

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2007-17

No. 28 **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

Approved January 8, 2007

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,

No.

CHAPTER
AN ORDINANCE

IN CITY COUNCIL
NOV 16 2006
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE
Ann M. Stetson CLERK

THE COMMITTEE ON
Finance
Recommends - Public Hearing
Ann M. Stetson CLERK
11-20-06
Public Hearing
held
12-11-06

THE COMMITTEE ON
FINANCE
Approves Passage of
The Within Ordinance, as Amended
Lawrence H. Hays
12-11-06 Clerk

Councilwoman Di Ruzzo, by Request

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 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 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, 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 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 Westminister Street, 2nd Fl.
 Providence, RI 02903

Director, Department of Planning and Development
 400 Westminister 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.

IN CITY COUNCIL
DEC 21 2006
FIRST READING
READ AND PASSED

IN CITY COUNCIL
DEC 28 2006
FINAL READING
READ AND PASSED

[Signature] CLERK

[Signature] PRESIDENT

APPROVED

[Signature] CLERK

[Signature] MAYOR 1/8/07

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	\$576,500

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



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 (COM/IND)
- \$225.00 FOR PERMIT FROM \$251 - \$750,000
- \$300.00 FOR PERMIT OVER - \$751,000
- \$200.00 FOR COMPUTER /TELEPHONE
- .001/% OF EST. CONSTRUCTION COSTS (RESIDENTIAL.)

- DATE 4/15/06
1. NAME & ADDRESS OF APPLICANT NICHOLAS BAUTA, CEO
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING
APPLICATION). 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
1.4 MILLION

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

DEVELOPMENT COSTS: \$1,980,407.⁰⁰

ENVIRONMENTAL REMEDIATION COST: \$687,417.⁰⁰

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.)
* 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 REQUIRES: NEW ELECTRIC, PLUMBING, FIRE + SPRINKER SYSTEM, FLOORING -
EXTERIOR CONDITION - LIGHTING, FRAMING, PLASTER
REQUIRES: MASONRY (REBUILDING + POINTING), DENTAL MOLDING, WINDOWS, ROOF & DOORS.

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 (s)
f. computer/telephone
g. other
h. ENVIRONMENTAL REMEDIATION / BROWNSFIELD SITE

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 _____

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 _____

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

14. ARE ALTERATIONS/CONSTRUCTION PLANS PERMITTED UNDER THE PRESENT ZONING; YES X 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).

[Signature]
WITNESS

4/15/06
DATE

[Signature]
SIGNATURE OF APPLICANT
Clayton A. Rockefeller
NICHOLAS BAUTA
5.32 Kinsley Ave., Unit 104 Providence, RI
ADDRESS
02909

April 15 2006
DATE

RECEIVED BY CITY ASSESSOR PROVIDENCE RHODE ISLAND _____ DATE

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 with no outstanding taxes Yes _____ No _____
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 \$ 1million)

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, café, 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

BECAUSE THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES, WE ENCOURAGE YOU TO CONSULT WITH AN ATTORNEY BEFORE SIGNING IT. SOME STATES MANDATE A CANCELLATION PERIOD OR REQUIRE OTHER SPECIFIC DISCLOSURES, INCLUDING WARNINGS FOR HOME IMPROVEMENT CONTRACTS, WHEN A DOCUMENT SUCH AS THIS WILL BE USED FOR WORK ON THE OWNER'S PERSONAL RESIDENCE. YOUR ATTORNEY SHOULD INSERT ALL LANGUAGE REQUIRED BY STATE OR LOCAL LAW TO BE INCLUDED IN THIS AGREEMENT. SUCH STATEMENTS MAY BE ENTERED IN THE SPACE PROVIDED BELOW, OR IF REQUIRED BY LAW, ABOVE THE SIGNATURES OF THE PARTIES. AUTHENTICATION OF THIS ELECTRONICALLY DRAFTED AIA DOCUMENT MAY BE MADE BY USING AIA DOCUMENT D401.

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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:

Truthbox Architects

The Owner and Contractor agree as follows.

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contractor 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 , and enumerated as follows:

Drawings:

Specifications:

AIA DOCUMENT A105 • OWNER-CONTRACTOR AGREEMENT • SMALL PROJECTS EDITION • AIA • COPYRIGHT 1993 • THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006-5292. This document was electronically produced with permission of the AIA and can be reproduced without violation until the date of expiration as noted below.

Electronic Format A105 -1993

User Document: A105.CON – 6/17/2001. AIA License Number 116148, which expires on 1/7/2002 – Page #1

- .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 , 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:
(Here insert payment procedures and provisions for retainage, 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 , or in the absence thereof, at the legal rate prevailing at the place of the Project.
(Usury laws 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.

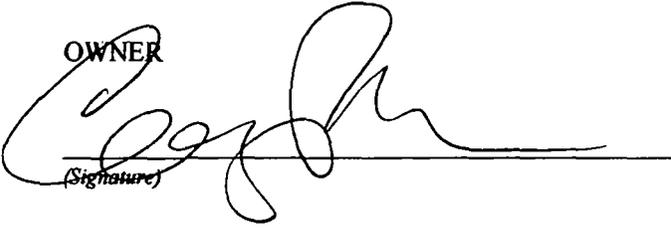
**ARTICLE 6
OTHER TERMS AND CONDITIONS**

(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 signatures.)

OWNER

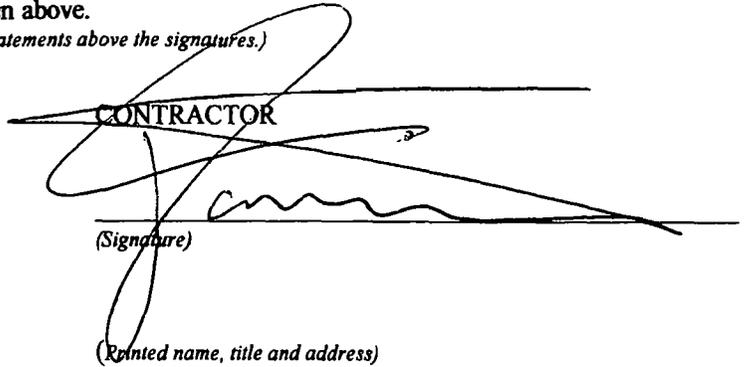


(Signature)

(Printed name, title and address)

Clay Rockefeller, Principal
5/26/06

CONTRACTOR



(Signature)

(Printed name, title and address)

LICENSE NO.:
JURISDICTION:



General Conditions of the Contract for Construction of a Small Project

AIA Document A205 - Electronic Format

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES: CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION. AUTHENTICATION OF THIS ELECTRONICALLY DRAFTED AIA DOCUMENT MAY BE MADE BY USING AIA DOCUMENT D401.

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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 other 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 common law, statutory and other reserved rights, including the copyright. They are not to be used by the Contractor or any Subcontractor,

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, easements, assessments 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 defaults or neglects 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

AIA DOCUMENT A205 - GENERAL CONDITIONS OF THE CONTRACT FOR CONSTRUCTION—SMALL PROJECTS EDITION - AIA - COPYRIGHT 1993 - THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C., 20006-5292. Unlicensed photocopying violates U.S. copyright laws and is subject to legal prosecution. This document was electronically produced with permission of the AIA and can be reproduced without violation until the date of expiration as noted below.

Electronic Format A205-1993

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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.

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 notices required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to laws, 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 such governmental laws, rules and regulations.

3.8 SUBMITTALS

The Contractor shall promptly review, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents. Shop Drawings, Product Data, Samples and similar submittals 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 its 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 attorneys' 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.

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 in connection with 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 Applications 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 to 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 order for a minor change 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.

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5.2 A Change Order shall be a written order to 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.

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 submittal 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 encumbrances 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 entities' 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

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 payee except those previously made in writing and identified by that payee 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.

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 to 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 these 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

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;

.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 materials 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. This obligation for payment shall survive termination of the Contract.

 **AIA** Document B151™ - 1997

Abbreviated Standard Form of Agreement Between Owner and Architect

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

day of MAY

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

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

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Architect:
(Name, address and other information)

TRUTH BOX, INC.
27 SIMS 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 SIMS 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 DETAILS
 - RENOVATION OF INTERIOR - INCLUDING NEW PARTITIONS, STAIRS, DOORS 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.

Fax # 421-3890

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, extend, or otherwise alter the Terms and Conditions of Insurance coverage contained in any policy numbered and described below.

CERTIFICATE HOLDER:

MILHAUSE
27 SIMS AVENUE
PROVIDENCE, RI 02909

INSURED:

STEM CONTRACTING & DESIGN INC
590 GREAT RD
LINCOLN, RI 02865-1439

TYPE OF INSURANCE	POLICY NUMBER & ISSUING CO.	POLICY EFF. DATE	POLICY EXP. DATE	LIMITS OF LIABILITY (*LIMITS AT INCEPTION)
LIABILITY	51-PR-101699-3001	07-30-05	07-30-06	
<input checked="" type="checkbox"/> Liability and Medical Expense	NATIONWIDE MUTUAL FIRE INSURANCE CO.			Any One Occurrence..... \$ 1,000,000
<input checked="" type="checkbox"/> Personal and Advertising Injury				Any One Person/Org \$ 1,000,000
<input checked="" type="checkbox"/> Medical Expenses				ANY ONE PERSON \$ 5,000
<input checked="" type="checkbox"/> Fire Legal Liability				Any One Fire or Explosion \$ 100,000
				General Aggregate* \$ 2,000,000
				Prod/Comp Ops Aggregate* . \$ 1,000,000
<input type="checkbox"/> Other Liability				
AUTOMOBILE LIABILITY	51-BA-101699-3004	07-30-05	07-30-06	
<input checked="" type="checkbox"/> BUSINESS AUTO	NATIONWIDE MUTUAL INSURANCE CO.			Bodily Injury (Each Person) \$
<input checked="" type="checkbox"/> Owned				(Each Accident) \$
<input checked="" type="checkbox"/> Hired				Property Damage (Each Accident) \$
<input checked="" type="checkbox"/> Non-Owned				Combined Single Limit \$ 1,000,000
EXCESS LIABILITY	51-CU-101699-3003	07-30-05	07-30-06	
<input checked="" type="checkbox"/> Umbrella Form	Nationwide Insurance Co.			Each Occurrence \$ 1,000,000
				Prod/Comp Ops/Disease Aggregate* \$ 1,000,000
<input type="checkbox"/> Workers' Compensation and				STATUTORY LIMITS
<input type="checkbox"/> Employers' Liability				BODILY INJURY/ACCIDENT ... \$
				Bodily Injury by Disease EACH EMPLOYEE \$
				Bodily Injury by Disease POLICY LIMIT \$

DESCRIPTION OF OPERATIONS/LOCATIONS
VEHICLES/RESTRICTIONS/SPECIAL ITEMS

Effective Date of Certificate: 07-30-2005
Date Certificate Issued: 05-25-2006

Authorized Representative: ANTHONY D. ZELANO
Countersigned at: 37 PLEASANT VIEW AVENUE
GREENVILLE, RI 02828

Anthony Zelano

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/26/2006

PRODUCER (401)352-3000 FAX (401)352-0020
Affiliated Insurance Managers, Inc.
 200 Metro Center Blvd. Suite 2
 Warwick, RI 02886

INSURED **Milhaus LLC**
 27 Sims Avenue
 Providence, RI 02909

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Scottsdale Insurance	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRO	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A		GENERAL LIABILITY	CLS1149111	08/14/2005	08/14/2006	EACH OCCURRENCE \$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Per occurrence) \$ 100,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ Excluded
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COM/PROP AGG \$ 2,000,000
						GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC
		AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
		<input type="checkbox"/> HIRED AUTOS				
		<input type="checkbox"/> NON-OWNED AUTOS				
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC AGG \$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE \$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
						\$
		DEDUCTIBLE				\$
		RETENTION \$				\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$
		OTHER				E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

Stem Contracting & Design
 590 Great Road
 Lincoln, RI 02865

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Beth Cole

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 thereon.

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

Steel Yard Construction Budget

10/27/05

Prepared by Stem Contracting and Design Inc.

A	B	C
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED 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	\$ -
715	Site demolition	
720	Site remediation	
800	Masonry	\$ 62,000.00
830	Masonry restoration & cleaning	\$ 62,000.00
900	Structural	\$ 25,000.00
920	Structural steel	\$ 5,000.00
930	Structural concrete	
940	Structural wood	\$ 20,000.00
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	\$ 44,200.00
1235	Sub floor replacement	\$ 15,000.00
1250	General wood construction	\$ 30,000.00
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	\$ 1,200.00
1365	Bathroom fixtures	\$ 8,000.00
1370	Kitchen fixtures	
1400	Stairs	\$ 49,000.00
1415	Interior stairs	\$ 35,000.00
1420	Exterior stairs	
1445	Steel deck	\$ 14,000.00
1500	Finishes	\$ 80,000.00

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 & coating	
1635	Concrete floors	
1640	Floors Tile	\$ 10,000.00
1650	Carpet	
1655	Linoleum & vinyl flooring	
1700	Wall & ceiling surfaces	\$ 115,000.00
1720	Sheet rock & plaster	\$ 60,000.00
1730	Walls Tile	\$ 20,000.00
1740	Sound dampening systems	\$ 35,000.00
1800	Doors & Windows	\$ 183,000.00
1808	Metal 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
1868	Signs	\$ 2,000.00
1900	Fire Suppression	\$ 144,000.00
1915	Sprinkler systems	\$ 120,000.00
1950	Frie 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	
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

2450	Duct / duct work	\$	10,000.00
2470	AC installation	\$	20,000.00
2500	Fire Alarm System	\$	45,000.00
2510	Fire alarm system	\$	45,000.00
	Contingency %10		\$162,240.00

Budget /Total Hard Costs		\$1,784,640.00
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Milhaus**Environmental Remediation, Capping & Landscaping**

Providence Steel & Iron Site

27 Sims Avenue

Providence, RI 02903

BUDGET	
REMEDATION HARD COSTS	
DEMOLITION	\$ 14,300
Tree/Shrub Removal	\$ 10,000
Curb - remove, relocate, reset	\$ 300
Rail Road, remove & store	\$ 4,000
CONSTRUCTION	\$ 74,830
Bulk Excavation + Backfill	\$ 2,280
24" Perforated ADS	\$ 21,175
3/4" Crushed Stones	\$ 7,625
Trench Excavation, Backfill, Compaction	\$ 3,600
Crush Stone	\$ 3,250
Catch Basin	\$ 8,400
Manhole	\$ 11,200
Trench Drain	\$ 6,300
12" ADS HDPE	\$ 11,000
LANDSCAPE	\$ 257,940
CIP or Precast Conc. Curb	\$ 12,920
CIP Conc. Wall (SF of Face)	\$ 10,350
Gabion Wall (center yard)	\$ 14,850
Retaining Wall (south PL)	\$ 6,820
2-4" Trap Rock for Gravel Zones	\$ 6,000
Stone Dust	\$ 27,000
Class I Bit Conc. Pavement (park/drive)	\$ 133,000
Trees (15% canopy)	\$ 30,000
Hydro-Seeding	\$ 17,000
CAPPING	\$ 77,400
Earth Movement on Site	\$ 30,000
Ordinary Borrow (Cap)	\$ 10,700
Loam	\$ 11,000
Fine Grading	\$ 25,700
Subtotal	\$ 424,470
Contingency - 10%	\$ 42,447
Under Budget Savings	\$ -
Additional Contingency	\$ -
Hard Cost Totals	\$ 466,917
REMEDATION SOFT COSTS	
Appraisal	\$ -
Site Survey	\$ 1,500
Environmental Consulting	\$ 170,000
Architectural & Engineering	\$ 12,000
Accounting	\$ 6,000
Filing Fees	\$ 5,000
Legal Fees	\$ 6,000
Project Consultant	\$ 10,000
Project Coordination	\$ 10,000
Soft Cost Totals	\$ 220,500
Grand Total	\$ 687,417

27 Sims - The Steel Yard
Milhaus LLP

Jacques Whitford Company, Inc.
24 May 2005
Proceed to Constr Documents Cost Estimate

QTY	UNIT	DESCRIPTION	UNIT PRICE	COST
Demolition				
50	EA	TREE/SHRUB REMOVAL	\$200.00	\$90,000.00
25	LF	CURB - REMOVE, RELOCATE & RESET	\$12.00	\$300.00
200	LF	REMOVE AND STOCKPILE RAIL ROAD	\$20.00	\$4,000.00
SUBTOTAL DEMO				\$14,300.00
Construction				
Drainage				
380	CY	BULK EXCAVATION + BACKFILL	\$6.00	\$2,280.00
605	CY	24" PERFORATED ADS	\$35.00	\$21,175.00
305	CY	3/4" CRUSHED STONE	\$25.00	\$7,625.00
200	CY	TRENCH EXCAVATION, BACKFILL, COMPACTION	\$18.00	\$3,600.00
130	CY	CRUSHED STONE	\$25.00	\$3,250.00
3	EA	CATCH BASIN	\$2,800.00	\$8,400.00
4	EA	MANHOLE	\$2,800.00	\$11,200.00
90	LF	TRENCH DRAIN	\$70.00	\$6,300.00
440	LF	12" ADS HDPE	\$25.00	\$11,000.00
SUBTOTAL DRAINAGE				\$74,830.00
Landscape				
648	LF	CIP or PRECAST CONC. CURB	\$20.00	\$12,920.00
345	SF/F	CIP CONC. LANDSCAPE WALL (SF OF FACE)	\$30.00	\$10,350.00
1086 LF	EA	GABION WALLS - MADE BY MILHAUS (\$52/BASKET + 2@ \$15/CY of STONE) 181 BASKETS x 52=\$9,412 + 362 CY of STONE @ \$15=\$5,430	\$82.00	\$11,316.00
540 LF	EA	Concrete gravity blocks along south PL + back parking (2.5x3x5 blocks)	\$62.00	\$6,820.00
231 CY	TONS	2-4" TRAP ROCK 1' DEPTH (FOR GRAVEL ZONES - 1.3 TONS/CY)	\$20.00	\$6,000.00
3,414	SF	STONE DUST W STABILIZER - PEDESTRIAN	\$8.00	\$27,312.00
48,005	SF	CLASS 1 BIT CONC PAVEMENT (PARKING+DRIVEWAY)	\$2.77	\$132,973.85
60	EA	TREES (FOR REQ. 15% CANOPY COVERAGE)	\$500.00	\$30,000.00
34100	SF	HYDRO-SEEDING (Mulch & Fert.)	\$0.50	\$17,050.00
SUBTOTAL LANDSCAPE				\$254,741.85
Capping				
2,000	CY	EARTH MOVEMENT ON SITE	\$15.00	\$30,000.00
822	CY	ORDINARY BORROW (CAP)	\$13.00	\$10,686.00
411	CY	LOAM (4-inch depth)	\$27.00	\$11,097.00
34100	SF	FINE GRADING	\$0.75	\$25,677.90
SUBTOTAL CAPPING				\$77,460.90
SUBTOTAL FOR SITE				\$421,332.15
10% CONTINGENCY				\$42,133.22
GRAND TOTAL				\$463,465.37

MILHAUS, LLC 12/02
27 SIMS AVE.
PROVIDENCE, RI 02909

1418

DATE 6/1/06

57-12/115
01

PAY
TO THE
ORDER OF

City of Providence

\$ 300 ⁰⁰/₁₀₀

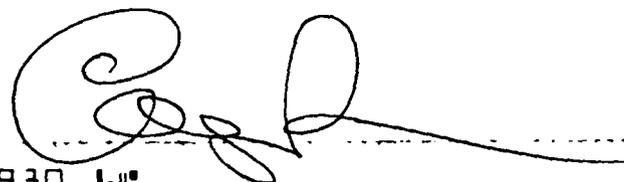
Three Hundred Dollars & zero cents

DOLLARS

 Security features
are included
Check on back.

 Citizens Bank
Rhode Island

FOR Tax Stabilization AP Fee



⑈001418⑈ ⑈011500120⑈1493 930 4⑈

MUNICIPAL LIEN CERTIFICATE
 CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
 CITY HALL PROVIDENCE, R. I. 02903 (401) 331-5252

DATE	PLAT	LOT	UNIT	LOCATION	CERT #	PAGE
November 20, 2006	027	0002	0000	27 Sims Ave	50,021	1

ASSESSED MILHAUS LLC
 OWNER

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST	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
		<u>\$53,767.24</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$26,883.62</u>	<u>\$26,883.62</u>	<u>\$0.00</u>	<u>\$26,883.62</u>	

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 461-8828
- 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 (aka: Downtown Improvement District). Please call (401)421-4450 for payment information.

C E R T I F I C A T I O N

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 of Providence
 Council Office
 25 Dorrance St
 Providence, RI 02903

ROBERT P. CEPRANO
 TAX COLLECTOR

MARC CASTALDI
 DEPUTY COLLECTOR

LETTER OF SUPPORT FOR MILHAUS, LLC.

I am writing to support the historic redevelopment of 27 Simms Ave and to urge that the Finance Committee approve their application for a tax stabilization. Not only does this property qualify under the Urban Mill Initiative, but it is an impressive example of a project that is driven by community outreach as opposed to profit. The re-development effort of the former Providence Steel and Iron (PSI) site is unique to Providence in that it not only preserves the historic buildings and site, but that it preserves the historic use of that site. The project will result in 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 has become a significant financial burden and is prohibitive to the affordable component of this development. PSI offers affordable job training and classes in mediums such as welding, steel fabrication, metal forging & casting, ceramics and glass casting among others. Currently, the programming is working towards a financial break even point and is 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 with music, theatre and cultural events and enjoyed by the surrounding Providence community, the developers do not currently plan on any new construction. The redevelopment effort has 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. It is more than a reasonable request that the city help this project with the tools at its disposal.

Sincerely,

Joan DiRuzzo

Milhaus LLC
27 Sims Avenue
Providence, RI 02909

June 15, 2006

RE: Tax Stabilization Application

Project Overview Providence Steel & Iron Commercial Re-Development

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 a tax stabilization. This project is unique to Providence in that it not only preserves the historic buildings and site, but that it preserves the historic use of that site. The project will result in 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 has become a significant financial burden and is prohibitive to the affordable component of this development. The programming is working towards a threshold where it can pay for itself and is committed to providing affordable commercial space at a time when it is quickly disappearing throughout the City of Providence. In an effort to maintain the programming of an accessible green space to be enjoyed by the surrounding Providence community, the developers do not currently plan on developing any new construction. Instead, they are focusing their attention and funds on renovating the existing buildings in accordance with historic preservation guidelines and the costly task of the property's environmental remediation. This is not a profit driven venture but rather, a community driven approach that must succeed so that it can become a model for alternative community conscious developments in the future.

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 commercial spaces for small businesses, non-profits, artist studios, offices 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.

Key Project Goals

- Create affordable commercial space
- Stimulate light industrial and manufacturing job growth
- Create one acre of green space for City residents
- Complete environmental remediation of the outside soil
- Renovate buildings in compliance with Historic guidelines
- Provide an alternative model to current real estate development projects

The Facilities

The facilities at the PSI site consist of three buildings totaling 28,000 square feet on 2.9 acres of land.

- 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, café, 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 commercial studios and production facilities.

Job Creation and Affordable Facilities

Every space at the PSI site is designed to help business grow and create more opportunities for job growth and start up ventures. One example of this is our tenant, The Steel Yard, whose facilities are rented by local fabricators and craftspeople for \$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 is 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 National 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 cost \$190,000.00 and Phase 2 is expected to cost an additional \$700,000.00.

Steel Yard Construction Budget

10/27/06

Prepared by Stem Contracting and Design Inc.

A	B	C
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE
Div. #		
Div #		
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700	Site Requirements	\$ -
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1640	Floors Tile	\$ 10,000.00
1700	Wall & ceiling surfaces	\$ 115,000.00
1720	Sheet rock & plaster	\$ 60,000.00
1730	Walls Tile	\$ 20,000.00
1740	Sound dampening systems	\$ 35,000.00

1800	Doors & Windows	\$ 183,000.00
1808	Metal 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
1868	Signs	\$ 2,000.00
1900	Fire Suppression	\$ 144,000.00
1915	Sprinkler systems	\$ 120,000.00
1950	Frie 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
2258	Intercom system	\$ 6,000.00
2400	HVAC / Mechanical Shaft & Duct	\$ 40,000.00
2430	Venting systems	\$ 10,000.00
2450	Duct / duct work	\$ 10,000.00
2470	AC installation	\$ 20,000.00
2500	Fire Alarm System	\$ 45,000.00
2510	Fire alarm system	\$ 45,000.00
	Contingency %10	\$162,240.00

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

POST THIS CARD SO IT IS VISIBLE FROM STREET

BUILDING PERMIT

Fee Paid: \$ 596
 Received By: TR
 Date Granted: 11-11-9-06
 Numerical Code: 28
 Permit Number: 1003

THIS CERTIFIES THAT CLAY ROCKEFELLER BCRB No. (If Applicable)
 has permission to STRIP OLD TAR & GRAVEL ROOF TO DECK INSTALL 3" ISO BOARD.
INSTALL RUBBERIZED ROOF SYSTEM 0.60 FULLY ADHERED

Located at 27 SIMS AVE Plat/Map 27 Lot/Block 2 Parcel/File 1698/09

provided that the person accepting 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 prosecute the work thereon to a speedy Completion.

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.

***A copy of this card* must be presented when applying for an Elect. ...**

Edward Cirt...
 Building Official

Work shall not proceed until the inspector has approved the various stages of construction

BUILDING INSPECTION APPROVALS:

STAGE OF CONSTRUCTION	SIGNATURE
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

STAGE OF CONSTRUCTION	SIGNATURE
5. _____	_____
6. _____	_____
7. _____	_____
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.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Office of the Secretary of State
Corporations Division
100 North Main Street
Providence, Rhode Island 02903-1335

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:

1. The name of the limited liability company is:

milhaus, LLC

2. 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)

3. Under the terms of these Articles of Organization and any written operating agreement 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)

[X] a partnership or [] a corporation or [] disregarded as an entity separate from its member

4. The address of the principal office of the limited liability company if it is determined at the time of organization:

27 Sims Avenue

Providence, RI 02909

5. 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 until 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.

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIVISION
NOV 19 11 21 AM '02

FILED

NOV 19 2002

By [Signature]
295290

6. 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

7. The limited liability company is to be managed by:

(Check one box only)

its members or by one (1) or more managers

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

<u>Manager</u>	<u>Address</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

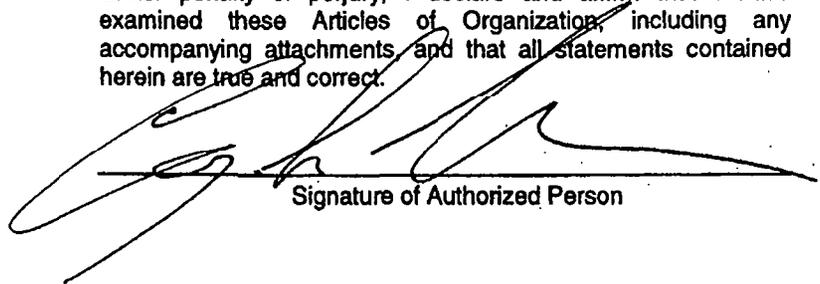
9. The date these Articles of Organization are to become effective, if later than the date of filing, is:

Date of filing

(not prior to, nor more than 30 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 all statements contained herein are true and correct.

Date: November 19, 2002



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:

I. (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.



Edward S. Inman, III, Secretary of State

**CERTIFICATE OF ORGANIZATION
OF**

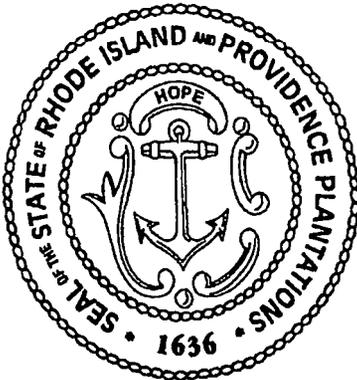
milhaus, llc

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

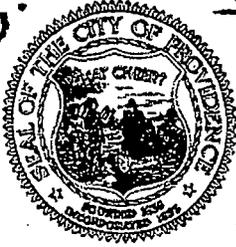
a limited liability company, duly executed pursuant to the provisions of Chapter 7-16 of the General Laws, 1956, as amended, have been received in this office and are found to conform to law. The affixed is a duplicate of the Articles of Organization.

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



Edward S. Inman, III
Secretary of State

By *Andrea M. Luancese*



CONTRACTOR FOR MILHAUS, LLC.

SITE LOCATION: THE STEELYARD
27 SIMS AVE.
PROVIDENCE, R.I.
02909



FIRST SOURCE AGREEMENT

WHEREAS, the City of Providence (the "City") has enacted an ordinance presently codified at Article III/2, 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

Simons Roofing Inc.

WHEREAS, Chad Simons (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, a/k/a 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: Simon Roofing Inc.

Name: Charles Simon

Title: President

Dated: 11/16/06

Accepted: _____ Dated: _____

Thomas E. Deller, Director