

DRAFT FOR DISCUSSION PURPOSES

Project Name: Best Community House Project

Joint Venture between Madison College and the Community Development Authority of the City of Madison (the "CDA")

Description: Madison College will offer a series of courses that will provide for the design, engineering, and construction of an energy efficient home (the "Best Community House") that will be designed and constructed by Madison College and purchased by the CDA for a lot in Mosaic Ridge (the CDA's subdivision on Allied Drive). The series of courses set forth in Exhibit A will be offered in the time frames set forth in Exhibit A.

The CDA will act as the client for the design and construction of the Best Community House until such time as an owner/occupant is identified by the CDA. Madison College understands that an owner/occupant may be added to the review process during design and construction; however, Madison College will not be required to modify plans that have already been approved by the CDA due to the addition of an owner/occupant.

Site Selection

The CDA and Madison College will select a lot at Mosaic Ridge by mutual agreement during the fall of 2013 for the Best Community House.

The CDA will obtain land use approvals from the City of Madison necessary for issuance of a building permit prior to or during the spring 2014 semester. At this time the CDA expects to have obtained land use approvals during January of 2014.

The site will have all necessary utilities available.

Who will pay for the permit?

Who will prepare the site for construction i.e. site grading?

Who will locate the foundation of the house.....surveying services?

Who pays for utility connection? Are there any costs?

Design Services

Madison College will create schematic drawings, design development drawings, and construction documents for the Best Community House (the "Architectural Documents"). The Architectural Documents will include all information necessary to obtain a construction permit including but not limited to mechanical, electrical and plumbing documents. The CDA shall review and approve each phase of drawings prior to having Madison College continue with the next phase of design. If for some reason, approved construction documents are not complete by the end of the spring 2014 semester,

Madison College agrees to have a licensed architect complete such drawing prior to the commencement of the fall 2014 semester at no additional charge to the CDA.

In addition, the CDA shall be provided with material specifications and samples and will have the right to approve such materials in connection with the construction document review.

The Best Community House will comply with the Mosaic Ridge Architecture and Landscape Guidelines unless the Architectural Review Board in its sole discretion approves a variance.

Madison College has represented that it has the ability to provide such drawings as are necessary along with required document stamps to obtain a building permit for the Best Community Home.

Madison College will provide the Architectural Drawings described above at no cost to the CDA.

Who will provide landscape plans?

Construction Services

Madison College will build the Best Community House as set forth in the Architectural Drawings. The scope of work will not only include building the home, but will also include construction of the foundation, delivery of the home to the site, setting the house on the foundation, completion of mechanical, electrical and plumbing work and all other work set forth in the construction documents and necessary for obtaining a certificate of occupancy.

Can Madison College complete the landscaping?

If construction of the Best Community House is not substantially complete and a certificate of occupancy issued by the end of the spring 2015 semester, Madison College will hire personnel as necessary to complete the home by September 1, 2015 at no additional cost to the CDA.

Madison College will warrant to the homeowner that the Best Community House has been built in compliance with municipal building codes, and generally accepted construction practices. Madison College will further warrant for one year from the date of construction completion that Madison College will repair or replace any defects in said home caused by faulty materials or workmanship.

Upon completion, Madison College will also provide a homeowner's manual that will include the certificate of occupancy, the Madison College warranty, floor plans, elevations, and manufacturers' warranty documentation and information.

Process

Prior to commencement of the design work, the CDA and Madison College will agree on a budget for design and construction given a mutually agreeable quality and level of amenities for the Best Community House. Upon completion of Architectural Drawings, Madison College will price the cost of construction. To the extent the cost of construction exceeds the original estimate, neither party shall have any further obligations to the other. To the extent the cost of the Best Community House is less than or equal to the estimate, the CDA and Madison College will enter into a construction contract that sets forth the price of the Best Community House, the schedule for completion, and a benchmarks and schedule for payment.

The CDA agrees to provide assistance and access as the client for the student's benefit.

Madison College agrees to provide the CDA with regular access to the design and construction process.

Both parties agree to work together on community outreach and earned media opportunities for each of their programs.

Both parties agree to explore the opportunity for a resident of the neighborhood to participate in the Best Community House educational program.

Madison College will provide property casualty insurance for the house naming the CDA as an additional insured. Madison College will also provide evidence of liability insurance that indemnifies the CDA against loss until such time as the home is delivered to the CDA ready for occupancy.

This letter of intent does not constitute a definitive statement of all of the terms and conditions of the proposed transaction. It is not intended to constitute an agreement to execute a contract in the future. Either party may terminate such negotiations at any time. Neither party will be legally bound in any manner unless and until a contract has been prepared, executed and delivered between them.

By signing in the space provided below, the parties indicate their desire to begin drafting a definitive agreement. No binding contract will exist between the CDA and Madison College unless and until the terms are approved by the CDA and a contract is executed between the parties.

Agreed and Accepted:

Community Development Authority of the City of Madison