Local Development Finance Authority

Regular Meeting Agenda

Monday, March 11, 2013
4:00 p.m., Council Chambers
South Haven City Hall

City of South Haven

1. Call to Order

2. Roll Call

Chairman Art Bolt, Thomas Erdmann, Eugen Gawreliuk, Mike Henry, Robert Herrera, Lynn Kerber, Andy Klavins, Larry Lewis, Mike Rainey, Christine Valentine, Janice Varney.

3. Approval of Agenda

4. Approval of Minutes – February 11, 2013 Regular Meeting

5. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

6. Financial Report

7. Invoices for Approval - LDFA 3

Bohn Property
Midwest Civil Engineering, Temporary Lighting Plan Design, $2,400.00

8. LDFA Budget

9. Bohn Property

Lighting

Environmental Work

Fencing

11. Economic Development Report

12. General Comments

SOUTH HAVEN CITY HALL IS BARRIER FREE AND THE CITY OF SOUTH HAVEN WILL PROVIDE THE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES FOR PERSONS WITH DISABILITIES, SUCH AS SIGNERS FOR THE HEARING IMPAIRED AND AUDIO TAPES OF PRINTED MATERIALS BEING CONSIDERED AT THE MEETING TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON SEVEN (7) DAYS NOTICE TO THE SOUTH HAVEN CITY HALL.

13. Adjourn

RESPECTFULLY SUBMITTED,
Paul VandenBosch
Secretary, Local Development Finance Authority

SOUTH HAVEN CITY HALL IS BARRIER FREE AND THE CITY OF SOUTH HAVEN WILL PROVIDE THE NECESSARY REASONABLE AUXILIARY AIDS AND SERVICES FOR PERSONS WITH DISABILITIES, SUCH AS SIGNERS FOR THE HEARING IMPAIRED AND AUDIO TAPES OF PRINTED MATERIALS BEING CONSIDERED AT THE MEETING TO INDIVIDUALS WITH DISABILITIES AT THE MEETING UPON SEVEN (7) DAYS NOTICE TO THE SOUTH HAVEN CITY HALL.

Local Development Finance Authority

Regular Meeting Minutes

Monday, February 11, 2013
4:00 p.m., Council Chambers
South Haven City Hall

City of South Haven

1. **Call to Order by Valentine at 4:00 p.m.**

2. **Roll Call**

   Present: Erdmann, Gawreliuk, Herrera, Kerber, Valentine, Varney
   Absent: Bolt, Henry, Klavins, Lewis, Rainey

3. **Approval of Agenda**

   Motion by Gawreliuk, second by Erdmann to approve the February 11, 2013 regular meeting agenda as submitted.

   All in favor. Motion carried.

4. **Approval of Minutes** – January 14, 2013 Regular Meeting

   Motion by Erdmann, second by Kerber to approve the January 14, 2013 regular meeting minutes as written.

   All in favor. Motion carried.

5. **Interested Citizens in the Audience Will be Heard on Items Not on the Agenda**

   None at this time.

6. **Financial Report**

   VandenBosch gave an overview of the Financial Report and responded to a question posed at the last meeting. VandenBosch is working with the city attorney to clarify whether certain invoices have been paid. The answer to this question determines the actual budgets.

   In response to a question by Kerber regarding what is included under “Other Investments” VandenBosch explained that the Finance Director would be better able to answer that question.

7. **Invoices for Approval - LDFA 3**

Dewey Lane Water Main - Van Buren County Road Commission, Final Statement, $8,519.29
VandenBosch noted that this is the final payment on the Dewey Lane Water Main.

Motion by Gawreliuk, second by Varney to approve the final payment to the Van Buren County Road Commission in the amount of $8,519.29.

All in favor. Motion carried.

8. Bohn Plant update, current work, closing statement overview, development options

VandenBosch updated the board regarding site clean up and maintenance which McCloughan is handling; it appears that city staff will be able to accomplish much of this work. The request for a fence was brought before the board and an estimate.

VandenBosch also reviewed the funding sources and settlement statement. Varney asked about the delinquent property taxes, which VandenBosch related to be $209,000 plus $18,964 plus payoff of City Industrial Facilities tax of $128,247.

Gawreliuk asked if the electric bills have been paid. $700,302 has been paid towards delinquent utilities, VandenBosch noted, but pointed out that there may be more outstanding utility debt.

VandenBosch reminded that In 2007 the board had discussed what could be done with this parcel if the city owned it. Kerber asked what Parcel C is, to which VandenBosch responded that there is a driveway and a scale on that parcel. Kerber reminded that the board talked at the last meeting about having some commercial realtors to do a walk through. VandenBosch informed the board that he has a list of five or six realtors to contact.

Varney asked if electricity has been provided to the property yet, to which VandenBosch responded that a rough estimate of $50.000 was obtained for providing lights and a couple of outlets but it has not been put out for bid yet. That improvement (addition of lights and outlets) would help in showing the building. VandenBosch noted that he should have more details for the board at the next meeting.

Kerber asked about the Wade Trim estimates included in the packet. VandenBosch explained that they are very old estimates so the prices are not relevant. Kerber asked how the new plans provided relate to the estimates from Wade Trim. VandenBosch said he only did the newer plans because the plans included with the estimates were rather difficult to read.

Erdmann asked what the next step is, to which VandenBosch responded that after budget meetings next month the board will be able to see what resources we will be available.

9. East Jordan Lease

VandenBosch has asked the city attorney to draft a lease agreement for an amendment to the current lease allowing for a three month extension. The board discussed having the lessee sign a waiver of liability on behalf of the City that indemnifies the landlord and holds the City harmless. VandenBosch pointed out that If lights are provided the tenant will be responsible for paying utilities. VandenBosch noted that this is a 3-month extension which allows them a little more time to remove their product.

Motion by Kerber, second by Varney to approve the three (3) month extension as an amendment to the current lease agreement between East Jordan Plastics and the City of South Haven, with the addition of a hold harmless clause.

All in favor. Motion carried.

10. 220 Aylworth Avenue Rezoning Request

VandenBosch reviewed some of the history of the various requests and approvals and zoning changes that were part of the history. VandenBosch would like to rezone the property back to light industrial. This will not include the Lovejoy storage parcel which is still owned by Larsen because this board should not be telling him what to do with his property. I-1B zoning would be similar to other properties in that area, once the rezoning of 220 Aylworth is complete.

Motion by Erdmann, second by Gawreliuk, to approve the rezoning request.

Erdmann asked if it would be spot-zoning if that storage property is still left at the light industrial and smelting. VandenBosch informed the board that the original rezoning at Larsen's request was spot zoning. Kerber noted that the storage property is not properly zoned for the use.

Kerber asked what would be a good process to approach the owner of that property to rezone. VandenBosch stated that he would like to see that suggestion go through the Zoning Administrator.

All in favor. Motion carried.

11. Budget Preparation

VandenBosch said there has been a budget meeting; however the state is looking at removing the personal property taxes. That would help the industrial sector and it will affect the LDFAs. VandenBosch pointed out that it does not look like removal of the personal property tax will happen very quickly.

12. Economic Development Report

McCloughan gave an overview of economic development activities of the past month.

13. General Comments

None at this time.

14. Adjourn

Motion by Erdmann, second by Varney to adjourn at 4:45 p.m.

All in favor. Motion carried.

RESPECTFULLY SUBMITTED,
Marsha Ransom

Recording Secretary

City of South Haven
Local Development Finance Authority
For the period ended February 28, 2013

	LDFA #1	LDFA #2	LDFA #3
Revenues			
Property Tax Captures	107,317	30,347	21,483
Interest Income	8,152	49	6,670
Land Sales			-
Other Revenue	5,000	-	5,920
Other Transfers In	750,000	-	-
Total Revenue	870,469	30,396	34,073
Expenditures			
Economic Liaison	10,809	-	18,707
Administrative Costs	-	-	-
Professional Fees	8,908	8	-
Contractual Services	177	-	32
Capital Projects	1,344,537	-	8,519
General Fund Administration	10,000	20,000	10,000
Transfer to Building Authority Debt Service	-	10,000	-
MEDC Loan Payments			13,604
Transfer to St. Joe Project Debt Service	20,464	-	-
Other Transfers Out	-	-	250,000
Total Expenditures	1,394,895	30,008	300,862
Year-to-Date Fund Gain/(Loss)	(524,426)	389	(266,789)
Cash and Investments			
Cash	59,472	30,529	90,350
Certificates of Deposit	260,313	-	2,250
Other Financial Investments	448,906	151,230	462,263
Total	768,691	181,759	554,863

Land Assets - 345 Kalamazoo St	5.19 acres	$	46,710	Mkt Value per assessor
Land Assets - 1391 Kalamazoo St	1.54 acres	$	36,729	Mkt Value per assessor
220 Aylworth Ave	13.22 acres	$	118,980	Mkt Value per assessor
1280 Kalamazoo St.	3.48 acres	$	31,320	Mkt Value per assessor

LDFA Debt Obligations

St. Joe Projects Bonds - Final Maturity - May 2027	$120,000/Year		
DPW Relocation Bonds - Final Maturity - Nov. 2021		$13,990 Average/Year	
MEDC Loan -0% Interest - Final Payment - April 2016			$27,208/Year

MIDWEST CIVIL ENGINEERS
13560 76th Street
South Haven, MI 49090

PHONE: 269-637-9205 FAX: 269-637-9206
e-mail: info@mce-us.com

INVOICE

Date	Invoice #
2/25/2013	05-9704

Bill To
City of South Haven Mr. Paul VandenBosch 539 Phoenix Street South Haven, MI 49090

Terms	Due Date	Job No. / Project Name	Period Ending
Net 30	3/27/2013	13-030 Temp. Lighting Plan Design	

Description	Amount
Temporary Lighting Plan Design	2,400.00

Total	$2,400.00
Payments/Credits	$0.00
Balance Due	**$2,400.00**

MCE NOW ACCEPTS VISA, MASTERCARD and DISCOVER FOR PAYMENT!

EFFECTIVE IMMEDIATELY, MCE WILL CHARGE A LATE FEE OF 1.5 % ON ALL INVOICES NOT PAID IN THE N-30 TERMS THAT WE OFFER.

Pam

LDFA 1 2013-2014 Draft Budget

Revenues	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Adopted Budget	2013 2012-2013 Projected Actual	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2016-2017 Projection
Real Property Taxes	153,162	144,614	126,179	107,756	85,282	85,282	78,487	78,487	78,487	78,487
Personal Property Taxes	207,614	43,955	68,058	82,758	31,488	31,488	106,145	106,145	106,145	106,145
Interest Income	23,036	11,308	6,060	11,691	3,000	10,000	5,000	5,000	5,000	5,000
Adjustments (Bohn Transfers)				557		750,000				1,500,000
Potential Land Sale or Rent						12,500				
Total Revenue	**383,812**	**199,877**	**200,297**	**202,763**	**119,770**	**889,270**	**189,632**	**189,632**	**189,632**	**1,689,632**

Expenses	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Adopted Budget	2013 2012-2013 Projected Actual	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2,017 2016-2017 Projection
Economic Development Liaison Expenses	17,433	28,376	27,261	24,430	14,199	14,199	14,199	14,483	14,773	15,068
Professional Consulting Fees	24,186	5,872	5,424	1,182	1,000	1,000	1,000	1,000	1,000	1,000
Other Contractual Services	10,544	6,887	3,264	0	10,000	10,000	0	0	0	0
Travel, Conferences, Training, Membership	1,386	1,047	1,243	539	1,000	1,000	500	500	500	500
Administrative Fees	20,000	20,000	20,000	0	0	0	0	0	0	0
General Fund Transfer	37,500	37,500	10,000	10,000	10,000	10,000	0	0	0	0
St Joseph Street Project Bond	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Textron Settlement	225,000									
Water Tower Maintenance				0	75,000	Deleted				
Internet Fiber Project					10,000	Deleted				
Land Purchase					400,000	1,334,000				
Bohn Plant (Legal, Environmental, Preparation)						60,000				
Bohn Property Tax						22,000	22,000	22,000	22,000	0
Bohn Maintenance and Utilities						20,000	20,000	20,000	20,000	0
Bohn Lighting						50,000				
Bohn Fence						25,000				
Bohn Report						4,400				
Bohn Marketing						10,000	10,000	10,000	10,000	0
Aylworth Avenue	175,761									
Capital Projects		3,296						300,000		
Total Expenses	**631,810**	**222,978**	**187,192**	**156,152**	**641,199**	**1,681,599**	**187,699**	**487,983**	**188,273**	**136,568**
Revenue	383,812	199,877	200,297	202,763	119,770	889,270	189,632	189,632	189,632	1,689,632
Expenses	631,810	222,978	187,192	156,152	641,199	1,681,599	187,699	487,983	188,273	136,568
Balance	-247,998	-23,101	13,105	46,611	-521,429	-792,329	1,933	-298,351	1,359	1,553,064
Estimated End of Year Fund Balance	**1,254,441**	**1,231,340**	**1,244,445**	**1,291,055**	**769,626**	**498,726**	**500,659**	**202,308**	**203,668**	**1,756,732**
	Actual	Actual	Actual	Actual	Adopted Budget	Projected Actual	Proposed Budget	Projected	Projected	Projected

Land Sale

Kalamazoo St Project, Infrastructure Improvement Plan

The St Joseph Street Project Bond extends to 2030, as does the term of LDFA 1.
Economic Development Liaison expenses are budgeted 30% from LDFA1 and 70% from LDFA3.
The End of Year Fund Balance includes the Inf. Imp. Plan Amount.

LDFA 1 Infrastructure Improvement Plan 2013-2014 Budget

Revenues	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Budgeted	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2015-2016 Projection
Infrastructure Improvement Plan Transfer	100,000	100,000	50,000	50,000	0	0	0	0	0
Total Revenue	**100,000**	**100,000**	**50,000**	**50,000**	**0**	**0**	**0**	**0**	0

Expenses	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Budgeted	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2015-2016 Projection
Lovejoy-Kalamazoo Street Project (part of Monroe Blvd-Indian Grove Project)	0	0			0	0	300,000	0	0
Total Expenses	**0**	**0**	**0**	**0**	**0**	**0**	**300,000**	**0**	
Revenue	100,000	100,000	50,000	50,000	0	0	0	0	0
Expenses	0	0	0	0	0	0	300,000	0	0
Balance	100,000	100,000	50,000	50,000	0	0	-300,000	0	0
Estimated End of Year Fund Balance	**100,000**	**200,000**	**250,000**	**300,000**	**300,000**	**300,000**	**0**	**0**	0
	Actual	Actual	Actual	Budgeted	Budgeted	Proposed Budget	Projected	Projected	Projected

The Infrastructure Improvement Plan is a commitment by the LDFA to fund water, sewer and street improvements in LDFA 1 as part of the City's 20 year Street Improvement Plan.
The fund balance is included in the LDFA 1 Budget amount.

LDFA 2 2013-2014 Budget

Revenues	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Current Year Budget	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2016-2017 Projection
Real Property Taxes	24,366	27,695	22,421	18,238	13,808	14,080	14,080	14,080	14,080
Personal Property Taxes	9,631	13,337	15,423	15,727	17,425	18,376	18,376	18,376	18,376
Interest Income	3,844	973	2,590	4,537	1,000	2,000	2,000	2,000	2,000
Adjustment			1,935	454					
Total Revenue	**37,840**	**42,006**	**42,369**	**38,957**	**32,233**	**34,456**	**34,456**	**34,456**	**34,456**

Expenses	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Current Year Budget	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2016-2017 Projection
Economic Development Liaison Expenses				1,537	0	15,090	15,392	15,700	16,014
Professional Consulting Fees	2,258	1,044	0	2,979	0	0	0	0	0
Renewable Energy Project	0	0	0	0	0	0	0	0	0
General Fund Transfer	5,000	5,000	5,000	20,000	20,000	0	0	0	0
Building Authority #2	13,810	13,768	13,703	12,881	12,848	12,848	12,848	12,848	12,848
8th Avenue Improvements					Deleted (150000)				
Internet Fiber Project					Deleted (10000)				
Total Expenses	**21,068**	**19,812**	**18,703**	**37,397**	**32,848**	**27,938**	**28,240**	**28,548**	**28,862**
Revenues	37,840	42,006	42,369	38,957	32,233	34,456	34,456	34,456	34,456
Expenses	21,068	19,812	18,703	37,397	32,848	27,938	28,240	28,548	28,862
Balance	16,772	22,194	23,666	1,560	-615	6,518	6,216	5,908	5,594
Estimated End of Year Fund Balance	**133,952**	**156,146**	**179,812**	**181,372**	**180,757**	**187,275**	**193,491**	**199,400**	**204,994**

Building Authority #2 bond extends to 2022.

LDFA 3 2013-2014 Draft Budget

Revenues	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 Current Year Budgeted	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2016-2017 Projection
Real Property Taxes	40,674	85,047	34,140	30,635	30,130	36,417	36,417	36,417	36,417
Personal Property Taxes	75,929	99,521	10,525	10,825	11,884	13,129	13,129	13,129	13,129
Interest Income	8,964	7,400	5,646	8,625	3,000	2,000	3,000	3,000	3,000
Adjustment				-2,786					0
Sale of Land	25,000			217,501	0	0	0	0	0
Sundry		155,056	6,428	5,920	6,000	0	0	0	0
Total Revenue	**150,568**	**347,025**	**56,739**	**270,720**	**51,014**	**51,546**	**52,546**	**52,546**	**52,546**

Expenses	2009 Prior Year Actual	2010 Prior Year Actual	2011 Prior Year Actual	2012 Prior Year Actual	2013 2012-2013 Budgeted	2014 2013-2014 Proposed Budget	2015 2014-2015 Projection	2016 2015-2016 Projection	2017 2016-2017 Projection
Economic Development Liaison Expenses	11,622	18,939	18,187	19,873	32,652	18,215	18,579	18,951	19,330
Other Contractual Services	11,143	30,874	12,089	64,731	0	500	500	500	500
General Fund Transfer	27,500	27,500	5,000	10,000	10,000	0	0	0	0
Travel Conferences Training Subscriptions	903	698	876	878	700	500	500	500	500
Loan Payment to MEDC	27,208	27,208	27,208	27,208	27,208	27,208	27,208	27,208	0
Internet Fiber Project					Deleted (20,000)				
Land Purchase					250,000				
Capital Projects									
I-196 2nd Ave Project									
Dewey Lane Water Main									
Water Tower Painting					75,000				
Total Expenses	**78,376**	**105,219**	**63,360**	**122,690**	**395,560**	**46,423**	**46,787**	**47,159**	**20,330**
Revenues	150,568	347,025	56,739	270,720	51,014	51,546	52,546	52,546	52,546
Expenses	78,376	105,219	63,360	122,690	395,560	46,423	46,787	47,159	20,330
Balance	72,191	241,806	-6,621	148,030	-344,546	5,123	5,759	5,387	32,216
Estimated End of Year Fund Balance	**586,553**	**828,359**	**821,738**	**969,768**	**477,192**	**482,315**	**488,074**	**493,461**	**525,677**
	Actual	Actual	Actual	Actual 821305	Budgeted	Projected	Projected	Projected	Projected

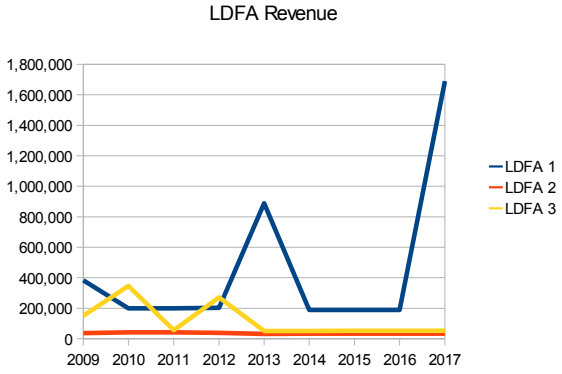
MEDC Loan payment continues until 2016.

Fix these based on actual numbers

LDFA Comparison Charts

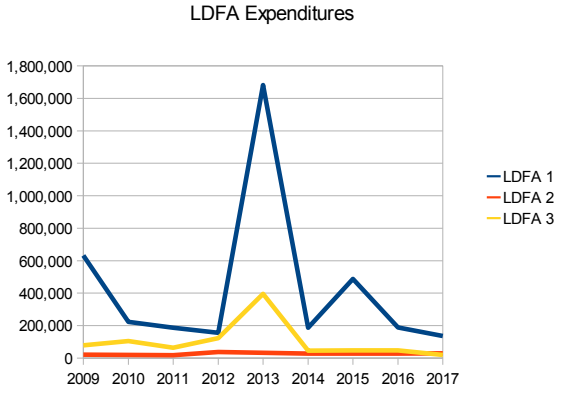
Revenue

	LDFA 1	LDFA 2	LDFA 3	
2009	383,812	37,840	150,568	Actual
2010	199,877	42,006	347,025	Actual
2011	200,297	42,369	56,739	Actual
2012	202,763	38,957	270,720	Actual
				Projected
2013	889,270	32,233	51,014	Actual
2014	189,632	34,456	51,546	Budget
2015	189,632	34,456	52,546	Projected
2016	189,632	34,456	52,546	Projected
2017	1,689,632	34,456	52,546	Projected



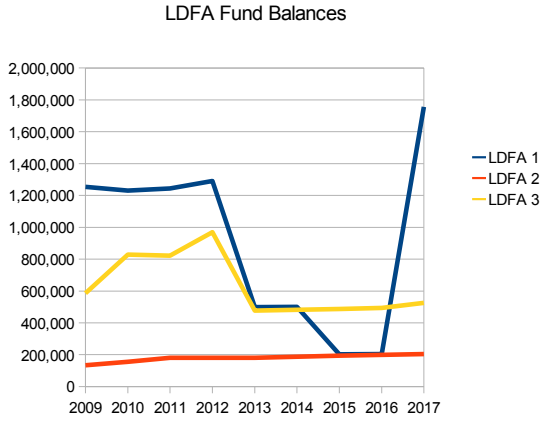
Expenditures

	LDFA 1	LDFA 2	LDFA 3	
2009	631,810	21,068	78,376	Actual
2010	222,978	19,812	105,219	Actual
2011	187,192	18,703	63,360	Actual
2012	156,152	37,397	122,690	Actual
				Projected
2013	1,681,599	32,848	395,560	Actual
2014	187,699	27,938	46,423	Budget
2015	487,983	28,240	46,787	Projected
2016	188,273	28,548	47,159	Projected
2017	136,568	28,862	20,330	Projected



Fund Balance

	LDFA 1	LDFA 2	LDFA 3	
2009	1,254,441	133,952	586,553	Actual
2010	1,231,340	156,146	828,359	Actual
2011	1,244,445	179,812	821,738	Actual
2012	1,291,055	181,372	969,768	Actual
				Projected
2013	498,726	180,757	477,192	Actual
2014	500,659	187,275	482,315	Budget
2015	202,308	193,491	488,074	Projected
2016	203,668	199,400	493,461	Projected
2017	1,756,732	204,994	525,677	Projected



LDFA 1

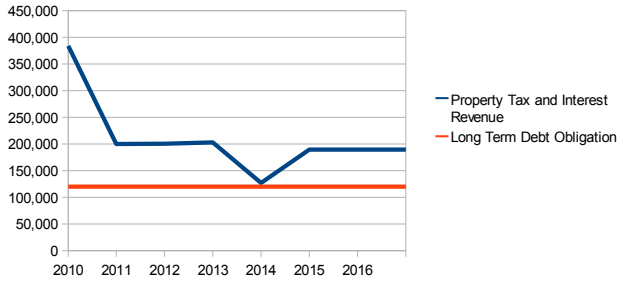
Property Tax and Interest Revenue Compared to Long Term Debt Obligation

Note: Incidental revenue such as land sales, land rent or fund to fund transfers are not included in this page.

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	153,162	144,614	126,179	107,756	85,282	78,487	78,487	78,487
Personal Property Taxes	207,614	43,955	68,058	82,758	31,488	106,145	106,145	106,145
Interest Income	23,036	11,308	6,060	11,691	10,000	5,000	5,000	5,000
Adjustment				557				
Property Tax and Interest Rev	383,812	199,877	200,297	202,763	126,770	189,632	189,632	189,632
Long Term Debt Obligation	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000

The St Joseph Street Project Bond extends to 2030, as does the term of LDFA 1.

LDFA 1 Revenue and Long Term Debt

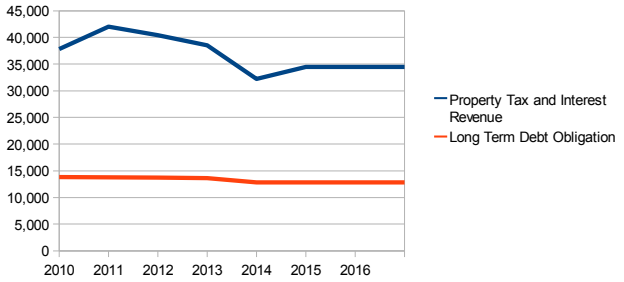


LDFA 2

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	24,366	27,695	22,421	18,238	13,808	14,080	14,080	14,080
Personal Property Taxes	9,631	13,337	15,423	15,727	17,425	18,376	18,376	18,376
Interest Income	3,844	973	2,590	4,537	1,000	2,000	2,000	2,000
Property Tax and Interest Rev	37,840	42,006	40,434	38,502	32,233	34,456	34,456	34,456
Long Term Debt Obligation	13,810	13,768	13,703	13,618	12,848	12,848	12,848	12,848

Building Authority #2 bond extends to 2022.

LDFA 2 Revenue and Long Term Debt

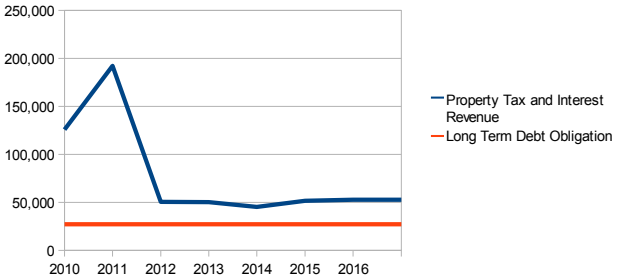


LDFA 3

Revenues	2009	2010	2011	2012	2013	2014	2015	2016
Real Property Taxes	40,674	85,047	34,140	30,635	30,130	36,417	36,417	36,417
Personal Property Taxes	75,929	99,521	10,525	10,825	11,884	13,129	13,129	13,129
Interest Income	8,964	7,400	5,646	8,625	3,000	2,000	3,000	3,000
Property Tax and Interest Rev	125,568	191,968	50,311	50,085	45,014	51,546	52,546	52,546
Long Term Debt Obligation	27,208	27,208	27,208	27,208	27,208	27,208	27,208	27,208

MEDC Loan payment continues until 2016.

LDFA 3 Revenue and Long Term Debt



2013-2014 LDFA Budget Overview

	LDFA 1	LDFA 2	LDFA 3	Total
Revenue	189,632	34,456	51,546	275,634
Total Expenditure	187,699	27,938	46,423	262,060
Balance (annual)	1,933	6,518	5,123	13,574
Estimated End of Year Fund Balance	500,659	187,275	482,315	1,170,250

General Fund Transfer	0	0	0	0
Economic Dev Coord.	14,199	15,090	18,215	47,504
Long Term Debt	120,000	12,848	27,208	160,056

2014 Revenue	189,632	34,456	51,546	275,634
Long Term Debt	120,000	12,848	27,208	160,056
Balance	69,632	21,608	24,338	115,578

Year Debt Ends	2030	2022	2016	
Years Remaining	17	9	3	
Annual Debt Service	120,000	12,848	27,208	160,056
Remaining Debt	2,040,000	115,632	81,624	2,237,256

CITY OF SOUTH HAVEN

TEMPORARY ELECTRICAL SERVICE
BOHN ALUMINUM PLANT
AYLWORTH AVE.

Electrical Contractor shall provide a new 200A, 1-phase, 120/240V, 3-wire Service at the existing Bohn Aluminum Plant per all parts of this RFP and the plant drawings prepared by Midwest Civil Engineers.

SCOPE OF WORK

A. Electrical Contractor shall contact the South Haven Electrical Utility, Mr. Kim Hasty (269-637-0737) to coordinate all work required between South Haven Electric Utility and the E.C.

B. City of South Haven shall make the official request for the new service while the electrical contractor shall submit the electrical permit application, pay permit fees, and call for service and final inspections.

C. E.C. to furnish and install new 200A, 1-phase, 120/240V Temporary Electrical Service on the south side of the Bohn Aluminum Plant, just to the left of mandoor #3. (See plan detail).

D. E.C. shall provide a thru-bolt with eye or conduit clamp for South Haven Utility use for attachment of Utility service drop.
- — 200A, OH, single phase meter enclosure with 2" conduit hub.
- — 2" PVC conduit,
- — 2" PVC weather head fitting,
- — 2" conduit 2-hole strap hangers,
- — 3/0 THHN CU wire (leave minimum of 4' tails out of weather head).

E. E.C. to provide 2" conduit and 3/0 THHN CU wire from meter enclosure to new 200A, NEMA 1, single phase, Disconnect Switch inside building provide NEC service ground to ground rods and building steel.

F. E.C to furnish and install a temporary 200A rated 4/0 AL, 3-conductor, 4-wire, SER type cable from the new disconnect switch to a new 200A, load center at column I-3. Mount panel on Unistrut frame and ¾" plywood back board. SER cable to be ty-wrap supported at 5'0" intervals.

G. New Panel shall be equal to: SQ D Co. QO140L200G, with QOC40US, PK23GTH E.G., 11-QO230, 8-QO120 circuit breakers.

H. E.C. to provide (2) 20amp GFI duplex outlets in Bell boxes with In-Use type covers at the new panel. Wire outlets on separate circuits.

I. E.C. to furnish and install 2-1/8" deep x 4" octagon boxes to bottom of roof support purlins. (see plan for fixture locations). Furnish 15A, 240V, 2-wire +G twist-lock outlet mounted on single outlet octagon box covers. wire between boxes with 2C#10+G MC cable. Support cables per NEC.

J. E.C. to run 2C#10+G MC cable homeruns from designated octagon box to new load center panel as called for on plan. Add octagon extension ring at homerun box.

K. E.C. to furnish NEC Code approved temporary 'string-o-lights, equal to McGill cat. no. 2252-0026 in the Men's & Women's restrooms, office spaces and lunch room and rooms with note K called for. E.C. shall use 1-pole, 20amp circuit breakers in temporary load center for each string-o-lights.

L. E.C. to furnish and install (4) 400W, 120V, MH fixtures as shown on the Drawings and marked as N/L (night lights).

M. E.C. to furnish a separate 20amp, 240volt, circuit 31,33 from the temporary panel to the sump pump located at the N.E. corner near column N-1. E.C. to make NEC Code approved connection to the sump pump.

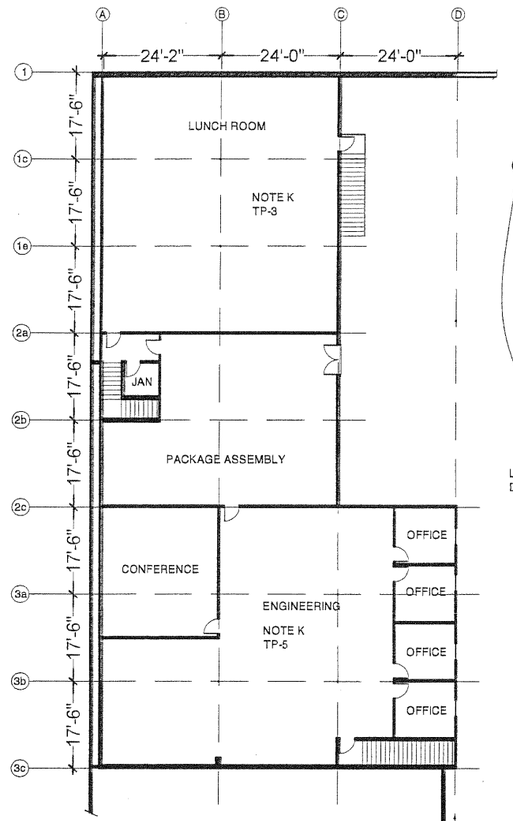
N. ESTIMATED COST 50K HIGH
40K LOW

PANEL: - TEMPORARY L+R PANEL (TP)

LOCATION: - COLUMN I-3

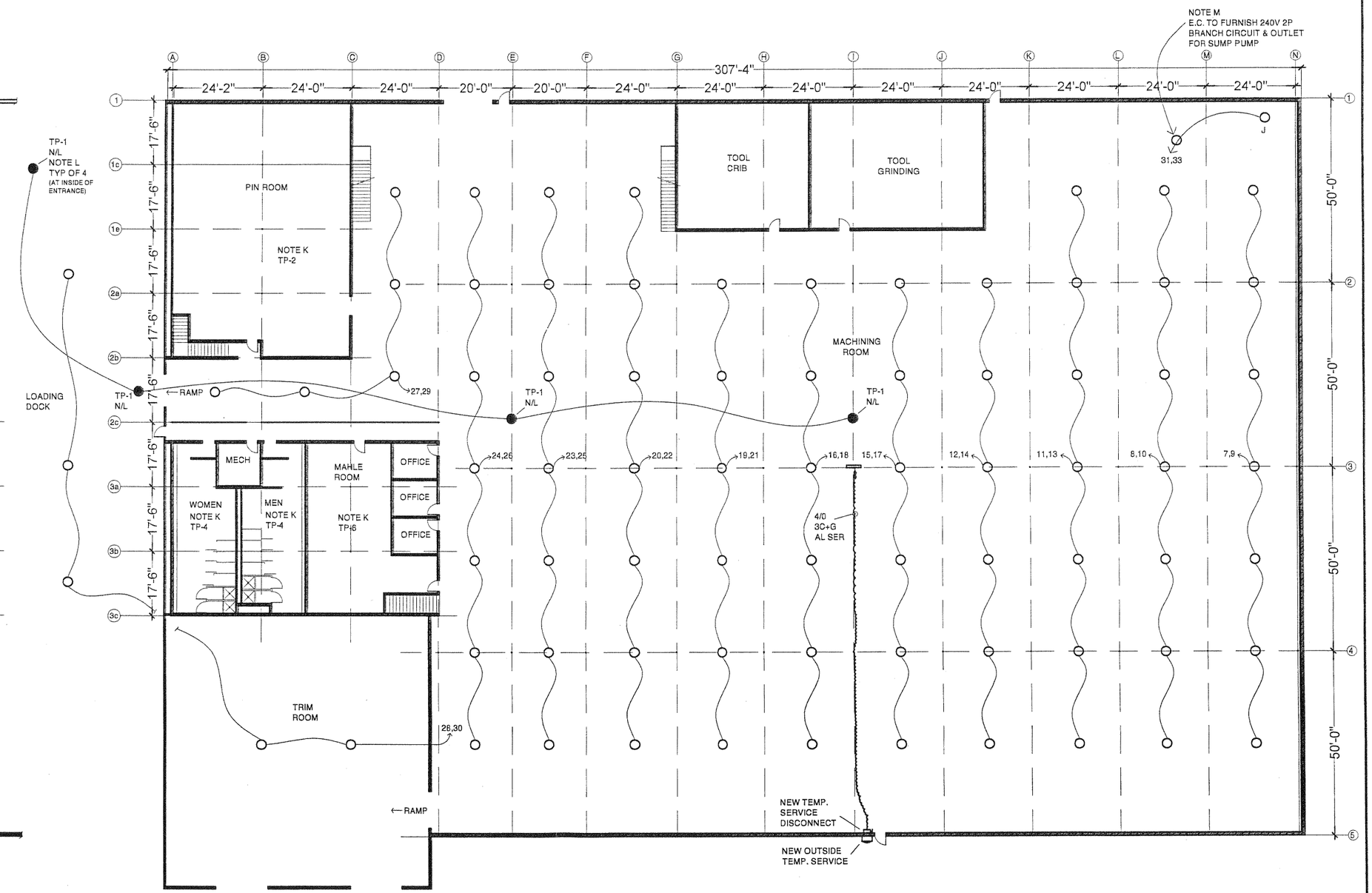
WIRE SIZE. BRANCH CIRCUIT	NOTES	LOAD DESCRIPTION	CIRCUIT BREAKER	LOAD (VA)	BRANCH CIRCUIT No	BRANCH CIRCUIT No	LOAD (VA)	CIRCUIT BREAKER	LOAD DESCRIPTION	NOTES	BRANCH CIRCUIT WIRE SIZE.
10		400W MH N/L Fixtures	1P20	1600	1	2	1000	1P20	Pin Room Temp Lights		10
10		Lunch Room Temp Lights	1P20	1000	3	4	500/500	1P20	Men's + Women's RR Temp Lights		10
10		Engineering " "	1P20	1000	5	6	1000	1P20	Mahle Room Temp Lights		10
10		400 Watt MH Temp Lights Between Columns (M)-(N)	2P20	2800	7 / 9	8 / 10	2800	2P20	400 Watt MH Temporary Lights Between Columns (L)-(M)		10
10		400 Watt MH Temp Lights Between Colums K - L	2P20	2800	11 / 13	12 / 14	2800	2P20	400 Watt MH Temp Lights Between Columns J - K		10
10		400 Watt MH Temp Lights Between Columns I - J	2P20	2800	15 / 17	16 / 18	2800	2P20	400 Watt MH Temp Lights Between Columns H - I		10
10		400 Watt MH Temp Lights Between Columns G - H	2P20	2800	19 / 21	20 / 22	2800	2P20	400 Watt MH Temp Lights Between Columns F - G		10
10		400 Watt MH Temp Lights Between Columns E - F	2P20	2800	23 / 25	24 / 26	2800	2P20	400 Watt MH Temp Lights Between Columns D - E		10
10		400 Watt MH Temp Lights Between Columns C-D & Ramp	2P20	2000	27 / 29	28 / 30	2800	2P20	400 Watt MH Temp Lights in Trim Room		10
10		Sump Pump AT N.E. Corner Column N	2P20	1920	31 / 33	32 / 34			SPACE		
		SPACE			35	36					
					37	38					
12		GFI, 20A outlet below Panel	1P20	180	39	40	180	1P20	GFI, 20A outlet below Panel		12
					41	42					
				21,700	VA		19,980				

MOUNTING	Surface	TOTAL CONNECTED (VA)	41,680
LUGS OR CIRCUIT BREAKER	M.L.O.	TOTAL CONNECTED (AMPS)	173.67
BUS RATING (AMPERES) & TYPE	200A	FEEDER:	(1) 4/0 3/C +G SER Alum
VOLTAGE	120/240V 1-Phase	OPTIONS:	



MEZZANINE LEVEL PLAN

1/16 = 1'-0"



FIRST FLOOR PLAN

1/16" = 1'-0"

(General Notes)

FORMER BOHN BUILDING

Drawn: CAN / BAP

Field:

Preliminary Design:

Title:

MIDWEST CIVIL
MCE
ENGINEERS, INC

PLANS

Sheet: 1

Project:

Date:

Scale: NTS

Paul Vandenbosch

From: Erik Peterson <epeterson@envirologic.com>
Sent: Wednesday, February 13, 2013 10:01 AM
To: Paul Vandenbosch
Subject: RE: Proposal - Phase II ESA and Section 7a Compliance Analysis - 220 Aylworth/1280 Kalamazoo

Paul,

The proposed work is in support of preparation of a Section 7a Compliance Analysis to satisfy due care obligations. The LDFA has liability protection through preparation of the BEA; which you have authorized and we are in the process of completing. The Section 7a Compliance Analysis must be completed no more than 6 months (180 days) from time of acquisition to maintain liability protection afforded through BEA; which is basically the end of June based upon the January 4th purchase date. Therefore you would have time to present to LDFA at their March meeting.

Envirologic is available at your convenience to discuss the proposed approach/scope of the Phase II ESA if that would be helpful prior to your LDFA meeting. Please don't hesitate to contact me with any questions/comments you may have.

Sincerely,
Erik

From: Paul Vandenbosch [mailto:pvandenbosch@south-haven.com]
Sent: Wednesday, February 13, 2013 9:33 AM
To: Erik Peterson
Subject: RE: Proposal - Phase II ESA and Section 7a Compliance Analysis - 220 Aylworth/1280 Kalamazoo

Erik;

Is this a time sensitive proposal, or can I bring it to the LDFA at their March meeting?

Can you tell me if the work proposed here is required for protection from liability? Or is it a due care obligation?

Thanks

Paul VandenBosch
Project Manager
City of South Haven
539 Phoenix Street
South Haven, MI 49090
269-637-0775 desk
269-637-5319 fax
pvandenbosch@south-haven.com

From: Erik Peterson [mailto:epeterson@envirologic.com]
Sent: Wednesday, February 13, 2013 9:08 AM
To: Paul Vandenbosch
Subject: Proposal - Phase II ESA and Section 7a Compliance Analysis - 220 Aylworth/1280 Kalamazoo

Paul,

Attached please find the proposal for completion of a Phase II ESA and Section 7a Compliance Analysis ("due care" plan) for the Aylworth site. Please do not hesitate to contact our office with any questions/comments you may have regarding the proposal; Envirologic is available to discuss the proposal at your convenience.

Sincerely,

Erik D. Peterson, Project Manager - Hydrogeologist

Envirologic Technologies Inc.
2960 Interstate Parkway
Kalamazoo, MI 49048

P 269.342.1100 | **C** 269.615.1011 | **F** 269.342.4945
epeterson@envirologic.com
www.envirologic.com

Envirologic promotes conservation. Please do not print this email unless it's absolutely necessary. Thank you!

February 13, 2013

Mr. Paul VandenBosch, Project Manager
City of South Haven LDFA
539 Phoenix Street
South Haven, MI 49090

Re: ***Proposal for Phase II ESA and Section 7a Compliance Analysis, Bohn Piston/Karl Schmidt Unisia Site, 220 Aylworth & 1280 Kalamazoo, South Haven, Michigan.***

Dear Mr. VandenBosch:

Thank you for the opportunity to be of continuing service to the City of South Haven LDFA regarding the above referenced site. This proposal has been prepared to detail the estimated budget and timing requirements associated with completion of a Phase II ESA and Section 7a Compliance Analysis in support of acquisition of the site by the City of South Haven LDFA. Preparation of this proposal represents an identification of "Next Steps" as detailed in the August 10, 2012 correspondence from Envirologic to the City of South Haven LDFA.

Background

The City of South Haven LDFA acquired the two parcels of the subject property on January 4, 2013. Envirologic is in the process of completing a Baseline Environmental Assessment (BEA) on behalf of the City of South Haven LDFA in support of the acquisition. The BEA is being prepared utilizing pre-existing data generated during previously completed assessment activities.

Prior to acquisition of the site by the LDFA; Envirologic conducted once weekly observations of concrete slab foundations/footings removal activities conducted by SDI, Inc. on behalf of the previous property owner. Through the course of the weekly observations Envirologic identified select areas of apparent petroleum-based impact beneath removed concrete (e.g. soil staining, photo-ionization detector (PID) responses). This proposal has been prepared to detail the scope, budget, and timing requirements to complete a Phase II ESA of the subject property in order to provide additional site characterization data to support preparation of a Section 7a Compliance Analysis. The scope of the Phase II ESA is intended to supplement the pre-existing analytical data generated for previously prepared BEAs and also to characterize areas of apparent impact noted during observation of SDI, Inc. activities.

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Scope of Services

Phase II ESA

The previously completed assessment activities have resulted in a demonstration that the primary impact in association with the site pertains to the presence of metals in soil attributable to historic foundry operations. Based upon the identified concentrations of metals in soil the primary exposure pathway concerns that have previously been identified consist of Direct Contact and Particulate Soil Inhalation of impacted soils. However, control of these two exposure pathways will be supported by the completed placement of geotextile fabric, back-fill, and topsoil acting as a cap or barrier to exposure to metals impacted soils.

Therefore, in order to take advantage of the extensive sampling/site characterization activities that have previously been completed and to support preparation of a Section 7a Compliance Analysis; Envirologic proposes to focus the Phase II ESA on the following:

1. Areas of apparent volatile and semi-volatile organic compounds (i.e. VOCs and PNAs) impact observed during concrete removal operations conducted by SDI; and
2. Areas of impact identified during previous assessments but where limited sampling/characterization has been conducted; particularly in regards to the previous detection of volatile and semi-volatile organic compounds (i.e. VOCs and PNAs).

The proposed approach is intended to provide additional site characterization data to support an evaluation of the potential for unacceptable health exposure relative to redevelopment of the site. Specifically, the proposed sampling activities are intended to support an evaluation of the potential relevancy of additional contaminant exposure pathways beyond soil Direct Contact and Particulate Soil Inhalation; such as Volatilization to Indoor and Ambient Air Inhalation.

Envirologic proposes the installation of twenty-nine (29) Geoprobe™ soil borings across the site with 14 borings pertaining to observations made during SDI operations and 15 borings pertaining to the historic detection of VOCs and/or PNAs in soil/groundwater during previous investigations. At this time Envirologic proposes the collection of a single soil sample from each boring location. The specific sample depth at each boring location will be based upon field

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observations and/or the depth at which samples were previously collected. In addition to the soil samples, Envirologic proposes the collection of 13 groundwater samples from the across the site. The groundwater sample locations will be based upon observations made during SDI operations as well as the previous detection of VOCs in groundwater. Finally, 5 soil-gas vapor samples are proposed to be collected in association with select areas of concern where a PID response was noted in the field during SDI operations or VOCs were previously identified in soil. Envirologic proposes that the soil-gas sample points be set with a protective cover to remain available for potential additional sampling pending the initial laboratory results.

The proposed soil and groundwater samples will be analyzed for a broad range of volatile organic compounds (VOCs 8260+), polynuclear aromatic hydrocarbons (PNAs), and phenols. The soil samples will additionally be analyzed for polychlorinated biphenyls (PCBs). The additional characterization of soils for PCBs is based upon the historic detection of PCBs in association with retention pond sediments in the southwest corner of the site. The additional analysis of soils for phenols is based up the experience of Envirologic that phenols are often identified in association with foundry castings. The groundwater samples will additionally be analyzed for Michigan 10 metals and the metals aluminum and manganese. The additional characterization of groundwater for metals is proposed based upon the wide distribution of metals in soil along with the relatively limited historic characterization of groundwater relative to soil characterization. The soil-gas samples will be analyzed for a broad range of VOCs via method TO-15.

Please note that while the scope of the Phase II ESA is intended to represent a comprehensive characterization of site conditions, the potential exists that the proposed Phase II ESA sampling will provide results that indicate additional assessment of the site is warranted. For example; the potential detection of elevated concentrations of volatile contaminants of concern in soil, groundwater, or soil-gas may indicate that additional assessment over time is necessary to support an evaluation of the volatilization to ambient and indoor air inhalation pathway (i.e. quarterly soil-gas sampling for up to one year at select locations). Based upon this potential Envirologic has proposed that the 5 soil-gas sampling points be completed with protective covers and remain available for follow-up sampling, if applicable.

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Section 7a Compliance Analysis

In order to support a demonstration of compliance with "due care" obligations; Envirologic proposes to prepare a Section 7a Compliance Analysis on behalf the City of South Haven LDFA. The Section 7a Compliance Analysis will incorporate not only data generated during previous sampling events but also the results of the proposed Phase II ESA detailed above.

ESTIMATED COSTS

Envirologic proposes to perform the services described in the *Scope of Services* on a time and materials basis according to our current fee schedule, which is attached and made part of this proposal.

Phase II Environmental Site Assessment

Envirologic Staff Time:	
Project Coordination	$ 1,200
Field Staff	$ 4,800
Report Preparation	$ 2,500
Expenses:	
Laboratory Analyses	$18,140
Geoprobe™ (four days w/ operator)	$ 4,800
Equipment Charges, Equipment Rental	$ 1,500
Total Estimated Phase II ESA Budget	**$32,940**

Section 7a Compliance Analysis

Project Management	$ 250
Report Preparation	$ 2,750
Section 7aCA Budget	**$ 3,000**

Total Estimated Phase II ESA & Section 7aCA Budget **$35,940**

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COMPLETION SCHEDULE

It is reasonably expected that Phase II ESA field activities can be initiated within three weeks of receiving authorization to proceed. Field sampling activities will require five business days. Laboratory analysis of collected samples will require one week. Therefore, it is reasonably expected that all Phase II ESA activities can be completed approximately five weeks from authorization to proceed. A Section 7a Compliance Analysis incorporating the sampling results could be completed two weeks from receipt of Phase II ESA laboratory results.

As detailed above, the potential exists that Phase II ESA results will indicate that additional assessment (sampling) is warranted to support an evaluation of "due care". Should potential additional sampling be recommended, the scope, budget, and timing requirements of potential additional sampling will be communicated to The City of South Haven LDFA in a separate proposal.

If you wish to engage us in this scope of work, please sign the Authorization below or alternatively, issuance of a Purchase Order will suffice. This proposal is subject to the attached terms and conditions. Please do not hesitate to contact us with any questions or concerns. Thank you for the opportunity to be of continuing service.

Sincerely,

ENVIROLOGIC TECHNOLOGIES, INC.

Erik D. Peterson
Project Manager-Hydrogeologist

David A. Stegink
Associate Vice President

EDP:rel

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AUTHORIZATION

To authorize this project, please e- mail, fax or mail a signed copy of this signature page to our office.

Re: ***Proposal for Phase II ESA and Section 7a Compliance Analysis, Bohn Piston/Karl Schmidt Unisia Site, 220 Aylworth & 1280 Kalamazoo, South Haven, Michigan.***

Authorized Representative:

_____	_____
Signature	Date
_____	_____
Title	Purchase Order No.

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PROFESSIONAL SERVICES
Terms and Conditions

The services to be rendered by **Envirologic Technologies, Inc. (Envirologic)** or its divisions in the attached proposal are expressly contingent upon the Client's acceptance of these Terms and Conditions. Any additional or conflicting Terms and Conditions of the Client are hereby expressly objected to and rejected by Envirologic.

1. **Payment**. Envirologic shall invoice Client on a monthly basis for services incurred the previous month. Invoices are due and payable within 30 days of receipt. A service charge of 1.5 percent will be added to all outstanding balances each month they are past due. Envirologic reserves the right, upon 30 days written notice to client, to modify the attached Schedule of Fees. If payment of Envirologic invoices is not maintained on a 30-day current basis, Envirologic may, upon seven (7) days written notice to Client, suspend further performance and withhold any and all data from Client until such invoice payments are restored to a current basis without incurring any liability whatsoever to client.

Client shall be responsible for and pay Envirologic at 1 1/2 times their prevailing rates for any time spent by its personnel in connection with any legal proceedings arising from or relating to services provided under this Agreement, regardless of whether Envirologic is subpoenaed to appear by Client or a third party.

Nothing in this Agreement shall preclude Envirologic from filing a construction lien against Client's property in order to secure the payment provided for in this Agreement.

2. **Additional Work**. Envirologic agrees to modify the work proposal as authorized in writing by the Client. Client agrees to pay Envirologic for any increases in the cost of performing the additional work. Unless otherwise agreed to in writing, the cost of the modifications shall be determined on a time and material basis in accordance with the attached rate schedule.

Costs and schedule commitments shall be subject to renegotiation for delays in performance caused by circumstances beyond the reasonable control of Envirologic including, but not limited to: Acts of God; fire; flood; explosion; war, action, inaction or request of governmental authority; injunction; adverse weather conditions; accident; labor trouble or shortage; inability to obtain material, equipment, fuel or transportation. No liability shall result to either party from the delay in performance caused by the circumstances described above except for the obligation of the Client to pay Envirologic for (i) work performed, and (ii) additional labor, equipment and other costs associated with Envirologic's maintenance of its work force and equipment available during the interruptions. Should any of the circumstance described above occur causing delay, both parties shall use their best efforts to overcome the difficulties arising and to resume as soon as reasonably possible the work under this Agreement.

Whenever Envirologic is of the opinion that the timely completion of its responsibilities pursuant to this Agreement has been or will be adversely affected by events which are beyond its control, it shall, as soon as practicable orally notify the Client and within ten (10) calendar days thereafter notify the Client in writing, stating the anticipated length of the delay, the cause of the delay, measures proposed or taken to prevent or minimize the delay, and the timetable for implementation of these measures.

3. **Site Security and Safety**. Envirologic attempts to conduct its field activities in such a manner as to protect themselves and others from injury. If the Client is aware of special precautions to insure safety, the Client should immediately advise Envirologic. The Client grants to Envirologic, its agents and employees, during the term of this Agreement, reasonable access to the subject premises for the purposes of fulfilling Envirologic's obligations under this Agreement. Envirologic shall comply with any reasonable safety procedures delivered by the Client to Envirologic in writing.

It is hereby further agreed and understood that while Envirologic is on the premises of the Client, Envirologic, its employees and representatives will not unreasonably interfere with the business activities being performed by the Client on or about the premises without the Client's permission. It is further agreed and understood that the employees and representative of the Client will act to reasonably facilitate Envirologic's performance of its obligations under this Agreement.

4. **Utilities**. Client shall be responsible for disconnecting electrical lines, and staking utilities, both private and public, if necessary and assume all responsibility for damage during and after execution of Envirologic's services. In no event shall Envirologic be responsible for additional costs resulting from unknown property conditions.

It shall be the responsibility of Client or its duly authorized representative to disclose the presence and accurate location of all hidden or obscure man-made objects relative to field tests or installations. If Envirologic is cautioned, advised or given data in writing that reveal the presence or potential presence of underground or overground obstructions, Envirologic will give special instructions to its field personnel and subcontractors, however, all additional costs caused by the existence of the obstruction(s) shall be paid by Client on a time and material basis. As evidenced by acceptance of this proposal, the Client agrees to indemnify and save harmless Envirologic and subcontractors from all claims, suits, losses, personal injuries, death and property liability, resulting from unusual subsurface conditions or damages to subsurface structures, owned by the Client or third parties, occurring in the performance of the proposed work, whose presence and exact locations were not revealed to Envirologic in writing, and to reimburse Envirologic for expenses in connection with any such claims or suits, including reasonable attorneys' fees.

5. **Property Access**. Client shall arrange and provide such access to the site as is necessary for Envirologic to perform their services. Client shall be solely responsible for all aspects of site security and for obtaining any necessary permission from any third party property owners for use of their lands.

Client hereby agrees to indemnify, defend and hold Envirologic harmless from any damages to Client's or third party's property, except that caused by the gross negligence of Envirologic or its agents. Client acknowledges that certain damage may be caused by Envirologic vehicles and equipment being on site and will hold Envirologic harmless for said damages.

6. **Performance of Services**. Envirologic shall exercise due care in performing its services hereunder and shall render them in accordance with prevailing professional standards and ethics as measured on the date hereof and in the locale of this project in performing services for Client. If Envirologic believes that compliance with Client's requests could violate professional standards, ethics, laws or regulations, Envirologic shall advise Client and a mutually satisfactory solution shall be discussed. If the parties are unable to reach a satisfactory solution, either party may terminate this agreement as stated herein.

7. **Limitation on Warranty**. **ENVIROLOGIC DOES NOT GUARANTEE ANY SPECIFIC RESULTS FROM SAMPLING OR ANALYTICAL ACTIVITIES. CLIENT IS LIABLE FOR LOSS AND/OR DAMAGES TO THE SURFACE OR SUBSURFACE CAUSED BY SAMPLING OR DRILLING ACTIVITIES OR FOR DAMAGE TO WELLS AS A RESULT OF TRESPASS OR FROM OPERATION SERVICES, INCLUDING BUT NOT LIMITED TO CONTAMINATION OR LOSS OF EQUIPMENT IN WELL, UNLESS SUCH LOSS RESULTS FROM ENVIROLOGIC'S NEGLIGENCE OR WILLFUL MISCONDUCT.**

CLIENT ACKNOWLEDGES THAT STATEMENTS IN REPORTS ARE DEEMED TO BE OPINIONS BASED ON PROFESSIONAL JUDGMENT AND THAT ENGINEERING, ENVIRONMENTAL, GEOLOGIC, HYDROGEOLOGIC AND GEOTECHNICAL CONDITIONS FREQUENTLY VARY FROM THOSE ENCOUNTERED AT THE TIMES AND LOCATIONS WHERE DATA ARE OBTAINED BY ENVIROLOGIC. THEREFORE, LIMITED DATA MAY RESULT IN UNCERTAINTY WITH RESPECT TO INTERPRETATION OF THESE CONDITIONS, DESPITE THE USE OF PROFESSIONAL CARE, AND THAT GOVERNMENTAL REGULATIONS RELATING TO HAZARDOUS SUBSTANCE(S) MAY CHANGE OR THEY MAY REQUIRE RESULTS WHICH CANNOT BE ACCOMPLISHED OR ADDITIONAL ACTIVITIES BE CONDUCTED.

8. **UST Site Closure**. Pursuant to Part 213 of NREPA, 1994 PA 451, as amended, if Envirologic shall submit a Release Closure Report to the Michigan Department of Natural Resources & Environment upon confirmation that cleanup standards have been met, said report shall relate to only contaminants identified in the area(s) associated with the reported release set forth in the scope of services and shall only be released when, in Envirologic's best scientific judgment, all applicable cleanup criteria have been met.

9. **Disposal of Contaminated/Hazardous Wastes**. Any hazardous or toxic wastes, pollutants, contaminants or other waste materials encountered by or associated with services provided by Envirologic on this project shall at no time be or become the property of Envirologic. Arrangements for the treatment, storage, transport or disposal of any waste materials, which may be made by Envirologic, shall be construed as being made solely and exclusively on Client's behalf and Client shall indemnify, defend and hold Envirologic harmless from and against any and all liability which arises out of the treatment, storage, transport or disposal of any waste materials. It is agreed and understood that any manifests or other forms required for the disposal of hazardous waste will be properly completed and signed by the Client or a duly authorized representative.

(Revised 5/02)

10. **Subcontractors**. Envirologic may, in its own discretion, hire subcontractors on behalf of Client to perform any such portion of the services hereunder. If Client selects its own subcontractor(s), Envirologic shall not be responsible for, or in any manner guarantee, the performance of such subcontractor(s) or their agents or employees, nor shall Envirologic be liable for any negligent acts, errors or omissions of said subcontractor.

Estimated subcontractor costs will depend upon their actual current prices. Any increased prices will be passed on to Client.

11. **Term of Agreement**. Envirologic agrees to proceed with implementation of the proposal on a timely basis. However, due to its unknown site conditions and delays in state processing, no definite time period can be established for completion of services.

12. **Confidentiality and Use of Documents**. Envirologic shall retain, as confidential, all information and data furnished to it by Client and/or others which is designated as confidential. Said information shall not be disclosed to any third party except as directed by Client or as required by law or regulation.

Provided that Envirologic has been fully paid for its services, Client shall have the right to copies of all documents, maps, photographs, drawings and reports resulting from services hereunder for purposes reasonably contemplated by the parties. Any work product generated by Envirologic shall remain in its possession.

Reuse of any material described above by Client on extensions of a project or on any other project or by a third party without Envirologic's written consent shall be at Client's or third party's risk and Client agrees to indemnify, defend and hold Envirologic, its employees, agents and subcontractors, harmless from all claims, damages and expenses, including attorney fees, arising out of such use.

13. **Information Provided by Client or Others**. Envirologic shall indicate to Client the information needed for rendering the Services described in each Work Order. Envirologic shall review existing information provided by others and shall give Client its opinion as to the risks associated with reliance on such information. To the extent that Envirologic is required to rely solely upon existing information, without the opportunity for Envirologic to appropriately validate the accuracy and reliability of such information, Client agrees to waive any claim against Envirologic and to indemnify and hold harmless Envirologic from and against any and all claims, damages, losses, liability, and expenses, including attorney's fees, which may arise from errors, omissions or inaccuracies in existing information provided to Envirologic by Client or others.

14. **Rights of Third Parties**. This Agreement shall not create any rights or benefits to parties other than Client and Envirologic.

15. **Indemnification of Client by Envirologic**. Except as otherwise provided herein, Envirologic agrees to indemnify, defend and hold harmless client from all claims, losses, liabilities, damages and expenses, including attorney's fees which may occur as the result of any claims or damages sustained by person or property, arising out of the sole negligence or willful misconduct of Envirologic in the performance of its work.

16. **Indemnification of Envirologic by Client**. Client shall indemnify, defend and hold Envirologic, its agents and employees, harmless against all liability, claims, demands, losses, damages, expenses and costs, including attorney fees that Envirologic may incur by reason of any injury or damage to person or property arising out of the performance of the work, alleged or actual contaminant migration as a result of the work or any prior work performed at the site and for all matters relating to this Agreement except for acts caused by the sole negligent performance of Envirologic under this Agreement.

(Revised 5/02)

17. **Insurance**. Upon request, Envirologic shall furnish copies of insurance certificates evidencing that it maintains, at a minimum, the following coverage's:

Type	Limits
Worker's Compensation	Statutory
Employers' Liability	$1,000,000/$1,000,000/$1,000,000
General Liability	$3,000,000 occurrence
	$3,000,000 aggregate
Personal & Adv. Injury	$3,000,000
Products – COMP/OP AGG	$3,000,000
Umbrella	$1,000,000 each claim
	$1,000,000 aggregate
Contractor Pollution	$3,000,000 total all claims
Automotive Liability	$1,000,000 combined single limit (ea. accident)

With respect to only such loss, damage, injury, or liability as is covered under the policies of insurance and policy limits identified above, Envirologic agrees to save Client harmless from and against loss, damage, injury, or liability arising directly from the negligent acts or omissions of Envirologic employees, agents, and subcontractors, and their employees and agents. If Client requires higher insurance limits, additional coverage's, or performance or payment bonding, Envirologic will endeavor to obtain such coverage, at Client's expense. It is the understanding and agreement of the parties, however, that Envirologic is unable to save Client harmless from and against any loss, damage, injury, or liability arising from any cause, beyond the amount and coverage listed in this section. In addition, Envirologic shall be included as an additional and intended beneficiary under any hold harmless agreements against third-party suits between Client and owner or any other third party, including without limitation any other contractor, subcontractor, or supplier who may perform "Services" or provide material in connection with any study or report or design prepared by Envirologic.

In no event shall Envirologic be responsible for any incidental, indirect, special, punitive, impact, consequential damages (including but not limited to loss of profits) or cost of defense incurred by Client or any third party, except as otherwise provided herein.

All claims, including claims for indemnification, whether based upon contract, tort, breach of warranty, professional negligence, or otherwise, shall be deemed waived unless the claim is made within the time required under insurance coverage provided, by Envirologic. Non-insured claims must be made within one (1) year after completion of that work or event giving rise to the claim.

18. **Compliance With Laws**. The Client shall be responsible for notifying all appropriate Federal, State, municipal or other governmental agencies of the existence of any hazardous, toxic or dangerous materials located on or in the site, or discovered during the performance of this Agreement.

19. **Equal Employment**. Envirologic is an Equal Opportunity Employer and shall not discriminate against any employee or applicant for employment based on race, color, religion, sex or national origin.

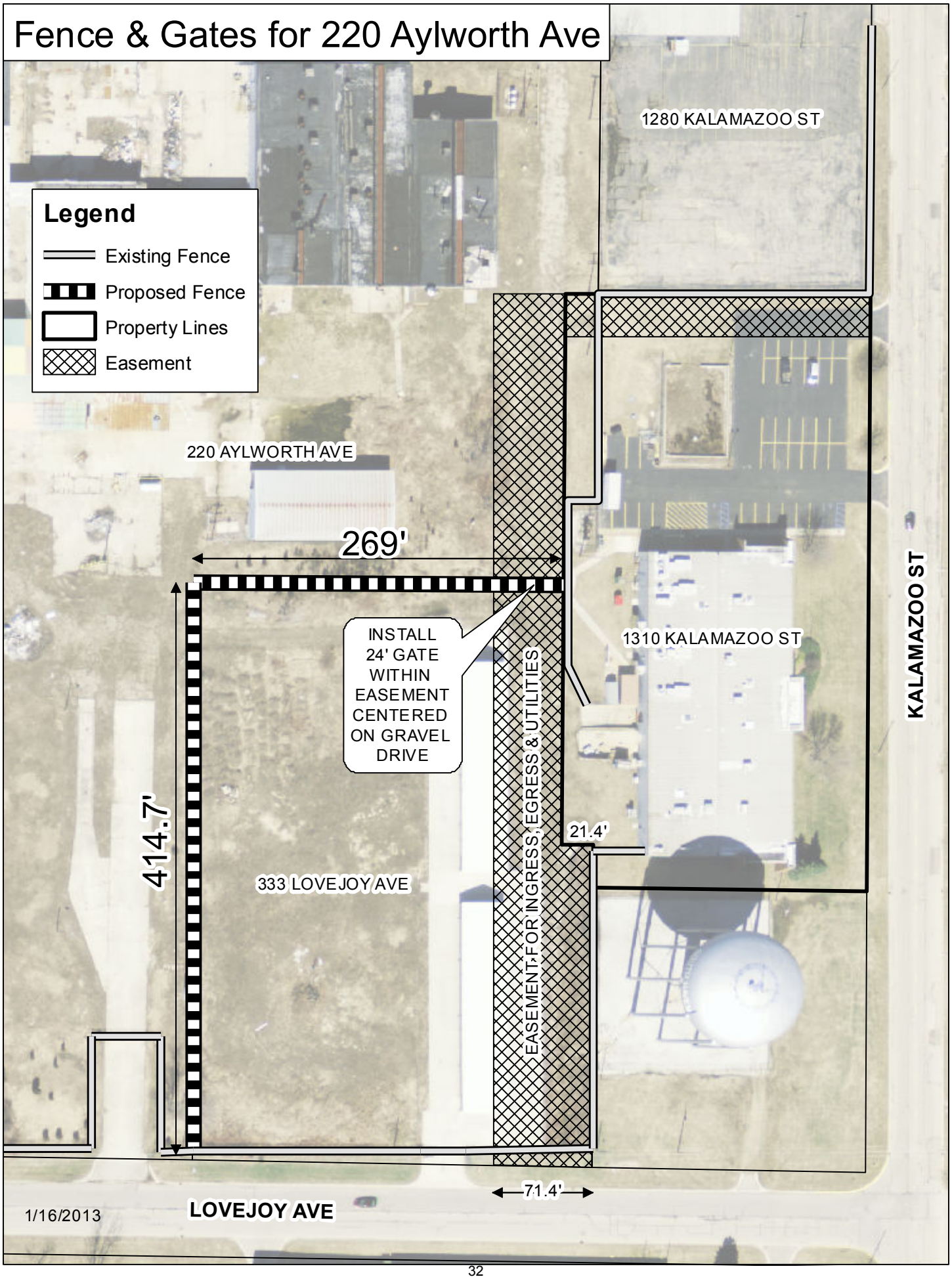
20. **Waiver**. No waiver, discharge or renunciation of any claim or right of Envirologic arising out of breach of this Agreement by Client shall be effective unless in writing, signed by Envirologic.

21. **Termination**. Either party may terminate this Agreement without cause upon seven (7) days written notice to the other party. In the event of termination, Client shall pay Envirologic for all costs incurred to date plus reasonable costs associated with termination of the work.

22. **Complete Agreement**. These terms and conditions together with the proposal to perform work and rate schedule constitute the complete and entire agreement between the parties. Any modification thereto must be in writing signed by both parties.

23. **Governing Law**. This proposal and its terms and conditions shall be interpreted under and governed by the laws of the State of Michigan.

Fence & Gates for 220 Aylworth Ave



Bohn Holding, Marketing and Maintenance

Expense

	One-Time	Annual Ongoing
Property Tax		22,000
Maintenance and Utilities		20,000
Lighting Improvements	50,000	
Fencing	25,000	
Report	4,400	
Marketing		10,000
TOTAL	79,400	52,000

First Year	131,400	
Following Years		79400
Until Sale	52,000	

Revenue

Rental Revenue	Monthly	Annual	SF Annual (60,000 SF)
Current	2,500	30,000	0.50
Break Even	4,333	52,000	0.87
5% ROI	8,139	97,670	1.63

ROI Basis: 913,400 Purchase Price less General Fund Contribution plus One-Time Expenses

Not included:
Improvements to Office Building?
Office building roof repair
Water system repair?
Tap fees?
Fire suppression repair
Other electric system improvements
HVAC repair
Interior clean up, paint, repair