

State of Rhode Island and Providence Plantations Contract Offer
RIVIP GENERATED BIDDER CERTIFICATION COVER FORM

SECTION 1 - VENDOR INFORMATION

Bid/RFP Number: 7448661
Bid/RFP Title: MACKAL FIELD HOUSE FLOORING REPLACEMENT, URI (144 PGS)
Opening Date & Time: 6/16/2011 1:45 PM
RIVIP Vendor ID #: 64982
Vendor Name: Kiefer Specialty Flooring, Inc.
Address: 2910 Falling Waters Blvd.
Lindenhurst, IL 60046
USA
Telephone: (847) 245-8450
Fax: (847) 245-8590
E-Mail: brion@kieferfloors.com
Contact Person: Brion Rittenberry
Title: President
R.I. Foreign Corp #:

*****NOTICE TO VENDORS*****

Effective January 1, 2011 all public works project related bids or proposals exceeding one million (\$1,000,000) dollars are required to include a "public copy". All agency contract solicitations, requests for proposals, invitations for bids, etc. shall state that any bid or proposal that exceeds one million (\$1,000,000) dollars must include a copy to be available for public inspection upon the opening of the bids. Any bid or proposal in excess of one million (\$1,000,000) dollars which does not include a copy for public inspection shall be deemed to be non-responsive. For further information, please see R. I. Gen. Laws §37-2-18 (P.L. 221) <http://www.rilin.state.ri.us/PublicLaws/law10/law10221.htm> and Purchasing Rules & amendment at <http://www.purchasing.ri.gov/Notices2.aspx>. See Question #11 below for further instructions regarding RIDOT Highway and Bridge Construction projects.

In addition, the Division of Purchases has promulgated proposed regulations pursuant to R.I. Gen. Laws § 37-2-18 that implements the "public copy" requirement. Public hearing on the proposed regulations was held on Friday, December 17, 2010. The proposed regulations became final on January 11, 2011. For further information please visit www.sos.ri.gov.

NOTE: AWARD OF CONTRACTS AND PURCHASE ORDERS SHALL BE SUBJECT, AT THE DISCRETION OF THE PURCHASING AGENT, TO THE OFFEROR COMPLETING AN ON-LINE RIVIP REGISTRATION at www.purchasing.ri.gov. It is THE RESPONSIBILITY OF THE VENDOR to make on-line corrections/updates using the Vendor maintenance program on the RI Division of Purchases Web Site.

SECTION 2 - REQUIREMENTS

ALL OFFERS ARE SUBJECT TO THE REQUIREMENTS, PROVISIONS AND PROCEDURES CONTAINED IN THIS THREE-PAGE CERTIFICATION FORM. Offerors are expected to READ, SIGN and COMPLY with all requirements. Failure to do so may be grounds for disqualification of the offer contained herein.

Section 2.1 - RULES FOR SUBMITTING OFFERS

2.1A. This CERTIFICATION FORM MUST BE ATTACHED IN ITS ENTIRETY TO THE FRONT OF THE OFFER and shall be considered an integral part of each offer made by a vendor to enter into a contract with the State of Rhode Island, Division of Purchases. As such, submittal of the entire Bidder Certification Cover Form, signed by a duly authorized representative of the offeror attesting that he/she (1) has read and agrees to comply with the requirements set forth herein and (2) to the accuracy of the information provided and the offer extended, is a mandatory part of any contract award.

To assure that offers are considered on time, each offer must be submitted with the specific Bid/RFP/LOI number (provided above), date and time of opening marked in the upper left hand corner of envelope. Each bid/offer must be submitted in separate sealed envelopes.

A complete, signed (in ink) offer package, must be delivered to the Division of Purchases (via any mail or messenger service) by the time and date specified for the opening of responses in a sealed envelope.

Bids must be submitted on the RI bid solicitation forms provided, indicating brand and part numbers of items offered, as appropriate. Bidders must submit detailed cuts and specs on items offered as equivalent to brands requested WITH THE OFFER. Bidders must be able to submit samples if requested.

Mail To: Division of Purchases, One Capitol Hill, Second Floor, Providence, RI 02908-5855.

Documents misdirected to other State locations or which are not present in the Division of Purchases at the time of opening for whatever cause will be deemed to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the Division of Purchases. Postmarks shall not be considered proof of timely submission.

2.1B. RIVIP SOLICITATIONS. To assure maximum access opportunities for users, public bid/RFP solicitations shall be posted on the RIVIP for a minimum of seven days and no amendments shall be made within the last five days before the date an offer is due. Except when access to the Web Site has been severely curtailed and it is determined by the State Purchasing Agent that special circumstances preclude extending a solicitation due date, requests to mail or fax hard copies of solicitations will not be honored. When the result of an Internet solicitation is unsuccessful, the State of Rhode Island will cancel the original solicitation and resolicit the original offer directly from vendors.

2.2. PRICING. Offers are irrevocable for sixty (60) days from the opening date (or such other extended period set forth in the solicitation) and may not be withdrawn, except with the express permission of the State Purchasing Agent. All pricing will be considered to be firm and fixed unless otherwise indicated. The State of Rhode Island is exempt from Federal excise taxes and State Sales and Use Taxes. Such taxes shall not be included in the bid price. **PRICES QUOTED ARE FOB DESTINATION.**

2.3. DELIVERY and PRODUCT QUALITY. All offers must define delivery dates for all items; if no delivery date is specified, it is assumed that immediate delivery from stock will be made. The contractor will be responsible for delivery of materials in first class condition. Rejected materials will be at vendor's expense.

2.4. PREVAILING WAGE, OSHA and APPRENTICESHIP.

2.4.1 Prevailing Wage and OSHA Safety Training Requirements. The provisions of the State labor laws and OSHA Safety Training, including but not limited to Rhode Island General Laws 37-13-1 et seq. and 28-20-1 et seq., shall apply for all public works contracts. Prevailing wage rates are posted in the information section of the RIVIP. The RI Department of Labor and Training should be contacted for regulatory requirements.

2.4.2 (a) Apprenticeship. Rhode Island General Laws §37-13-3.1 requires all general contractors and subcontractors who perform work on any public works contract awarded by the state valued at one million dollars (\$1,000,000) or more shall employ apprentices required for the performance of the awarded contract. The number of apprentices shall comply with the apprentice to journeyman ratio for each trade approved by the apprenticeship council of the department of labor and training.

2.4.2(b) In addition to executing this certification, the general contractor shall be responsible for requiring that all subcontractors on the awarded project certify their compliance with R.I. Gen. Laws §37-13-3.1 prior to allowing the subcontractor to commence work on the awarded project. The general contractor shall be responsible for submitting the subcontractors compliance certification to the Division of Purchases after the contracts are finalized between the contractor and subcontractor.

2.5. PUBLIC RECORDS. Offerors are advised that all materials submitted to the State for consideration in response to this solicitation will be considered without exception to be Public Records pursuant to Title 38 Chapter 2 of the Rhode Island General Laws, and will be released for inspection immediately upon request once an award has been made. Offerors are encouraged to attend public bid/RFP openings to obtain information; however, bid/RFP response summaries may be reviewed after award(s) have been made by using the RIVIP at any time or appearing in person at the Division of Purchases Mondays through Fridays between 8:30 a.m. and 3:30 p.m. Telephone requests for results will not be honored. Written requests for results will only be honored if the information is not available on the RIVIP.

SECTION 3 - AWARD DETERMINATION

Award will be made to the responsive and responsible offeror quoting the lowest net price in accordance with specifications, for any individual item(s), for major groupings of items, or for all items listed, at the State's sole option.

3.1. BID SURETY. Where bid surety is required, bidder must furnish a bid bond or certified check for 5% of the bid total with the bid, or for such other amount as may be specified. Bids submitted without a required bid surety will not be considered.

3.2. SPECIFICATIONS. Unless specified "no substitute," product offerings equivalent in quality and performance will be considered (at the sole option of the State) on the condition that the offer is accompanied by detailed product specifications. Offers which fail to include alternate specifications may be deemed nonresponsive.

SECTION 4 - CONTRACT PROVISIONS

4.1. VENDOR AUTHORIZATION TO PROCEED.

4.1A. When a purchase order, change order, contract/agreement or contract/agreement amendment is issued by the RI Division of Purchases, no claim for payment for services rendered or goods delivered contrary to or in excess of the contract terms and scope shall be considered valid unless the vendor has obtained a written change order or contract amendment issued by the Division of Purchases PRIOR TO delivery.

4.1B. Any offer, whether in response to a solicitation for proposals or bids, or made without a solicitation, which is accepted in the form of an order OR Pricing Agreement made in writing by the Purchasing Agent, or a state official with purchasing authority delegated by the Purchasing Agent, shall be considered a binding contract.

4.2. REGULATIONS, GENERAL TERMS AND CONDITIONS GOVERNING STATE CONTRACTS. This solicitation and any contract or purchase order arising from it are issued in accordance with the specific requirements described herein, and the State's Purchasing Laws and Regulations and other applicable State Laws. The Regulations, General Terms and Conditions are incorporated into all state contracts. These regulations and basic information on How To Do Business with the State of Rhode Island are posted on the Rhode Island Vendor Information Program Website (www.purchasing.ri.gov).

4.2A. ARRA SUPPLEMENTAL TERMS AND CONDITIONS. Contracts and sub-awards funded in whole or in part by the American Recovery and Reinvestment Act of 2009, Pub.L.No. 111-5 and any amendments thereto, such contracts and sub-awards, shall be subject to the Supplemental Terms and Conditions For Contracts and Sub-awards Funded in Whole or in Part by the American Recovery and Reinvestment Act of 2009, Pub.L.No. 111-5 and any amendments thereto located on the Division of Purchases website at www.purchasing.ri.gov.

4.3. EQUAL EMPLOYMENT OPPORTUNITY. Compliance certificate and agreement procedures will apply to all awards for supplies or services valued at \$10,000 and more. Minority Business Enterprise policies and procedures, including subcontracting opportunities as described in Title 37 Chapter 14.1, of the Rhode Island General Laws, also apply.

Revised: 3/21/11

RIVIP Certification Form Page 2 of 3

4.4. PERFORMANCE BONDS. Where indicated, successful bidder must furnish a 100% performance bond and labor and payment bond for contracts subject to Title 37 Chapters 12 and 13 of the Rhode Island General Laws. All bonds must be furnished by a surety company authorized to conduct business in the State of Rhode Island. Performance bonds must be submitted within 21 calendar days of the issuance of a tentative notice of award.

4.5. DEFAULT and NON-COMPLIANCE. Default and/or non-compliance with the RIVIP requirements and any other aspects of the award may result in withholding of payment(s), contract termination, debarment, suspension, or any other remedy necessary that is in the best interest of the state.

4.6. COMPLIANCE. Vendor must comply with all applicable federal, state and local laws, regulations and ordinances.

4.7. SPRINKLER IMPAIRMENT AND HOT WORK. The Contractor agrees to comply with the practices of the State's insurance carrier for sprinkler impairment and hot work. Prior to performing any work, the Contractor shall obtain the necessary information for compliance from the Risk Management Office at the Department of Administration or the agency for which work will be performed.

SECTION 5 – CERTIFICATIONS AND DISCLOSURES
ALL CONTRACT AWARDS ARE SUBJECT TO THE FOLLOWING DISCLOSURES & CERTIFICATIONS
Offerors must respond to every disclosure statement.

A person authorized to enter into contracts must sign the offer and attest to the accuracy of all statements.

Indicate Yes (Y) or No (N):

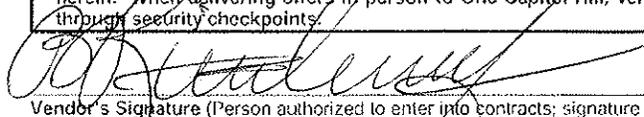
- N 1. Has your firm (or any principal) been subject to any of the following findings by the Federal Government, the State of Rhode Island or any other jurisdiction? Suspension, Debarment, Indictment, Criminal Conviction. CIRCLE APPROPRIATE ITEM(S).
- N 2. Has your firm (or any principal) been fined more than \$5000 for a single violation by the Rhode Island Department of Environmental Management for violation of Rhode Island Wetlands law?
- Y 3. I/we certify that I/we will immediately disclose, in writing, to the Chief Purchasing Officer any potential conflict of interest, which may occur during the course of the engagement authorized pursuant to this contract.
- Y 4. I/we acknowledge that, in accordance with Chapter 37-2-54(c) of the Rhode Island General Laws "no purchase or contract shall be binding on the state or any agency thereof unless approved by the Department [of Administration] or made under general regulations which the Chief Purchasing Officer may prescribe", including change orders and other types of contracts and under State Purchasing Regulation 8.2.1.1.2, "any alleged oral agreement or arrangements made by a bidder or contractor with any agency or an employee of the Office of Purchases may be disregarded and shall not be binding on the state".
- Y 5. I/we certify that the above vendor information is correct and complete.
- Y 6. I/we certify that I/we or my/our firm possesses all licenses required by Federal and State laws and regulations as they pertain to the requirements of the solicitation and offer made herein and shall maintain such required license(s) during the entire course of the contract resulting from the offer contained herein and should my/our license lapse or be suspended, I/we shall immediately inform the Rhode Island State Purchasing Agent in writing of such circumstance.
- Y 7. I/we certify that I/we will maintain required insurance during the entire course of the contract resulting from the offer contained herein and should my/our insurance lapse or be suspended, I/we shall immediately inform the Rhode Island State Purchasing Agent in writing of such circumstance.
- Y 8. I/we certify that I/we understand that falsification of any information herein or failure to notify the Rhode Island State Purchasing Agent as certified herein may be grounds for suspension, debarment and/or prosecution for fraud.
- Y 9. I/we acknowledge that the provisions and procedures set forth in this three-page form apply to any contract arising from this offer.
- Y 10. I/we acknowledge that I/we understand the State's Purchasing Laws (37-2 of the General Laws of Rhode Island) and Purchasing Regulations and General Terms and Conditions available at the Rhode Island Division of Purchases Website (www.purchasing.ri.gov) apply as the governing conditions for any contract or purchase order I/we may receive from the State of Rhode Island, including the offer contained herein.
- Y 11. NEW REQUIREMENT* - IMPORTANT!!! I/we hereby acknowledge that I/we understand that effective January 1, 2011 all public works related project bids or proposals exceeding One Million Dollars (\$1,000,000), inclusive of all proposed alternates, must include a "public copy" as required by R.I. Gen. Laws § 37-2-18 and the "Rules, Regulations and General Conditions of Purchases". It is further understood that any bid or proposal in excess of One million Dollars (\$1,000,000) which does not include a copy for public inspection shall be deemed to be non-responsive.

RIDOT Highway and Bridge Public Works related projects utilizing Quest Lite program only – Effective immediately, submission to the Division of Purchases of a duplicate original of a vendor's Quest Lite compatible electronic copy on a readable compact disk shall satisfy the statutory "public copy" requirements. Quest Lite software is defined in the Division of Purchases "Rules, Regulations and General Conditions of Purchases" §12.102.05 (Preparation of Proposal), as adopted on December 15, 2010 and January 11, 2011.

For further information, please see R.I Gen. Laws § 37-2-18 and specific instructions at www.purchasing.ri.gov.

IF YOU HAVE ANSWERED "YES" TO QUESTIONS #1-2 OR IF YOU ARE UNABLE TO CERTIFY YES TO ITEMS #3-11 OF THE FOREGOING, PROVIDE DETAILS/EXPLANATION BELOW AND/OR IN AN ATTACHED STATEMENT. INCOMPLETE CERTIFICATION FORMS SHALL BE GROUNDS FOR DISQUALIFICATION OF OFFER.

Signature below commits vendor to the attached offer and certifies (1) that the offer has taken into account all solicitation amendments, (2) that the above statements and information are accurate and that vendor understands and has complied with the requirements set forth herein. When delivering offers in person to One Capitol Hill, vendors are advised to allow at least one hour additional time for clearance through security checkpoints.



Date June 14, 2011

Vendor's Signature (Person authorized to enter into contracts; signature must be in ink.)

Brion Rittenberry, President

Print Name and Title of company official signing offer
Revised: 3/21/11

DOCUMENT 00410 - BID FORM

Date: 6/14/2011

To: The Department of Administration, Division of Purchases
One Capitol Hill, Providence, RI 02908

Project: Mackal Field House
Flooring Replacement Project
University of Rhode Island
Kingston, RI

Submitted by: Kiefer Specialty Flooring, Inc.
(include address,
tel. & FAX nos.) 2910 Falling Waters Blvd.
Lindenhurst, IL 60046-6799
847-245-8450 - Phone / 847-245-8590 - FAX

I. BID

Having examined the Place of The Work and all matters referred to in the Instructions to Bidders, and in the Contract Documents prepared by Lamborghini/ Feibelman Ltd. , Architect for the above mentioned project, we, the undersigned, hereby offer to enter into a Contract to perform the Work for the Sum of:

One-Million, Six-Hundred Four-Thousand Seven-Hundred (\$ 1,604,772 .)
(written, and Seventy-Two and No/100 numerically)

We have included the specified Contingency Allowance Allowance from Section 01200 in Division 1 of the Specifications, in the above Bid Sum.

Contingency Allowance: \$ 100,000.

We propose to modify the above Bid Sum by the following amounts as identified by a numbered Alternatives specified in Division 1 of the Specifications, and as may be selected by the Owner:

Alternative No. 1 add – Work at Fitness Area: \$ 132,178.00

Alternative No. 2 add Maintenance Machines: \$ 93,684.00

We propose the following Unit Prices (Add or Deduct) for authorized variations from the Contract Documents to specific portions of the Work as listed:

URI/ Mackal Field House

Flooring Replacement Project

ITEMS DESCRIBED	UNIT DESCRIPTION	UNIT VALUE (Fill in)
Unit Price #1 - (Section 024119 Selective Structure Demolition) Removal of poured flooring	Pound of poured flooring	\$ <u>0.78</u>
Unit Price #2 - (Section 096566 Resilient Athletic Flooring) Leveling Fill	Square Yard of 1/8" thick leveling fill	\$ <u>10.50</u>

We have included, the required Bid security as required by the Invitation to Bid. See Attached Bid Bond.

By offering this Bid, we attest that the prime contractor submitting this bid is an Athletic Flooring Installation Contractor approved by Mondo America Inc. to install Mondo athletic flooring products.

2. ACCEPTANCE

This offer shall be open to acceptance and is irrevocable for sixty days from the bid closing date. If the Owner accepts this bid within the time period stated above, we will:

- Execute the Agreement subject to compliance with required State regulatory agency approvals as described in the Invitation to Bid.
- Furnish the required bonds in compliance with amended provisions of the Instructions to Bidders.
- Commence work within seven days after receipt of a Purchase Order from the Rhode Island State Division of Purchases.

If this bid is accepted within the time stated, and we fail to commence the Work, or we fail to provide the required Bonds, the security deposit shall be forfeited as damages to the Owner by reason of our failure, limited in amount to the lesser of the face value of the security deposit or the difference between this bid and the bid upon which a Contract is signed.

In the event our bid is not accepted within the time stated above, the required security deposit shall be returned to the undersigned, in accordance with the provisions of the Instructions to Bidders; unless a mutually satisfactory arrangement is made for its retention and validity for an extended period of time.

3. CONTRACT TIME

If this Bid is accepted, we will respect the start and completion dates outlined below, assuming a Purchase Order issue no later than June 15, 2011.

Start onsite construction activities	August 5, 2011
Complete removals operations	August 26, 2011
Substantial Completion	September 23, 2011
Final Completion	September 30, 2011

4. LIQUIDATED DAMAGES - TIME IS OF THE ESSENCE

If we fail to achieve certification of Substantial Completion or Final Completion at the expiration of the agreed upon Contract Times indicated above, we acknowledge we will be assessed Liquidated Damages for each calendar day the project continues to be in default of Substantial Completion, and/or Final Completion, as follows:

Substantial Completion:	\$500 per calendar day.
Final Completion – Close Out:	\$ 500 per calendar day.

5. ADDENDA

The following Addenda have been received, and inserted into the Project Manual where as indicated in Document 00010 – Table of Contents. The modifications to the Bid Documents noted below have been considered and all costs are included in the Bid Sum.

Addendum No. 1, dated 5/17/2011.

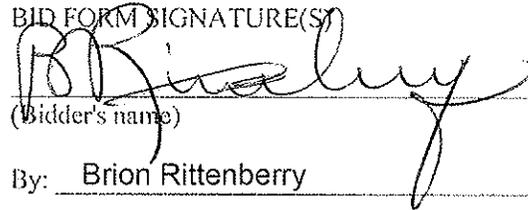
Addendum No. 2, dated 5/31/2011 . etc. Addendum No. 3, dated 6/3/2011

6. REQUIREMENT FOR LICENSE NUMBER

In compliance with the requirements of Rhode Island General Law, Section 5-65-23, my Rhode Island license number for the work to be performed by this firm as prime contractor is:

LICENSE NUMBER: 34680.

7. BID FORM SIGNATURE(S)


(Bidder's name)

By: Brion Rittenberry

Title: President

Corporate Seal:

END OF DOCUMENT

Document A310™ – 2010

Conforms with The American Institute of Architects AIA Document 310

Bid Bond

CONTRACTOR:

(Name, legal status and address)
Kiefer Specialty Flooring, Inc.
2910 Falling Waters Blvd.
Lindenhurst, IL 60046

SURETY:

(Name, legal status and principal place of business)
Fidelity & Deposit Company of Maryland
1400 American Lane, T2-13
Schaumburg, IL 60196

Mailing Address for Notices

Fidelity & Deposit Company of Maryland

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

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)
State of Rhode Island
One Capitol Hill
Providence, RI 02908

BOND AMOUNT: \$5% of Bid Amount (Five percent of amount bid.)

PROJECT:

(Name, location or address, and Project number, if any)
Mackal Field House
University of Rhode Island
Kingston, RI

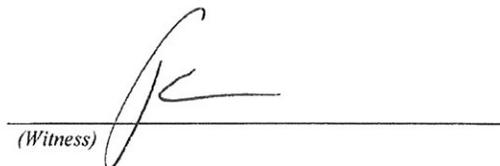
The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 16th day of June 2011

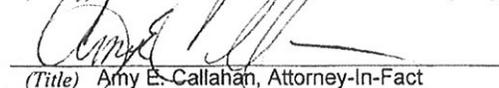

(Witness)


(Witness)

Kiefer Specialty Flooring, Inc.
(Principal) (Seal)


(Title)

Fidelity & Deposit Company of Maryland
(Surety) (Seal)


(Title) Amy E. Callahan, Attorney-In-Fact

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

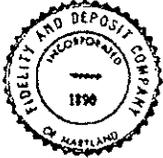
KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint Peter S. FORKER and Amy E. CALLAHAN, both of Arlington Heights, Illinois, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 30th day of April, A.D. 2003.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. E. Smith

T. E. Smith

Assistant Secretary

By:

Paul C. Rogers

Paul C. Rogers

Vice President

State of Maryland }
City of Baltimore } ss:

On this 30th day of April, A.D. 2003, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposed and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Sandra Lynn Mooney

Sandra Lynn Mooney

Notary Public

My Commission Expires: January 1, 2004

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 16th day of June, 2011.


Assistant Secretary

DOCUMENT 00450 - BIDDER'S QUALIFICATION FORM

This Bidder's Qualification Form is included as an integral part of the Bid documents, for use in evaluating the qualifications of Contractors.

Failure of the announced low numerical bidder to respond with relevant information to the stated requirements of this Document 00450 may disqualify that bidder from further consideration as a bidder on this Project.

The Undersigned certifies under oath that the information provided herein is true and sufficiently complete so as not to be misleading.

SUBMITTED TO: State of Rhode Island Board of Governor's for Higher Education

ADDRESS: 80 Washington Street, Providence, RI 02903

SUBMITTED BY: Kiefer Specialty Flooring, Inc.

NAME: Brion Rittenberry Corporation

2910 Falling Waters Blvd.

ADDRESS: Lindenhurst, IL 60046-6799 Partnership

Individual

PRINCIPAL OFFICE: Same as above.

Joint Venture

Other

NAME OF PROJECT: Mackal Field House
University of Rhode Island
Kingston, RI

TYPE OF WORK (file separate form for each classification of work)

General Construction

HVAC

Plumbing

Electrical

Other (please specify) Specialty Athletic Flooring

1. ORGANIZATION

1.1 How many years has your organization been in business as an Athletic Flooring Contractor? 35

1.2 How many years has your organization been in business under its present name? 28

1.2.1 Under what other or former names has your organization operated?
Kiefer Specialty Flooring.

1.3 If your organization is a corporation, answer the following:

- 1.3.1 Date of incorporation: May 16, 1983
- 1.3.2 State of incorporation: Illinois
- 1.3.3 President's name: Brion Rittenberry
- 1.3.4 Vice-president's name(s): Daniel D. Kehoe

- 1.3.5 Secretary's name: Cindy Rittenberry
- 1.3.6 Treasurer's name: Cindy Rittenberry

1.4 If your organization is a partnership, answer the following: N/A

- 1.4.1 Date of organization:
- 1.4.2 Type of partnership(if applicable):
- 1.4.3 Name(s) of general partners:

1.5 If your organization is individually owned, answer the following: N/A

- 1.5.1 Date of organization:
- 1.5.2 Name of owner:

1.6 If the form of your organization is other than those listed above, describe it and name the principals:

2. LICENSING

- 2.1 List jurisdictions and trade categories in which your organization is legally qualified to do business, and indicate registration or license numbers, if applicable: MFMA (Maple Flooring Manufactures Assoc) ASBA (American Sports Builders Assoc), INNSA, NIRSA & STC (Synthetic Turf Council)
- 2.2 List jurisdictions in which your organization's partnership or trade name is filed.
Brion Rittenberry, State of Rhode Island Contractors Registration & Licensing Board.

3. EXPERIENCE

- 3.1 List the categories of work that your organization normally performs with its own forces.
All work by own forces in the carpenters/flooring categorie.
- 3.2 Claims and suits. (If the answer to any of the questions below is YES, please attach details)
None.
 - 3.2.1 Has your organization ever failed to complete any work awarded to it? No.
 - 3.2.2 Are there any judgments, claims, arbitration proceedings or suits pending or outstanding against your organization or its officers? No.

- 3.2.3 Has your organization filed any law suits or requested arbitration with regard to construction contracts within the last 5 years? **No.**
- 3.3 Within the last 5 years, has any officer or principal or your organization ever been an officer or principal of another organization when it failed to complete a construction contract? (If the answer is YES, please attach details). **No.**
- 3.4 On a separate sheet, list major Athletic Flooring construction projects your organization has in progress, giving the name of project, owner, architect, contract amount, percent complete and scheduled completion date. **See attached.**
- 3.4.1 State total worth of work in progress and under contract. **\$12MM**
- 3.5 On a separate sheet, list the major athletic flooring projects your organization has completed in the past 5 years, giving the name of project, owner, architect, contract amount, date of completion and percentage of the cost of the work performed with your own forces.
See attached current and recent reference list
- 3.5.1 State average annual amount of construction work performed during the past 5 years.
\$25MM
- 3.6 On a separate sheet, list the construction experience and present commitments of the key individuals of your organization. **See Resume Bio for Bryan Rittenberry, Daniel D. Kehoe, Peter Fenneman, Karen Edwards and Adam Taylor**

4. REFERENCES

- 4.1 Trade References: Mondo America - 2655 Francis Houghes Laval; Qubec, Canada H7L 3S8
Contact: Scott Macrury 1-800-361-3747
Connor Hardwood Courts - 251 Industrial Park Road; Amasa, MI 49903
Contact: John Isaacs 1-906-822-7311
- 4.2 Bank References: Wells Fargo - 230 West Monrow Street Suite 2900; Chicago, IL 60606
Contact: Brian Ruger 1-312-845-9828
- 4.3 Surety: Insurance: Zurich North America - Agent is Assourance Agency, Ltd.
One Century Centre, 1750 E. Gold Road; Schaumburg, IL 60173
Contact: Melissa Arnold 1-847-797-5700
- 4.3.1 Name of bonding company: Fidelity and Deposit Co. of Maryland
2019 N. Elizabeth Drive
Arlington Heights, IL 60004
- 4.3.2 Name and address of agent: Peter Forker
847-392-9720

5. FINANCING

5.1 Financial Statement SEE ATTATCED FINANCIALS 2010

5.1.1 Attach a financial statement, preferably audited, including your organization's latest balance sheet and income statement showing the following items:

Current assets (e.g., cash, joint venture accounts, accounts receivable, notes receivable, accrued income, deposits, materials inventory, and prepaid expenses):

Net fixed assets;

Other assets;

Current liabilities (e.g., accounts payable, notes payable, accrued expenses, provision for income taxes, advances, accrued salaries, and accrued payroll taxes);

Other liabilities (e.g., capital, capital stock, authorized and outstanding shares par values, earned surplus and retained earnings).

5.1.2 Name and address of firm preparing attached financial statement, and date thereof:
Dean Heidloff, CFO for Kiefer Specialty Flooring, Inc.

5.1.3 Is the attached financial statement for the identical organization named on Page 1? Yes.

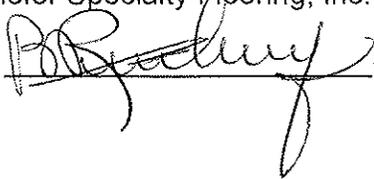
5.1.4 If not, explain the relationship and financial responsibility of the organization whose financial statement is provided (e.g., parent-subsidiary).

5.2 Will the organization whose financial statement is attached act as guarantor of the contract for construction? No.....Refer to Surity Bond

6. SIGNATURE

6.1 Dated at this 14th day of June, 2011

Name of Organization: Kiefer Specialty Flooring, Inc.

By: Brion Rittenberry  (Signature)

Title: President

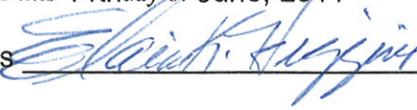
6.2

M being duly sworn deposes and says that the information provided herein is true and sufficiently complete so as not to be misleading.

URI/ Mackal Field House

Flooring Replacement Project

Subscribed and sworn before me this 14th day of June, 2011

Notary Public: Elaine Higgins  (Signature)

My Commission Expires: 7/24/2014

END OF DOCUMENT



3.4

List the projects you believe your firm is currently a low bidder, will be awarded, or are strongly being considered for and the contract amount:

Project	Contract Amount	Project Duration
<u>University of Detroit Mercy, in MI</u>	<u>\$225,000.00</u>	<u>4 months May-Sept</u>
<u>Avondale H.S. in Auburn Hills, MI</u>	<u>\$667,000.00</u>	<u>4 months May-Sept</u>
<u>Wayne State University, in MI</u>	<u>\$400,000.00</u>	<u>4 months May-Sept</u>
<u>Lewis University in IL</u>	<u>\$150,000.00</u>	<u>3 months June-Aug</u>



Corporate Facilities
2910 Falling Waters Blvd.
Lindenhurst, Illinois 60046
(847) 245-8450 • 800-322-5448
FAX:(847) 245-8589
E-Mail: info@Kieferfloors.com
Website: www.Kieferfloors.com

Recent Projects

Ohio State University
410 Woody Hayes Drive
Columbus, OH 43210-1166
Contact: Diane Jensen, Asst. Dir.
614-292-7671
\$1,375,000.00 2007

Gurnee Park District
Gurnee, IL 60031
Contact: Jack Leppert
847-599-3772
\$75,000.00 2006

University of Illinois
CRCE/IMPE Expansion
201 E. Peabody Drive
Champaign, IL 61820
217-244-3999
Contact: Gary Miller, Asst. Dir.
\$1,500,000.00 2006-2009

Ann Arbor High School
Ann Arbor, MI
734-994-7167
Contact: Ben Schneider
\$107,345.00 2007

Flora High School
Flora, IL
618-662-8316
Contact: Skip Dillon, AD
\$90,000 2008

Northern Illinois University
DeKalb, IL 60115
Convocation Center
Chick Evans Fieldhouse
Student Recreation Bldg.
Academic/Athletic Training Fac.
Contact: David Lochbaum - AD
Jeff Daurer 815-753-5468
\$2,500,000.00 2005

York High School
Elmhurst, IL 60126
Contact: Rob Wagner
630-617-2403
\$450,000.00 2005

Wheaton North High School
Matt Fisher – AD 630-784-7319
Wheaton Warrenville South H.S.
Bob Qunn – AD 630-784-7218
\$700,000.00 2006

Cornell College
Mt. Vernon, IA
Contact: Dick Simmons
319-895-4230
\$655,425.00 2007

Crown Point High School
Crown Point, IN
219-942-2787
Contact: Scott Cherry
\$175,000.00 2007





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FAX:(847) 245-8589
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Website: www.Kieferfloors.com

Current Projects:

Lawrence Central High School
Indianapolis, IN
Contact: Bernie Schneider
Phone: 317-580-5777
\$318,550.00 2008

Lincoln-Way High School District 210
Will County, IL
Contact: Paul Gonzalez, Dir
Build/Grounds
Phone: 815-464-2132
\$1,250,000.00 2007-2009

Duquesne University
Pittsburgh, PA
Contact: Bob Swarner
Phone: 412-858-4670
\$308,000.00 2008

Grand Valley State University
Allendale, MI
Contact: Bob Simson
Phone: 616-676-1676
\$564,765.00 2008

Hobart High School
Hobart, IN
Contact: Mark Klotz
Phone: 317-594-4600
\$790,000.00 2008

Valpariso YMCA
Valpariso, IN
Contact: Mike Bracken
Phone: 574-256-6814
\$54,000.00 2008

Indiana State University
Terre Haute, IN
Contact: Troy Biddle
Phone: 812-235-6218
\$152,000.00 2008

Carroll High School
Ft. Wayne, IN
Contact: Mike Hahd
Phone: 260-927-8516
\$480,000.00 2008

Kent State University
Kent, OH
Contact: Jay Graham
Phone: 330-672-9617
\$569,000.00 2008

Eastern Illinois University
Charleston, IL
Contact: Rex Hilligoss, Corp. Architect
Phone: 217-581-5711
\$250,000.00 2009





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Website: www.Kieferfloors.com

Morton High School
Morton, IL
Greg Pritchard
\$200,000.00 2009

Bradley University
Peoria, IL
Kim Green
\$350,000.00 2010

Niles School District 219
Niles, IL
Contact: Paul O'Malley, Asst. Super.
Phone: 847-626-3967
\$2,500,000.00 2006-2009

Jamestown College
Jamestown, ND
Contact: Tom Heck
Phone: 701-252-3467
\$325,000.00 2008

Southwest Minnesota State University
Marshall, MN
Contact: Cyndi Holm
Phone: 507-537-7854
\$495,000.00 2009

University Wisconsin Stevens Point
Stevens Point, WI
Contact: Rick Witt
Phone: 715-346-3677
\$485,000.00 2009

Minnesota State University Mankato
Mankato, MN
Contact: Kevin Buisman
Phone: 507-389-6111
\$565,000.00 2010

University of St. Thomas
St. Paul, MN
Contact: Steve Fritz
Phone: 651-962-5901
\$480,000.00 2010



BRION RITTENBERRY

PRESIDENT & CEO

Overview

Brion has more than 25 years with Kiefer Specialty Flooring, Inc. Oversees all aspects of project to ensure smooth project management.

Kiefer Specialty Flooring, Inc. | Lindenhurst, IL

1982 - Present

- Starting position sales, promoted to sales manager in 1988.
- Vice President of sales and operations management in 1994.
- President and CEO 2001.

Major Projects:

- Black Hills State University (worked with Dave Little)
- University of Illinois
- Eastern Illinois University
- Southern Illinois University
- Illinois State University
- Chicago Bears
- Kansas City Chiefs
- Pittsburgh Steelers
- University of Iowa
- University of Nebraska

DAN KEHOE

EXECUTIVE VICE PRESIDENT

Overview

Dan has more than 20 years with Kiefer Specialty Flooring, Inc. Oversees all sales aspects to meet customer's product expectations as it relates to quality and performance.

Kiefer Specialty Flooring, Inc. | Lindenhurst, IL
2002 - Present

Kiefer Specialty Flooring, Inc. | Indianapolis, IN
1991 - 2002

- Vice President/Branch Manager

Kiefer Specialty Flooring, Inc. | Zion, IL
1989 - 1991

- Sales Representative

Major Projects:

- Purdue-Mackey Arena
- University of Cincinnati Arena & Basketball Practice Facility
- Rose Hulman University Arena
- Taylor University Varsity Facility
- Earlham University Varsity Facility
- Ball State University – Ball Gymnasium
- Indiana Wesleyan Varsity Gymnasium
- University of Indiana
- Indianapolis Colts
- Oakland University Arena
- University of Kentucky Memorial Coliseum

PETER FENNEMAN

VICE PRESIDENT OF OPERATIONS

Kiefer Specialty Flooring, Inc. | Lindenhurst, IL

2001 - Present

- Manage complete operations of Wood Flooring Division, Synthetic Floor Division and Outdoor Division.

Shaw Contract Flooring | Milwaukee, WI

2000 - 2001

- President of Shaw Contract of Milwaukee, managed start up of a new commercial flooring operation.

Shaw Commercial Flooring | Chicago, IL

1997 - 2000

- President of Shaw Commercial Flooring Chicago, managed the sale of Morton Floors to Shaw Industries, merged two companies, relocated companies and managed over \$17 million in sales.

Morton Floors | Lincolnwood, IL

1979 - 1997

- 1995 to 1997 - President and Chief Operating Officer, Managed complete operations of \$11 million commercial flooring contractor.
- 1991 to 1995 - Vice President of Operations and part owner, managed operations of over \$7.5 million in projects.
- 1988 to 1991 - Manager of Operations worked with operations department in managing and scheduling projects, continued in sales and project management.
- 1979 to 1988 - Sales and Project Manager sold and managed projects.

KAREN EDWARDS

PROJECT MANAGER

Kiefer Specialty Flooring, Inc. | Lindenhurst, IL

1995 - Present

- Manage Mondo athletic flooring installations on existing and new construction facilities
- Jobsite logistics for material and labor
- 30 hour OSHA Certified in Construction Safety and Health
- On-going communication to GC's, CM's Owners and Suppliers to accommodate manufacturer requirements and customer needs
- Contract revisions
- Project billing
- Purchasing Awarded Contract Materials
- Customer Support
- Inventory Management

ADAM TAYLOR

PROJECT ESTIMATOR

Overview

With over 14 years of experience, Adam manages bidding and estimating of wood and synthetic athletic flooring systems. He coordinates the beginning stages of contracted projects while maintaining a role in all aspects of the project, from beginning through closing.

Kiefer Specialty Flooring, Inc. | Lindenhurst, IL

2002 - Present

- LEED Accredited Professional – Interior Design & Construction 2010
- Established company records in awarded contracted bids
- Handle all project change orders
- Produce field layouts and drawings
- Assisted in the implementation of a new project management system to provide a complete virtual project database to include all the vital information

Flooring Resources Corporation | Elk Grove Village, IL

1997 - 2002

- Project Estimator - Change Orders

Major Projects:

- University of Illinois
- Northern Illinois University
- Taylor University
- Indiana University
- The Ohio State University
- Kent State University
- Grand Valley State University
- Western Michigan University
- University of Iowa
- Iowa State University
- Doane College
- University of Nebraska - Omaha
- Kansas State University
- Wichita State University
- Southeast Missouri State
- University of Central Missouri
- Middle Tennessee State University
- University of Tennessee
- University of Kentucky–Nutter Field House
- University of St. Thomas
- Southwest Minnesota State University
- University of North Dakota Wellness Center
- University of South Dakota Wellness Center
- University of Wisconsin - Stevens Point
- University of Wisconsin - Oshkosh

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
FINANCIAL STATEMENTS
DECEMBER 31, 2010

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE

DECEMBER 31, 2010

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KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE

DECEMBER 31, 2010

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Weltman Bernfield LLC

Certified Public Accountants

485 E Half Day Road, Suite 250
Buffalo Grove, IL 60089-8806

Independent Accountants' Review Report

To the Stockholders and Members
Kiefer Specialty Flooring, Inc. and Affiliate
Lindenhurst, Illinois

We have reviewed the accompanying consolidated balance sheet of Kiefer Specialty Flooring, Inc. and Affiliate as of December 31, 2010, and the related consolidated statements of income and comprehensive income, changes in equity, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for preparation and the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The supplementary 2010 and certain 2009 information included on pages 15-28 is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we are not aware of any material modifications that should be made thereto.

Weltman Bernfield LLC

February 4, 2011

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2010

Assets

Current assets	
Cash and cash equivalents	\$ 762,679
Accounts receivable, net of allowance for doubtful accounts of \$30,000	4,745,355
Retention receivable	381,186
Other receivables	129,237
Investment in marketable securities	379,744
Inventory	1,083,724
Intangible asset - purchased contract rights	11,829
Prepaid expenses	<u>100,598</u>
Total current assets	<u>7,594,352</u>
Property and equipment, net of accumulated depreciation of \$1,029,041	<u>1,921,369</u>
Other assets	
Intangible assets, net of accumulated amortization of \$54,268	25,048
Security deposits	<u>5,233</u>
Total other assets	<u>30,281</u>
Total assets	<u><u>\$ 9,546,002</u></u>

Liabilities and Equity

Current liabilities	
Accounts payable	\$ 3,073,407
Accrued expenses	300,408
Amounts billed in excess of costs and estimated gross profit on contracts in progress, net	309,079
Current maturities of long-term debt	<u>152,877</u>
Total current liabilities	<u>3,835,771</u>
Long-term liabilities	
Bank line of credit	2,543,548
Long-term debt, less current maturities	<u>1,361,317</u>
	<u>3,904,865</u>
Total liabilities	<u>7,740,636</u>
Equity	
Stockholders' equity	
Common stock, no par value; 10,000 shares authorized, 5,000 shares issued and outstanding	5,000
Additional paid-in capital	30,000
Accumulated other comprehensive income	27,779
Retained earnings	<u>1,620,389</u>
Total stockholders' equity	1,683,168
Noncontrolling interest	<u>122,198</u>
Total equity	<u>1,805,366</u>
Total liabilities and equity	<u>\$ 9,546,002</u>

See independent accountants' review report and notes to the financial statements

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2010

	Amount	% of Net Revenues
Net revenues		
Income from construction	\$ 19,197,137	75.68
Material only sales	6,168,838	24.32
Total net revenues	25,365,975	100.00
Cost of earned revenues		
Cost of construction	15,708,815	61.93
Cost of material only sales	4,238,026	16.71
Total cost of earned revenues	19,946,841	78.64
Gross profit	5,419,134	21.36
Operating expenses		
Selling expenses	2,014,581	7.94
General and administrative expenses	2,392,293	9.43
Total operating expenses	4,406,874	17.37
Income from operations	1,012,260	3.99
Other income (expense)		
Interest and dividend income	5,059	0.02
Cash surrender value - officer's life insurance	983	0.00
Interest expense	(179,530)	(0.71)
Amortization of contracts purchased	(76,581)	(0.30)
Gain on sale of marketable securities	4,472	0.02
State income and replacement taxes	(7,558)	(0.03)
Settlement expense	(16,583)	(0.07)
Other taxes	(19,063)	(0.08)
Gain on foreign currency exchange	1,963	0.01
Net other expense	(286,838)	(1.13)
Consolidated net income	\$ 725,422	2.86
Net income attributable to Kiefer Specialty Flooring, Inc.	\$ 580,850	
Net income attributable to noncontrolling interest in affiliate	144,572	
Consolidated net income	725,422	
Unrealized gain on investment in marketable securities	27,973	
Comprehensive income	\$ 753,395	

See independent accountants' review report and notes to financial statements.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	Stockholders' Equity					Total
	Common Stock	Additional Paid- In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	
Balance at December 31, 2009	\$ 5,000	\$ 30,000	\$ 1,613,983	\$ (194)	\$ 111,225	\$ 1,760,014
Net income for the year ended December 31, 2010	-	-	580,850	-	144,572	725,422
Unrealized gain on investment in marketable securities	-	-	-	27,973	-	27,973
Distributions	-	-	(574,444)	-	(133,599)	(708,043)
Balance at December 31, 2010	<u>\$ 5,000</u>	<u>\$ 30,000</u>	<u>\$ 1,620,389</u>	<u>\$ 27,779</u>	<u>\$ 122,198</u>	<u>\$ 1,805,366</u>

See independent accountants' review report and notes to the financial statements.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

Cash flows from operating activities	
Net income	\$ 725,422
Adjustments to reconcile net income to cash provided by operating activities	
Depreciation and amortization	185,809
Amortization on contracts purchased	76,581
Changes in assets and liabilities:	
Accounts receivable, net	732,658
Inventory	(15,205)
Prepaid expenses and other assets	141,143
Accounts payable, accrued expenses and other liabilities	1,003,572
Amounts billed in excess of costs and estimated gross profit on contracts in progress, net	<u>(475,965)</u>
Cash provided by operating activities	<u>2,374,015</u>
Cash flows used in investing activities	
Purchase of marketable securities	(299,270)
Proceeds from cash surrender value of officer's life insurance	55,287
Gain on investment in marketable securities	(4,472)
Interest and fees on marketable securities	(2,668)
Purchases of property and equipment	<u>(106,358)</u>
Cash used in investing activities	<u>(357,481)</u>
Cash flows used in financing activities	
Principal repayments of long-term debt	(232,262)
Repayment of bank line of credit	(915,581)
Stockholder and member distributions	<u>(708,043)</u>
Cash used in financing activities	<u>(1,855,886)</u>
Increase in cash and cash equivalents	160,648
Cash and cash equivalents, beginning of year	<u>602,031</u>
Cash and cash equivalents, end of year	<u>\$ 762,679</u>
Supplemental disclosures of cash flow information	
Cash paid for interest	<u>\$ 181,226</u>
Cash paid for income and replacement taxes	<u>\$ 7,558</u>

See independent accountants' review report and notes to the financial statements.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Kiefer Specialty Flooring, Inc. and Affiliate is comprised of two separate entities which are affiliated through common ownership at the stockholder and member level. Kiefer Specialty Flooring, Inc. ("Kiefer") is engaged in the sales and installation of specialty flooring products, primarily sports surfaces, throughout the Midwest and operates from its headquarters in Lindenhurst, Illinois. Falling Waters Development, LLC ("Falling Waters") leases office and warehouse facilities to Kiefer and may engage in construction activities. Collectively, these entities are referred to as "the Companies."

Principles of consolidation

These consolidated financial statements include the accounts of Kiefer and Falling Waters. All material intercompany transactions have been eliminated.

Since December 2003, financial statement consolidation of a variable interest entity ("VIE") has been required by a company if that company absorbs a majority of the VIE's expected losses and/or receives a majority of that entity's expected residual returns as a result of holding variable interests, which are the ownership, contractual, or other financial interests in the entity. Falling Waters is owned and controlled by substantially the same owners as Kiefer, through which business activity is conducted and, therefore is considered a VIE, requiring consolidation into these financial statements.

Basis of accounting

The financial statements of the Companies have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other assets and liabilities.

Method of accounting for long-term construction contracts

Kiefer accounts for contracts under the percentage-of-completion method of accounting and, therefore, takes into account the cost, estimated gross profit, and revenue to date on contracts not yet completed. On contracts where the amount of progress is subject to measurement, the revenue recognized at statement date is the portion of the total contract price that a measurement of the work put in place bears to the total work required. On contracts, or elements of contracts, where a reliable measurement of progress is not available, the amount of revenue recognized at statement date is the portion of the total contract price that the cost expended to date bears to the anticipated final total cost, based on current estimates of cost to complete.

Because of the inherent uncertainties in estimating costs and revenues, it is at least reasonably possible that the estimates used will change within the near term. In all circumstances, the revenue recognized is not related to the progress billings to customers.

Contract cost includes all direct labor and benefits, materials unique to or installed in the project, subcontract costs, and allocations of indirect construction cost.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Method of accounting for long-term construction contracts (continued)

As long-term contracts extend over one or more years, revisions in estimates of cost and gross profit during the course of the work are reflected in the accounting period in which the facts, which require the revision, become known.

At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is recognized in the financial statements.

Contracts that are substantially complete are considered closed for financial statement purposes. Costs and estimated gross profit on contracts in progress in excess of billing (underbillings) are classified as current assets. Amounts billed in excess of costs and estimated gross profits on contracts in progress (overbillings) are classified as current liabilities. For presentation purposes, these amounts are combined and presented as a net current liability, since the underbillings at December 31, 2010, are considered immaterial.

Fair value of financial instruments

Kiefer applies the provisions of ASC Topic 820 "Fair Value Measurements and Disclosures" as promulgated by the Financial Accounting Standards Board (FASB) for its financial instruments which consist of an investment in marketable securities.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Additionally, certain immaterial differences occur in these financial statements resulting from computer rounding of decimals and fractions.

Cash and cash equivalents

The Companies consider all demand deposits, money market accounts, and highly liquid monetary instruments with an original maturity date of three months or less from the date of purchase to be cash equivalents.

Accounts receivable

Accounts receivable are recorded net of an allowance for doubtful accounts of \$30,000. The allowance is estimated from historical performance and analyses of trends.

Inventory

Inventories, which primarily consist of purchased finished goods held for sale, are valued at lower-of-cost or market, determined on a first-in, first-out basis.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentration of credit risk

Financial instruments which potentially subject the Companies to concentrations of credit risk consist primarily of cash in bank, money market account, and trade receivables. The Companies maintain cash balances at a high credit quality financial institution, and accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2010, there were no uninsured cash balances.

In addition, Kiefer maintains a money market account, invested primarily in mutual funds, through Wells Fargo Investments. The uninsured balance in this account was \$312,661 as of December 31, 2010.

Concentrations of credit risk with respect to trade receivables are limited due to the Companies' large number of customers and their dispersion across different industries nationwide. As of December 31, 2010, the Companies believe they had no significant concentrations of credit risk with respect to trade receivables.

Property and equipment

Property and equipment are stated at cost. Depreciation for equipment is computed over the estimated useful lives of the assets using straight-line and accelerated methods ranging from 5 to 7 years. Depreciation for the building and leasehold improvements is computed over estimated lives using straight-line and accelerated methods ranging from 7 to 40 years. Maintenance and repairs are charged as expense when incurred. Depreciation expense was \$185,809 for the year ended December 31, 2010.

Advertising costs

Kiefer expenses advertising production costs as they are incurred. However, direct-response advertising is capitalized and amortized over its expected period of future benefits that are generally less than twelve months. Direct-response advertising consists primarily of its catalog mailing campaign.

Recent accounting pronouncements

The Companies have adopted the authoritative guidance issued by FASB that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses de-recognition, classification, interest and penalties, disclosure, and transition. The Companies conduct business solely in the U.S. and, as a result, file income tax returns for the U.S. and various other states and jurisdictions. In the normal course of business, the Companies are subject to examination by taxing authorities. The Companies' tax returns for years subsequent to 2006 are open, by Federal and certain state statutes, for review authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the various tax authorities in which the Companies currently file or have filed with. Furthermore, the Companies did not have any uncertain tax positions as of December 31, 2010.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

2. CONTRACTS IN PROGRESS

Kiefer contract amounts, accumulated costs, estimated gross profit and the related billings to date on contracts in progress at December 31, 2010 are as follows:

	<u>Contract Amount</u>	<u>Contract Revenue</u>	<u>Contract Cost</u>	<u>Gross Profit</u>
Total construction activity	\$ 25,369,853	\$ 23,212,972	\$ 18,811,890	\$ 4,401,082
Contracts completed during the year ended December 31, 2010	(21,129,525)	<u>(21,129,525)</u>	<u>(17,219,777)</u>	<u>(3,909,748)</u>
Activity during the year on contracts in progress at December, 31 2010		2,083,447	1,592,113	491,334
Activity in prior years on contracts in progress at December, 31 2010	<u> </u>	<u>55,688</u>	<u>44,807</u>	<u>10,881</u>
Contracts in progress at December 31, 2010	<u>\$ 4,240,328</u>	2,139,135	<u>\$ 1,636,920</u>	<u>\$ 502,215</u>
Less progress billings to December 31, 2010		<u>(2,448,214)</u>		
Net overbillings at December 31, 2010		<u>\$ (309,079)</u>		

The above is included in the current liability section of the balance sheet as amounts billed in excess of costs and estimated gross profit on contracts in progress, net.

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2010:

Building	\$ 1,647,117
Vehicles	367,250
Tools and equipment	422,250
Furniture and fixtures	115,884
Computer equipment	136,718
Land	135,095
Leasehold improvements	61,904
Website development	54,972
Phone system	<u>9,220</u>
	2,950,410
Less: accumulated depreciation	<u>1,029,041</u>
Net property and equipment	<u>\$ 1,921,369</u>

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

4. PREPAID EXPENSES

Prepaid expenses consist of the following at December 31, 2010:

Advertising	\$ 76,625
Insurance	<u>23,973</u>
	<u>\$ 100,598</u>

5. ACCRUED EXPENSES

Accrued expenses consist of the following at December 31, 2010:

Compensation	\$ 36,739
Company match 401(k)	76,500
Real estate taxes	62,400
Interest	6,449
Warranty claims	20,000
Sales tax	81,737
Settlement	<u>16,583</u>
	<u>\$ 300,408</u>

6. LINE OF CREDIT – WELLS FARGO BANK N.A.

Kiefer is party to a line of credit agreement with a bank which provides for borrowings of up to \$5,000,000 at an interest rate of either the adjusted LIBOR rate (LIBOR rate plus 2.50%) or the prime rate. Interest on LIBOR or prime advances is due on the 30th, 60th or 90th day of the interest period as computed based on a 360-day year, for actual days elapsed. Borrowings outstanding under the agreement amounted to \$2,543,548 at December 31, 2010. The note is collateralized by substantially all of Kiefer's assets, is personally guaranteed by the stockholders of Kiefer, and is due January 31, 2013. The interest rates in effect at December 31, 2010 were 2.875% and 3.25% on the LIBOR or prime advances, respectively.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

7. LONG-TERM DEBT

Long-term debt consists of the following at December 31, 2010:

<p>Falling Waters mortgage payable – Wells Fargo Bank N.A. Payable in monthly installments of \$3,958 plus interest at the adjusted LIBOR rate (LIBOR rate plus 2%), due December 2015. The interest rate in effect at December 31, 2010 was 2.375%. This debt is collateralized by building and land with a book value of \$1,511,171 as of December 31, 2010 and is personally guaranteed by the stockholders and members of the Companies.</p>	<p>\$ 811,470</p>
<p>Falling Waters mortgage payable – Small Business Administration. Payable in monthly installments of \$5,684, including interest at a rate of 4.91%, and monthly fees of \$669, due May 2025. This debt is collateralized by building and land with a book value of \$1,511,171 as of December 31, 2010 and is personally guaranteed by the stockholders and members of the Companies.</p>	<p>604,161</p>
<p>Kiefer term note payable – Wells Fargo Bank N.A. Payable in monthly installments of \$12,375 plus interest at either the adjusted LIBOR rate (LIBOR rate plus 2.25%) or the adjusted prime rate (prime rate less .25%). Any remaining principal and outstanding interest will be due on December 11, 2011. The interest rate in effect at December 31, 2010 was 3.00%. This debt is collateralized by substantially all of Kiefer's assets and is personally guaranteed by its stockholders.</p>	<p>42,122</p>
<p>Kiefer note payable – Ford Motor Credit. Payable in monthly installments of \$646 including interest at a rate of 5.25%, due January 2015. This debt is collateralized by a vehicle with a book value of \$28,466 as of December 31, 2010.</p>	<p>28,369</p>
<p>Kiefer note payable – Ford Motor Credit. Payable in monthly installments of \$1,180 including interest at a rate of 0%, due December 2011. This debt is collateralized by a vehicle with a book value of \$25,999 as of December 31, 2010.</p>	<p>14,155</p>

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010

7. LONG-TERM DEBT (continued)

Kiefer note payable – Ford Motor Credit. Payable in monthly installments of \$1,096 including interest at a rate of 4.01%, due March 2012. This debt is collateralized by a vehicle with a book value of \$22,721 as of December 31, 2010.	<u>13,917</u>
Total long-term debt	1,514,194
Less current portion	<u>152,877</u>
Long-term debt, net of current portion	<u>\$ 1,361,317</u>

Future maturities of long-term debt for the next five years are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2010	\$ 152,877
2011	86,074
2012	87,226
2013	89,774
2014	83,445
Thereafter	<u>1,014,798</u>
	<u>\$ 1,514,194</u>

8. INCOME TAXES

Kiefer elected to be treated as a small business corporation as of March 1, 1989 under Section 1362 of the Internal Revenue Code. Accordingly, all earnings are passed through to the stockholders of Kiefer. State income taxes are required and are recorded at applicable rates for various states, which approximate the effective rate paid for the period.

Falling Waters was organized as a Limited Liability Company (a "LLC"). As such, it is treated similarly to a partnership for income tax purposes. The members of the LLC have consented to include the net income or losses of the LLC in their individual tax returns to the extent allowed. The LLC is liable for state taxes. State income taxes are required and are recorded at applicable rates for various states, which approximate the effective rate paid for the period.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
 NOTES TO THE FINANCIAL STATEMENTS
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9. RETIREMENT PLAN

Kiefer maintains a 401(k) plan for its eligible employees. All employees of Kiefer who have attained the age of 21 and completed six months of service are eligible to participate in the plan for the calendar year.

Employees can elect to defer up to 100% of pay up to \$16,500 annually, plus an additional \$5,500 catch-up for those who are age 50 or older. Kiefer matches employees' deferrals up to 100% of their first 3% of gross pay and 50% of their next 2% of gross pay. Kiefer has accrued employer matching contributions in the amount of \$76,500 for the year ended December 31, 2010.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of Kiefer's financial instruments is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. the "exit price"). Kiefer utilizes valuation techniques that maximize the use of observable inputs. Kiefer is required to classify and disclose information according to the fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into the following three categories:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that are not corroborated by market data, and contain the reporting entity's own assumptions.

Financial instruments recognized at fair value on a recurring basis as of December 31, 2010 consisted of:

	<u>Fair Value Hierarchy</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Investment in marketable securities	Level 1	\$ 379,744	\$ 379,744

The fair value estimate for the above financial instrument incorporates quoted market prices at the balance sheet date for investments in cash and equivalents, equity securities, and mutual funds, using significant observable inputs, a level 1 fair value measurement.

KIEFER SPECIALTY FLOORING, INC. AND AFFILIATE
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11. CONTINGENCIES

Guarantee

The Companies have entered into an agreement to guarantee Wells Fargo Bank N.A. prompt payment (in full) of the debt associated with a stock purchase agreement executed on September 29, 2000 by the two stockholders of Kiefer. The corporate guarantee is secured by substantially all of the Companies' assets. Kiefer maintains a \$312,601 balance in a money market account through Wells Fargo Investments as collateral for this debt. The balance of the debt associated with this agreement was \$311,730 as of December 31, 2010.

Repurchase agreement

The two shareholders of Kiefer are party to a buy-sell agreement (the "Agreement"). The Agreement gives each shareholder the right of first refusal, upon death or permanent disability of the other shareholder, to purchase the other's stock at a price as defined in the Agreement. Should the respective shareholder choose not to exercise the aforementioned option, Kiefer is obligated to repurchase the stock at a price as defined in the Agreement.

Litigation

The Companies are from time to time subject to routine litigation incidental to their business activities. The Companies believe the result of any pending legal proceedings will not have a material adverse effect on their financial condition or their results of operations.

12. LEASE OBLIGATIONS

Kiefer leases its warehouse and office space from Falling Waters under the terms of a noncancellable operating lease terminating on October 31, 2014. The lease calls for monthly rent of \$19,000 plus all costs associated with the operation and maintenance of the premises. The agreement also calls for rent increases in the event that the debt service coverage ratio under the terms of the mortgage commitment by Falling Waters is insufficient to meet the requirements of the mortgage. Rent expense to Kiefer and rent income to Falling Waters under this agreement aggregated \$228,000 for the year ended December 31, 2010. This intercompany transaction has been eliminated in the consolidation.

13. CONTRACT BACKLOG

At December 31, 2010, Kiefer had a contract backlog approximating \$5,350,000, of which approximately \$2,100,000 related to amounts unbilled on contracts in progress, and \$3,250,000 related to jobs on which the work had not yet started.

14. SUBSEQUENT EVENTS

The Companies have evaluated subsequent events through February 4, 2011, which is the date the financial statements were available to be issued. No events have occurred from the date of the financial statements to February 4, 2011 which would require adjustment to or disclosure in the accompanying financial statements.