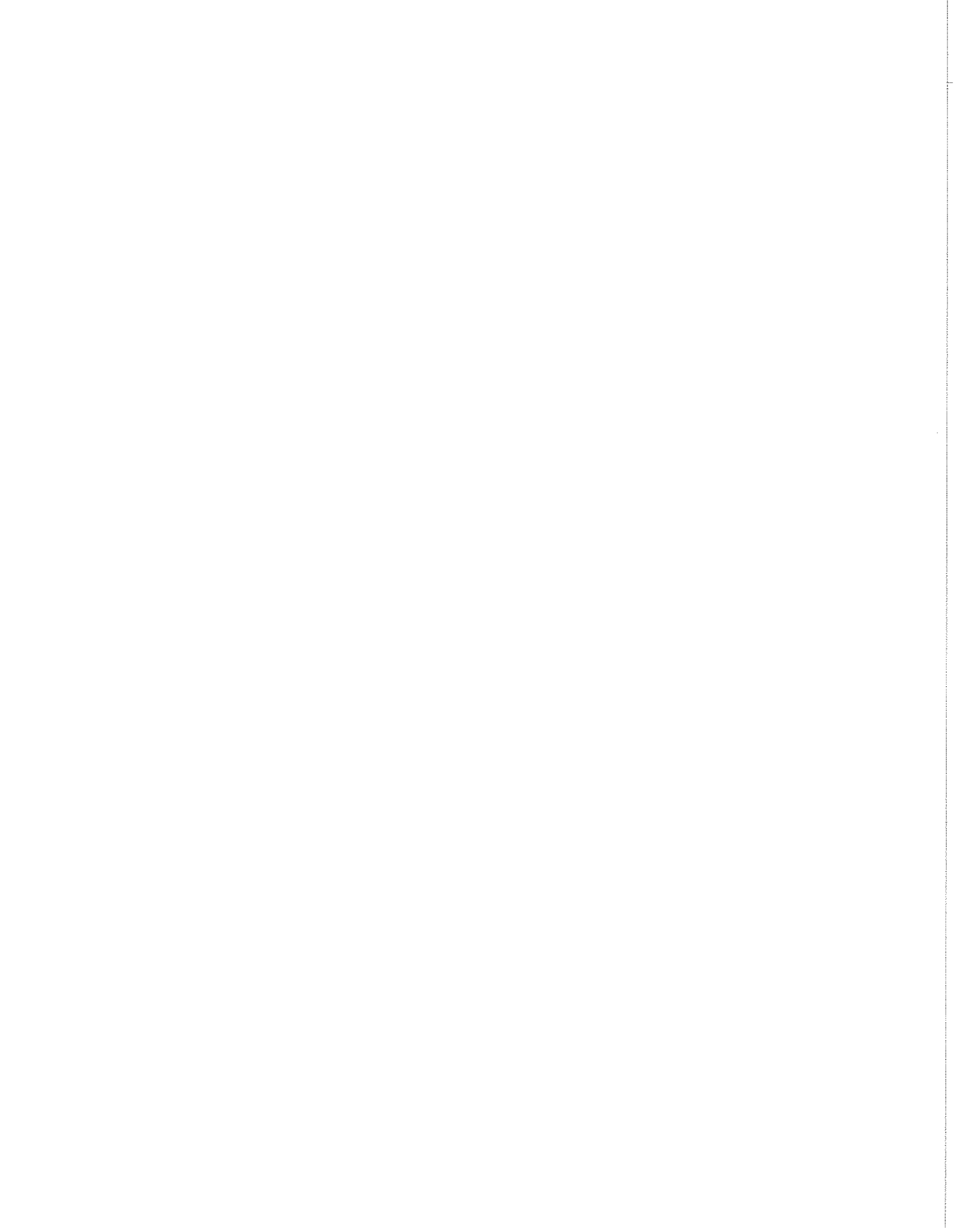


# Application for Neighborhood and Community Development Funds

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# Application for Neighborhood and Community Development Funds

Submit original and 23 complete copies of this application to the CDBG Office by 4:30 p.m. on the 15<sup>th</sup> of the month, to be reviewed by the CDBG Committee on the first Thursday of the following month. **When possible, please duplex your original and copies and send an electronic version to the assigned project manager (if known).**

Program Title: Rental Housing Rehab – The Gardens

Amount Requested: \$ 92,950.28

Agency: Independent Living, Inc.

Address: 815 Forward Dr. Madison, WI 53711

Contact Person: Rita Giovannoni, CEO

Telephone: 608 274-7900 x 130

Email: rgiovannoni@independliving.com

Fax: 608 274-9181

1. **Program Abstract:** Provide an overview of the project. Identify the community need to be addressed. Summarize the program's major purpose in terms of need to be addressed, the goals, procedures to be utilized, and the expected outcomes. **Limit response to 150 words.**

The Gardens, 602 N. Segoe Rd., houses low-income, older adults in 76 independent apartments and 16 CBRF units. This historic site for senior housing is 35+ years old. Much of its infrastructure is past its useful life. Consistent with the City's plan for sustainable development, Independent Living is rehabbing the building to make it more cost-efficient and reduce our carbon footprint.

ILI requests funds to:

- 1) replace 3 old, inefficient water heaters with 3 new ones to reduce utility costs and wasteful energy use; 2) replace 2 warped, damaged elevator doors in the 10-story Tower to increase resident safety and accessibility; 3) repair the badly damaged exterior surfaces outside apartment 901 which has significant water-leakage, rendering it unsafe and unusable and threatening surrounding areas with the spread of damage.

2. **Target Population:** Identify the projected target population for this program in terms of age, residency, race, income eligibility criteria, and other unique characteristics or sub-groups.

The Gardens and Segoe Gardens Assisted Living are home to 91 older, mostly low-income adults with an average age of 86 years. Forty-one households have less than 50% CMI. Most residents have some level of disability, either low-vision or limited mobility. Residents of the Assisted Living are very frail and need round-the-clock care and services.

\_\_\_ 91 \_\_\_ # unduplicated individuals estimated to be served by this project.

\_\_\_ 88 \_\_\_ # unduplicated households estimated to be served by this project.

3. Program Objectives: The 5-Year Plan lists 9 project objectives (A through N). Circle the one most applicable to your proposal and describe how this project addresses that objective.

- |   |                                |
|---|--------------------------------|
| A. Housing – Existing Owner-Occupied      | G. Neighborhood Civic Places   |
| B. Housing – For Buyers                   | K. Community-based Facilities  |
| <u>C. Housing – Rental Housing</u>        | L. Neighborhood Revitalization |
| E. Economic Dev. – Business Creating Jobs | N. Access to Housing Resources |
| F. Economic Dev. – Micro-enterprise       |                                |

The Gardens and Segoe Gardens Assisted Living at 602-606 N. Segoe Road in Madison offer affordable, service-supported housing to a very elderly resident population (average age 85). There is no entrance fee for these older adults and monthly rents include a meal each weeknight and one hour of housekeeping per month. Rents are equal or below 85% of the area's Fair Market Rent. 41 households have incomes less than 50% of CMI.

Independent Living, Inc. owns and manages this building which is more than 35 years old. While the building has historically been a site for older adult housing, it is now in need of extensive rehab. Much of the infrastructure is past its useful life and it is ILL's plan to replace costly and energy inefficient components using "green" technologies and emphasizing sustainability.

The comfort and safety of our residents is of primary concern as is our need to keep rents affordable for them. CDBG funds will be used to replace the old, unreliable water heaters with new, energy efficient, natural gas water heaters. Funds will also allow us to replace two warped and damaged Tower elevator doors, which interfere with elevator operation and cause unpredictable breakdowns in service. These elevators are the only accessible transport to floors LL-10 for residents and staff. We will also repair the damaged and leaking outer surfaces of the wall on the 9<sup>th</sup> floor. The repair is essential to prevent extensive damage to other areas of the building and ensure the maintenance and continued viability of the facility.

The building itself, continues to be a very desirable housing site for the elderly because of its proximity to the Hilldale Shopping Center, the post office and Rennebohm Park. Madison Metro stops right in front of the building making it possible for those residents who no longer drive to have easy access to public transportation. Independent Living's rehab of this property is consistent with the City of Madison's emphasis on utilizing existing building stock and making it more environmentally sustainable, rather than creating new buildings and adding to urban sprawl.

4. Fund Objectives: Check the fund program objective which this project meets. (Check all for which you seek funding.)

- |                       |   |          |   |
|-----------------------|---|----------|---|
| Acquisition/<br>Rehab | <input type="checkbox"/> New Construction, Acquisition,<br>Expansion of Existing Building | Futures  | <input type="checkbox"/> Prototype                  |
|                       | <input type="checkbox"/> Accessibility  |          | <input type="checkbox"/> Feasibility Study          |
|                       | <input checked="" type="checkbox"/> Maintenance/Rehab                                     |          | <input type="checkbox"/> Revitalization Opportunity |
|                       | <input type="checkbox"/> Other  |          | <input type="checkbox"/> New Method or Approach     |
| Housing               | <input checked="" type="checkbox"/> Rental Housing  | Homeless | <input type="checkbox"/> Housing                    |
|                       | <input type="checkbox"/> Housing For Buyers   |          | <input type="checkbox"/> Services                   |

5. Budget: Summarize your project budget by estimated costs, revenue, and fund source.

**SEE ATTACHMENT C**

EXPENDITURES	TOTAL PROJECT COSTS	AMOUNT OF CD REVENUES	AMOUNT OF NON-CD REVENUES	SOURCE OF NON-CD FUNDED PORTION
<b>A. Personnel Costs</b>				
1. Salaries/Wages (attach detail)				
2. Fringe Benefits				
3. Payroll Taxes				
<b>B. Non-Personnel Costs</b>				
1. Office Supplies/Postage				
2. Telephone				
3. Rent/Utilities				
4. Professional Fees & Contract Services				
5. Work Supplies and Tools				
6. Other:				
<b>C. Capital Budget Expenditures (Detail in attachment C)</b>				
1. Capital Cost of Assistance to Individuals (Loans)				
2. Other Capital Costs:				
<b>D. TOTAL (A+B+C)</b>				

Estimated Month of Completion  
(If applicable)

6. Action Plan/Timetable

Describe the major actors and activities, sequence, and service location, days and hours which will be used to achieve the outcomes listed in # 1.

Use the following format:  
(Who) will do (what) to (whom and how many) (when) (where) (how often). A flowchart may be helpful.

1) Independent Living, Inc. will select a best-bid Contractor who will dispose of 3 old water heaters and install 3 new, natural gas, energy and cost efficient water heaters. Includes replacing 6 existing gate valves with ball valves, removal and recycle of boiler, asbestos removal and electrical wiring as required.

2) Independent Living, Inc. will contract with Otis Elevator to replace the damaged and warped Tower elevator doors on 2 elevators located in the 10-story Tower, remove and dispose of damaged doors.

3) Independent Living, Inc. will select a best-bid Contractor who will repair the leaks and water damage on the building's outer surface outside apartment 901 preventing the spread of that damage to other areas of the building.

All 3 projects listed above will be completed in less than 6 months. The water heaters will be replaced in Oct.-Nov; the Elevator doors will be replaced in Nov.-Dec.; and the exterior damage repairs in Sept.-Oct, 2009.

7. What was the response of the alderperson of the district to the project?

Patricia Eldred, Development Director for Independent Living, Inc. met with Chris Schmidt, the 11<sup>th</sup> district Alderperson at 9 a.m. on Friday, August 7 at The Gardens. Chris was very impressed by the historical importance of the facility and what has been accomplished to date with renovations to this 35+ year-old building. He commented that, given the age of the building, he certainly understood the need to replace aging HVAC elements (water heaters) and could see, first-hand, the damage and warping to the elevator doors. He was very supportive of ILI's efforts to rehab this property without raising rents for the low-income clients who would then not able to live there and he commended ILI on our efforts to rehab in the building in an environmentally-sustainable manner.

8. Does agency seek funds for property acquisition and/or rehab? [If applicable, describe the amount of funds committed or proposed to be used to meet the 25% match requirements (HOME or ESG) with its qualifications.]

<input type="checkbox"/>	No	Complete Attachment A		
<input checked="" type="checkbox"/>	Yes	Complete Attachment B and C and <u>one</u> of the following:	<input checked="" type="checkbox"/>	D Facilities
			<input type="checkbox"/>	E Housing for Buyers
			<input checked="" type="checkbox"/>	F Rental Housing and Proforma

9. Do you qualify as a Community Housing Development Organization (CHDO)? (See attachment G for qualifications.)

No  Yes - Complete Attachment G

10. Do you seek Scattered Site Acquisition Funds for acquisition of service-enriched housing?

No  Yes - Complete Attachment B, C, F, and H

11. Do you seek ESG funds for services to homeless persons?

No  Yes - Complete Attachment I

12. This proposal is hereby submitted with the approval of the Board of Directors/Department Head and with the knowledge of the agency executive director, and includes the following:

<input type="checkbox"/>	Future Fund (Attachment A)	<input type="checkbox"/>	Housing for Resale (Attachment E)
<input checked="" type="checkbox"/>	Property Description (Attachment B)	<input checked="" type="checkbox"/>	Rental Housing and Proforma (Attachment F)
<input checked="" type="checkbox"/>	Capital Budget (Attachment C)	<input type="checkbox"/>	CHDO (Attachment G)
<input checked="" type="checkbox"/>	Community Service Facility (Attachment D)	<input type="checkbox"/>	Scattered Site Funds Addendum (Attachment H)
		<input type="checkbox"/>	ESG Funding Addendum (Attachment I)

Signature: *John Habreck* Date: 8/13/09  
 President-Board of Directors/Department Head

Signature: *[Signature]* Date: 8/13/09  
 Executive Director

For additional information or assistance in completing this application, please contact the CD Office at 267-0740.

COMPLETE IF PROJECT INVOLVES PURCHASE, REHAB, OR CONSTRUCTION OF ANY REAL PROPERTY:  
 INFORMATION CONCERNING PROPOSALS INVOLVING REAL PROPERTY

ADDRESS	ACTIVITY (Circle Each Applicable Phase)	NUMBER OF UNITS		Number of Units Currently Occupied	Number of Tenants To Be Displaced?	APPRAISED VALUE:		PURCHASE PRICE (If Applicable)	ACCESSIBLE TO INDIVIDUALS WITH PHYSICAL HANDICAPS?		PRIOR USE OF CD FUNDS IN BUILDING?
		Prior to Purchase	After Project			Current	After Rehab/Construction		Currently?	Post-project?	
602-606 N. Segoe Road	Purchase Rehab Construct	N/A	92	88	None	\$6,700,000 as of 5/2001	N/A	N/A	Yes	Yes	Yes**
	Purchase Rehab Construct										
	Purchase Rehab Construct										

\*\* 1) original purchase, 2000  
 2) fire alarm system, 2004

**CAPITAL BUDGET**

TOTAL PROJECT/CAPITAL BUDGET (include all fund sources)		Amount	Source/Terms**	Amount	Source/Terms**
Amount and Source of Funding: ***	TOTAL	Amount	Source/Terms**	Amount	Source/Terms**
<b>Acquisition Costs:</b>					
Acquisition					
Title Insurance and Recording					
Appraisal					
*Predev/pmmt/feasibility/market study					
Survey					
*Marketing/Affirmative Marketing					
Relocation					
Other:					
<b>Construction:</b>					
Construction Costs					
Soils/site preparation					
Construction management					
Landscaping, play lots, sign					
Const interest					
Permits; print plans/specs					
Other: 2.Elevator doors	\$10,935.28	\$10,935.28	Otis Elevator		
<b>Fees:</b>					
Architect	Estimated for electrical elevators and facade repair	\$4,000	Electrical		
Engineering		\$14,000	Asbestos Abatement		
*Accounting					
*Legal					
*Development Fee					
*Leasing Fee					
Other:					
<b>Project Contingency:</b>					
<b>Furnishings:</b>					
<b>Reserves Funded from Capital:</b>					
Operating Reserve					
Replacement Reserve					
Maintenance Reserve					
Vacancy Reserve					
Lease Up Reserve					
<b>Other (specify): Hot Water Heaters</b>		\$29,615	Benjamin Plumbing		
<b>Other (specify): Facade Repair</b>		\$34,400	Stevens Construction		
<b>TOTAL COSTS:</b>		\$92,960.28			

\* If CDBG funds are used for items with an \*\*, the total cost of these items may not exceed 15% of the CDBG amount.  
 \*\* Note: Each amount for each source must be listed separately, i.e. Acquisition: \$30,000 HOME, \$125,000 CRF.  
 \*\*\* Identify if grant or loan and terms.



FACILITIES

A. Recap: Funds would be applied to:

acquisition only;  rehab;  new construction;  acquisition and rehab or construction

B. State your rationale in acquiring or improving this space. (i.e., lower costs, collaborative effort, accessibility, etc.)

1) The replacement of 3 old, unreliable water heaters with new, energy efficient gas heaters is essential for the cost-effective maintenance and environmental sustainability of The Gardens and Segoe Gardens Assisted Living. Keeping operating costs low is crucial in order that Independent Living can keep resident fees affordable for this population of very elderly, mostly low-income older adults.

2) Replacement of the damaged and warped elevator doors is necessary to prevent the unpredictable and continual breakdowns and service interruptions that are an inconvenience and could impair resident safety. The elevators serve floors 0-10 in the Tower area of the building. Many of the elderly residents cannot or would have great difficulty using stairs to access Tower apartments. This rehab is essential for their comfort, convenience, safety and accessibility.

3) Repair of the damaged outer surfaces outside Apt. 901 must be made to prevent further leaking and damage to that currently unusable apartment and stop water from spreading beyond that area to damage additional space. It is critical that all apartments be available for occupancy in order to meet budget projections.

C. What are the current mortgages or payments on property (including outstanding CDBG loans)?  
Balances as of 7/31/09.

<u>Name</u>	<u>Amount</u>	<u>Monthly Payment</u>
WHEDA	\$3,177,232	\$27,481.76
WHEDA	\$961,800	\$ -
City of Madison-HOME Loan	\$601,043	\$ -
City of Madison-CDBG Loan	\$250,000	\$ -

D. If rented space: **N/A**

1. Who is current owner?
2. What is length of proposed or current lease?
3. What is proposed rental rate (\$/sq. ft. and terms) and how does this compare to other renters in building or in area?

E. If this is new space, what is the impact of owning or leasing this space compared to your current level of space costs?

F. Include:

1. A minimum of two estimates upon which the capital costs are based.  
(Be sure to base your labor costs on enforcement of Fair Labor Standards and the payment of Federal Prevailing Wage Rate.)  
**ESTIMATES ATTACHED – NOTE: Elevator doors must be replaced by single bidder, Otis Elevator**
2. A copy of the plans and specifications for the work, or a description of the design specifications you have in mind.  
**INFORMATION PROVIDED IN ENCLOSED BIDS**
3. If you own the building: A copy of your long range building improvement plan and building maintenance plan.  
(Include a narrative describing what the building needs and how you expect to maintain it over time.)  
**SEE ATTACHED ANSWER TO QUESTION F3 on PAGE 8**

**Answer to question F 3**

**Long range building improvement plan and building maintenance plan**

The building has been owned and operated by Independent Living, Inc. since 2000. The building improvement and maintenance plan consists of

1. Annual replacements of appliances such as stoves and refrigerators generally 3-4 units each year.
2. Annual replacements of cabinetry in units generally 3-4 each year
3. Window replacements as they loose seals generally 3-4 each year
4. Annual replacements of carpeting in units and common spaces as needed generally 4-6 units/year and 1 or 2 common space areas.

Items 1-4 and other smaller items are handled as either operating expenses or requested expenses drawn from the 1<sup>st</sup> Mortgage lender replacement reserve account that is in place for the project.

5. Starting in 2007-8 we have been in process of development of a longer range building improvement plan to replace 35+ year old heating, cooling and air handling systems in this building. The impetus is twofold both the useful life and energy consumption of these very inefficient systems make it imperative that this work be done over the next 24-36 months. We need to rely upon various grant sources of funding to achieve this goal. Such is the case with the request in this proposal to City of Madison CDBG.

**RESIDENTIAL RENTAL PROPERTY**

A. Provide the following information for rental properties: **PLEASE SEE ATTACHED CHART & WHEDA INCOME STATEMENT**

Table A: RENTAL						
		Site 1		Site 2		Site 3
Unit #	# of Bedrooms	Amount of CD \$	Use of CD Funds*	Monthly Unit Rent	Includes Utilities?	Household Income Category

B. Indicate how the project will demonstrate that the housing units will meet housing and code standards.

The property is regularly inspected by outside entities, including WHEDA and housing inspectors contracted by the City of Madison for the HOME program. WHEDA conducted an inspection on August 5, 2009, and the city inspection is scheduled to take place on August 19, 2009. The City of Madison Fire Department also conducts annual inspections of the property, most recently on June 1, 2009. No citations have been issued for serious violations, and any necessary corrections for minor issues have been made in a timely manner.

C. Describe briefly your tenant selection criteria and process.

The Tenant Selection Plan applies to all residential units at The Gardens in Madison, Wisconsin, which is housing for elderly persons. "Elderly" means a person who is at least 60 years old at the time of initial occupancy. The housing is part of a continuum of care that includes Residential Care Apartment Complex (RCAC) units within the building. Units designated as funded units, as required by WHEDA and the City of Madison CDBG and HOME programs, will be rented to applicants who qualify under the income limits, as defined by applicable regulatory requirements.

The plan establishes the policies and procedures to cover eligibility, application, screening, unit assignment, and the waiting list for all units and complies with applicable laws and regulations. The plan is periodically reviewed and updated as necessary. **The full Tenant Selection Plan is available upon request.**

D. Does the project include plans to provide support services to assisted residents or to link assisted residents to appropriate services? If yes, describe.

The Gardens offers 1 meal each week night and an hour of housekeeping per month to residents living in independent apartments. As they age or their needs for care and services increase, they can enroll in the Independence Plus program which offers a menu of individualized services provided by Independent Living, Inc. including additional meals or housekeeping, personal care, medication management, etc. Segoe Gardens Assisted Living is a State licensed CBRF which provides comprehensive resident care including 3 meals each day and round the clock staffing to insure resident comfort and safety. Residents in independent apartments have priority access to Segoe Gardens Assisted Living if and when needed.

ILI Senior Housing-Segoe Road, Inc.  
Residential Rental Property  
Attachment F

<u># of Bedrooms</u>	<u># of Units</u>	<u>Rent Range</u>	<u>Utilities Included?</u>
1	57	\$517 - \$1,355	Yes
2	19	\$802 - \$1,975	Yes
Assisted Living	16	\$460 - \$895	Yes

ILI SENIOR HOUSING-SEGOE ROAD, INC.  
 WHEDA #1764  
**INCOME STATEMENT**  
 FOR THE SIX MONTHS ENDING JUNE 30, 2009

	Actual
<b>REVENUE</b>	
Donations	435
Client Income	124,780
Rental income and HUD assistance	433,309
Miscellaneous income	23,321
Interest income	<u>1,536</u>
 Total Revenue	 583,381
 <b>EXPENSES</b>	
Wages	110,526
Insurance	12,796
Vehicle fuel and maintenance	414
Travel and mileage	158
Rent and utilities	94,313
Repairs and maintenance	68,997
Food	95,283
Office supplies	2,198
Professional fees	17,944
Telephone	11,080
Cable	7,670
Inservice	-
Advertising	4,294
Management fees	13,250
Interest	129,437
Miscellaneous	<u>1,638</u>
 Total Expenses	 <u>569,998</u>
 Net income (loss) before depreciation/amortization	 13,383
 Depreciation and amortization	 <u>80,517</u>
 Net income (loss)	 <u><u>(67,134)</u></u>

TOTAL PROJECT PROFORMA (total units in the project)

N/A	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Revenue															
Gross Income															
Less Vacancy															
<b>Net Income</b>															
Expenses															
Audit															
Taxes															
Insurance															
Maintenance															
Utilities															
Property Management															
Operating Reserve Pmt															
Replacement Reserve Pmt															
Support Services															
Affirmative Marketing															
Other															
<b>Total Expenses</b>															
<b>NET OPERATING INCOME</b>															
Debt Service															
First Mortgage															
Other															
Other															
<b>Total Debt Service</b>															
<b>Total Annual Cash Expenses</b>															
<b>Debt Service Reserve</b>															
<b>Cash Flow</b>															
Assumptions:															
Vacancy Rate															
Annual Increase															
Carrying Charges															
Expenses															

# **BENJAMIN PLUMBING, INC.**

August 6, 2009

Bill Sterud  
Independent Living Retirement Community  
602 N. Segoe Road  
Madison, WI 53705

Dear Bill,

## **PLUMBING PROPOSAL FOR WATER HEATER REPLACEMENTS**

We propose to supply and install the following:

- Permits
- 3 - 65 Gallon, 360,000 BTU, gas atmospheric vent water heaters
- Isolation valves
- Restart the hot water circulation system - (3 hours allowed)
- Type "M" copper water distribution piping
- 1 Year warranty on parts and labor, 3 Years on the tanks
- Gas Piping
- 1/2 " Elastomeric (rubber) insulations – hot & cold water mains
- Cut, cap and conceal piping in conflict with layout
- Remove and dispose of the existing water heater (s)
- Metal chimney venting

Your price for the above described plumbing is \$29,615.00.

We have bid this work to be done continuously through two shifts involving (2) men per shift. Being awarded this project may prevent unemployment claim(s) for that payroll period.

As we have done in the past with non-profit organizations we could work with you on tax exempt purchasing which could result in a tax saving: of +/- \$850.00.

This Price Does Not Include:

- Warranty on used equipment, existing plumbing or owner supplied materials
- Asbestos abatement work or work in areas above OSHA standards

■ 5396 King James Way, Madison, WI 53719  
■ Ph: 608-271-7071 / Fax: 608-271-6622  
■ [www.benjaminplumbing.com](http://www.benjaminplumbing.com)

- Electrical work
- Water conditioning equipment
- Work at premium rates
- Maintenance issues on other floors brought on by disrupted debris in the existing water distribution piping
- Removal of existing humidifier

Thank you for consulting Benjamin Plumbing, Inc. We appreciate the opportunity to quote this work for you.



As required by the Wisconsin Construction Lien Law, builder hereby notifies owner that persons or companies furnishing labor or materials for the construction on owner's land may have lien rights on owner's land and buildings if not paid. Those entitled to lien rights, in addition to the undersigned builder, or those who contract directly with the owner or those who give the owner notice within 60 days after they first furnish labor or materials for the construction. Accordingly, owner probably will receive notices from those who furnish labor or materials for the construction, and should give a copy of each notice received to his mortgage lender, if any. Builder agrees to cooperate with the owner and his lender, if any, to see that all potential lien claimants are duly paid.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from specifications below involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

Authorized Signature   
Mike Higgins

Note: This proposal may be withdrawn by us if not accepted within 15 days.

65% due upon completion of rough in - balance upon total completion. 1.5% per month if final payment is not made 30 days after total completion.

<p><b>Acceptance of Proposal</b> - The above prices specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.</p> <p>Date of Acceptance:</p> <p>_____</p>	<p>Signature _____</p> <p>Signature _____</p>
---	---

# **BENJAMIN PLUMBING, INC.**

August 6, 2009

VIA FAX (4)Pages

Bill Sterud  
Independent Living Retirement Community  
602 N. Segoe Road  
Madison, WI 53705

RE: Water Heater Replacements

Dear Bill,

I am pleased to provide you with the enclosed plumbing proposal. Please feel free to contact me with any concerns or questions regarding this proposal.

Thank you for consulting us at Benjamin Plumbing for your project. I look forward to working with you further on this job.

Respectfully,



Mike Hilgers  
Project Manager/Estimator  
Benjamin Plumbing, Inc.

# OTIS

DATE: 08/03/2009

TO:  
Ind. Living Retirement Community  
602 N. Segoe Rd.  
Madison, WI 53705

FROM:  
Otis Elevator Company  
3003 Progress Road  
Madison, WI 53716

EQUIPMENT LOCATION:  
INDEPENDOT LIV RETIRE COMM  
602 N SEGOE RD  
MADISON, WI

Tiffany Poole  
Phone: (608) 249-3322 ext 11  
Fax:(608) 249-4252

MACHINE NUMBER(S): One Unit

PROPOSAL NUMBER: TIP090717105345

We will provide labor and material to furnish and install on the above referenced machine(s) the following:

### Car Door Replacement

We will remove the existing car door and replace with new brushed stainless steel car doors.

PRICE: \$5,467.64 *times two*  
**Five thousand four hundred sixty-seven dollars and sixty-four cents**

This price is based on a fifty percent (50%) downpayment in the amount of \$2,733.82.

This proposal, including the provisions printed on the last page(s), and the specifications and other provisions attached hereto shall, when accepted by you below and approved by our authorized representative, constitute the entire contract between us, and all prior representations or agreements not incorporated herein are superseded.

Submitted by: Tiffany Poole

Accepted in Duplicate

**CUSTOMER**  
Approved by Authorized Representative

**Otis Elevator Company**  
Approved by Authorized Representative

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Print Name: Bill

Print Name: Brett McCay

Title: Property Manager

Title: Branch Manager

E-mail:

\_\_\_\_\_  
\_\_\_\_\_

Name of Company:

\_\_\_\_\_

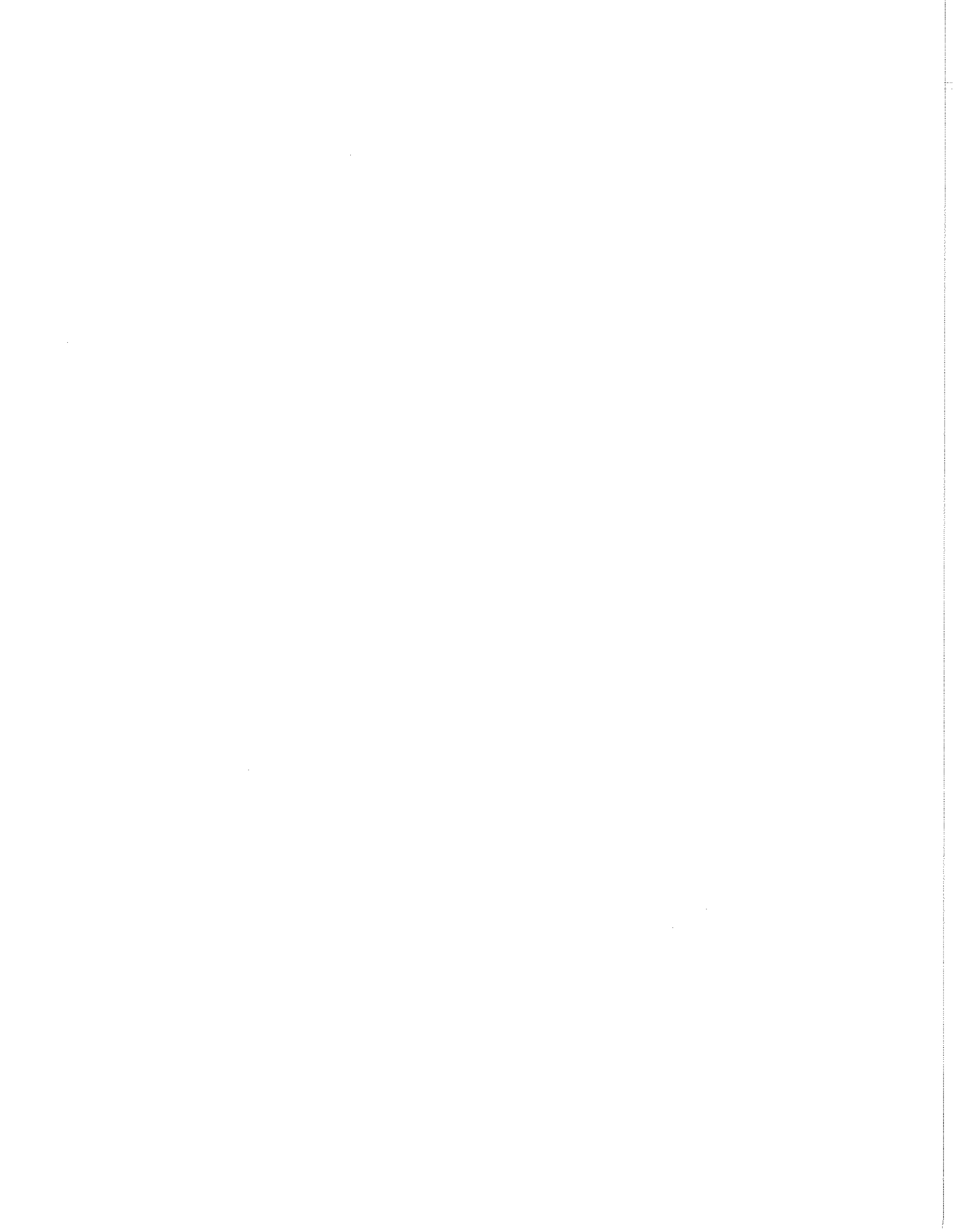
Principal, Owner or  
Authorized Representative of Principal or Owner

Agent:  
\_\_\_\_\_  
(Name of Principal or Owner)

**OTIS Service and Repair Order**

**TERMS AND CONDITIONS**

1. This quotation is subject to change or withdrawal by us prior to acceptance by you.
  2. The work shall be performed for the agreed price plus any applicable sales, excise or similar taxes as required by law. In addition to the agreed price, you shall pay to us any future applicable tax imposed on us, our suppliers or you in connection with the performance of the work described.
  3. Payments shall be made as follows: A down payment of fifty percent (50%) of the price shall be paid by you upon your signing of this document. Full payment shall be made on completion if the work is completed within a thirty day period. If the work is not completed within a thirty day period, monthly progress payments shall be made based on the value of any equipment ready or delivered, if any, and labor performed through the end of the month less a five percent (5%) retainage and the aggregate of previous payments. The retainage shall be paid when the work is completed. We reserve the right to discontinue our work at any time until payments shall have been made as agreed and we have assurance satisfactory to us that subsequent payments will be made when due. Payments not received within thirty (30) days of the date of invoice shall be subject to interest accrued at the rate of eighteen percent (18%) per annum or at the maximum rate allowed by applicable law, whichever is less. We shall also be entitled to reimbursement from you of the expenses, including attorney's fees, incurred in collecting any overdue payments.
  4. Our performance is conditioned upon your securing any required governmental approvals for the installation of any equipment provided hereunder and your providing our workmen with a safe place in which to work. Additionally, you agree to notify us if you are aware or become aware prior to the completion of the work of the existence of asbestos or other hazardous material in any elevator hoistway, machine room, hallway or other place in the building where Otis personnel are or may be required to perform their work. In the event it should become necessary to abate, encapsulate or remove asbestos or other hazardous materials from the building, you agree to be responsible for such abatement, encapsulation or removal, and in such event Otis shall be entitled to delay its work until it is determined to our satisfaction that no hazard exists and compensation for delays encountered if such delay is more than sixty (60) days. In any event, we reserve the right to discontinue our work in the building whenever in our opinion this provision is being violated.
  5. Unless otherwise agreed in writing, it is understood that the work shall be performed during our regular working hours of our regular working days. If overtime work is mutually agreed upon and performed, an additional charge therefor, at our usual rates for such work, shall be added to the contract price. The performance of our work hereunder is conditioned on your performing the preparatory work and supplying the necessary data specified on the front of this proposal or in the attached specification, if any. Should we be required to make an unscheduled return to your site to begin or complete the work due to your request, acts or omissions, then such return visits shall be subject to additional charges at our then current labor rates.
  6. Title to any material to be furnished hereunder shall pass to you when final payment for such material is received. In addition, we shall retain a security interest in all material furnished hereunder and not paid for in full. You agree that a copy of this Agreement may be used as a financing statement for the purpose of placing upon public record our interest in any material furnished hereunder, and you agree to execute a UCC-1 form or any other document reasonably requested by us for that purpose.
  7. Except insofar as your equipment may be covered by an Otis maintenance or service contract, it is agreed that we will make no examination of your equipment other than that necessary to do the work described in this contract and assume no responsibility for any part of your equipment except that upon which work has been done under this contract.
  8. Neither party shall be liable to the other for any loss, damage or delay due to any cause beyond either parties reasonable control, including but not limited to acts of government, strikes, lockouts, other labor disputes, fire, explosion, theft, weather damage, flood, earthquake, riot, civil commotion, war, mischief or act of God.
  9. We warrant that all services furnished will be performed in a workmanlike manner. We also warrant that any equipment provided hereunder shall be free from defects in workmanship and material. Our sole responsibility under this warranty shall be at our option to correct any defective services and to either repair or replace any component of the equipment found to be defective in workmanship or material provided that written notice of such defects shall have been given to us by you within ninety (90) days after completion of the work or such longer period as may be indicated on the front of this form. All defective parts that are removed and replaced by us shall become our property. We do not agree under this warranty to bear the cost of repairs or replacements due to vandalism, abuse, misuse, neglect, normal wear and tear, modifications not performed by us, improper or insufficient maintenance by others, or any causes beyond our control.
- We shall conduct, at our own expense, the entire defense of any claim, suit or action alleging that, without further combination, the use by you of any equipment provided hereunder directly infringes any patent, but only on the conditions that (a) we receive prompt written notice of such claim, suit or action and full opportunity and authority to assume the sole defense thereof, including settlement and appeals, and all information available to you for such defense; (b) said equipment is made according to a specification or design furnished by us; and (c) the claim, suit or action is brought against you. Provided all of the foregoing conditions have been met, we shall, at our own expense, either settle said claim, suit or action or shall pay all damages excluding consequential damages and costs awarded by the court therein and, if the use or resale of such equipment is finally enjoined, we shall, at our option, (i) procure for you the right to use the equipment, (ii) replace the equipment with equivalent noninfringing equipment, (iii) modify the equipment so it becomes noninfringing but equivalent, or (iv) remove the equipment and refund the purchase price (if any) less a reasonable allowance for use, damage and obsolescence.
- THE EXPRESS WARRANTIES SET FORTH IN THIS ARTICLE 9 ARE THE EXCLUSIVE WARRANTIES GIVEN; WE MAKE NO OTHER WARRANTIES EXPRESS OR IMPLIED, AND SPECIFICALLY MAKE NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE; AND THE EXPRESS WARRANTIES SET FORTH IN THIS ARTICLE ARE IN LIEU OF ANY SUCH WARRANTIES AND ANY OTHER OBLIGATION OR LIABILITY ON OUR PART.
10. Under no circumstances shall either party be liable for special, indirect, liquidated, or consequential damages in contract, tort, including negligence, warranty or otherwise, notwithstanding any indemnity provision to the contrary. Notwithstanding any provision in any contract document to the contrary, our acceptance is conditioned on being allowed additional time for the performance of the Work due to delays beyond our reasonable control.
- Your remedies set forth herein are exclusive and our liability with respect to any contract, or anything done in connection therewith such as performance or breach thereof, or from the manufacture, sale, delivery, installation, repair or use of any equipment furnished under this contract, whether in contract, in tort (including negligence), in warranty or otherwise, shall not exceed the price for the equipment or services rendered.
11. To the fullest extent permitted by law, you agree to hold us harmless, and defend us and indemnify us against any claim or suit for personal injury or property damage arising out of this contract unless such damage or injury arises from our sole negligence.
  12. It is agreed that after completion of our work, you shall be responsible for ensuring that the operation of any equipment being furnished hereunder is periodically inspected. The interval between such inspections shall not be longer than what may be required by the applicable governing safety code. Notwithstanding any other provisions hereof, if any part delivered hereunder incorporates software, the transaction is not a sale of such software; rather, you are hereby granted merely a license to use such software solely for operating the equipment for which such part was ordered. By accepting delivery of such part, you agree not to copy or let others copy such software for any purpose whatsoever, to keep such software in confidence as a trade secret, and not to transfer possession of such part to others except as a part of a transfer of ownership of the equipment in which such part is installed, provided that you inform us in writing about such ownership transfer and the transferee agrees in writing to abide by the above license terms.
  13. This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and may not be modified by any terms on your order form or any other document, and supersedes any prior written or oral communication relating to the same subject. Any amendment or modifications to this Agreement shall not be binding upon either party unless agreed to in writing by an authorized representative of each party.





THE BEST IN ALL WE DO

August 13, 2009

Email  
Mail

Rita Giovannoni  
Chief Executive Officer  
Independent Living Retirement Community  
815 Forward Drive  
Madison, WI 53711

RE: Building Façade Repairs  
602 N. Segoe Road  
Madison, WI  
SCC Opp. No. 09-5061-0

Dear Ms. Giovannoni:

Our proposal to complete the work for the above referenced project is as follows:

Option 1:

1. Remove loose aggregate system at four known locations on the buildings southeast side.
2. Prepare existing sheathing at these four panels.
3. Repair the four panels with epoxy and aggregate, similar in color to the existing.
4. Cut out and caulk the vertical corners at these four panels.

Cost to repair these panels if \$15,600.00

Option 2:

1. Tuckpoint and repair brick as noted on the attached photos.
2. Cut out and caulk 32 panels at their perimeter.
3. Cut out and caulk vertical expansion joint as noted on the attached.

Cost to complete the above work is \$18,800.00

Please note the following:

1. Removal/inspection of asbestos not included.
2. Winter conditions including enclosures and heat not included.
3. All metal flashing to remain, removal or replacement not included.
4. New brick will not match the existing.
5. We will need use the majority of the southeast parking lot for materials and a man-lift for the duration of the repairs.

Rita Giovannoni  
RE: 602 N. Segoe Road

August 13, 2009  
Page 2

There appears to be more panels that will need replacement. We have based our proposal on four areas. Additional work will be completed on a Time & Material Basis.

If you have any questions regarding the above information, please feel free to contact me at 608.222.5100 or [callen@stevensconstruction.com](mailto:callen@stevensconstruction.com).

Thank you for the opportunity of submitting this proposal. We look forward to starting this work for you in the near future.

Sincerely,



Chuck Allen  
*Business Developer*  
Stevens Construction Corp.

CA/pd

enclosure

cc: William Sterud, Independent Living Retirement Community

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OPTION #2

