project Owner's application for tax stabilization as set forth as Exhibit A and authorizes said tax stabilization as provided in this ordinance in accordance with it and with the schedule of payments set forth in Exhibit B as attached hereto.

Section 18. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

Section 19. Effective Date. This ordinance shall take effect upon its passage.

The Steel Yard - Milhaus LLC

Stabilization For: The Steel Yard - Milhaus, LLC Location: 27 Sims Avenue
 Date of Application: April 15, 2006
 Code of Ordinance City Providence 21-172 (Landmark Mill Restoration Program)
 Building Name Providence Steel and Iron Co.
 Parcels (Plat/Lot): Plat 27 Lots 2

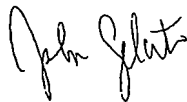
Assessment Assumptions:
 Assessment Date of December 31, 2000
 Tax Rate : of (2001) \$34.07
 REAL
 ESTATE
 ASSESS
 MENT:

Land	\$ 205,530.00
Improvement	\$ 370,970.00
Total Assessment	<u>\$576,500</u>

TAX RATE PER \$1000:	\$34.07
UNADJUSTED TAX CONCLUSIONS:	\$19,641

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2005	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
2	12/31/2006	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
3	12/31/2007	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
4	12/31/2008	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
5	12/31/2009	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
6	12/31/2010	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
7	12/31/2011	\$ 576,500	0%	\$ -	\$ 19,641	\$ -	\$ 19,641
Totals				\$ -	\$ 137,489	\$ -	\$ 137,489

12/6/2006 4:37 PM



Real Estate Mill

CITY OF PROVIDENCE, RHODE ISLAND
APPLICATION REQUESTING
TAX STABILIZATION FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTIES
ACCORDING TO
CHAPTER 21 OF THE CODE ORDINANCES AS AMENDED

PAY OF NON-REFUNDABLE APPLICATION FEE
MUST ACCOMPANY APPLICATION ACCORDING TO
THE FOLLOWING SCHEDULE:

\$150.00 FOR PERMIT UP TO - \$250,000 (COMM/IND)
\$225.00 FOR PERMIT FROM \$251 - \$750,000
\$300.00 FOR PERMIT OVER - \$751,000
\$200.00 FOR COMPUTER TELEPHONE
601% OF EST. CONSTRUCTION COSTS (RESIDENTIAL)

DATE 4/15/06

1. NAME & ADDRESS OF APPLICANT (IF CORPORATION/PARTNERSHIP, GIVE NAME & TITLE OF CEO FILING APPLICATION).
NICHOLAS BAUTA, CEO
MILHAUS, LLC (THE STEEL YARD)
27 Sims Ave. Providence 02909

2. IF APPLICANT IS LESSEE, GIVE NAME AND ADDRESS OF OWNER AND SPECIFIC TERMS OF LEASE

3. LOCATION OF PROPERTY
27 SIMS AVE., 02909

4. ASSESSOR'S PLAT AND LOT
PLAT 27, LOT 2

5. DATE & PURCHASE PRICE OF EXISTING PROPERTY
JANUARY 14, 2002
14 MILLION

6. COST & PROJECTED DATE OF ADDITIONAL PROPERTY TO BE PURCHASED FOR THIS EXPANSION PROJECT
N/A

7. ESTIMATED COST OF EXPANSION/RENOVATION. (ATTACH EVIDENCE SUPPORTING SUCH FIGURE: COP OF BIDS, CONSTRUCTION CONTRACT, ARCHITECT'S CERTIFICATION) GIVE DETAILS AS TO SCOPE OF PROJECT TO BE UNDERTAKEN—# OF STORIES TYPE OF CONSTRUCTION, TOTAL SQ. FT. ETC.)
DEVELOPMENT COSTS: \$1,980,407.00
ENVIRONMENTAL REMEDIATION COST: \$687,417
* SEE ATTACHED FOR DESCRIPTION, BUDGET, ARCHITECT & CONSTRUCTION CONTRACT

8. DESCRIBE EXISTING FACILITY:
OF STORIES 1 & 2 STORY BUILDINGS
OF SQ. FT./FLOOR 1ST FLOOR: 11,870 sq. ft. 2ND FLOOR: 1,500 sq. ft.
AGE OF BUILDING(S) 104 YEARS
TYPE OF CONSTRUCTION JOISTED MASONRY
INTERIOR CONDITION REQUIRE: NEW ELECTRIC, PLUMBING, FIRE + SPRINKLER SYSTEM, FLOORING
EXTERIOR CONDITION - LIGHTING, FRAMING, PLASTER
9. REPAIRS: ROOFING (GUTTERING + POINTING), DENTAL MOLDING, WINDOWS, ROOF + DOORS
10. APPLICATION IS MADE UNDER THE PROVISION OF THE ORDINANCE FOR THE FOLLOWING REASON(S) (CHECK ONE OR MORE)
a. locate in City of Providence
b. replace section of premises
c. expand building
d. remodel facility
e. construct new building(s)
f. computer/telephone
g. other ENVIRONMENTAL REMEDIATION/BROWNFIELD SITE

11. WILL PROPOSED CONSTRUCTION/ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY
YES NO ☒

IF YES, GIVE ESTIMATE AS TO NEW POSITIONS TO BE CREATED AND JUSTIFICATION FOR SAME

12. WILL THE PROPOSED ALTERATION/CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE?
YES NO ☒

13. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED

12. CONSTRUCTION SHALL BEGIN SEPTEMBER 2006 - START DATE
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED JULY 2008 - COMPLETION DATE *attached*

14. ARE ALTERATIONS/CONSTRUCTION PLANS PERMITTED UNDER THE PRESENT ZONING? YES ☒ NO

IF NO, PLEASE ADVISE AS TO WHETHER APPLICATION HAS BEEN OR WILL BE FILED WITH ZONING BOARD OF REVIEW.

HAS HEARING BEEN SCHEDULED? No

IT IS THE UNDERSTANDING OF THE APPLICANT(S) THAT THE EXEMPTION, IF APPROVED, IS APPLICABLE ONLY TO COMMERCIAL/INDUSTRIAL CONCERNS WHO WISH TO LOCATE IN THE CITY, OR WHO WISH TO REPLACE, RECONSTRUCT, EXPAND OR REMODEL CURRENT FACILITIES THAT MEET THE APPROVAL OF THE BUILDING INSPECTOR. THAT ALL CURRENT AND PAST TAXES DUE BY THE APPLICANT(S) MUST BE PAID IN FULL THAT THE EXEMPTION WOULD BE ATTRIBUTABLE ONLY TO THAT PORTION OF THE ASSESSMENT ATTRIBUTABLE TO THIS CONSTRUCTION. RENOVATION THAT THE EXEMPTION MAY BE REVOKED IN THE EVENT OF FRAUD OR MISREPRESENTATION BY THE APPLICANT(S).

John Linn
ADDRESS

DATE 4/15/06

Nicholas Bauta
SIGNATURE OF APPLICANT
532 Kinsley Ave., Unit 124
PROVIDENCE, RI 02909

DATE 4/15/2006

RECEIVED BY CITY ASSESSOR
PROVIDENCE, RHODE ISLAND DATE

APPLICATION FEE FORWARDED TO COLLECTOR AMOUNT

REVIEWED BY ASSESSOR WITH THE FOLLOWING RECOMMENDATIONS

SIGNATURE/DATE/ASSESSOR

RECEIVED BY CITY COLLECTOR

APPLICANT OWES FOLLOWING TAXES YEAR AMOUNT

TAXES ARE PAID IN FULL

ARRANGEMENTS HAVE BEEN MADE YES NO

SIGNATURE/DATE/COLLECTOR

RECEIVED BY BUILDING INSPECTOR DATE

PLANS AS REVIEWED MEET ALL CURRENT CODES/STATUTES OF CITY YES NO

NO VIOLATIONS EXIST ON THIS OR OTHER PROPERTIES OWNED BY APPLICANT YES NO

* VIOLATIONS EXIST AS FOLLOWS

VIOLATIONS HAVE BEEN DISCUSSED WITH APPLICANT(S), ARRANGEMENTS HAVE BEEN MADE TO CORRECT SAME YES NO

SIGNATURE/DATE/BUILDING INSPECTOR
REVIEW BY THE ASSESSOR
OF THE
APPLICATION FOR TAX STABILIZATION
FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTY

1. Name & Address of Applicant _____

2. Location of Property _____

3. List Plat/Lot(s) _____

4. Fee Paid Yes _____ No _____

5. Application Reviewed by Building Inspection & Approved No Violations Yes _____ No _____

6. Application reviewed by Collector Yes _____ No _____ with no outstanding taxes

7. Application is eligible for program on the basis of the following (check one)

a. _____ Cause a commercial/industrial concern to locate in the city;

b. _____ Cause a commercial/industrial concern to replace, expand, reconstruct, or remodel existing building thereby increase tax base

c. _____ Cause a commercial/industrial concern to construct new buildings/facilities and thereby increase employment

8. Property is eligible for stabilization program in that it meets the criteria as commercial/industrial property Yes _____ No _____

9. Application has been filed with Assessor prior to obtaining building permit Yes _____ No _____

10. Improvements to be undertaken _____

11. Recommend that the project be approved for stabilization exemption program Yes _____ No _____

RECAPITULATION OF
EXEMPTION BREAKDOWN

Assessment date prior to Stabilization _____

Milhaus, LLC
27 Sims Avenue
Providence, RI 02909

Application for Tax Stabilization
For Commercial Property

#7

Budget, Bid, Contracts, Certifications
Attached

Estimated cost for renovating building # 2 is \$1,784,000. This is a one story joisted masonry building consisting of a total 11,870 square feet. The renovation of this property will include new electrical service, new

electrical wiring and fixtures, new plumbing, new windows, masonry repair and re-pointing, new fire alarms, a sprinkler system, a new roof, new windows, plaster, framing, concrete floors, doors, sewer and runoff system. The building is on the National Register of Historic Places and will be renovated to accommodate 100% commercial use in accordance to historic preservation guideline.

#8

The interior conditions require demolition, this building was used as a steel structural shop for over 100 years. The exterior conditions require masonry re-pointing, new windows, new doors, new roof, new dental molding.

13 Timeline

The property was purchased on January 14th 2002 for \$1.4 million, the site is 2.9 acres and has three building totaling approximately 30,000 interior square feet. The site is a bownfield and is currently in the remediation process as approved by RIDEM.

Building # 2 will begin construction in December 2007 and be completed in October 2007

Building # 1 occupied (prior renovations completed in 2004 for \$130,000, building 100% occupied)

Building # 3 occupied (no renovations scheduled or completed, building 100% occupied)

Green Space construction will start March 2007 and be completed in June 2007 (total cost \$ 1 million)

Introduction

The re-development effort of the former Providence Steel and Iron (PSI) site is requesting help from the City of Providence in the form of tax stabilization. This project is unique to Providence in that it intends to be a 100% commercial re-development that is creating affordable light industrial, manufacturing, and commercial space, as well as a publicly accessible one acre green space for outdoor programming. The taxes on the property have increased over 50% from \$22,379.76 in 2003 to \$53,767.24 in 2005. This is a very big deal for such a social venture that is working towards breaking even and committed to providing affordable commercial space at a time when it is quickly disappearing throughout the city of Providence. In an effort to maintain an accessible green space to be programmed and enjoyed by the surrounding Providence community, the developers do not currently plan on any new construction and have been focusing their attention and funds on renovating the existing buildings in accordance with historic preservation guidelines and the costly task of the properties environmental remediation. This is not a profit driven venture, it is a community driven approach that must succeed so that it can become a model of alternative community conscious development in the future.

The Providence Business News quoted a report by the Rhode Island Public Expenditures Council in the April 10-16, 2006 edition in an article entitled Property Taxes Hinder Growth, which stated commercial buildings in Providence are 38% higher than the average commercial rate for a New England City and 50% higher than the national average.

Project Overview

The PSI site is an adaptive mixed-use development project located in the Valley District of Providence, RI. The site offers a variety of spaces for small for-profit and non-profit business, artist studios, and a significant open green space to be used and enjoyed by both tenants and the greater Providence community. The developers are dedicated to preserving the historic Providence Steel and Iron complex as a working facility but also to developing the property in ways that respect and contribute to both the urban environment of Providence and the natural ecology of the Woonasquatucket river corridor.

Job Creation and Affordable Facilities

Building # 1 is a 3,960 square foot brick office building with four units. The building houses the Woonasquatucket River Watershed Council, Tellart, Jack Richter Design, and a sustainable architecture/design collaborative, which includes Local, Truth Box, Inc., John Chambers Architects, and Kelly Taylor Interior Design.

Building # 2 will become a vibrant commercial building with 11,870 square feet. Its uses will include a retail gallery, cafe, studio space, office space and industrial space.

Building # 3 is a 13,000 square foot industrial building that is leased to two Tenants, The Steel Yard and Mid Ocean Studio. This building is in its original condition and is being used as studios and production facilities. The Steel Yard's facilities are rented by local fabricators and craftspeople for around \$15 per hour. This is the only affordable industrial shop in

Providence. The Steel Yard uses this shop to help start-up business and emerging artists/designers share space at affordable rates. The facilities have a positive economic impact on dozens of businesses and individuals who continually struggle to find affordable space and access to resources, knowledge, and employees that will help their commercial endeavors.

Green Space and Public Access

Approximately one acre of Green Space will be created that will be open to the public and used as outdoor performance and programming space. Providence will benefit greatly from a new outdoor performance venue that will be easily accessible and accommodate a wide range of uses in partnership with a variety of organizations. We expect to have events such as sculpture exhibitions, theatre, concerts, dance, lectures and conferences. The Green Space at the PSI site will be a regional and national destination. Due to the site's unique programming and multiple access points created by the tenant mix we believe this will be a very successful and crucial component of the project and an incredible asset to the city and state.

Historic Preservation

The development plan and program of the PSI site honors and respects the historical past of the property and the city. The development plan in to repair and renovate the buildings so they can serve as active industrial spaces for another one hundred years. The series of side cranes and workspaces thereby maintaining the unique exterior character of the site. In September 2005 the Providence Steel and Iron site was placed on the Nation Register of Historic

Places. According to Edward F. Sanderson, executive director of the RI Historical Preservation & Heritage Commission, "Rhode Island has a long history of metal workers and artisans who literally made the infrastructure of the Industrial Revolution. At Providence Steel and Iron this heritage of industrial arts lives on in historic buildings and in creative artists who work at the Steel Yard."

Commercial Only Space

The PSI site is currently one of the only real estate development project in Providence that is 100% commercial maintaining the past uses of the site as well as creating small commercial spaces that are being lost daily to new development.

Environmental Remediation

The PSI site is a Brownfield site. It requires extensive remediation, soil capping, groundwater runoff systems and landscaping to return the site to a state that in not harm full to the environment and is safe for people to use. Phase 1 of the remediation has been completed which removed the worst contaminants and stabilized the remaining contaminants in accordance with the Rhode Island Department of Environmental Management. Phase 2 of the environmental cleaning is the capping of the entire site with clean soil, groundwater runoff systems, parking, and landscaping. Phase 1 has costed \$190,000.00 and Phase 2 is expected to cost an additional \$700,000.00.



Standard Form of Agreement Between Owner and Contractor For a Small Project where the basis of payment is a Stipulated Sum

AIA Document A105 - Electronic Format

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This AGREEMENT is made: 5/12/06
(Date)

BETWEEN the Owner:
Milhaus, LLC, 27 Sims Ave, Providence, RI 02909
and the Contractor:
Stem Contracting + Design, Inc.
for the following Project:

The Architect is:
Tauthbox Architects
The Owner and Contractor agree as follows.

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract shall complete the Work described in the Contract Documents for the project. The Contract Documents consist of:

1. this Agreement signed by the Owner and Contractor;
2. AIA Document A205, General Conditions of the Contract for Construction of a Small Project, current edition;
3. the Drawings and Specifications prepared by the Architect, dated 5/12/06, and enumerated as follows:

Drawings:

Specifications:

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4. addenda prepared by the Architect as follows:
5. written change orders or orders for minor changes in the Work issued after execution of this Agreement; and
6. other documents, if any, identified as follows:

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION DATE

The date of commencement shall be the date of this Agreement unless otherwise indicated below. The Contractor shall substantially complete the Work not later than 5/12/06, subject to adjustment by Change Order.
(Insert the date or number of calendar days after the date of commencement.)

ARTICLE 3 CONTRACT SUM

- 3.1 Subject to additions and deductions by Change Order, the Contract Sum is: \$1,784,000.00

- 3.2 For purposes of payment, the Contract Sum includes the following values related to portions of the Work:

Portion of Work	Value

- 3.3 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work.

ARTICLE 4 PAYMENT

- 4.1 Based on Contractor's Applications for Payment certified by the Architect, the Owner shall pay the Contractor as follows:
(Insert payment procedures and provisions for retention, if any.) per AIA requisition

- 4.2 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate of 10%, or in the absence thereof, at the legal rate prevailing at the place of the Project.
(Insert time and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision.)

ARTICLE 5 INSURANCE

- 5.1 The Contractor shall provide Contractor's Liability and other Insurance as follows:
(Insert specific insurance required by the Owner.) See attached
- 5.2 The Owner shall provide Owner's Liability and Owner's Property Insurance as follows:
(Insert specific insurance furnished by the Owner.) See attached
- 5.3 The Contractor shall obtain an endorsement to its general liability insurance policy to cover the Contractor's obligations under Paragraph 3.12 of AIA Document A205, General Conditions of the Contract for Construction of a Small Project.
- 5.4 Certificates of insurance shall be provided by each party showing their respective coverages prior to commencement of the Work.

ARTICLE 6 OTHER TERMS AND CONDITIONS

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(Insert any other terms or conditions below)

This Agreement entered into as of the day and year first written above.
(If required by law, insert cancellation period, disclosures or other warning statements above the signature.)

OWNER
[Signature]
(Printed name, title and address)
Clayton Keller, Principal
5/12/06

CONTRACTOR
[Signature]
(Printed name, title and address)
LICENSE NO.:
JURISDICTION:

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General Conditions of the Contract for Construction of a Small Project

AIA Document A205 - Electronic Format

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ARTICLE 1 GENERAL PROVISIONS

1.1 THE CONTRACT

The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written modification.

1.2 THE WORK

The term "Work" means the construction and services required by the Contract Documents, and includes all labor, materials, equipment and services provided by the Contractor to fulfill the Contractor's obligations.

1.3 INTENT

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

1.4 OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

Documents prepared by the Architect are instruments of the Architect's service for use solely with respect to this project. The Architect shall retain all copyright, statutory and other reserved rights, including the copyright. They are not to be used by the Contractor or any Subcontractor.

Documents prepared by the Architect are instruments of the Architect's service for use solely with respect to this project. The Architect shall retain all copyright, statutory and other reserved rights, including the copyright. They are not to be used by the Contractor or any Subcontractor.

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Sub-subcontractor or material or equipment supplier for other projects or for additions to this project outside the scope of the Work without the specific written consent of the Owner and Architect.

ARTICLE 2 OWNER

2.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

2.1.1 If requested by the Contractor, the Owner shall furnish and pay for a survey and a legal description of the site.

2.1.2 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall obtain and pay for other necessary approvals, consents, easements and charges.

2.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

2.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor fails to carry out the Work in accordance with the Contract Documents and fails within a seven day period after receipt of written notice from the

Owner, to correct such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, a Change Order shall be issued deducting the cost of correction from payments due the Contractor.

2.4 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

2.4.1 The Owner reserves the right to perform construction or operations related to the project with the Owner's own forces, and to award separate contracts in connection with other portions of the project.

2.4.2 The Contractor shall coordinate and cooperate with separate contractors employed by the Owner.

2.4.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

ARTICLE 3 CONTRACTOR

3.1 EXECUTION OF THE CONTRACT

Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner. Before commencing activities, the Contractor shall: (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies or omissions discovered to the Architect.

3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work.

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The Contractor shall promptly review, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar materials required by the Contract Documents. Shop Drawings, Product Data, Samples and similar materials are not Contract Documents.

3.9 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents and the Owner.

3.10 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make it parts fit together properly.

3.11 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work.

3.12 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom, but only to the extent caused in whole or in part by negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

ARTICLE 4 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

4.1 The Architect will provide administration of the Contract as described in the Contract Documents. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

4.2 The Architect will visit the site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the Work.

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3.3.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of subcontractors or suppliers for each portion of the Work. The Architect will promptly reply to the Contractor in writing if the Owner or the Architect, after due investigation, has reasonable objection to the subcontractors or suppliers listed.

3.4 LABOR AND MATERIALS

3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

3.4.2 The Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions.

3.5 WARRANTY

The Contractor warrants to the Owner and Architect that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents.

3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes that are legally required when the Contract is executed.

3.7 PERMITS, FEES AND NOTICES

3.7.1 The Contractor shall obtain and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

3.7.2 The Contractor shall comply with and give notice required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to law, statutes, ordinances, building codes, and rules and regulations without notice to the Architect and Owner, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with said governmental laws, rules and regulations.

3.8 SUBMITTALS

The Contractor shall submit to the Architect for review and approval in writing all submittals required by the Contract Documents. The Contractor shall submit to the Architect for review and approval in writing all submittals required by the Contract Documents.

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4.3 The Architect will not have control over or charge of and will not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs as conducted by the Work, since these are solely the Contractor's responsibility. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

4.4 Based on the Architect's observations and evaluations of the Contractor's Application for Payment, the Architect will review and certify the amounts due the Contractor.

4.5 The Architect will have authority to reject Work that does not conform to the Contract Documents.

4.6 The Architect will promptly review and approve or take appropriate action upon Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

4.7 The Architect will promptly interpret and decide matters concerning performance under and requirements of the Contract Documents on written request of either the Owner or Contractor.

4.8 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality in either and will not be liable for results of interpretations or decisions so rendered in good faith.

4.9 The Architect's duties, responsibilities and limits of authority as described in the Contract Documents will not be changed without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

ARTICLE 5 CHANGES IN THE WORK

5.1 After execution of the Contract, changes in the Work may be accomplished by Change Order or by verbal order for minor changes in the Work. The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

5.2 A Change Order shall be a written order by the Contractor signed by the Owner and Architect to change the Work, Contract Sum or Contract Time.

5.3 The Architect will have authority to order minor changes in the Work not involving changes in the Contract Sum or the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be written orders and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

5.4 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment.

ARTICLE 6 TIME

6.1 Time limits stated in the Contract Documents are of the essence of the Contract.

6.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

ARTICLE 7 PAYMENTS AND COMPLETION

7.1 CONTRACT SUM
The Contract Sum stated in the Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

7.2 APPLICATIONS FOR PAYMENT

7.2.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for operations completed in accordance with the values stated in the Agreement. Such application shall be supported by such data substantiating the Contractor's right to payment as the Owner or Architect may reasonably require and reflecting retainage if provided for elsewhere in the Contract Documents.

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the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

7.6 FINAL COMPLETION AND FINAL PAYMENT

7.6.1 Upon receipt of a final Application for Payment, the Architect will inspect the Work. When the Architect finds the Work acceptable and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment.

7.6.2 Final payment shall not become due until the Contractor submits to the Architect releases and waivers of liens, and data establishing payment or satisfaction of obligations, such as receipts, claims, security interests or encumbrances arising out of the Contract.

7.6.3 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that party except those previously made in writing and identified by that party as unsettled at the time of final Application for Payment.

ARTICLE 8 PROTECTION OF PERSONS AND PROPERTY

8.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

ARTICLE 9 CORRECTION OF WORK

9.1 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work.

9.2 In addition to the Contractor's other obligations, including warranties under the Contract, the Contractor shall, for a period of one year after Substantial Completion, correct work not conforming to the requirements of the Contract Documents.

7.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submission of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other circumstances adverse to the Owner's interests.

7.3 CERTIFICATES FOR PAYMENT

The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part.

7.4 PROGRESS PAYMENTS

7.4.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner provided in the Contract Documents.

7.4.2 The Contractor shall promptly pay each Subcontractor and material supplier, upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such entity's portion of the Work.

7.4.3 Neither the Owner nor the Architect shall have responsibility for the payment of money to a Subcontractor or material supplier.

7.4.4 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the project by the Owner shall not constitute acceptance of Work not in accordance with the requirements of the Contract Documents.

7.5 SUBSTANTIAL COMPLETION

7.5.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

7.5.2 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish the responsibilities of the Owner and Contractor, and shall fix the time within which the Contractor shall finish all items on

9.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it and the Contractor shall reimburse the Owner for the cost of correction.

ARTICLE 10 MISCELLANEOUS PROVISIONS

10.1 ASSIGNMENT OF CONTRACT

Neither party in the Contract shall assign the Contract as a whole without written consent of the other.

10.2 TESTS AND INSPECTIONS

10.2.1 Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time.

10.2.2 If the Architect requires additional testing, the Contractor shall perform those tests.

10.2.3 The Owner shall pay for tests except for testing Work found to be defective for which the Contractor shall pay.

10.3 GOVERNING LAW

The Contract shall be governed by the law of the place where the project is located.

ARTICLE 11 TERMINATION OF THE CONTRACT

11.1 TERMINATION BY THE CONTRACTOR

11.1.1 If the Owner fails to make payment when due or substantially breaches any other obligation of this Contract, following seven days' written notice to the Owner, the Contractor may terminate the Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, construction equipment and machinery, including reasonable overhead, profit and damages.

11.2 TERMINATION BY THE OWNER

11.2.1 The Owner may terminate the Contract if the Contractor:

1. persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

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2. fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

3. persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or

4. is otherwise guilty of substantial breach of a provision of the Contract Documents.

11.2.2 When any of the above reasons exist, the Owner, after consultation with the Architect, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may:

1. take possession of the site and of all material thereon owned by the Contractor;

2. finish the Work by whatever reasonable method the Owner may deem expedient.

11.2.3 When the Owner terminates the Contract for one of the reasons stated in Subparagraph 11.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

11.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The obligation for payment shall survive termination of the Contract.

2006 42-3870

CERTIFICATE OF INSURANCE

The company indicated below certifies that the insurance afforded by the policy or policies numbered and described below is in force as of the effective date of this certificate. This Certificate of Insurance does not amend, except, or otherwise alter the terms and conditions of insurance coverage contained in any policy, insurance and described below.

CERTIFICATE HOLDER:
MILWAUKEE
27 SINS AVENUE
PROVIDENCE, RI 02909

INSURED:
STEIN CONTRACTING & DESIGN INC
590 GREAT RD
LINCOLN, RI 02865-1409

TYPE OF INSURANCE	POLICY NUMBER	POLICY	POLICY	LIMITS OF LIABILITY
LIABILITY	81-150240 CO.	EXP. DATE	EXP. DATE	(EXCEPT AS INDICATED)
(1) Liability and	81-150240-0001	07-20-06	07-20-06	Any One Occurrence..... \$ 1,000,000
(2) Personal and	NATIONWIDE			Any One Person/Org..... \$ 1,000,000
(3) Medical Expenses	MUTUAL FIRE			ANY ONE PERSON..... \$ 3,300
(4) Fire Legal	INSURANCE CO.			Any One Fire or Explosion..... \$ 100,000
Liability				General "Aggregates"..... \$ 2,000,000
(5) Other Liability				Prod/Comp. Cons. Aggregates*..... \$ 1,000,000
AUTOMOBILE LIABILITY	81-88-101899-0004	07-20-06	07-20-06	
(1) BUSINESS AUTO	NATIONWIDE			Bodily Injury
(2) Owned	MUTUAL			(Each Person)..... \$
(3) Hired	INSURANCE CO.			(Each Accident)..... \$
(4) Non-Owned				Property Damage
				(Each Accident)..... \$
				Combined Single Limit..... \$ 1,000,000
EXCESS LIABILITY	81-50-101899-1002	07-20-06	07-20-06	
(1) Umbrella Form	Nationwide			Each Occurrence..... \$ 1,000,000
	Insurance Co.			Prod/Comp. Ops./Disease
				Aggregate..... \$ 1,000,000
(2) Workers' Compensation and				STATUTORY LIMITS
(3) Employers' Liability				Bodily Injury/Accident..... \$
				Bodily Injury by Disease..... \$
				EMPLOYEE..... \$
				Bodily Injury by Disease..... \$
				POLICY LIMIT..... \$

DESCRIPTION OF OPERATIONS/LOCATIONS
VEHICLES/RESTRICTIONS/SPECIAL TIPS

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AIA Document B151™ - 1997

Abbreviated Standard Form of Agreement Between Owner and Architect

AGREEMENT made as of the 5TH day of MAY in the year of 2006 (In words, indicate day, month and year)

BETWEEN the Architect's client identified as the Owner (Name, address and other information)

MILWAUKEE LLC
(DEVELOPER OF THE STEEL YARD)
27 SINS AVE.
PROVIDENCE, R.I. 02909

and the Architect (Name, address and other information)

TRUTH BOX, INC.
27 SINS AVE.
PROVIDENCE, RI 02909

For the following Project (Include detailed description of Project)

ALL WORK TO BE COMPLETED ON THE BUILDING LOCATED IN THE NORTHEAST CORNER OF THE STEEL YARD, 27 SINS AVE. PROVIDENCE, RI. WORK TO INCLUDE (BUT NOT LIMITED TO) THE FOLLOWING:
- RENOVATION OF EXTERIOR - INCLUDING REPOINTING OF BRICK, NEW ROOF, WINDOWS, DOORS & LIGHTING, REPAIR OF EXTERIOR DETAIL.
- RENOVATION OF INTERIOR - INCLUDING NEW PARTITIONS, SPRINKLERS AND FINISHES, ALSO NEW UTILITIES AND MECHANICAL SYSTEMS INCLUDING UPGRADE IN ELECTRICAL SERVICE, NEW HEATING AND COOLING SYSTEMS, NEW PLUMBING.
- NEW FIRE PROTECTION SYSTEMS - INCLUDING NEW SPRINKLER AND FIRE ALARM SYSTEMS.

The Owner and Architect agree as follows:

This Agreement is made this 5TH day of MAY 2006 by the Architect, TRUTH BOX, INC., and the Owner, MILWAUKEE LLC, for the purpose of providing architectural services for the project described above. The Architect agrees to provide the services described in the Agreement and the Owner agrees to pay the Architect the fee described in the Agreement. The Architect agrees to provide the services described in the Agreement and the Owner agrees to pay the Architect the fee described in the Agreement.

VERIFICATION OF LIABILITY INSURANCE THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND DOES NOT CONSTITUTE AN OFFER OF INSURANCE. THE POLICIES DESCRIBED HEREIN MAY BE SUBJECT TO UNDERWRITING AND MAY BE SUBJECT TO CANCELLATION OR NONRENEWAL WITHOUT NOTICE. THE POLICYHOLDER IS RESPONSIBLE FOR MAINTAINING THE REQUIRED COVERAGE AND FOR NOTIFYING THE AGENT OF ANY CHANGES TO THE COVERAGE.	
POLICY NUMBER: 81-150240-0001 POLICY DATE: 07-20-06 POLICY EXPIRATION DATE: 07-20-06 POLICY HOLDER: MILWAUKEE LLC POLICY ADDRESS: 27 SINS AVE, PROVIDENCE, RI 02909	INSURER: NATIONWIDE MUTUAL FIRE INSURANCE CO. AGENT: STEIN CONTRACTING & DESIGN INC ADDRESS: 590 GREAT RD, LINCOLN, RI 02865-1409

COVERAGE	DESCRIPTION	AMOUNT	COVERAGE	DESCRIPTION	AMOUNT
LIABILITY	General Liability	\$1,000,000	LIABILITY	General Liability	\$1,000,000
LIABILITY	Medical Expenses	\$3,300	LIABILITY	Medical Expenses	\$3,300
LIABILITY	Fire Legal	\$100,000	LIABILITY	Fire Legal	\$100,000
LIABILITY	Other Liability	\$2,000,000	LIABILITY	Other Liability	\$2,000,000
LIABILITY	Umbrella Form	\$1,000,000	LIABILITY	Umbrella Form	\$1,000,000
LIABILITY	Workers' Compensation	\$1,000,000	LIABILITY	Workers' Compensation	\$1,000,000
LIABILITY	Employers' Liability	\$1,000,000	LIABILITY	Employers' Liability	\$1,000,000

CERTIFICATE HOLDER Stein Contracting & Design 590 Great Road Lincoln, RI 02865	CANCELLATION This certificate is subject to the terms, conditions, coverages, amounts, exclusions, and limitations of the policies described herein. The certificate holder is responsible for maintaining the required coverage and for notifying the agent of any changes to the coverage.
--	--

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed therein.

Milhaus
Providence Steel & Iron Site
27 Sims Avenue
Providence, RI 02903

Building 2

BUDGET	
DEVELOPMENT HARD COSTS	
Project Management - 7%	\$ 100,000
Construction Progress and Docs - 3%	\$ 20,000
General Conditions and permits	\$ 10,000
Demolition/Abatement	\$ 10,000
Trash Removal	\$ 8,000
Organize materials/cleaning	\$ 6,000
Site Requirements	\$ -
Masonry	\$ 62,000
Structural	\$ 25,000
Roof	\$ 150,000
Gutters & Down Spouts	\$ 35,000
Interior Insulation	\$ -
Rough Carpentry	\$ 139,200
Finish Carpentry	\$ 45,200
Stairs	\$ 49,000
Finishes	\$ 80,000
Flooring	\$ 10,000
Walls and Ceiling Surfaces	\$ 115,000
Doors and Windows	\$ 183,000
Fire Suppression	\$ 144,000
Plumbing	\$ 95,000
Heating	\$ 95,000
Electrical	\$ 156,000
HVAC Mechanical Shaft & Duct	\$ 40,000
Fire Alarm Systems	\$ 45,000
Upgrades	\$ -
Subtotal	\$ 1,622,400
Contingency - 10%	\$ 162,240
Under Budget Savings	\$ -
Additional Contingency	\$ -
Hard Cost Totals	\$ 1,784,640
DEVELOPMENT SOFT COSTS	
Appraisal	\$ -
Architectural & Engineering	\$ 12,000
Utilities	\$ 12,000
Construction Period Bank Interest	\$ -
Taxes	\$ 53,767
Water & Sewer	\$ 3,000
Accounting	\$ 6,000
Filing Fees	\$ 5,000
Marketing	\$ -
Legal Fees	\$ 6,000
Project Consultant	\$ 45,000
Insurance	\$ 8,000
Project Coordination	\$ 45,000
Soft Cost Totals	\$ 195,767

Grand Total \$ 1,980,407

1515	Painting	\$ 80,000.00
1530	Sand blasting	
1540	Floor enamel & epoxy coatings	
1560	Coating for concrete & masonry	
1565	Coating for steel	
1600	Flooring	\$ 10,000.00
1620	New wood flooring	
1625	Floor restoration	
1630	Floor sanding & sealing	
1635	Concrete floors	
1640	Floor Tile	\$ 10,000.00
1650	Carpet	
1655	Linoleum & vinyl flooring	
1700	Wall & ceiling surfaces	\$ 115,000.00
1720	Sheet rock & plaster	\$ 46,000.00
1730	Wall Tie	\$ 25,000.00
1740	Sound dampening systems	\$ 35,000.00
1800	Doors & Windows	\$ 183,000.00
1820	Heavy Doors and Frames	\$ 15,000.00
1814	Wood Doors	\$ 15,000.00
1820	Special Function Doors	\$ 25,000.00
1822	Overhead Doors	\$ 8,000.00
1832	Aluminum Windows	\$ 106,000.00
1842	Skylights	\$ 4,000.00
1850	Weather stripping and Seals	\$ 8,000.00
1858	Signs	\$ 2,000.00
1900	Fire Suppression	\$ 144,000.00
1915	Sprinkler systems	\$ 120,000.00
1950	Fire penetrations	\$ 2,000.00
1955	Fire suppression hood	\$ 12,000.00
2000	Plumbing	\$ 95,000.00
2015	Building service piping	\$ 20,000.00
2020	Plumbing fixtures & equipment	\$ 15,000.00
2025	Rough in plumbing	\$ 30,000.00
2030	Finish plumbing	\$ 30,000.00
2100	Heating	\$ 95,000.00
2120	Furnaces	\$ 65,000.00
2155	Piping Gas	\$ 30,000.00
2200	Electrical	\$ 156,000.00
2208	General electrical	\$ 150,000.00
2232	Exterior Lighting	\$ 150,000.00
2234	Emergency Lighting	
2240	Communications	
2248	Transformers	
2250	New feeds	
2252	Temporary power transfer	
2254	New meter installation	
2256	Security & Alarm	
2258	Intercom system	\$ 6,000.00
2400	HVAC / Mechanical Shaft & Duct	\$ 40,000.00
2430	Venting systems	\$ 10,000.00

Steel Yard Construction Budget

10/27/05

Prepared by Stern Contracting and Design Inc.

A	B	C
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE
Div #		
Div #		
100	Project Management & Coordination - 7%	\$ 190,000.00
200	Construction Progress & Documentation - 3%	\$ 20,000.00
300	General Conditions & Permits	\$ 10,000.00
400	Demolition	\$ 10,000.00
500	Trash Removal	\$ 8,000.00
600	Organize materials / Cleaning	\$ 6,000.00
700	Site Requirements	\$ -
715	Site demolition	
720	Site remediation	
800	Masonry	\$ 62,000.00
830	Masonry restoration & cleaning	\$ 6,000.00
900	Structural	\$ 25,000.00
920	Structural steel	\$ 5,000.00
930	Structural concrete	
940	Structural wood	\$ 25,000.00
1000	Moisture protection	\$ 185,000.00
1020	Membrane roofing	\$ 150,000.00
1050	Gutters & Down spouts	\$ 35,000.00
1100	Thermal protection	
1140	Interior insulation	
1200	Rough carpentry / Wood, plastics, metal	\$ 139,200.00
1215	Framing / wood & Steel	\$ 50,000.00
1225	Sheathing replacement	\$ 45,000.00
1235	Sub floor replacement	\$ 15,000.00
1250	General wood construction	\$ 29,200.00
1300	Finish carpentry / Wood, plastics, metal	\$ 45,200.00
1320	Interior trim	\$ 30,000.00
1325	Exterior trim	\$ 6,000.00
1335	Cabinet installation and Material	
1360	Handrails	\$ 1,225.00
1365	Bathroom fixtures	\$ 8,775.00
1370	Kitchen fixtures	
1400	Stairs	\$ 49,000.00
1415	Interior stairs	\$ 35,000.00
1425	Exterior stairs	\$ 14,000.00
1445	Steel deck	\$ 1,000.00
1500	Finishes	\$ 80,000.00

2440	Dust & Barriers	\$ 10,000.00
2450	AC Insulation	\$ 20,000.00
2500	Fire Alarm System	\$ 45,000.00
2510	Fire Alarm System	\$ 45,000.00
	Contingency 5-10	\$162,240.00

Budget / Total Hard Costs \$1,784,640.00

MILHAUS, LLC
1418
17 FINE ART
PROVIDENCE, RI 02901

PAY TO THE ORDER OF
City of Providence
Three Hundred Dollars & zero cents
\$ 300.00
Citizens Bank
Providence, RI
NON-Interest Stabilization App Fee
10011181 10115001201493 930 4

DATE 6/1/06

MUNICIPAL LIEN CERTIFICATE
CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
CITY HALL PROVIDENCE, R.I. 02903 (401) 731-3232

DATE	PLAT	LOT	UNIT	LOCATION	CERT #
November 20, 2006	027	0002	0000	27 Sims Ave	50,021

ASSESSED
OWNER
MILHAUS LLC

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST DUE	TOTAL DUE	BILL NAME
06	RE	\$53,767.24	\$0.00	\$0.00	\$26,883.62	\$26,883.62	\$0.00	\$26,883.62	MILHAUS LLC
		\$53,767.24	\$0.00	\$0.00	\$26,883.62	\$26,883.62	\$0.00	\$26,883.62	

INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED LATER THAN 30 DAYS FROM DATE.

Note:

- Please be aware that unpaid taxes may be subject to tax sale.
- Please contact the Water Supply Board at 521-6300.
- Please contact the Narragansett Bay Commission at 461-6828.
- Property within designated City plat maps known as 19, 20, 24, 25, and 26 may be subject to assessment by the Downtown Providence District Management authority (Downtown Improvement District). Please call (401) 521-4450 for payment information.

CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE IS TRUE AND CORRECT, SAID CERTIFICATE BEING GIVEN IN ACCORDANCE WITH 44-7-11 OF THE GENERAL LAWS OF RHODE ISLAND, AS OF THE DATE PRINTED ABOVE.

MAILED TO:
City of Providence
Council Office
25 Dorrance St
Providence, RI 02903

ROBERT P. CEFANO
TAX COLLECTOR

MARC CASTALDE
DEPUTY COLLECTOR

Steel Yard Construction Budget

10/27/06

Prepared by Stem Contracting and Design Inc.

A	B	C
ITEM NO.	DESCRIPTION OF WORK	SCHED. FILED VALUE
Div. #		
Div #		
100	Project Management & Coordination - 7%	\$ 100,000.00
200	Construction Progress & Documentation - 3%	\$ 20,000.00
300	General Conditions & Permits	\$ 10,000.00
400	Demolition	\$ 10,000.00
500	Trash Removal	\$ 8,000.00
600	Organize materials / Cleaning	\$ 6,000.00
700	Site Requirements	\$ 22,000.00
800	Masonry	\$ 62,000.00
830	Masonry restoration & cleaning	\$ 25,000.00
900	Structural	\$ 5,000.00
920	Structural steel	\$ 20,000.00
940	Moisture protection	\$ 15,000.00
1000	Membrane roofing	\$ 35,000.00
1020	Gutters & Down spouts	\$ 139,200.00
1050	Rough carpentry / Wood, plastics, metal	\$ 50,000.00
1200	Framing / wood & Steel	\$ 44,200.00
1215	Sheathing replacement	\$ 15,000.00
1225	Sub floor replacement	\$ 30,000.00
1250	General wood construction	\$ 45,000.00
1300	Finish carpentry / Wood, plastics, metal	\$ 30,000.00
1320	Interior trim	\$ 80,000.00
1325	Exterior trim	\$ 10,000.00
1350	Handrails	\$ 1,200.00
1365	Bathroom fixtures	\$ 8,000.00
1400	Stairs	\$ 49,000.00
1415	Interior stairs	\$ 35,000.00
1445	Steel deck	\$ 14,000.00
1500	Finishes	\$ 20,000.00
1515	Painting	\$ 10,000.00
1600	Flooring	\$ 10,000.00
1640	Floors Tile	\$ 10,000.00
1700	Wall & ceiling surfaces	\$ 115,000.00
1720	Sheet rock & plaster	\$ 60,000.00
1730	Walls Tile	\$ 25,000.00
1740	Sound dampening systems	\$ 35,000.00

1800	Doors & Windows	\$ 183,500.00
1808	Metal Doors and Frames	\$ 15,000.00
1814	Wood Doors	\$ 25,000.00
1820	Special Function Doors	\$ 8,000.00
1822	Overhead Doors	\$ 106,000.00
1832	Aluminum Windows	\$ 4,000.00
1842	Skylights	\$ 2,000.00
1850	Weather-stripping, and Seals	\$ 2,000.00
1868	Signs	\$ 144,000.00
1900	Fire Suppression	\$ 120,000.00
1915	Sprinkler systems	\$ 2,000.00
1950	Fire penetrations	\$ 12,000.00
1955	Fire suppression hood	\$ 85,000.00
2000	Plumbing	\$ 20,000.00
2015	Building service piping	\$ 15,000.00
2020	Plumbing fixtures & equipment	\$ 30,000.00
2025	Rough in plumbing	\$ 30,000.00
2030	Finish plumbing	\$ 95,000.00
2100	Heating	\$ 55,000.00
2120	Furnaces	\$ 30,000.00
2155	Piping Gas	\$ 158,000.00
2200	Electrical	\$ 6,000.00
2208	General electrical	\$ 49,000.00
2258	Intercom system	\$ 10,000.00
2400	HVAC / Mechanical Shaft & Duct	\$ 10,000.00
2430	Venting systems	\$ 10,000.00
2450	Duct / duct work	\$ 20,000.00
2470	AC installation	\$ 45,000.00
2500	Fire Alarm System	\$ 45,000.00
2510	Fire alarm system	\$ 162,240.00
	Contingency %10	

Budget/Total Hard Costs \$1,784,640.00

POST THIS CARD SO IT IS VISIBLE FROM STREET

BUILDING PERMIT

Fee Paid \$ 546
 Received By TR
 Date Received 11-11-06
 Numerical Code 28
 Permit Number 10000

THIS CERTIFIES THAT CLAY PARKER/ELLER BCRB No. (if Applicable) ISO BOARD
 has permission to STRIP OLD TAP & GRAB ROOF TO REK INSULATION
INSTALL RUBBERIZED ROOF SYSTEM OLD FULLY ADHERED

Located at 27 SIMA AVE Plot/Map 27 Lot/Block 2 Parcel/File 1671/01

provided that the person occupying this Permit shall in every respect conform to the terms of the application on file in this office and to the provisions of the Statutes and Ordinances relating to Zoning, Construction, Alteration and Maintenance of Buildings in the municipality and shall begin work on said building within SIX MONTHS from the date hereof and undertake the work thereon in a timely fashion.

Any person who shall violate any of the Statutes and Ordinances relating to Zoning, Construction, Alteration and Maintenance in the municipality shall be punished by penalties imposed by the State Building Code and Local Zoning Ordinances.

CAUTION: "A copy of this permit must be submitted when work is done for an Alteration, Addition or Demolition project."

BUILDING INSPECTION APPROVALS:

STAGE OF CONSTRUCTION	SIGNATURE	STAGE OF CONSTRUCTION	SIGNATURE
1.		5.	
2.		6.	
3.		7.	
4.		8.	

This Permit must be returned for Certificate of Occupancy.
 On remote sites this card may be kept within the contractor's vehicle, readily available for inspection.

Filing Fee: \$150.00

ID Number: _____



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
 Office of the Secretary of State
 Corporate Division
 100 North Main Street
 Providence, Rhode Island 02903-1355

LIMITED LIABILITY COMPANY

ARTICLES OF ORGANIZATION
(To be Filed in Duplicate)

Pursuant to the provisions of Chapter 7-16 of the General Laws, 1956, as amended, the following Articles of Organization are adopted for the limited liability company to be organized hereby:

- The name of the limited liability company is: milhaus, LLC
- The address of the limited liability company's resident agent in Rhode Island is:
15 Westminster Street Providence, RI 02903
(Street Address, not P.O. Box) (City/Town) (Zip Code)
 and the name of the resident agent at such address is Michael D. Corso, Esq.
(Name of Agent)
- Under the terms of these Articles of Organization and any written operating agreements made or intended to be made, the limited liability company is intended to be treated for purposes of federal income taxation as:
 (Check one box only)
☒ a partnership ☐ a corporation ☐ disregarded as an entity separate from its member

- The address of the principal office of the limited liability company if it is determined at the time of organization:
27 Sima Avenue
Providence, RI 02903

The limited liability company has the purpose of engaging in any business which a limited partnership may carry on except the provision of professional services as defined in Section 7-5.1-2, and shall have perpetual existence unless dissolved or terminated in accordance with Chapter 7-16, unless a more limited purpose or duration is set forth in paragraph 6 of these Articles of Organization.

RI-BC-402
 v04d: 6/93

FILED

NOV 19 2006

By ADK845290

- Additional provisions, if any, not inconsistent with law, which the members elect to have set forth in these Articles of Organization, including, but not limited to, any limitation of the purposes or duration for which the limited liability company is formed, and any other provision which may be included in an operating agreement:
 See attached exhibit A

- The limited liability company is to be managed by:

(Check one box only)

☒ its members ☐ by one (1) or more managers

- If the limited liability company has managers at the time of filing these Articles of Organization, state the name and address of each manager:

Manager

Address

- The date these Articles of Organization are to become effective, if later than the date of filing, is:

Date of filing

(not prior to, nor more than 90 days after, the filing of these Articles of Organization)

Under penalty of perjury, I declare and affirm that I have examined these Articles of Organization, including any accompanying attachments, and that no statements contained herein are false and correct.

Date: November 19, 2006

Signature of Authorized Person

Original
 Articles of Organization
 of
 milhaus, LLC

Exhibit A

Additional provisions not inconsistent with law set forth in these Articles of Organization:

- (A) The members of the limited liability company may include provisions in the limited liability company's operating agreement to authorize agreements to be entered into with a member, manager, agent or employee, past or present, of the limited liability company (an "Indemnified Person"), for the purpose of indemnifying an Indemnified Person in the manner and to the extent permitted by the Act.

(B) In addition to the authority conferred upon the members of the limited liability company by the foregoing paragraph (A), the members of the limited liability company may include provisions in the operating agreement to authorize agreements to be entered into with each Indemnified Person, for the purpose of indemnifying such person in the manner and to the extent provided herein:

(i) The operating agreement provisions or agreement authorized hereby may provide that the limited liability company shall, subject to the provisions of this Article I(B), pay, on behalf of an Indemnified Person any Loss or Expenses arising from any claim or claims which are made against the Indemnified Person (whether individually or jointly with other Indemnified Persons) by reason of any Covered Act of the Indemnified Person.

(ii) For the purposes of this Article, when used herein

(1) "Loss" means any amount which an Indemnified Person is legally obligated to pay for any claim for Covered Acts and shall include, without being limited to, damages, settlements, fines, penalties or, with respect to employee benefit plans, excise taxes;

(2) "Expenses" means any expenses incurred in

connection with the defense against any claim for Covered Acts, including, without limitation, legal, accounting or investigative fees and expenses or bonds necessary to pursue an appeal of an adverse judgment; and

(3) "Covered Act" means any act or omission by the Indemnified Person in the Indemnified Person's official capacity with the limited liability company and while serving as such or while serving at the request of the limited liability company as a member, manager, officer, employee or agent of another limited liability company, corporation, partnership, joint venture, trust, other entity or enterprise, including, but not limited to, any entities and enterprises which are subsidiaries or affiliates of the limited liability company, or employee benefit plan.

(iii) The operating agreement provisions or agreements authorized hereby may cover Loss or Expenses arising from any claims made against a retired Indemnified Person, the estate, heirs or legal representative of a deceased Indemnified Person or the legal representative of an incompetent, insolvent or bankrupt Indemnified Person, where the Indemnified Person

was an Indemnified Person at the time the Covered Act upon which such claims are based occurred.

- (iv) Any operating agreement provisions or agreements authorized hereby may provide for the advancement of Expenses to an Indemnified Person prior to the final disposition of any action, suit or proceeding, or any appeal therefrom, involving such Indemnified Person and based on the alleged commission by such Indemnified Person of a Covered Act, subject to an undertaking by or on behalf of such Indemnified Person to repay the same to the limited liability company if the Covered Act involves a claim for which indemnification is not permitted under clause (v), below, and the final disposition of such action, suit, proceeding or appeal results in an adjudication adverse to such Indemnified Person.

- (v) The operating agreement provisions or agreements authorized hereby may not indemnify and Indemnified Person from and against any Loss, and the limited liability company shall not reimburse for any Expenses, in connection with any claim or claims made against an Indemnified Person which the limited liability company has determined to have resulted from: (1) any breach of the Indemnified Person's duty of loyalty to the limited liability company or its members; (2) acts or omissions not in good faith or

which involve intentional misconduct or a knowing violation of law; (3) action contravening Section 17 of the Act; or (4) a transaction from which the person seeking indemnification derived an improper personal benefit.

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Edward S. Inman, III, Secretary of State

CERTIFICATE OF ORGANIZATION
OF

milhaus, llc

I, EDWARD S. INMAN, III, Secretary of State of the State of Rhode Island and Providence Plantations, hereby certify that Articles of Organization for the formation of milhaus, llc a limited liability company, duly executed pursuant to the provisions of Chapter 7-10 of the General Laws, 1958, as amended, have been received in this office and are found to conform to law. The affixed is a duplicate of the Articles of Organization.

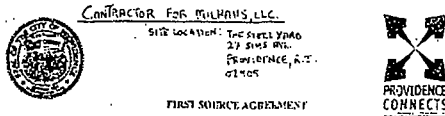
WITNESS my hand and the seal of the State of Rhode Island and Providence Plantations this 19th day of November, 2002.



Certification (12)
Noted: 6/02

Edward S. Inman, III
Secretary of State

By *Julia E. L. L...*
clerk



CONTRACTOR FOR MILWAUKEE, LLC.

SITE LOCATION: THE STREET YARD
27 WEST AVENUE
PROVIDENCE, R.I.
01805

FIRST SOURCE AGREEMENT

WHEREAS, the City of Providence (the "City") has enacted an ordinance previously codified at Article III, Sections 21-31 through 21-36 of the City's Code of Ordinances (the "Ordinance"), which is designed to encourage the retention in the City of working, home-owning families and to help to assure employees housed in the City that a trained and needed workforce will be in place to fill their requirements; and

WHEREAS, the Ordinance applies to all businesses employing more than four (4) employees who receive aid in such or in-kind from the City above and beyond the normal services provided to all businesses and residents of the City; and

WHEREAS, Charles Deller (the "Employee") hereby acknowledges that it has received such aid from the City and that the Ordinance is applicable to it for as long as it receives such aid, but in no event for less than three (3) years and more than ten (10) years;

THEREFORE, Employee hereby contracts and agrees to abide by the Ordinance, which shall include compliance with the following provisions:

1. Whenever Employer shall have a vacancy in any non-executive position created as a result of an internal promotion, termination, and/or expiration of the Employer's workforce that is not filled by internal promotion from within the Employer's local workforce (a "Position"), Employer shall attempt to recruit and hire with respect to the Position from the so-called First Source List, which the Providence Council has the "List" maintained by the City's Department of Planning and Development and/or its agent (collectively, "D.O.P.D.");

2. Employer shall notify D.O.P.D. in ten (10) days before filling a Position, and in the event that Employer is unable to find an acceptable candidate as set a Position from the List, Employer shall then notify D.O.P.D. that it wishes to seek to fill the Position from outside the List;

3. If, after a conference, D.O.P.D. agrees that Employer is unable to find an acceptable candidate on the List to fill a Position, the Employer shall be free to seek candidates from other sources. If, on the other hand, D.O.P.D. believes that there is an acceptable candidate or candidates who reside in Providence on the List or otherwise available, D.O.P.D. shall be given an additional thirty (30) days to recruit said candidate or candidates. In the event that D.O.P.D. is unable to procure a suitable candidate within said thirty (30) day period, Employer shall then be free to hire from other sources;

4. Employer shall comply with the Federal Equal Employment Opportunity Policy on non-discrimination for those with prison records. Whenever Employer is in

receipt of information which is part of an employment applicant's or employee's criminal history record information file, Employer may use that information for the purpose of deciding whether or not to hire the applicant or fire the employee, only in the manner set forth below, unless such denial of employment or termination is required by municipal, state or federal law:

(a) Convictions will only be considered by Employer in the extent that they relate to the applicant's suitability for employment in the position for which they have applied or in which they are in, that is, where there is a justified business necessity. In determining whether a justified business necessity exists, Employer shall consider:

- (i) The gravity of the offense or offenses;
- (ii) The time that has passed since the conviction and/or completion of the sentence; and
- (iii) The nature of the job held or sought;

(b) In the case when an individual is being denied employment as a result of a business necessity as described above, Employer shall give written notification to the individual being denied or fired, explaining the reasons why he/she was denied employment and informing him/her of the right to appeal to the D.O.P.D..

IN WITNESS WHEREOF, _____ has caused this Agreement to be executed by a duly authorized individual on the _____ day of _____, 2006.

By: Simon Maguire, Jr.

Name: Charles Deller

Title: President

Dated: 11/16/06

Accepted: _____ Dated: _____
Thomas E. Deller, Director

COUNCILMAN APONTE Moves to Dispense with the Reading of the foregoing matters and Moves Passage of the Several Ordinances the Second Time, seconded by COUNCILWOMAN WILLIAMS, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLOZZI, JACKSON, LUNA, MANCINI, COUNCILWOMAN ROMANO, COUNCILMAN SEGAL and COUNCILWOMAN YOUNG -12.

NAYES: COUNCILMAN LUNA and COUNCILWOMAN YOUNG Request to be recorded as voting "NO" on "An Ordinance Establishing and Granting a Tax Stabilization Plan for Providence Piers, LLC, on behalf of Tax Assessor's Lot 630 of Plat 46, being designated the Conley Wharf Project."

ABSENT: COUNCILMEN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion for Passage of the Several Ordinances the Second Time is Sustained.

An Ordinance in Amendment of Section 16-55 of the Code of Ordinances, Entitled: "Offenses and Miscellaneous Provisions."

COUNCILMAN SEGAL Refers the Ordinance Back to the Committee on Ordinances, seconded by COUNCILMAN APONTE.

The Motion to Refer Back is Sustained.

Section 1.

An Ordinance Regarding Avoidance of Purchasing Items Fabricated in Sweatshops.

Be it ordained by the City of Providence:

Whereas, the City of Providence recognizes a public interest in avoiding purchasing from vendors and contractors who obtain goods that originate in sweatshops – places of work where the labor practices are inconsistent with international standards of human rights; and

Whereas, the City of Providence recognizes a public interest in avoiding purchasing from vendors and contractors who obtain goods that originate in sweatshops; and

Whereas, the City Council believes that it is every person's responsibility to respect and avoid exploiting those who are vulnerable; and

Whereas, the apparel industry in particular often engages in practices that result in poverty wages, violations of workers rights, and unsafe and unhealthy working conditions, and

Whereas, as a participant in the marketplace, the City chooses to allocate its purchasing dollars to enhance the economic and social well-being of people, while acquiring the best possible quality goods at the lowest cost.

Now, Therefore, Be It Resolved, that the City of Providence hereby adopts the following ordinance to regulate the purchasing and renting of items of apparel:

(1) Purpose. The City of Providence declares the City's intent to avoid purchases of items from sweatshops, and its desire to allocate its funds in a manner that enhances the rights and well-being of workers world-wide, while acquiring the best quality goods at reasonable cost. The Council finds that contractors can have influence throughout their entire supply chain, and therefore have an obligation to workers in subcontractor and subsidiary factories in addition to their direct obligations to their own employees. The purpose of this ordinance is to ensure that City procurement of apparel is made from responsible contractors and vendors who agree, to adhere to the minimum employment standards required herein and to require their subcontractors and third-party suppliers to do the same, so that all employees involved in the City's procurement may be afforded the opportunity to a fair, humane work environment as described herein.

The Council finds the following labor practices inconsistent with international standards of human rights:

- a. below-subsistence wages;
- b. excessively long working hours;
- c. unhealthy and unsafe working environments;
- d. child, indentured, and forced labor;
- e. disregard for local and international labor laws and workplace regulations;
- f. disregard for fundamental women's rights;

g. repression of workers' rights to assemble and bargain collectively.

(2) Applicability – Apparel. This ordinance shall apply to all City procurement of apparel totaling \$5,000 or more. For purposes of this ordinance, "procurement" shall include the purchase, rental, lease, laundering or dry cleaning of apparel, whether by contract, purchase order, or other means; and allowance and voucher programs for city employees to make their own purchases, except where a city collective bargaining agreement establishes a clothing allowance or voucher program, in which case the terms of the collective bargaining agreement shall control. This ordinance shall also apply to contracts for the provision of City financial assistance, if \$5,000 or more of will be used for procurement of apparel.

(3) Definitions.

(a) "Apparel" means all garments or items of clothing any part of which is a textile produced by weaving, knitting or felting; and all shoes and other footwear.

(b) "Contractor" or "vendor" means a person or entity from whom the City has a current procurement relationship as that term is used in sub (2) above, or who is bidding or proposing to provide apparel to the City under a procurement arrangement.

(c) "Employee" means any individual who may be required or directed by any employer, in consideration of direct or indirect gain or profit, to engage in any employment, or to go to or work or be at any time in any place of employment. "Employee" includes individuals whose work is permanent or temporary, or on a full-time or part-time basis.

(d) A "fair wage" is the total 'take home' or 'net' wage, earned during a country's legal maximum work week, but not more than 48 hours. A fair wage provides for the basic needs (housing, energy, nutrition, clothing, health care, education, potable water, childcare, transportation and savings) of an average family unit of employees in the manufacturing employment sector of the country divided by the average number of adult wage earners in the family unit of employees in the manufacturing employment sector of the country.

(e) "Subcontractor" means a person, partnership, corporation or other entity that enters into a contract with a contractor or vendor for performance of some or all of the City-contracted work. For purposes of this ordinance, "subcontractor" shall include all third-party suppliers or producers from whom the contractor or its contractors obtains or sources goods, parts or supplies for use on the city contract and is intended to include suppliers at all level of the supply chain.

(4) Employment Standards for Contractors and Vendors.

(a) Domestic or Foreign Manufacturers, Presumption. It is presumed that all contractors, subcontractors, third-party suppliers and other entities involved in the production of goods under city contracts at locations within the United States are subject to and will follow all applicable federal, state and local laws such as labor, employment, and safety laws. While this ordinance is applicable to procurement of apparel from all sources, the standards in subsection (4) are intended primarily for subcontractors and suppliers located outside the United States where the applicable law or practices does not

already provide the protections necessary to accomplish the goals of this Ordinance. Nothing in this Ordinance shall be construed to limit or reduce the responsibility of contractors located within the United States to follow applicable law in their jurisdiction.

(b) Standards. Contractors shall adhere to or exceed the following minimum employment standards, and shall require all subcontractors, as defined in sub (3)(e), to do the same. Wherever the word "contractor" is used below, the same requirement shall apply to subcontractors as defined in sub (3)(e).

These standards shall apply in all phases/aspects of the contractor's or their subcontractor's operations, including but not limited to, manufacture, assembly, finishing, laundering or dry cleaning, (where applicable), warehouse distribution, and delivery:

1. Wages and Benefits. Contractors should recognize that wages are essential to meeting employees' basic needs. Contractors shall pay employees, at minimum, wages and benefits which comply with all applicable laws and regulations, and which provide for essential needs and establish a dignified fair wage for workers and their families. This must always meet or exceed any applicable minimum wage, or other "fair wage," "living wage" or other law that requires a wage that exceeds the applicable minimum wage, whichever is higher.

2. Working Hours. Hourly and/or quota-based wage employees shall not be required to work more than 48 hours per week or the limits on regular hours

allowed by the law of the country of manufacture, whichever is lower, and be entitled to at least one (1) day off in every seven (7) day period, as well as holidays and vacations off.

3. Overtime Compensation. All overtime hours must be worked voluntarily by employees. In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those locations where such laws do not exist, at a rate at least one and one-half their regular hourly compensation rate.

4. Child Labor. Contractors shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing locations, the law of the country of manufacture allows such exception). Contractors and subcontractors agree to consult with governmental, human rights, and nongovernmental organizations, and to take reasonable steps as evaluated by the City and any independent monitoring agency acting on behalf of the City, to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Ordinance.

5. Forced Labor. There shall not be any use of prison labor, indentured labor, bonded labor or other forced labor.

6. Health and Safety. Contractors shall provide a safe and healthy working environment to prevent employee

accidents and injury to health arising out of or occurring in the course of employment or as a result of the operation of their facilities. In addition, contractors shall ensure that all operations comply with all workplace safety and health regulations established by the national government where the production facility is located, or with Title 29 of the Code of Federal Regulations, enforced by Occupational Safety and Health Administration (OSHA), whichever regulation is more strict. The contractor shall ensure that its operations comply with all health and safety conventions of the International Labor Organization (ILO) ratified and adopted by the country in which the production facility is located.

7. Nondiscrimination. No person shall be subject to any discrimination in employment; including but not limited to hiring, employment, recruitment or recruitment advertising, salary rates of pay or other forms of compensation, benefits, advancement, transfer, selection for training including apprenticeships, discipline, demotion, termination or retirement; on the basis of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status.

8. Harassment or Abuse. Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse. Contractors

will not use or tolerate any form of corporal punishment.

9. Freedom of Association and Collective Bargaining. Contractors shall recognize and respect the right of employees to freedom of association and collective bargaining. No employee shall be subject to harassment, intimidation or retaliation as a result of their efforts to freely associate or bargain collectively. Contractors and sub-contractors shall not cooperate with corrupt governmental agencies and other organizations that use the power of the State to prevent workers from organizing a union of their choice. Contractors shall allow union organizers free access to employees and shall recognize the union of the employees' choice. In addition to respecting the right of employees to freedom of association and collective bargaining, contractors must source from factories where the above commitment has been demonstrated as exemplified by the following:

a. There exist clear channels through which workers can voice their complaints regarding working conditions and such complaints are addressed in a prompt and effective manner;

b. The workers have a representative voice in workplace decisions;

c. Management negotiates with the workers in good faith.

10. Women's Rights. Women workers will receive equal remuneration, including benefits; equal treatment; equal evaluation of the quality of their work; and equal opportunity to fill all

positions open to male workers. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits. Workers will not be forced or pressured to use contraception. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health. Contractors and sub-contractors shall provide appropriate services and accommodation to women workers in connection with pregnancy.

(c) Effect of Applicable Local Law: Contractor (and any subcontractors or third party suppliers) must comply with all applicable laws and regulations of the jurisdiction where it is located. Where there is a conflict between this ordinance and the local laws or regulations, the more strict restriction shall apply. However, where the law conflicts with this Ordinance to the extent that the local law is less strict than the minimum standards stated herein, or where adherence to this ordinance would result in a violation of the law of the country or jurisdiction in question, contractors will be deemed in compliance on an existing contract if they take effective actions as determined by the City and/or any monitoring entity acting on behalf of the City, to achieve full compliance with this ordinance to the extent reasonable, considering the applicable laws. [See sub. (7)(c)5. regarding nonrenewal when compliance is deemed impossible.]

(d) Contractors shall refrain from any actions that would diminish the protections afforded by this ordinance.

(5) Bid Specifications and Pre-Award Procedures.

(a) Contract Bid and Request-for-Proposal Specifications. A copy of this ordinance or a sufficient summary and link to the entire text shall be included in all specifications for all contracts or requests for financial assistance to which this ordinance may apply.

(b) Bidder Disclosure Statements. Prior to an award, the City shall require for each bid or proposal to which this ordinance applies under sub. (2), each bidder, proposer or potential contractor to submit disclosure statements that include the information below, to the city and/or the city's independent monitoring agency, if any, with the knowledge that this information may be disclosed to the public, subject to applicable public records law. If the pre-award disclosure reveals a violation of this ordinance or a statement that the proposed contractor will not or cannot comply with this ordinance, the City reserves the right not to award the contract to that contractor. The disclosures shall include:

1. The names, addresses, and phone numbers of each facility involved in the production of goods covered by this policy.
2. The names, business addresses, and phone numbers of the principal officers of each facility involved in the production of goods covered by this policy.
3. The base hourly wage of non-supervisory production employees,

percent of wage level paid as health benefit, other benefits, regular deductions from paychecks, normal working hours per day and week, actual working hours per day and week over the last three months, and overtime policy.

4. The raw number of each type good produced in a given factory for the City.

5. A sworn statement that each of the proposed production facilities, including any sub-contractors, complies with all requirements of this ordinance.

6. Any other information deemed necessary by the City for the administration and enforcement of this ordinance.

(c) Transparency. Bidders, proposers and contractors shall provide access to the City of Providence and the City's independent monitoring agency, if any, to archived and contemporary inspection and monitoring reports for all facilities producing goods for the contract in question and shall require their subcontractors to allow the same access.

(6) Requirements for Contracts and other Procurement arrangements.

(a) Mandatory Contract Language. No contract to which this Ordinance applies under subsection (2) be entered into by the City unless such contract contains the following language: "The contractor shall follow labor practices consistent with international standards of human rights, meaning that, at a minimum contractor shall adhere to the minimum employment standards found in Section __ [insert section number assigned by compiler] of the Code of Ordinances of the City of Providence, and

shall require all subcontractors and third-party suppliers to do the same. For purposes of Sec. [insert number], "Subcontractor" means a person, partnership, corporation or other entity that enters into a contract with the contractor for performance of some or all of the City-contracted work and includes all third-party suppliers or producers from whom the contractor or its contractors obtains or sources goods, parts or supplies for use on the city contract and is intended to include suppliers at all level of the supply chain. The standards in Sec. [insert number] shall apply in all aspects of the contractor's and subcontractor's operations, including but not limited to, manufacture, assembly, finishing, laundering or dry cleaning, (where applicable), warehouse distribution, and delivery. Contractor acknowledges that by entering into this contract, Contractor shall be subject to all of the requirements and sanctions of Sec. [insert number] of the Code of Ordinances." All applicable contracts must also include the list of sanctions in sub. (7)(c).

(b) Inclusion by reference in all Contracts. For purposes of carrying out the intent of this ordinance, all provisions of this section are made part of all applicable contracts for procurement under this ordinance.

(c) Every contractor and vendor shall bind its contractors and subcontractors, in writing, to the provisions of this ordinance.

(d) Continuing Disclosure and Transparency. All contractors operating under an existing contract applicable under sub (2), shall submit quarterly sworn disclosure statements containing the information required in sub. (6)(b), to the City or its independent monitoring agency, if any. Disclosures that reveal a violation of the ordinance or statement that contractor will

not or cannot comply with this ordinance may be grounds for sanctions without further investigation, or may be investigated for action under this ordinance and the contract. The City and its independent monitoring organization, if any, shall have complete and unfettered access to all contractor's and subcontractor's facilities utilized under a contract to which this ordinance applies. The transparency requirements in sub. (6) above shall continue to apply to contractors under an existing contract.

(7) Monitoring and Enforcement.

(a) Complaints. Any person may complain that one or more standards of this ordinance are being violated. The City and/or any independent monitoring agency acting on behalf of the city shall receive complaints and investigate the merits of such complaints.

(b) Independent Monitoring Agency. The City may choose to contract for investigation and monitoring services with a qualified, independent monitoring agency that is not financed by the industry to which this ordinance applies under subsection (2). The purpose of such arrangement would generally be to receive complaints and provide monitoring, inspection, investigation, and remediation services at locations that are too distant or impractical for the City to do itself. Any such services would be subject to the specific terms of any contract the City makes with the agency.

(c) Establishment of Consortium. The City shall also explore mechanisms employed by other governmental entities to ensure that businesses that contract with the City are in compliance with this section and any regulations or requirements promulgated in conformance with this section. The

mechanisms explored shall include, but not be limited to:

1. Establishing working relationships with other public agencies that have enacted sweatfree procurement laws, and advocacy groups, labor organizations and other appropriate entities to share information regarding manufacturers, vendors, and suppliers.

2. Developing a sweatfree consortium with other states, cities, school boards, or public entities that allows for cost sharing of monitoring and enforcement activities by a nonprofit independent monitor.

(d) Violation, Remediation and Sanctions. If the City determines there has been a violation of this ordinance, appropriate city staff or the independent monitoring agency, if any, shall inform the contractor of the determination and discuss the violation with the contractor. The purpose of the discussion is to encourage the contractor to change its practices rather than to cease doing business with the contractor. To that end, the City may at its sole option prescribe appropriate measures for the contractor to take in order to comply with the ordinance, however nothing in this subsection shall be construed to limit the city's remedies under an existing contract or other remedies available at equity or at law. The sanctions for violating the ordinance under an existing contract are as follows and this list of sanctions shall be included in every applicable contract:

1. Withholding of payments under an existing contract.

2. Liquidated damages. The contractor may be charged liquidated damages on an

existing contract of two thousand dollars (\$2,000) per violation, or an amount equaling twenty percent (20%) of the value of the apparel, garments or corresponding accessories, equipment, materials, or supplies that the City demonstrates were produced in violation of the contract and/or this ordinance per violation; whichever is greater.

3. Termination, suspension or cancellation of a contract in whole or in part.

4. Nonrenewal when a contract calls for optional renewals.

5. Nonrenewal for lack of progress or impossible compliance. The City reserves the right to refuse to renew a contract that calls for optional renewals, when the contractor cannot comply with the minimum standard under (4)(b) and the noncompliance is taking place in a country where:

a. Progress toward implementation of the standards in this Ordinance is no longer being made; and

b. Compliance with the employment standards in the Ordinance is deemed impossible by the City and/or any independent monitoring agency acting on behalf of the City. Such determination shall be made in the sole opinion of the City and may be based upon examination of reports from governmental, human rights, labor and business organizations and after consultation with the relevant contractors and sub-contractors and any other evidence the City deems reliable.

6. Disqualification of the contractor from bidding or submitting proposals on future

city contracts, or from eligibility for future city procurements as defined in sub. (2), whether or not formal bidding or requests for proposals are used, for a period of one (1) year after the first violation is found and for a period of three (3) years after a second or subsequent violation is found. The disqualification shall apply to the contractor who committed the violation(s) whether that be under the same corporate name, or as an individual, or under the name of another corporation or business entity of which he or she is a member, partner, officer, or agent.

(e) Submission of False Information. Any person who has been found by the City to have submitted any false, misleading or fraudulent information to the City or its independent monitoring agency (if any), either in their request for bids or proposals or other pre-award submissions; or during the term of the contract, may be subject to any of the above sanctions.

(f) Penalty. In addition to any of the sanctions set forth elsewhere in this ordinance, any contractor or vendor or other person who violates any portion of this ordinance or fails to comply with any of its requirements shall, upon conviction hereof, be subject to a forfeiture of not less than one hundred dollars (\$100) and not more than five hundred dollars (\$500), plus applicable costs. Each day such violation continues shall be considered a separate offense. Prosecution or imposition of a forfeiture under this paragraph shall not preclude imposition of other sanctions listed above, nor shall the imposition of such sanctions be construed as a limitation on prosecution.

(g) Nothing in this ordinance shall be construed as a limit upon any remedies at law or equity that the City may have to enforce a

contractual relationship or otherwise enforce this ordinance.

(8) Severability. The provisions of this ordinance shall be severable and if any of the provisions shall be held in contravention of the Constitution and Laws of the State of Rhode Island or of the United States by a court of competent jurisdiction, the validity of the rest of the ordinance shall not be affected. It is hereby declared to be the intent of this ordinance that the same would have been adopted had such unconstitutional or unlawful provision, if any, not been included herein.

(9) Committee on Sweatfree Purchases.

(a) Purpose, Duties, Responsibilities. There is hereby created a Committee on Sweatfree Purchases, for the purpose of ongoing evaluation and assistance in the application of this ordinance and the furtherance of its purpose. On an annual basis, this committee shall provide the Council with a report describing any suggested recommendations regarding the ordinance, including the feasibility of expanding the ordinance beyond its original application to apparel only as described in subsection (2). This committee is also encouraged to communicate with other units of government to encourage similar policies to further increase the effectiveness of this ordinance in achieving its policy goals.

(b) Composition and Appointment of Members.

Three (3) appointments to be made by, and serve at the pleasure of, the City Council;

Three (3) appointments to be made by, and serve at the pleasure of, the Mayor; and

One (1) appointment to be made by, and serve at the pleasure of, the Board of Rhode Island Jobs with Justice.

(c) Meeting Schedule. The Committee shall meet as often as necessary, but at minimum four times per year.

Section 2. This ordinance shall take effect upon passage.

An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006.

COUNCILMAN APONTE Moves to Dispense with the Reading of the Reading of the foregoing matters and Moves Passage of the Several Ordinances, seconded by COUNCILWOMAN YOUNG, by the following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, JACKSON, LUNA, MANCINI, COUNCILWOMAN ROMANO, COUNCILMAN SEGAL and COUNCILWOMAN YOUNG -10.

NAYES: COUNCILWOMAN YOUNG Requests to be recorded as voting "NO" on the following matter:

"An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006".

NOT VOTING: COUNCILMEN BUTLER and IGLIOZZI Requests to be recorded as "NOT VOTING" on the following matters:

"An Ordinance Regarding Avoidance of Purchasing Items Fabricated in Sweatshops".

"An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006".

COUNCILMAN SEGAL Requests to be recorded as voting "NOT VOTING" on the following matter:

"An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006".

ABSENT: COUNCILMEN ALLEN, DeLUCA, and COUNCILWOMAN WILLIAMS - 3.

The Motion for Passage of the Several Resolutions is Sustained.

COUNCILMAN APONTE Moves To Reconsider the following matter, seconded by COUNCILMAN BUTLER.

An Ordinance Amending the City of Providence Ordinance Chapter 2006-15 No. 37, Approved February 10, 2006.

COUNCILMAN APONTE Moves to Refer the Ordinance Back to the Committee on Ordinances, for a Public Hearing.

An Ordinance Establishing a "Living Wage", As Amended.

COUNCILMAN APONTE Moves to Lay the Ordinance on the Clerk's Desk

until our next regularly scheduled meeting, seconded by COUNCILWOMAN YOUNG by the following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, JACKSON, LUNA, SEGAL and COUNCILWOMAN YOUNG -6.

NAYES: COUNCILMAN BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, MANCINI and COUNCILWOMAN ROMANO - 6.

ABSENT: COUNCILMAN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion to Lay the Ordinance on the Clerk's Desk Fails.

COUNCILMAN HASSETT Moves to Refer the Ordinance Back to the Committee on Ordinances, seconded by COUNCILMAN IGLIOZZI.

COUNCILMAN HASSETT Withdraws his motion to Refer the Ordinance Back to the Committee on Ordinances and COUNCILMAN IGLIOZZI Withdraws his second.

COUNCILMAN HASSETT Moves to Refer the Ordinance Back to the Committee on Finance, seconded by COUNCILMAN IGLIOZZI, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, JACKSON, LUNA, SEGAL and COUNCIL WOMAN YOUNG -6.

NAYES: COUNCILMAN BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, MANCINI and COUNCILWOMAN ROMANO - 6.

ABSENT: COUNCILMAN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion to Refer the Ordinance Back to the Committee on Finance Fails.

COUNCILMAN IGLIOZZI Moves to Vote Up or Down on the Living Wage, seconded by COUNCILMAN HASSETT, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, JACKSON, LUNA, SEGAL and COUNCILWOMAN YOUNG -6.

NAYES: COUNCILMAN BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, MANCINI and COUNCILWOMAN ROMANO - 6.

ABSENT: COUNCILMAN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion to Vote up or Down Fails.

COUNCILMAN BUTLER Moves to Reconsider the Ordinance, seconded by COUNCILMAN APONTE, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE,

BUTLER, JACKSON, LUNA, SEGAL and COUNCILWOMAN YOUNG -7.

NAYES: COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, MANCINI and COUNCILWOMAN ROMANO - 5.

ABSENT: COUNCILMAN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion to Reconsider Fails.

COUNCILMAN APONTE Moves to Refer the Ordinance Back to the Committee on Finance, seconded by COUNCILWOMAN YOUNG, by the Following Roll Call Vote:

AYES: COUNCIL PRESIDENT LOMBARDI, COUNCILMEN APONTE, BUTLER, COUNCILWOMAN DiRUZZO, COUNCILMEN HASSETT, IGLIOZZI, JACKSON, LUNA, MANCINI, COUNCILWOMAN ROMANO, COUNCILMAN SEGAL and COUNCILWOMAN YOUNG -12.

NAYES: NONE.

ABSENT: COUNCILMAN ALLEN, DeLUCA and COUNCILWOMAN WILLIAMS - 3.

The Motion to Refer the Ordinance Back to the Committee on Finance is Sustained.

ADJOURNMENT

There being no further business, on Motion of COUNCILMAN APONTE, seconded by COUNCILMAN BUTLER, it is voted to adjourn at 6:15 o'clock P.M. (E.S.T.), to meet again THURSDAY, JANUARY 4, 2007 at 7:30 o'clock P.M. (E.S.T.)



ANNA M. STETSON
CITY CLERK



December 28)

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(2006