

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1996-2

No. 2 AN ORDINANCE

CONSENTING TO THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION CONDEMNATION OF CERTAIN CITY PROPERTY, ACKNOWLEDGING INTENT TO DEDICATE CERTAIN PROPERTY FOR PUBLIC USE, AND GRANTING EASEMENTS IN CERTAIN CITY PROPERTY, AS AMENDED

Approved January 10, 1996

Be it ordained by the City of Providence:

WHEREAS, Providence Place Group, a New York limited partnership ("PPG"), and The Rhode Island Economic Development Corporation, formerly known as the Rhode Island Port Authority and Economic Development Corporation ("Corporation") entered into an Amended and Restated Development Agreement dated August 22, 1994, as amended in November, 1994 and as further amended on December 23, 1994 (the "1994 Agreement") relating to the development and construction of the Providence Place super regional shopping center (the "Shopping Mall") and a parking garage to be constructed beneath and adjacent to the Shopping Mall (the "Garage"); and

WHEREAS, the Corporation has requested, and PPG is considering, a restructuring of the transaction as previously contemplated by the 1994 Agreement, pursuant to which (a) the Corporation will acquire and own the fee to or perpetual easements to certain air rights over the land described on Exhibit I attached hereto and shown on a survey entitled "Plan of Land in Providence, Rhode Island Surveyed for Providence Place, surveyed and drawn by Marrier Surveying Inc. Scale 1"=40' May, 1990, Revised May, 1995 (the "Survey") in and on which the Shopping Mall and the Garage shall be built (such fee interest and air rights being hereinafter referred to as the "Site"); (b) the Corporation will ground lease the Site to PPG (the "Ground Lease") and PPG, the Corporation and/or the State will construct the Shopping Mall, the Garage, and certain appurtenances thereto, including without limitation the aerial pedestrian bridge connecting the Shopping Mall to the Convention Center Complex (the Shopping Mall and other improvements are collectively referred to as the "Project"); (c) PPG will retain title to the Project in its own name or that of a nominee; and (d) PPG will enter into a lease with

the State with respect to parking spaces for 500 high occupancy vehicles in the Garage (the "Parking Garage Lease"); the Corporation and PPG are currently finalizing the terms of such restructuring and if such negotiations are successful, they will enter into an agreement memorializing the same (the "1995 Agreement"); and the General Assembly has enacted legislation (the "Legislation") approving and authorizing certain aspects of the Project; and

WHEREAS, the City wishes to consent, in accordance with Rhode Island General Laws Section 42-64-9(a), to the condemnation by the Corporation of the "Condemned Property" (as hereinafter defined) to enable the construction, maintenance and operation of the Project and to agree upon just compensation therefor in accordance with Rhode Island General Laws Section 42-64-9(i); and

WHEREAS, the City also wishes (i) to grant certain easements and other rights to the Corporation and PPG with respect to certain property adjacent to or within the Site (the "Support Easements" and the "Construction Easements" as hereinafter defined); and (ii) to acknowledge that the Corporation intends to dedicate and/or transfer to the City certain property adjacent to the Site for public use as streets and sidewalks subject to final approval of the Director of the Department of Public Works and the City Council, as generally described herein (a "Public Way" or the "Public Ways"); and

WHEREAS, the City finds with respect to the consent to the condemnation of certain City property by the Corporation, the grant of the Support Easements and the Construction Easements, and the dedication and/or transfer to the City of certain property to be dedicated for public use:

- (a) The City finds that the actions set forth herein are in the public interest and will promote the economic well being of the City;
- (b) The City has the right to grant the Support Easements and Construction Easements and other rights granted herein in furtherance of the Project, and the grant thereof is in the public interest; and
- (c) The City acknowledges that the Corporation intends to dedicate certain lands for Public Ways, that the State, Corporation and/or PPG shall improve the same to the specifications of the Department of Public Works, and that the appropriate municipal bodies at that time shall review the same for acceptance as Public Ways; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROVIDENCE, RHODE ISLAND, AS FOLLOWS: Page _____

Section 1. That the findings set forth in the preceding WHEREAS Clauses are hereby made and confirmed.

Section 2. Consent to Condemnation. That the City hereby gives its consent, as required pursuant to Rhode Island General Laws Section 42-64-9(a), to the condemnation by the Corporation of the following: (i) the fee in Parcels 7, 8, 9, 11, 12 and 20 shown on the Survey; (ii) perpetual easements to air rights commencing twenty-six (26) feet above Providence City Datum over the portion of the Woonasquatucket River which runs through the Site, being Parcels 13, 14, 15 and 16 shown on the Survey; and (iii), subject to such prior approval as may be required by appropriate Federal and State agencies, perpetual easements to air rights commencing fourteen (14) feet three (3) inches or such higher height as may be required under Federal or State regulations above that portion of Park Street designated as Parcel 21 on the Survey, on, over or in which will be constructed portions of the Project as shown in the plans for the Project (the "CCC Plans") approved from time to time by the Capital Center Commission (the "CCC"); in addition, there may hereafter arise in the course of construction of the Project a need for the Corporation to acquire by condemnation additional insubstantial interests from the City in the Site as may be necessary or desirable for the construction of the Project in accordance with the CCC Plans, and the City's consent will be required at that time (the foregoing property interests are referred to hereinafter collectively as the "Condemned Property").

Section 3. Support Easements. That the City is hereby authorized to execute and deliver all documents necessary or desirable, as determined by the City, to grant and convey to the Corporation easements and rights (the "Support Easements") sufficient to permit the erection, construction, installation, repair, replacement and maintenance of tiebacks and footings under Hayes Street and Francis Street required for construction and maintenance of the Project provided that after the Project is completed the Support Easement area shall be limited to the area occupied by such tie backs and foundations; in addition, the City is authorized to execute and deliver all documents necessary or desirable, as determined by the City, to grant other similar easements under streets or other City-owned property adjacent to the Site as may be required for the construction and maintenance of the Project, together with full rights of ingress and egress on, in, across or under such land, provided that the

erection, construction, installation, repair, replacement and maintenance of all such support structures (the "Support Structures") shall be done in compliance with all applicable building codes and other regulations and, following completion thereof, the presence of such Support Structures shall not interfere in any substantial manner with the continued use of such parcels for the public purposes that existed prior to the presence of such Support Structures. Such Support Easements shall be for a term of thirty (30) years.

Section 4. Construction Easements. That the City is hereby further authorized to execute and deliver all documents necessary or desirable as determined by the City, to grant and convey to the State, the Corporation and/or PPG any and all easements of access, ingress and egress by foot and vehicle (a) under the air rights described in (ii) and (iii) of Section 2 above included within the Condemned Property and (b) in, under, across and over any other land owned by the City and adjacent to or within the Site (including without limitation the Public Ways, as hereinafter defined) for the purpose of construction, maintenance and repair of the Project (including without limitation installation and relocation of utilities and other similar appurtenances relating to the Project), the Public Ways and the other public improvements which the State, the Corporation and/or PPG has agreed to construct adjacent to or within the Project (the "Construction Easements"), provided that any construction, maintenance and repair shall be done in compliance with all applicable building codes and other regulations and in a manner which minimizes to the extent reasonably possible during the conduct of such activities any interference with the existing public use of the City land burdened by such Construction Easements, and provided, further that the City shall not erect any structures under or adjacent to the Site which would unreasonably interfere in any substantial manner with the maintenance thereof, notwithstanding any non-use or limited use of the Construction Easements. The Construction Easements shall be granted for a period of three years provided that such Construction Easements shall be renewable by PPG at no additional cost if construction has not been completed at the end of the three year period for which Construction Easements were granted upon approval by the City Council.

Section 5. Just Compensation for Consent. The payment by PPG to the City of the amount of Two Hundred Fifty Thousand (\$250,000) Dollars, which shall be paid no later than June 30, 1996, without recourse and shall not be held in escrow or in trust, and the construction by the State, the Corporation and/or PPG of other public improvements in or appurtenant to the Project, including

without limitation the extension of the so-called River Walk, the aerial pedestrian bridge to the Convention Center complex, the resurfacing and widening those portions of Hayes and Park Streets that abut the Site, the resurfacing of that portion of Kinsley Avenue that lies within said Parcel 20 and the construction of a railing along the Francis Street bridge, are hereby deemed to constitute just compensation to the City within the meaning of Rhode Island General Laws Section 42-64-9(i) for the taking of the Condemned Property and the grant of the Support Easements and the Construction Easements.

Section 6. Dedication. That the City acknowledges that the Corporation intends to dedicate and/or transfer to the City for use as a public way the following parcels of land (the "Public Ways") the exact dimensions of which shall be established in the CCC Plans: (i) a strip of land running between Park and Francis Streets along Hayes Street; (ii) a wedge-shaped parcel of land located at the corner of Francis Street and Memorial Boulevard adjacent to the Site of such size so that the property line of the Site at such corner after the dedication will satisfy the set back requirements of the City Zoning Ordinance and/or CCC regulations; (iii) a strip of land running along Francis Street from Hayes Street to Memorial Boulevard; (iv) strips of land running along Park Street from Hayes Street to Kinsley Avenue and (v) a strip of land within Parcel 20 shown on the Survey sufficient to connect Park Street and Kinsley Avenue, subject to a reservation by the Corporation of the air rights fourteen (14) feet or such greater height as may be required by Federal or State regulation above such strip. Exact legal descriptions of the Public Ways will be prepared by PPG and submitted to the City at the time PPG submits its final plans to the Building Inspector for a building permit. The improvements to such Public Ways will be made in accordance with all City codes and regulations and, upon completion, the appropriate municipal bodies shall review the same for acceptance as Public Ways. Any required relocation of utilities shall be done at the expense of PPG.

Section 7. Indemnification and Insurance. The City's adoption of this Ordinance and any actions taken in furtherance thereof shall be explicitly included within the indemnification provided in Section 7 of the Tax Treaty Agreement.

Section 8. Authorization to Execute. The Mayor of the City is hereby authorized and directed to execute, deliver and file with the Land Evidence Records of the City and any other City or State agency and/or any court or other authority all documents necessary or appropriate to give effect to the

consent and agreement hereby given with respect to the Condemned Property, the Support Easements, the Construction Easements, and the Public Ways.

Section 9. If this Ordinance or any part of this Ordinance conflicts or is inconsistent with any then existing Ordinance, the provisions of this Ordinance shall govern.

Section 10. This Ordinance shall take effect only upon the occurrence of the recording in the Land Evidence Records of an instrument executed by the Executive Director of the Corporation certifying the following events: (1) the passage by the Rhode Island General Assembly of the Legislation, and any other legislation necessary to carry out the terms of the 1995 Agreement; (2) the execution and delivery of the 1995 Agreement, the Ground Lease, the Parking Garage Lease, the Restoration Guaranty, the Public Investment and HOV Agreement and the other documents referred to therein by the parties thereto and their taking effect; and (3) the execution and delivery of the Ground Lease and the Parking Garage Lease and (4) all conditions of the Tax Stabilization Ordinance being met, including, but not limited to Sections 4, 5 and 6.

EXHIBIT TO ORDINANCE NO.

- Exhibit I - Description of Site
- Exhibit II - Condemned Parcels
- Exhibit III - Agreement Regarding Providence Place Mall

IN CITY COUNCIL
 DEC. 28, 1995
 FIRST READING
 READ AND PASSED

Michael R. Clement
 CLERK

IN CITY
 COUNCIL
 [JAN] 4 1996
 FINAL READING
 READ AND PASSED

Evelyn V. Fargnoli
 PRESIDENT
Jean M. Angelone
 CLERK

APPROVED
 JAN 10 1996
Luca Cianci
 MAYOR

EXHIBIT I

PROVIDENCE PLACE

That certain tract or parcel of land with all buildings and improvements thereon, situated on the southerly side of Hayes Street, westerly side of Francis Street, easterly side of Interstate Route 95, and the northerly side of the Civic Center Interchange, in the City of Providence, County of Providence, State of Rhode Island and delineated on that plan entitled "Plan of Land in Providence, Rhode Island, surveyed for Providence Place, surveyed and drawn by Marrier Surveying, Inc. Scale: 1"=40', May, 1990";

Beginning at the northwesterly corner of the herein described parcel said corner being sixty-three and 90/100 (63.90) feet westerly, on the extension of the southerly line of said Hayes Street, from the intersection of the southerly line of Hayes Street with the easterly line of Park Street;

thence S 85-20'-00" E, crossing said Park Street, a distance of sixty-three and 90/100 (63.90) feet to the intersection of the southerly line of said Hayes Street with the easterly line of Park Street;

thence S 85-20'-00" E along the southerly line of Hayes Street, a distance of four hundred fifty-eight and 71/100 (458.71) feet to a corner;

thence S 61-24'-44" E along the southwesterly line of said Francis Street, a distance of ninety-five and 52/100 (95.52) feet to a corner;

thence S 05-41'-29" W, a distance of one hundred five and 75/100 (105.75) feet to a point of curvature;

thence southerly bearing southeasterly along the arc of a curve having a radius of five hundred eight and 00/100 (508.00) feet, a distance of along said arc of forty-one and 86/100 (41.86) feet to a point of tangency;

thence S 00-58'-12" W, a distance of one hundred fifty-three and 25/100 (153.25) feet to a point of curvature;

thence southerly bearing southwesterly along the arc of a curve having a radius of four hundred ninety and 00/100 (490.00) feet, a distance along said arc of forty and 38/100 (40.38) feet to a point of tangency;

thence S 05-41'-29" W, a distance of four hundred ninety-one and 26/100 (491.26) feet to a point of curvature;

thence southerly bearing southeasterly along the arc of a curve having a radius of seven hundred fifty-five and 00/100 (755.00) feet, a distance along said arc of two hundred sixty-one and 37/100 (261.37) feet to a point of reverse curve, the last six (6) courses bounding easterly by said Francis Street;

thence southwesterly bearing westerly along the arc of a curve having a radius of thirty-six and 00/100 (36.00) feet, a distance along said arc of fifty-six and 50/100 (56.50) feet to a point of compound curve;

thence southwesterly bearing westerly along the arc of a curve having a radius of four hundred seventy-one and 00/100 (471.00) feet, a distance of two hundred seventy and 25/100 (270.25) feet to a point of compound curve;

thence westerly bearing northwesterly along the arc of a curve having a radius of four hundred seventy-one and 00/100 (471.00) feet, a distance along said arc of two hundred seventy-one and 35/100 (271.35) feet to a point of tangency;

thence N 38-20'-23" W, a distance of twelve and 18/100 (12.18) feet to a point of curvature;

thence northwesterly bearing northerly along the arc of a curve having a radius of four hundred seventy-one and 00/100 (471.00) feet, a distance along said arc of sixty-seven and 11/100 (67.11) feet to a point of curvature;

thence northerly bearing northeasterly along the arc of a curve having a radius of five hundred seventy-two and 00/100 (572.00) feet, a distance along said arc of three hundred fifty-seven and 65/100 (357.65) feet to a point of tangency, the last five (5) courses bounding on the Civic Center Interchange;

thence N 05-38'-56" E along the easterly line of said Interstate Route 95, a distance of three hundred fifty-two and 66/100 (352.66) feet to an angle;

thence N 07-31'-50" E, a distance of two hundred ninety-nine and 10/100 (299.10) feet to the point and place of beginning.

The above described parcel contains an area of seven hundred thousand two hundred fifty-nine (700,259) acres be the same more or less.

EXHIBIT II

PARCEL 7

Beginning at a point on the westerly line of said Francis Street, said point being the southeasterly corner of the herein described parcel and the northeasterly corner of Parcel 17;

thence S 55-19'-56" W bounded southerly by land now or formerly of The National Railroad Passenger Corp., a distance of thirty-four and 12/100 (34.12) feet to a corner;

thence N 05-41'-29" E, a distance of ninety and 42/100 (90.42) feet to an angle;

thence N 02-03'-56" E, a distance of two hundred fifty-three and 00/100 (253.00) feet to an angle;

thence N 05-41'-29" E, a distance of one hundred twenty-six and 33/100 (126.33) feet to a corner, the last three (3) courses bounding on said existing Francis Street;

thence S 61-24'-44" E, a distance of twenty-eight and 22/100 (28.22) feet to a corner;

thence S 05-41'-29" W, a distance of one hundred five and 75/100 (105.75) feet to a point of curvature;

thence southerly bearing southeasterly along the arc of a curve having a radius of five hundred eight and 00/100 (508.00) feet, a distance along said arc of forty-one and 86/100 (41.86) feet to a point of tangency;

thence S 00-58'-12" W, a distance of one hundred fifty-three and 25/100 (153.25) feet to a point of curvature;

thence southerly bearing southwesterly along the arc of a curve having a radius of four hundred ninety and 00/100 (490.00) feet, a distance along said arc of forty and 38/100 (40.38) feet to a point of tangency;

thence S 05-41'-29" W, a distance of ninety-five and 54/100 (95.54) feet to the point and place of beginning, the last six (6) courses along the westerly line of proposed Francis Street.

The above described Parcel 7 contains an area of twelve thousand fifty-nine (12,059) square feet of land.

PARCEL 8

Beginning at a point on the westerly line of said Francis Street, said point being the northeasterly corner of the herein described parcel;

thence S 05-41'-29" W along the westerly line of said Francis Street, a distance of eighteen and 62/100 (18.62) feet to a corner;

thence N 82-39'-36" W bounding southerly by Parcel 16, a distance of sixteen and 43/100 (16.43) feet to an angle;

thence N 76-09'-00" W bounding southerly by Parcel 15, a distance of nine and 88/100 (9.88) feet to a corner;

thence northeasterly bearing northerly along the arc of a curve having a radius of one thousand one hundred thirty-one and 68/100 (1,131.68) feet, bounding northeasterly by Parcel 17, a distance along said arc of thirty-one and 09/100 (31.09) feet to the point and place of beginning.

The above described Parcel 8 contains an area of two hundred fifty-one (251) square feet of land.

PARCEL 9

Beginning at a point on the westerly line of Francis Street, said point being the southeasterly corner of the herein described parcel and the northeasterly corner of Parcel 10;

thence N 82-37'-58" W, a distance of twenty and 01/100 (20.01) feet to a corner;

thence N 05-41'-29" E, a distance of thirty and 01/100 (30.01) feet to a corner, the last two (2) courses bounding on Parcel 10;

thence S 82-37'-58" E bounded northerly by Parcel 16, a distance of twenty and 01/100 (20.01) feet to a corner;

thence S 05-41'-29" W along the westerly line of said Francis Street, a distance of thirty and 01/100 (30.01) feet to the point and place of beginning.

The above described Parcel 9 contains an area of six hundred (600) square feet of land.

PARCEL 11

Beginning at a point on the southerly line of Kinsley Avenue, said point being the southwesterly corner of the herein described parcel and the intersection with the easterly extension line of said Park Street;

thence N 04-39'-59" E along the easterly extension line of said Park Street, a distance of eighty-three and 06/100 (83.06) feet to a corner;

thence S 69-44'-26" E along the existing northerly line of said Kinsley Avenue, a distance of two hundred thirty-two and 52/100 (232.52) feet to a corner;

thence southwesterly bearing westerly along the arc of a curve having a radius of one thousand thirty-six and 20/100 (1,036.20) feet, a distance along said arc of ninety-four and 47/100 (94.47) feet to a point of tangency;

thence S 81-25'-53" W, a distance of fifty-eight and 49/100 (58.49) feet to a corner, the last two (2) courses bounding southerly on land now or formerly of the National Railroad Passenger Corp. (Parcel 18);

thence N 69-44'-26" W along the existing southerly line of said Kinsley Avenue, a distance of seventy-nine and 98/100 (79.98) feet to the point and place of beginning.

The above described Parcel 11 contains an area of twelve thousand seven hundred eighty-one (12,781) square feet of land.

PARCEL 12

Beginning at the northwesterly corner of the herein described parcel and the southwesterly corner of Parcel 1, said point being the intersection with the easterly line of said Park Street and the northerly line of Promenade Street;

thence S 69-43'-43" E bounded northerly by Parcel 1, a distance of one hundred $79/100$ (100.79) feet to a corner;

thence S 20-16'-17" W bounded easterly by Parcel 3, a distance of fifty and $00/100$ (50.00) feet to a corner;

thence N 69-43'-43" W bounded southerly by Parcel 14, a distance of eighty-six and $82/100$ (86.82) feet to a corner;

thence N 04-39'-59" E along the easterly extension line of said Park Street, a distance of fifty-one and $91/100$ (51.90) feet to the point and place of beginning.

The above described Parcel 12 contains an area of four thousand six hundred ninety (4,690) square feet of land.

PARCEL 13

Beginning at the southeasterly corner of the herein described parcel, said corner being the intersection of the northerly line of Kinsley Avenue with the easterly extension line of Park Street;

thence N 69-44'-26" W along the northerly line of Kinsley Avenue, a distance of eighty-seven and 41/100 (87.41) feet to a corner;

thence N 05-38'-56" E, a distance of seventy-eight and 68/100 (78.68) feet to a corner;

thence S 69-43'-43" E along the southerly line of Promenade Street, a distance of eighty-six and 01/100 (86.01) feet to a corner;

thence S 04-39'-59" W along the easterly extension line of Park Street, a distance of seventy-nine and 03/100 (79.03) feet to the point and place of beginning.

The above described Parcel 13 contains an area of six thousand six hundred one (6,601) square feet of land.

PARCEL 14

Beginning at the southwesterly corner of the herein described parcel, said corner being the intersection of the northerly line of Kinsley Avenue with the easterly extension line of Park Street;

thence N 04-39'-59" E along the easterly extension line of said Park Street, a distance of seventy-nine and 03/100 (79.03) feet to a corner;

thence S 69-43'-43" E bounding northerly in part by Parcel 12 and in part by Parcel 3, a distance of two hundred ninety-four and 82/100 (294.82) feet to an angle;

thence N 89-57'-28" E, a distance of thirty-nine and 04/100 (39.04) feet to an angle;

thence S 76-06'-56" E, a distance of thirty-four and 24/100 (34.24) feet to a corner, the last two (2) courses bounding on Parcel 3;

thence southwesterly bearing westerly along the arc of a curve having a radius of one thousand thirty-six and 20/100 (1,036.20) feet bounding southeasterly by Parcel 15, a distance along said arc of one hundred forty-five and 73/100 (145.73) feet to a corner;

thence N 69-44'-26" W bounded southerly by Parcel 11, a distance of two hundred thirty-two and 52/100 (232.52) feet to the point and place of beginning.

The above described Parcel 14 contains an area of twenty-two thousand eight hundred two (22,802) square feet of land.

PARCEL 15

Beginning at the northeasterly corner of the herein described parcel and the northwesterly corner of Parcel 16;

thence southwesterly bearing westerly bounded southeasterly by Parcel 16 along the arc of a curve having a radius of one thousand one hundred thirty-eight and 05/100 (1,138.05) feet, a distance along said arc of one hundred sixty-eight and 12/100 (168.12) feet to a corner;

thence N 69-44'-26" W bounded southerly by Parcel 18, a distance of one hundred sixty-six and 80/100 (166.80) feet to a corner;

thence northeasterly bearing northerly bounded northwesterly by Parcel 14 along the arc of a curve having a radius of one thousand thirty-six and 20/100 (1,036.20) feet, a distance along said arc of one hundred forty-five and 73/100 (145.73) feet to a corner;

thence S 76-09'-00" E bounded northerly in part by Parcel 17 and in part by Parcel 8, a distance of one hundred eighty and 04/100 (180.04) feet to the point and place of beginning.

The above described Parcel 15 contains an area of sixteen thousand seven hundred ninety-eight (16,798) square feet of land.

PARCEL 16

Beginning at a point on the westerly line of Francis Street, said point being the northeasterly corner of the herein described parcel;

thence S 05-41'-29" W along the westerly line of said Francis Street, a distance of ninety-nine and 78/100 (99.78) feet to a corner;

thence N 82-37'-58" W bounding southerly in part by Parcel 9 and in part by Parcel 10, a distance of ninety-two and 36/100 (92.36) feet to an angle;

thence N 60-44'-26" W bounded southerly by Parcel 10, a distance of seventy-four and 90/100 (74.90) feet to a corner;

thence northeasterly bearing northerly along the arc of a curve having a radius of one thousand one hundred thirty-eight and 05/100 (1,138.05) feet, a distance along said arc of one hundred sixty-eight and 12/100 (168.12) feet to a corner, the last described course bounding northeasterly on Parcel 15;

thence S 82-39'-36" E bounded northerly by Parcel 8, a distance of sixteen and 43/100 (16.43) feet to the point and place of beginning.

The above described Parcel 16 contains an area of nine thousand three hundred twenty-seven (9,327) square feet of land.

PARCEL 20

Beginning at a point of the southerly line of said Kinsley Avenue, said point being the southwesterly corner of the herein described parcel;

thence northerly bearing northeasterly along the arc of a curve having a radius of five hundred seventy-two and 00/100 (572.00) feet, a distance along said arc of forty-two and 10/100 (42.10) feet to a point of tangency;

thence N 05-38'-56" E, a distance of forty-one and 01/100 (41.01) feet to a corner;

thence S 69-44'-26" E along the northerly line of said Kinsley Avenue, a distance of eighty-seven and 41/100 (87.41) feet to a corner;

thence S 04-39'-59" W along the easterly extension line of Park Street, a distance of eighty-three and 06/100 (83.06) feet to a corner;

thence N 69-44'-26" W along the southerly line of said Kinsley Avenue, a distance of eighty-seven and 28/100 (87.28) feet to the point and place of beginning.

The above described Parcel 20 contains an area of seven thousand thirty (7,030) square feet of land.

PARCEL 21

Beginning at the northeasterly corner of the herein described parcel, said corner being the intersection of the southerly line of Hayes Street with the easterly line of Park Street;

thence S 04-39'-59" W along the easterly line of said Park Street, a distance of five hundred fifty-four and 80/100 (554.80) feet to a corner;

thence N 69-43'-43" W along the southerly line of Promenade Street, a distance of eighty-six and 01/100 (86.01) feet to a corner;

thence N 05-38'-56" E, a distance of fifty-one and 67/100 (51.67) feet to a corner;

thence S 69-43'-43" E along the northerly line of said Promenade Street, a distance of thirty-six and 29/100 (36.29) feet to a corner;

thence N 04-39'-59" E along the westerly line of said Park Street, a distance of four hundred eighty-nine and 76/100 (489.76) feet to a corner;

thence S 85-20'-00" E, a distance of forty-seven and 00/100 (47.00) feet to the point and place of beginning.

The above described Parcel 21 contains an area of twenty-seven thousand six hundred five (27,605) square feet of land.

Draft dated: 12/21/95
compared to 12/8/95

AGREEMENT REGARDING PROVIDENCE PLACE MALL
BY AND BETWEEN
RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
and
PROVIDENCE PLACE GROUP LIMITED PARTNERSHIP

_____, 1995

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"Final Completion" shall mean (i) completion of the Project substantially in accordance with the Plans as certified to the Corporation by the Architect; and (ii) completion and commencement of operations at the Garage; and (iii) completion of all Mall common areas with all necessary certificates of occupancy permitting use thereof having been issued without condition or restriction.

"Financing Documents" shall mean the Mortgages and all promissory notes, collateral assignments and other instruments evidencing or securing the loans made to PPG or its Affiliates in connection with the Project.

"Garage" has the meaning provided in Exhibit J hereof.

"Garage Manager" shall mean PPG Development of Rhode Island, Inc., or its designee or any successor, serving at the manager of the Garage at the direction of PPG pursuant to Section 5.1 hereof.

"Governmental Approvals" has the meaning provided in Section 6.1 hereof.

"Governmental Authority(ies)" means the United States, the State, the City and any political subdivision of any thereof, and any agency, department, commission, board, court or instrumentality of any thereof.

"Ground Lease" means that certain ground lease executed by and between the Corporation and PPG substantially in the form of Exhibit B hereto.

"Hazardous Substance" means any hazardous or toxic material or substance which is defined or identified as such in any Federal, State or local laws, rules or regulations, including asbestos and any petroleum products.

~~"HOV Rate Standard" is as defined in Section 5.2.~~

"HOV Spaces" has the meaning provided in Section 5.2.

"Institutional Lender" means a savings bank, a savings and loan association, a commercial bank, trust company or investment bank (whether acting individually or in a fiduciary capacity), an insurance company, a religious, educational or eleemosynary institution, an employee's, welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, a credit union, trust or endowment fund or any combination of Institutional Lenders and any other Person approved by the Corporation, such approval not to be unreasonably withheld, provided, however, that until Final Completion, the Lead Institutional Lender for the construction financing for the Project shall be a major banking institution having a combined net worth of capital and surplus of not less than \$250,000,000.00 and whose policies and procedures are subject to the supervision of the Comptroller of the Currency, the Federal Reserve Board, or any state banking

Transportation approval of one or more physical alteration permits altering the federal highway line affecting Parcels 5 and 6, as more fully described in Section 3.1 hereof.

"Public Investment and IOV Agreement" means that certain agreement between PPG and the Corporation setting forth, among other things, the public benefits anticipated to be realized by the Project substantially in the form attached hereto as Exhibit I and as more particularly described in Section 5.7.

"Remaining Coverage" is as defined in Section 3.5.

"Remediation Budget" is as defined in Section 3.2(a).

"Requirements" means any and all laws, rules, regulations, orders, ordinances, statutes, codes, executive orders and requirements of all Governmental Authorities applicable to the Project Site and the Project.

"Restoration Guaranty" has the meaning provided in Section 4.5 hereof and shall be substantially in the form of Exhibit G hereof.

"Scheduled Completion Date" has the meaning provided in Section 4.3 hereof.

~~"SIP" means the State Implementation Plan for air quality.~~

"State" means the State of Rhode Island and Providence Plantations.

"State Parcels" means Parcels 1, 2, 3, 4, 5, and 6 on the Survey.

"Substantial Completion" or "Substantially Complete", with respect to each component of the Project, means the completion of the stage in the progress of construction when the Architect certifies to the Corporation that (i) such component is sufficiently completed in accordance with the Plans that such component can be used for the purpose for which it was intended, and (ii) all necessary certificates of occupancy permitting the use without restriction of the Mall common areas and the Garage have been issued and such areas and the Garage can be put into operation and open to the public, and (iii) the performance of any remaining work with regard to such component will not materially interfere with the proposed use of such component and can be accomplished in no more than sixty (60) consecutive days, and for which PPG is diligently proceeding to complete such remaining work within such period. Notwithstanding anything in the foregoing to the contrary, "Substantial Completion" shall not occur until all life safety systems are operational as designed, all designated or required governmental inspections and certifications have been made and posted, and personnel have been instructed in the operation and maintenance of such component's systems.

"Survey" means that survey entitled "Plan of Land in Providence, R.I. - surveyed for Providence Place surveyed and drawn by Marrier Surveying, Inc. Scale 1" = 40'" dated May 1990, revised May, 1995.

~~"TIP" means the State's Transportation Improvement Plan.~~

"Title Company" means Commonwealth Land Title Insurance Company, acting by and through its Providence, Rhode Island, branch office, or such other title insurance company as may be acceptable to the Lead Institutional Lender.

"Unavoidable Delays" (i) As to PPG, means delays incurred by PPG or any Affiliate of PPG due to strikes, lockouts, work stoppages, labor jurisdictional disputes, acts of God, inability to obtain labor or materials from reasonable sources, governmental preemptions or restrictions, enemy action, riot or other civil commotion, fire, casualty or other causes (whether similar or dissimilar) beyond the reasonable control of PPG or an Affiliate of PPG; provided, however, that in no event will financial difficulty on the part of PPG or any Affiliate of PPG be deemed an excuse for nonperformance or grounds for an Unavoidable Delay. "Unavoidable Delays" as to PPG shall also include, without limitation, an Event of Default by the Corporation in the performance of its obligations under this Agreement or any other Project Documents and the unlawful failure of the Corporation, the City or the State to grant, or any unlawful delay in granting, any permit, consent or approval reasonably determined to be essential to the efficient progress and timely completion of the Project, except that PPG shall not be entitled to an extension of time to perform nor shall such performance be otherwise excused on account of an alleged delay, unless such delay (aa) directly and actually causes a material delay in the construction of a component of the Project as reasonably determined on a case-by-case basis (giving consideration to the matter alleged to be delayed and the Construction Schedule) and (bb) cannot reasonably be remedied without material increase in the cost of the Project by the exercise by PPG or an Affiliate of PPG of its or their respective professional skill and expertise by accelerating or rescheduling the performance of other work, or by employing other reasonable and customary means which could be taken commensurate with the impact of the delay to alleviate or mitigate the delay. The presence of, or the performance of the work to remediate, Hazardous Substances existing on the Project Site, or any portion thereof, shall not constitute grounds for a claim of an Unavoidable Delay unless such Hazardous Substances constitute Unforeseen Conditions; except, that to the extent the commencement or performance of remediation work as to such Hazardous Substances is delayed by the need to obtain approval of Governmental Authorities or by requirements imposed by Governmental Authorities as part of the compliance procedures, delays so incurred shall be an Unavoidable Delay, provided PPG diligently seeks such approval and thereafter performs such work in conformity with such process.

(ii) As to the Corporation, "Unavoidable Delay" means a delay or prohibition outside the reasonable control of the Corporation.

occurrence of a Material Event of Default hereunder or under the Ground Lease and termination of PPG's interests in the Project, such Persons shall, at the election of the Corporation, given by written notice within six (6) months after such termination, demolish any and all improvements theretofore constructed on the Project Site and restore the Project Site to a safe and buildable condition, which restoration guaranty shall be substantially in the form attached hereto as Exhibit G (the "Restoration Guaranty"), subject to the Corporation's right to require a partial restoration as further provided in Section 7.2(b).

ARTICLE V

PARKING GARAGE; PUBLIC INVESTMENT AND HOV AGREEMENT

Section 5.1. Garage Operation; Standards. During its period of ownership of the Garage, PPG will be responsible for the operation, management, repair and maintenance of the Garage pursuant to the Parking Garage Lease executed by and between PPG and the Corporation. PPG shall operate, manage, maintain and repair the Garage in a manner comparable to other first class, enclosed, multi-level shopping mall garages in New England operated on a self-parking basis (the "Garage Maintenance Standard"). PPG shall prepare an annual operating plan and budget conforming to such Standard, copies of which shall be provided to the Corporation promptly after its preparation, ~~and shall maintain separate accounting for all expenses and revenues for the Garage, a statement of which shall be submitted to the Corporation on a quarterly basis. The Garage budget, PPG covenants and agrees that the Garage will be operated such that all revenues generated by the Garage will be used solely to repair and maintain the Garage in accordance with the Garage Maintenance Standard, to pay financing costs of the Garage, as limited in the following sentence, to provide security to all users and to provide for improvements to the Garage. During the twenty year period in which payments are made pursuant to the Public Investment and HOV Agreement, PPG shall adjust the parking rates in the Garage (both HOV and Non-HOV rates), if necessary, such that the Garage's annual operating revenues do not exceed the Garage's annual operating expenses, which shall not include debt service other than (a) in the amount necessary to amortize Garage construction costs in excess of the portion of such costs financed by the Corporation through the EDC Payments and by the City through the payments in lieu of taxes provided to PPG's lender(s) pursuant to the Tax Treaty Agreement among the City, the Corporation and PPG, in each case over a term not more than thirty (30) years and at conventional interest rates for similar real estate development projects, and (b) in the amount necessary to finance Garage operating, repair and maintenance expenses in a manner consistent with the amortization of similar expenses in similar garages in the New England area attributable to the Garage except to the extent of \$5,700,000 per year (the "Non-Profit Garage Standard"). During this period, PPG shall maintain separate accounting for all revenues and expenses of the Garage, including all debt service attributable to the Garage, a statement of which shall be submitted to the Corporation on an annual basis.~~ PPG may delegate to the Garage Manager certain duties regarding operation and management of the Garage, but PPG shall retain all responsibility and liability to the Corporation therefor.

Section 5.2. HOV Parking Spaces; Rates. Five Hundred (500) spaces in the Garage shall be made available for daily High Occupancy Vehicle ("HOV") parkers ("HOV Spaces") during the months of February through October, inclusive, on terms and conditions more specifically provided for in the Parking Garage Lease. Among other things, the Parking Garage Lease shall provide that the HOV Spaces shall conform to the Garage Maintenance Standard and shall be accessible, be located and be of a quality of construction and finish such that the foregoing attributes and characteristics shall not undermine in any respect the incentive of parkers in the Garage to use the HOV Spaces. Subject to the provisions of Section 5.3 below and subject to the Non-HOV Rate Restrictions, the daily HOV Rates for vehicles with two passengers shall be one quarter (1/4) of the Area Market Parking Rate for daily parkers, with further discounts in proportion to the number of passengers riding in HOVs (the "HOV Rates"). To ensure that the HOV Rates are continually maintained in the same ratio to the Area Market Parking Rate, PPG (or the Garage Operator) shall obtain from a qualified, independent professional firm, an annual survey of rates charged by other applicable garages and such firm's opinion of the Area Market Parking Rate and that the Area Market Parking Rates are not exceeded as set forth below. The Garage Manager (as the agent of PPG) will be responsible for establishing and implementing parking rates for non-HOV parking spaces ("Non-HOV Spaces"), which may be any rates permitted by applicable law and regulations and (a) may include discounted or free parking for shoppers in the Mall, provided that the discounts available to parkers (other than those using the three (3) hours of parking for One Dollar (\$1.00) currently planned by PPG for shoppers) shall not undermine in any respect the incentive of parkers in the Garage to use the HOV Spaces and (b) shall not exceed the Area Market Parking Rates applicable to any category of parking, including, without limitation, monthly, daily, evening or "event" parking (this proviso is called the "Non-HOV Rate Restrictions"). Unless and until the Garage Purchase Options are exercised (defined in Section 5.5 hereof), in the event that parking revenues from both HOV and Non-HOV spaces are insufficient to fully fund the annual operating budget of the Garage, PPG shall fund any such operating deficit; provided, however, that if PPG transfers its interest in the Garage after the Assignment Prohibition Period, such obligation shall be deemed assumed by the transferee with respect to future deficits.

Section 5.3 Adjustment of HOV Parking Rates. ~~The parties recognize and agree that an important underlying purpose of the Corporation's entering into the Parking Garage Lease is to contribute to achieving certain State air quality goals in compliance with the Clean Air Act Amendments of 1990, the SIP, the TIP, and the "Conformity Analysis" related thereto (collectively the "Applicable Environmental Requirements"), and that to maintain such compliance, rates for HOV Spaces must be maintained at levels which create~~ If in the future the State wishes to enhance the economic incentive for use of HOVs, the State and the Corporation shall have the option to require the modification of the HOV Rates to create such effective economic incentives for use of HOVs (the "HOV Rate Standard"). Notwithstanding the provisions of Section 5.2 establishing the HOV Rates, if in the future the maintenance of the HOV Rates as defined above fails to provide an effective economic incentive for the use of HOVs and thereby causes the State not to be in conformity with the Applicable Environmental Requirements, and the State wishes to enhance the economic incentive for use

~~of HOVs, then the parties agree to negotiate in good faith to seek a mutually acceptable solution to achieve such conformance. If they are unable to agree, the State and the Corporation shall have the option to require the modification of the HOV Rates to create such effective economic incentives for the use of HOVs and conformance with the Applicable Environmental Requirements; provided, however, that any such required modification which reduces HOV Rates to below one-quarter (1/4) of the Area Market Parking Rates shall include annual payments by the State to the operator of the Garage sufficient to replace fully the difference in revenue attributable to such reduction (adjusted to reflect the time value of money). It is further understood that neither the State nor the Corporation shall require any modification of HOV Rates or related conditions which would: (i) increase the hours of exclusive availability of the HOV Spaces for HOV parkers entering the Garage beyond 6:00 p.m., (ii) increase the operating cost of the Garage beyond the initial obligations of PPG under the Parking Garage Lease without a proportionate increase in revenue or reduction in expense, or (iii) materially interfere with the operation of the Non-HOV Spaces or the Garage generally, all as more specifically set forth in the Parking Garage Lease.~~

Section 5.4. Other Terms of Parking Garage Lease. The Corporation and PPG shall enter into the Parking Garage Lease pursuant to which the Corporation will lease the HOV Spaces for a term to expire on the earlier of the transfer of title to the Garage pursuant to the State's exercise of the Garage Purchase Option, or the expiration date of the Ground Lease, as such date may be extended from time to time by exercise of the extension of terms under the Ground Lease. An annual lease payment of One Dollar (\$1.00) shall be payable during each year of the Parking Garage Lease, subject to annual appropriation by the General Assembly. The entire rental due under the Parking Garage Lease may, at the option of the Corporation, be prepaid at any time during the term of the Parking Garage Lease. The Parking Garage Lease shall incorporate the obligations of PPG to construct and maintain the Intermodal Transportation Facilities within the Garage for use by the mini-bus shuttle system to be owned and operated by the Rhode Island Public Transit Corporation ("RIPTA") to distribute HOV parkers using the Garage and others from the central mini-bus terminal to be located in the Garage throughout the central business area of downtown Providence. Funding for this service, if it is implemented, shall be provided by parties other than PPG through a Transportation Management Association ("TMA") in which PPG intends to play a lead role and intended to be formed and staffed through the ridesharing and carpooling programs of RIDOT. The Parking Garage Lease further shall provide that the Corporation may terminate the Parking Garage Lease at any time during the term of the Parking Garage Lease upon payment to PPG of any accrued owing and unpaid rent due under the Parking Garage Lease, but otherwise without recourse by PPG.

Section 5.5. Garage Purchase Option. The ~~Parking Garage~~ Ground Lease shall contain a provision permitting the State or the Corporation to purchase from PPG a one-half (1/2) ~~interest in PPG's interest in the Garage for \$1.00, exercisable by written notice given at any time during the last year of the initial ninety-nine (99) year term of the Ground Lease (the "Garage Purchase Option").~~ The City shall have the benefit of a similar Garage Purchase Option subject to and containing substantially the same conditions applicable to the

Corporation. The Garage Purchase Option must be exercised jointly by the City and the State, or not at all, and in any event may not be exercised until the State or the Corporation and the City have (i) agreed to and recorded the easements referred to in Section 2.4 of the Ground Lease, (ii) executed a management contract with PPG or its designee, which shall be reasonably mutually acceptable to the State or the Corporation, PPG, and the City, providing for PPG's continued management of the Garage ~~on a not-for-profit basis~~, in accordance with the Non-Profit Garage Standard (defined in Section 5.1 above) and (iii) executed a joint ownership agreement, providing for, among other things, appropriate mechanisms for resolution of any deadlock between the parties so that the operation of the Garage is not materially disrupted. The Ground Lease shall require that upon transfer of title pursuant to exercise of the Garage Purchase Option, ~~the State or the Corporation~~ PPG shall continue to have the right to use the ~~HOV Spaces~~ parking spaces in the Garage on substantially the same basis as in effect prior to the transfer and PPG shall be obligated to pay for any and all deficits in the operation, maintenance and repair of the Garage for the duration of such use; provided, however, that if the State or the Corporation determines that the HOV Spaces are still required for public purposes, then PPG's right to use the spaces in the Garage shall be subject to the State's or the Corporation's use of the HOV Spaces during such time and for so long as the right to the HOV Spaces is so required by the State or the Corporation. The use of the HOV Spaces shall be on substantially the same basis as in effect under the Parking Garage Lease prior to the transfer. The Ground Lease shall also require that as of the date title is transferred pursuant to the Garage Purchase Option, (i) all real estate taxes or payments in lieu thereof (if any) for the Garage then due and payable shall have been paid in full, and (ii) the condition of the Garage, including, without limitation, capital maintenance and repair, shall be in conformity with the Garage Maintenance Standard. The Ground Lease shall also require that all Financing Documents relating to the Project shall provide that upon exercise by the Corporation of its Garage Purchase Option each Mortgagee unconditionally shall release from the lien of its Mortgage any interest in the Garage acquired by the State or the Corporation and the City pursuant to their respective exercise of their Garage Purchase Options.

Section 5.6. EDC Payments Under Public Investment and HOV Agreement.

(a) EDC Payment Period. The Public Investment and HOV Agreement shall provide that during the twenty (20) year period commencing on the date which is the first day of the month following satisfaction of the preconditions set forth in Section 5.6(b) (the "EDC Payment Period"), and subject to such conditions and to annual appropriation by the General Assembly, the Corporation shall make the EDC Payments to PPG calculated and paid as set forth below.

(b) Preconditions to EDC Payments. The obligation of the Corporation to commence making the EDC Payments to PPG pursuant to the Public Investment and HOV Agreement shall be subject to the preconditions that (1) PPG shall have completed the Project in accordance with the Plans and the Scheduled Completion Dates, (2) the Mall and the Garage shall be open to the public for business, (3) the HOV Spaces shall be available for HOV

parkers in accordance with the Parking Garage Lease, and (4) no Material Event of Default under this Agreement or the Ground Lease shall have occurred and be continuing.

(c) Special Capital Reserve Fund. The State shall make installments of the EDC Payments into a special capital reserve fund established by the Corporation pursuant to Section 42-64-18 of the General Laws of Rhode Island in connection with its obligations under the Public Investment and HOV Agreement and economic development note issued thereunder (the "EDC Note"). The obligations of the Corporation under the Public Investment and HOV Agreement and related economic development note the EDC Note shall be a special and limited general obligation of the Corporation secured solely by such capital reserve fund and by the full faith and credit of the Corporation; provided, however, that such obligations shall automatically become a special and limited obligation, and not a general obligation, of the Corporation, secured solely by such capital reserve fund, and not by the full faith and credit of the Corporation, upon the earlier to occur of (a) any refinancing of the Project by PPG or its assigns, or (b) the availability of public debt insurance or any other credit enhancement for the EDC Note at prevailing market rates. In furtherance of the foregoing, PPG agrees to use its best efforts to obtain public debt insurance or such other credit enhancement for the EDC Note promptly after Substantial Completion, and agrees to use its best efforts to assist any efforts by the Corporation to obtain such public debt insurance or other credit enhancement, including, without limitation, providing all information regarding the Project that may be requested by any prospective public debt insurer or other prospective provider of such credit enhancement. PPG and its assigns shall pay any and all premiums and fees, at prevailing market rates, associated with obtaining such public debt insurance or other credit enhancement for the EDC Note.

(d) The Annual Amount of EDC Payments. The annual amount of the EDC Payments due during the initial five (5) year period of the EDC Payment Period shall be equal to the lesser of (i) Three Million Six Hundred Eighty Thousand Dollars (\$3,680,000) per year or (ii) two-thirds (2/3) of the actual amount of sales tax paid to the State from retail sales transactions occurring at or within the Mall during each year, reduced by any payments required to be made to the Rhode Island Depositors Economic Protection Corporation Special Revenue Fund ("DEPCO") pursuant to Section 44-19-40 of the General Laws, as it may be amended, (the "DEPCO Law") which currently requires that six tenths of one percent (0.6 %) of all sales tax revenues received by the State be devoted to payments to DEPCO. The annual amount of EDC Payments due during years six (6) through twenty (20) of the EDC Payment Period shall be equal to the lesser of (i) Three Million Five Hundred Sixty Thousand Dollars (\$3,560,000) or (ii) two thirds (2/3) of the actual amount of sales tax paid to the State from retail sales transactions occurring at or within the Mall during the year, reduced by payments required to be made to DEPCO pursuant to the DEPCO Law. In the event the annual EDC Payment due in one or more years is less than the maximum applicable amount set forth above, and if the actual sales tax revenues derived from the Mall in any subsequent year, as so adjusted for the required DEPCO payments pursuant to the DEPCO Law, exceeds the maximum EDC Payment amount specified for the applicable years set forth above, then the annual EDC Payment due for each such subsequent year shall be equal to

disrupted HOV Spaces in other parking garages in Downtown Providence at rates which ~~maintain the HOV Rate Standard~~ are no greater than one quarter (1/4) of the rates otherwise applicable in such garages.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default by PPG.

(a) The occurrence of any of the following shall constitute a "Material Event of Default" by PPG under this Agreement:

- (i) Subject to Unavoidable Delays, the failure of PPG to commence construction of the Project on or before June 1, 1996;
- (ii) Subject to Unavoidable Delays, construction of the Project is not being carried on with reasonable dispatch in a good and workerlike manner, and such condition is not cured within sixty (60) days following written notice from the Corporation to PPG specifying the basis for the Corporation's claim and indicating suggestions, if any, which the Corporation may then have for such condition to be cured;
- (iii) Construction of the Project shall, at any time, be substantially and materially interrupted, discontinued, suspended or stopped without consent of the Corporation for reasons other than an Unavoidable Delay, which construction is not resumed within sixty (60) days following written notice to PPG of such circumstance; provided, however, that if such circumstance shall occur more than once in any twelve (12) month period, no further notice of default shall be required to be given.
- (iv) Subject to Unavoidable Delays, the failure of PPG to achieve Substantial Completion on or before April 1, 1999, or Final Completion on or before June 1, 1999; provided, however, that the date for Final Completion may not be extended for any reason, including on account of Unavoidable Delays, beyond June 1, 2000, with the sole exceptions being that if Final Completion is delayed beyond June 1, 2000, either (aa) as a result of fire or other casualty for which PPG has recovered proceeds of insurance or has furnished evidence reasonably satisfactory to the Corporation that it has readily available funds adequate to effect full restoration and completion of the Project and PPG is undertaking and continues diligently to complete the Project so as to achieve Final Completion as soon as reasonably practicable under the circumstances, or (bb) as a result of an unreasonable action or refusal to act by a Governmental Authority which has the

Draft dated: 12/21/95

AGREEMENT REGARDING PROVIDENCE PLACE MALL
BY AND BETWEEN
RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
and
PROVIDENCE PLACE GROUP LIMITED PARTNERSHIP

_____, 1995

AGREEMENT REGARDING PROVIDENCE PLACE MALL
BY AND BETWEEN
RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION
and
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- EXHIBIT I Public Investment and HOV Agreement

AGREEMENT REGARDING PROVIDENCE PLACE MALL

This AGREEMENT (this "Agreement") dated as of the ____ day of _____, 1995 by and between the RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION, a body corporate and politic and a public instrumentality created and existing under the laws of the State of Rhode Island (the "Corporation"), and PROVIDENCE PLACE GROUP LIMITED PARTNERSHIP, a limited partnership organized under the laws of the State of New York ("PPG").

W I T N E S S E T H:

WHEREAS, the parties and others previously entered into an Amended and Restated Development Agreement dated August 22, 1994, as further amended in November, 1994, December 23, 1994, April 24, 1995, July 31, 1995 and September 21, 1995, with respect to the Providence Place Mall (the "Development Agreement"); and

WHEREAS, the parties agree that the Corporation is involved in the Project (as hereinafter defined) and is to be a party to this Agreement to further certain important public purposes, including promotion of economic development and employment opportunities within the State, revitalization of a central part of the State's capital city and contributing to the State's Transportation Improvement Plan and compliance with the Clean Air Act by the inclusion in the Garage (as hereinafter defined) of 500 high occupancy vehicle ("HOV") parking spaces and certain intermodal transportation facilities, all as further described and pursuant to the Parking Garage Lease (as hereinafter defined), to be executed in connection herewith; and

WHEREAS, the parties hereto desire to amend and restate in their entirety the agreements contained in the Development Agreement by entering into this Agreement for the purposes of setting forth certain understandings and agreements, hereinafter more particularly set forth, with respect to the Project (as such term is hereinafter defined).

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation and PPG hereby agree as follows:

ARTICLE I

DEFINITIONS

As used herein, the following terms shall have the following meanings:

"Affiliate" or "Affiliates" means (a) in the case of any Person, a Person which, directly or indirectly, controls, is controlled by or is under common control with such Person, and (b) any individual who is a member of the immediate family (whether by birth or marriage) of an individual who is an Affiliate, which includes for purposes of this definition a spouse; a brother or sister of the whole or half blood of such individual or his spouse; a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of any of the foregoing. For purposes of the foregoing definition, "control" (including "controlled by" and "under common control with") shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management policies of the entity in question, whether through the ownership of voting securities, partnership interests, or by contract or otherwise.

"Agreement" means this Agreement and all exhibits hereto and all amendments, modifications and supplements hereof.

"Amtrak Agreement" has the meaning set forth in Section 3.1.

"Amtrak Agreement Indemnity" means the indemnification and hold harmless agreement from PPG its general partner and the general partners of its general partner to the Corporation dated on or before the date hereof, and in the form attached hereto as Exhibit H.

"Amtrak Parcel" means the portion of the Project Site consisting of Parcels 10 and 10A, air rights easements over Parcels 15, 17, 18 and 19, and easements for walls, columns, piers, foundations and footings in those portions of Parcel 17 shown as Parcel 17A and Parcel 17B on the Survey and such additional locations as may be approved by Amtrak and shown on a revision to the Survey, together with rights of support from Parcels 15, 17, 18 and 19, including without limitation the right to place tiebacks thereunder, more particularly described in Exhibit A hereto.

"Anchor Store" means a portion of the Mall leased to an Anchor Tenant.

"Anchor Tenant" means a nationally recognized department store chain agreeing to occupy at least 100,000 square feet of space in the Mall, either under a direct space lease from PPG or under a ground sublease of portions of the Mall on which the Anchor Tenant shall construct and own its store. All Anchor Tenants occupying space in the Mall upon Substantial Completion shall be reasonably acceptable to the Corporation. At the date hereof, PPG anticipates the initial Anchor Tenants to be Filene's, Lord & Taylor and Nordstrom, which Anchor Tenants are acceptable to the Corporation.

"Applicable Environmental Requirements" is as further defined in Section 5.2.

"Architect" means a reviewing architect or engineer licensed in the State of Rhode Island and engaged by PPG as the architect or engineer of record with, among other things,

responsibility for certifying to the Lead Institutional Lender upon Final Completion that the Project has been completed substantially in accordance with the Plans.

"Area Market Parking Rates" means the average rates being charged from time to time by enclosed, structured commercial parking garages in Downtown Providence for monthly, daily, evening or "event" parking.

"Corporation" means the Rhode Island Economic Development Corporation, a public instrumentality of the State.

"Corporation's Excess Remediation Report" shall have the meaning as set forth in Section 3.2(c).

"City" means the City of Providence, Rhode Island.

"City Parcels" means Parcels 7, 8, 9, 11, 12, 13, 14, 15, 16, 20 and 21 as shown on the Survey, or such interests therein as PPG may determine are necessary for the development of the Project, together with the right to install tie backs under Park, Hayes and Francis Streets, provided that the City Parcels shall include only the air rights (a) above twenty six feet over Parcels 14, 15 and 16 as shown on this Survey and (b) above fourteen feet over Parcel 21.

"Closing Date" has the meaning provided in Section 3.1 hereof.

"Construction Schedule" has the meaning provided in Section 4.1 hereto.

"Design Approval Standards" shall mean the procedures and requirements of the Capital Center Commission and any successor public or quasi-public commission or authority in effect from time to time and having general design review or approval jurisdiction over the Capital Center District within the City.

"Downtown Providence" shall mean the area of the City bounded by Memorial Boulevard to the north and east, Pine Street to the south and Empire Street to the west.

"EDC Payments" means the payments to be made by the Corporation to PPG pursuant to the Public Investment and HOV Agreement as more particularly described in Section 5.6.

"EDC Payment Period" means the twenty (20) year payment period under the economic development note issued pursuant to the Public Investment and HOV Agreement more particularly described in Section 5.6.

"Excess Remediation Costs" shall have the meaning as set forth in Section 3.2(c).

"Excess Remediation Report" shall have the meaning as set forth in Section 3.2(c).

"Final Completion" shall mean (i) completion of the Project substantially in accordance with the Plans as certified to the Corporation by the Architect; and (ii) completion and commencement of operations at the Garage; and (iii) completion of all Mall common areas with all necessary certificates of occupancy permitting use thereof having been issued without condition or restriction.

"Financing Documents" shall mean the Mortgages and all promissory notes, collateral assignments and other instruments evidencing or securing the loans made to PPG or its Affiliates in connection with the Project.

"Garage" has the meaning provided in Exhibit 1 hereof.

"Garage Manager" shall mean PPG Development of Rhode Island, Inc., or its designee or any successor, serving at the manager of the Garage at the direction of PPG pursuant to Section 5.1 hereof.

"Governmental Approvals" has the meaning provided in Section 6.1 hereof.

"Governmental Authority(ies)" means the United States, the State, the City and any political subdivision of any thereof, and any agency, department, commission, board, court or instrumentality of any thereof.

"Ground Lease" means that certain ground lease executed by and between the Corporation and PPG substantially in the form of Exhibit B hereto.

"Hazardous Substance" means any hazardous or toxic material or substance which is defined or identified as such in any Federal, State or local laws, rules or regulations, including asbestos and any petroleum products.

"HOV Spaces" has the meaning provided in Section 5.2.

"Institutional Lender" means a savings bank, a savings and loan association, a commercial bank, trust company or investment bank (whether acting individually or in a fiduciary capacity), an insurance company, a religious, educational or eleemosynary institution, an employee's, welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, a credit union, trust or endowment fund or any combination of Institutional Lenders and any other Person approved by the Corporation, such approval not to be unreasonably withheld, provided, however, that until Final Completion, the Lead Institutional Lender for the construction financing for the Project shall be a major banking institution having a combined net worth of capital and surplus of not less than \$250,000,000.00 and whose policies and procedures are subject to the supervision of the Comptroller of the Currency, the Federal Reserve Board, or any state banking commission and having significant experience in construction projects similar to the Project

and reasonably acceptable to the Corporation. In any case if one of said regulatory agencies no longer exists, any substitute regulatory agency shall be permitted.

"Intermodal Transportation Facilities" has the meaning provided in Exhibit 1 hereof.

"Leasehold Mortgagee's Title Policies" is as defined in Section 3.5.

"Leasehold Tenant's Title Policy" is as defined in Section 3.5.

"Mall" has the meaning provided in Exhibit 1 hereof.

"Mall Tenant" shall mean any Mall space tenant other than an Anchor Tenant.

"Master Plan" shall mean the proposed site plan attached hereto as Exhibit D.

"Mortgage" means a Financing Document which is a mortgage constituting a lien on PPG's interest in the Project Site or any part thereof.

"Mortgagee" means an Institutional Lender holding an interest in a Mortgage.

"Non-HOV Rate Restrictions" is as defined in Section 5.2.

"Owner's Title Policy" is as defined in Section 3.5.

"Parking Garage Lease" means that certain lease executed by and between the Corporation and PPG substantially in the form of Exhibit C hereto and as more particularly described in Article V hereof.

"P.C.D." means Providence City Datum, a point 2.35 feet above mean sea level or National Geodetic Vertical Datum as established by the United States Department of the Interior.

"Pedestrian Infrastructure Improvements" means the pedestrian skybridge and Riverwalk extension and streetscape as more particularly described in Exhibit 2 hereof.

"Permit Documents" means the permits, certificates, licenses, approvals and other documents evidencing Governmental Approvals.

"Person" means an individual, corporation, partnership, joint venture, estate, trust or unincorporated association, any Federal, State, County or municipal government or any bureau, department or agency thereof, any fiduciary acting in such capacity on behalf of any of the foregoing, or any other legal or business entity.

"Phase II Report" has the meaning provided in Section 3.2.

"Plans" means, at any time, any of the most current versions of plans, designs, drawings and specifications for the Project, including, without limitation, the Master Plan, any revisions to the set of schematic plans entitled "Application for Development/Parcels 10 & 13, Capital Center Special Development District, Submitted to Capital Center Commission, Providence, Rhode Island, by Providence Place Group as Developer and Representative of The Rhode Island Port Authority and Economic Development Corporation" and dated October 21, 1994, and any other schematics, design development documents or plan or specification under this Agreement meeting applicable Design Approval Standards and otherwise conforming to the Project description set forth in Section 2.1 hereof, and, as to the Garage, which have been approved by the Corporation in consultation with the State's Department of Transportation (which approval shall not be unreasonably withheld), as being adequate to facilitate the use of the HOV Spaces and Intermodal Transportation Facilities as more particularly described in the Parking Garage Lease. The Corporation shall endeavor to provide such approval within thirty (30) days of receipt of a written request therefor from PPG which is accompanied by all documentation and other information reasonably deemed necessary by the Corporation and/or the Department of Transportation for a determination of such approval. Any objection or disapproval of the Plans by the Corporation shall be accompanied by an explanation of the basis for such objection or disapproval.

"PPG" means Providence Place Group Limited Partnership, a limited partnership organized under the laws of the State of New York. As of the date hereof, the sole general partner of PPG is Providence Place Group, a general partnership organized under the laws of the State of New York, the sole general partners of which are Peter C. Steingraber, Robert J. Congel, J. Daniel Lugosch, III and Woodchuck Associates (a family trust of Robert J. Congel). The sole limited partners of PPG are J. Daniel Lugosch, III and Alex C. Conroy. The foregoing partners are hereby approved by the Corporation.

"Project" means the Mall and the Garage, as further described in Section 2.1 hereof and in the Project Description.

"Project Description" means the description of the Project set forth in Exhibit 1 attached hereto.

"Project Documents" means this Agreement, the Ground Lease, the Parking Garage Lease, the Public Investment and HOV Agreement, and the Restoration Guaranty, and, if applicable, any other agreements between PPG and the Corporation and/or the State, (each, individually, a "Project Document").

"Project Site" or "Property" means the area shown on the Master Plan as being the location of the Mall and the Garage, which area shall include the Amtrak Parcel, the City Parcels and the State Parcels, subject, as concerns the State Parcels shown as Parcels 5 and 6 on the Master Plan, to the Corporation receiving from the State's Department of Transportation approval of one or more physical alteration permits altering the federal highway line affecting Parcels 5 and 6, as more fully described in Section 3.1 hereof.

"Public Investment and HOV Agreement" means that certain agreement between PPG and the Corporation setting forth, among other things, the public benefits anticipated to be realized by the Project substantially in the form attached hereto as Exhibit I and as more particularly described in Section 5.7.

"Remaining Coverage" is as defined in Section 3.5.

"Remediation Budget" is as defined in Section 3.2(a).

"Requirements" means any and all laws, rules, regulations, orders, ordinances, statutes, codes, executive orders and requirements of all Governmental Authorities applicable to the Project Site and the Project.

"Restoration Guaranty" has the meaning provided in Section 4.5 hereof and shall be substantially in the form of Exhibit G hereof.

"Scheduled Completion Date" has the meaning provided in Section 4.3 hereof.

"State" means the State of Rhode Island and Providence Plantations.

"State Parcels" means Parcels 1, 2, 3, 4, 5, and 6 on the Survey.

"Substantial Completion" or "Substantially Complete", with respect to each component of the Project, means the completion of the stage in the progress of construction when the Architect certifies to the Corporation that (i) such component is sufficiently completed in accordance with the Plans that such component can be used for the purpose for which it was intended, and (ii) all necessary certificates of occupancy permitting the use without restriction of the Mall common areas and the Garage have been issued and such areas and the Garage can be put into operation and open to the public, and (iii) the performance of any remaining work with regard to such component will not materially interfere with the proposed use of such component and can be accomplished in no more than sixty (60) consecutive days, and for which PPG is diligently proceeding to complete such remaining work within such period. Notwithstanding anything in the foregoing to the contrary, "Substantial Completion" shall not occur until all life safety systems are operational as designed, all designated or required governmental inspections and certifications have been made and posted, and personnel have been instructed in the operation and maintenance of such component's systems.

"Survey" means that survey entitled "Plan of Land in Providence, R.I. - surveyed for Providence Place surveyed and drawn by Marrier Surveying, Inc. Scale 1" = 40'" dated May 1990, revised May, 1995.

"Title Company" means Commonwealth Land Title Insurance Company, acting by and through its Providence, Rhode Island, branch office, or such other title insurance company as may be acceptable to the Lead Institutional Lender.

"Unavoidable Delays" (i) As to PPG, means delays incurred by PPG or any Affiliate of PPG due to strikes, lockouts, work stoppages, labor jurisdictional disputes, acts of God, inability to obtain labor or materials from reasonable sources, governmental preemptions or restrictions, enemy action, riot or other civil commotion, fire, casualty or other causes (whether similar or dissimilar) beyond the reasonable control of PPG or an Affiliate of PPG; provided, however, that in no event will financial difficulty on the part of PPG or any Affiliate of PPG be deemed an excuse for nonperformance or grounds for an Unavoidable Delay. "Unavoidable Delays" as to PPG shall also include, without limitation, an Event of Default by the Corporation in the performance of its obligations under this Agreement or any other Project Documents and the unlawful failure of the Corporation, the City or the State to grant, or any unlawful delay in granting, any permit, consent or approval reasonably determined to be essential to the efficient progress and timely completion of the Project, except that PPG shall not be entitled to an extension of time to perform nor shall such performance be otherwise excused on account of an alleged delay, unless such delay (aa) directly and actually causes a material delay in the construction of a component of the Project as reasonably determined on a case-by-case basis (giving consideration to the matter alleged to be delayed and the Construction Schedule) and (bb) cannot reasonably be remedied without material increase in the cost of the Project by the exercise by PPG or an Affiliate of PPG of its or their respective professional skill and expertise by accelerating or rescheduling the performance of other work, or by employing other reasonable and customary means which could be taken commensurate with the impact of the delay to alleviate or mitigate the delay. The presence of, or the performance of the work to remediate, Hazardous Substances existing on the Project Site, or any portion thereof, shall not constitute grounds for a claim of an Unavoidable Delay unless such Hazardous Substances constitute Unforeseen Conditions; except, that to the extent the commencement or performance of remediation work as to such Hazardous Substances is delayed by the need to obtain approval of Governmental Authorities or by requirements imposed by Governmental Authorities as part of the compliance procedures, delays so incurred shall be an Unavoidable Delay, provided PPG diligently seeks such approval and thereafter performs such work in conformity with such process.

(ii) As to the Corporation, "Unavoidable Delay" means a delay or prohibition outside the reasonable control of the Corporation.

(iii) No delay shall be an "Unavoidable Delay", if caused in whole or in part by any action of the party claiming Unavoidable Delay, if that action, (a) when caused by a Person who is an officer, director, employee, partner or shareholder of PPG, or is an Affiliate (including any manager which is an Affiliate) in connection with the Project, is grossly negligent or willful or constitutes a violation of applicable law or regulation, or (b) as to any Person not described in the preceding clause (a), is willful, or is an intentional violation of applicable law or regulation; provided, however, that (1) if a willful act is

committed pursuant to clause (b) which results in a delay, such delay shall be deemed an Unavoidable Delay if such act is covered by insurance, the proceeds of which are payable to PPG on account of such act, or PPG has furnished evidence to the Corporation that PPG has readily available funds, including such insurance proceeds, to effect completion of the Project, provided PPG is undertaking and continues diligently to complete the Project; and (2) if any violation of applicable law or regulation has been committed by or on behalf of any Person not described in clause (a), whether or not intentional, which results in a delay, such delay shall be deemed an Unavoidable Delay if PPG shall promptly take or cause to be taken prompt action to eliminate or minimize such delay, including, without limitation, causing the termination of any individual who committed such act and the termination of any Person employing such individual or of which such individual is a principal, if such Person condoned such act, if termination of such individual or Person would permit the Project to be resumed or would otherwise materially reduce the period of delay. No party claiming an "Unavoidable Delay" shall be entitled to relief, unless it shall have notified the other party in writing not later than fourteen (14) days after the claimant knows or should have known of the occurrence of same, specifying in such notice the nature of the delay and the steps the claimant is taking or intends to take in mitigation of the delay; except that if such notice is given after the expiration of such fourteen (14) day period, then the period of Unavoidable Delay to which the claimant would otherwise be entitled shall not be deemed to have commenced until the claimant shall have notified the other party as required above. In addition, if any party to this Agreement in good faith reasonably determines that it would be prudent to delay taking any action in furtherance of the Project or any part thereof because of the commencement and pendency of any action, suit or proceeding (including all appeals in connection therewith) contesting the Project or any material portion thereof or the legality or validity of any material action taken by any Governmental Authority in connection therewith (in each instance, whether or not such party is enjoined or otherwise restrained from taking any action with respect to all or any part of the Project), then such party shall notify the other party of such determination, stating, in reasonable detail, its reasons therefor, and any attendant or resultant delay shall be an Unavoidable Delay, provided that such party (if such party is a party defendant) shall have commenced contesting or defending, and shall be diligently contesting or prosecuting the defense of, such action, suit or proceeding, and provided further that the period of Unavoidable Delay shall not be deemed to have commenced until such party shall have so notified the other party of such determination.

(iv) Any dispute between the parties relating to whether or not a party is entitled to relief by reason of an Unavoidable Delay or whether or not an Unavoidable Delay has occurred shall be determined by arbitration or mediation in accordance with Section 8.1 hereof.

"Unforeseen Conditions" has the meaning provided in Section 3.2.

"URI Parcel" means the portion of the Project Site more particularly described in Exhibit E hereto and on which parcel is situated the URI Extension Division Building.

ARTICLE II

THE PROJECT

Section 2.1. Description of the Project. PPG shall cause the Project to be constructed on the Project Site in accordance with the provisions of this Agreement. The Project shall consist of the Garage (the "Garage") and Mall (the "Mall") as shown on the Master Plan and the Plans (all of which shall be consistent with the Design Approval Standards) and described in the Project Description attached hereto as Exhibit 1. Notwithstanding anything in the contrary contained in the Plans, PPG shall use its best efforts to receive approval from the Capital Center Commission for revisions to such plans to reflect a reduction in the Garage capacity from 5,000 parking spaces to 4,000 parking spaces.

In addition, the Mall include a multi-screen cinema. PPG also agrees to work with the Coalition for Community Development and its membership to interest a national theatre operator in the development of a cinema in the Downcity area of Providence. Moreover, PPG agrees to contribute fifty percent of the equity required to develop such a Downcity cinema, up to a maximum equity contribution of \$2,000,000, if an agreement to develop and operate such a cinema is reached on or before May 1, 1996. PPG shall cause the Mall and Garage to be built and operated in a manner consistent with the Project Description, the Plans and the Design Approval Standards. In addition, the Mall and the Garage shall be designed and built to accommodate the Northeast Corridor Electrified Passenger Train and Quonset Point Freight Rail Improvements as specified by the State Department of Transportation and Amtrak.

ARTICLE III

ACQUISITION OF PROJECT SITE AND CONVEYANCE TO PPG

Section 3.1. Acquisition of Project Site by the Corporation. The Corporation's sole obligations hereunder regarding acquisition and leasing of the Project Site are (i) to utilize Eleven Million One Hundred Thousand Dollars (\$11,100,000) (the "Amtrak Purchase Price") provided by PPG for the purchase of the Amtrak Parcel pursuant to the Agreement of Sale between the National Railroad Passenger Corporation and the Corporation dated July 24, 1994, as amended from time to time, relating to the Amtrak Parcel (the "Amtrak Agreement"), (ii) to acquire the URI Parcel from the State in accordance with applicable law, (iii) to utilize its statutory condemnation powers to reasonably conduct one or more condemnation proceeding(s) regarding the Project Site as mutually agreed by PPG and the Corporation, in accordance with any conditions imposed on such condemnation concerning public safety and payment of condemnation awards in the applicable legislation in which the State consents to such condemnation, (iv) to use reasonable efforts to acquire the City Parcels by condemnation, (v) to submit to the State's Department of Transportation one or more physical alteration permits which PPG shall prepare (subject to the Corporation's review and approval) seeking relocation of the federal highway line as it affects Parcels 5 and 6 as shown

on the Master Plan, (vi) to use reasonable efforts to acquire the State Parcels (other than the URI Parcel) from the State, (vii) to use reasonable efforts to enter into an amendment to the Amtrak Agreement in accordance with Section 3.4, (viii) to lease the Project Site to PPG pursuant to the Ground Lease, (ix) if required by PPG, on the Closing Date, or during the term of the Ground Lease, to consent to the dedication for public access of strips of land along Park, Hayes and Francis Streets in accordance with the Plans, and (x) to use reasonable efforts to cause the State Department of Transportation to relocate before the Closing Date, or as soon thereafter as is practicable, the federal highway line to the westerly lines of Parcels 5 and 6, and to move the State highway line to the westerly line of Parcel 4. each as requested by PPG in detailed written requests regarding the foregoing. Not in limitation of their respective obligations under the Amtrak Agreement Indemnity, PPG, its general partner and the general partners of its general partner hereby agree to indemnify the Corporation and hold the Corporation harmless with respect to all loss, cost, liability, damage, claim or expense which the Corporation has incurred or may incur to Amtrak by reason of or in any way connected with the Corporation's inability to purchase the Amtrak Parcel as a result of PPG's failure to provide the Corporation with the funds necessary to purchase the Amtrak Parcel, including, without limitation, such amount, if any, as shall be specified as a liquidated damages amount in the Amtrak Agreement. Subject to PPG's compliance with the foregoing, and subject to the provisions of Sections 3.2, 3.3 and 3.4 below, on or before such date as is specified in the Amtrak Agreement and which shall be mutually agreed by PPG and the Corporation (the "Closing Date"), the Corporation shall acquire title to the Project Site in fee simple, except as to such portions of the Project Site as are to be acquired by condemnation and except as otherwise indicated on the Master Plan, provided that the Closing Date shall not be later than January 15, 1996 (or such later date, if any, as may be provided for Closing in any amendment to the Amtrak Agreement), and that Amtrak shall have agreed to extend the closing date under the Amtrak Agreement, as contemplated by Section 3.4. (The Closing Date may be extended for Unavoidable Delays, provided that the Amtrak Agreement has been amended to include extensions for Unavoidable Delays.)

Section 3.2 Environmental Site Conditions.

(a) PPG has provided the Corporation with a copy of a Phase II Environmental Site Characterization Report for the Project Site dated June, 1995, prepared by Maguire Group Inc., of Foxborough, Massachusetts (the "Phase II Report"). The Phase II Report identifies certain Hazardous Substances in, on and/or under the Project Site, and the groundwater thereunder, which require remediation. PPG has furnished to the Corporation its proposed budget dated July 20, 1995, as to all costs reasonably anticipated to be incurred in connection with the remediation work proposed to be performed at the Project Site on the basis of the Phase II Report (the "Remediation Budget").

(b) From and after such time as the Corporation acquires the URI Parcel and Amtrak Parcel, and other parcels comprising the Project Site, PPG hereby covenants and agrees at its sole cost and expense, and as part of the Project, to remediate such Hazardous Substances with respect to the Project Site in a manner acceptable to applicable Governmental

Authorities and consistent with applicable State and federal laws and regulations regarding Hazardous Substances; provided, however, that if, after commencement of such work, conditions are discovered relating to Hazardous Substances or a release thereof at the URI Parcel or State Parcels which were not identified in the Phase II Report ("Unforeseen Conditions"), the provisions of Subsections 3.2(c) and (d) shall apply, as applicable. Anything herein to the contrary notwithstanding, PPG shall be responsible for the remediation of all Hazardous Substances at the Project Site identified in the Phase II report, regardless of the actual extent of the level of concentration and regardless of the amount budgeted therefor in the Remediation Budget (e.g., if the Phase II Report notes a trace of a Hazardous Substance but, in fact, the amount of such Hazardous Substance is found to be substantial, PPG shall be responsible for the complete remediation of the Hazardous Substance), except that PPG shall not be responsible for remediation of any Hazardous Substances at the buildings on the URI Parcel until Demolition.

(c) In the event Unforeseen Conditions are discovered at the URI Parcel and the State Parcels, or any of them, which would result in costs to remediate the Unforeseen Conditions as to such Parcels in excess of \$100,000 over and above the costs provided in the Remediation Budget to remediate the conditions identified in the Phase II Report with respect to such Parcels ("Excess Remediation Costs"), PPG may continue to perform remediation work at its sole cost and expense or notify the Corporation in writing that it does not wish to proceed with the Project unless the Corporation agrees to assume the Excess Remediation Costs due to the Unforeseen Conditions. In such notice, PPG shall furnish to the Corporation its estimate of the costs related to remediation of the Unforeseen Conditions and the basis on which such estimate was made ("Excess Remediation Report"). Thereafter, the Corporation may elect, by written notice to PPG given within sixty (60) days following the later to occur of (i) the receipt of such notice and the estimate and other documentation or (ii) the receipt of a further report by engineers reasonably acceptable to the Corporation, to be obtained within said sixty (60) day period, indicating the measures required to be taken to remediate, remove or otherwise mitigate the Unforeseen Conditions as aforesaid, which report shall include firm estimates of the cost thereof ("Corporation's Excess Remediation Report"):

- (aa) to agree to pay for any such Excess Remediation Costs to perform such work to remediate the Unforeseen Conditions at the URI Parcel and State Parcels, but in no event shall the Corporation be obligated to pay an amount in excess of the estimate furnished by PPG if the estimate furnished to the Corporation is given only with respect to Excess Remediation Costs (or to the portion of the estimate attributable to Excess Remediation Costs, if the estimate applies to all costs related to Unforeseen Conditions), except by its further agreement to do so as hereinafter provided; or
- (bb) to seek modifications from applicable Governmental Authorities of the remedial measures required or to contest the nature and scope of such

required measures as applicable to the URI Parcel and State Parcels and then either to decline to pay for such Excess Remediation Costs under (cc) below or to agree to pay for the Excess Remediation Costs, as thus modified in accordance with (aa) (unless the modified measures reduce the anticipated cost below the threshold of Excess Remediation Costs); or

- (cc) to decline PPG's request to pay for such Excess Remediation Costs as to the URI Parcel and State Parcels.

PPG shall have the right, within thirty (30) days after receipt of notice from the Corporation under (cc) above declining PPG's request, either to elect to initiate and (subject to any notice to cease from the Corporation as hereinafter provided) thereafter to perform the remediation work as to the Unforeseen Conditions (including amounts over the threshold for Excess Remediation Costs) at its own expense or to terminate this Agreement. Notice of such election shall be by written notice to the Corporation.

If the Corporation agrees to accept responsibility for payment of the Excess Remediation Costs for the Unforeseen Conditions pertaining to the URI Parcel and State Parcels, PPG shall forthwith undertake to perform such work. If, after commencement of such work, it appears likely that the cost of such work will exceed the estimate furnished to the Corporation, PPG shall either continue to perform the work and assume the extra cost or request the Corporation, by written notice, to assume the extra cost, furnishing to the Corporation, with such notice, a further report by the engineer and a firm estimate of the additional cost of the measures to be taken to remediate the Unforeseen Conditions. The Corporation may elect, within thirty (30) days of receipt of such notice, report and estimate, to assume the extra cost as part of Excess Remediation Costs, or to decline to do so, or to seek modifications or further modifications, or to contest the scope of the work thus undertaken, and at its election may also give notice to PPG to cease such work until the Corporation makes a determination as to the course of action it wishes to take regarding such request. PPG shall, within thirty (30) days of receipt of notice from the Corporation declining to assume such extra cost as to additional Unforeseen Conditions, have the right to continue with the work, but at its sole cost and expense (except for work, if any, theretofore performed in accordance with the Corporation's initial agreement under either (aa) or (bb) to assume Excess Remediation Costs, but not after the Corporation's notice to cease) or to terminate, as aforesaid. PPG shall, in the first instance, be responsible for and shall pay for all costs and expenses incurred in connection with the remedial work performed hereunder, including Excess Remediation Costs. If the Corporation elects to pay for the Excess Remediation Costs under this Section 3.2(c), the Corporation shall repay to PPG the amount actually expended by PPG as Excess Remediation Costs at the URI Parcel and State Parcels (but only as to such work and for such period as the Corporation's agreement to assume such Excess Remediation Costs shall be in effect), together with simple interest thereon, at a rate equal to the five (5) year U.S. Treasury Note rate in effect as of the date the payment obligation accrues as hereinafter provided. Payment shall be made in equal annual

installments of principal, together with interest on the unpaid balance within five (5) years of the earlier to occur of (xx) the completion of such work or the date such work is curtailed at the request of the Corporation pursuant to its notice to cease as provided above, or (yy) the termination of this Agreement, except that, if this Agreement is terminated on account of a Material Event of Default by PPG, the Corporation shall have no obligation to repay PPG hereunder. All books and records pertaining to the costs of remediation of the URI Parcel and State Parcels for which PPG has requested or intends to request repayment from the Corporation shall be subject to audit by the Corporation and shall be retained for this purpose in a location acceptable to the Corporation. Further, PPG agrees to furnish to the Corporation, promptly upon request of the Corporation, copies of contracts, reports, studies and such documentation of the expenses incurred in connection with the remediation of the URI Parcel and State Parcels, and in particular, of the costs, including Excess Remediation Costs, incurred or to be incurred to remediate the Unforeseen Conditions, in such form and in such detail as the Corporation may reasonably request.

(d) If Unforeseen Conditions are discovered with respect to the Amtrak Parcel and such other portions of the Project Site (exclusive of the URI Parcel and State Parcels), the remediation of which would result in an increase in the cost to PPG to perform such work as to such property of more than \$100,000 in excess of the cost of the remediation work as set forth in the Remediation Budget for the conditions described in the Phase II Report for such property, PPG may elect, by written notice to the Corporation given not later than the earlier to occur of (i) thirty (30) days after the discovery of Unforeseen Conditions as to the Amtrak Parcel and other portions of the Project Site, or (ii) May 1, 1996 (not subject to Unavoidable Delays):

(aa) at its sole cost and expense, and as part of the Project, to remediate such Hazardous Substances with respect to the Amtrak Parcel and such other portions of the Project Site in a manner acceptable to applicable Governmental Authorities consistent with applicable State and federal Hazardous Substance laws and regulations; or

(bb) to terminate this Agreement by written notice to the Corporation.

If PPG does not elect to terminate, PPG shall be obligated to perform the required measures to remediate the condition as to any Hazardous Substances or the release thereof on the Amtrak Parcel and such other portions of the Project Site and to prosecute such remediation diligently to completion.

(e) If PPG terminates this Agreement pursuant to either Section 3.2(c) or Section 3.2(d), then this Agreement, PPG's rights hereunder to the Project Site and PPG's rights under all other Project Documents shall be terminated, the Corporation shall have no further liability to PPG, except as specified herein, but PPG, its general partner and the general partners of its general partner shall have a continuing obligation to indemnify relating to the existence of Hazardous Substances as and to the extent provided in Section 3.2(i).

(f) If PPG elects to terminate pursuant to Section 3.2(c) as a result of the refusal of the Corporation to pay for the Excess Remediation Costs to remediate Unforeseen Conditions at the URI Parcel and State Parcels, PPG may request, in its notice to terminate, that the Corporation convey the Amtrak Parcel to PPG (or its designee). The Corporation shall, within thirty (30) days after such notice and request execute a deed conveying to PPG (or its designee), the Amtrak Parcel subject to all encumbrances then of record thereon and in its then condition.

(g) If PPG elects to terminate pursuant to Section 3.2(d) based on Unforeseen Conditions with respect to the Amtrak Parcel prior to the commencement of Demolition (as defined in Section 3.4) as to the URI Parcel, PPG may request in its notice to terminate, that the Corporation convey the Amtrak Parcel to PPG. The Corporation may elect, within sixty (60) days of such notice either (i) to retain ownership, in which event, the Corporation shall be required to make payment for the Amtrak Parcel at the time and in the manner provided in Section 3.7 or (ii) to convey, in which event the Corporation shall execute a deed conveying to PPG (or its designee) the Amtrak Parcel, subject to all encumbrances then of record thereon and in its then condition.

(h) If this Agreement is terminated by either party under any circumstances other than those described in the preceding Section 3.2(f) after the Corporation has acquired title to the Amtrak Parcel and after Demolition as to the URI Parcel, the Corporation shall have the right, at its election, either (i) to retain the Amtrak Parcel, but without any obligation to pay for the Amtrak Parcel, or (ii) to convey the Amtrak Parcel to PPG (or its designee) and PPG shall be obligated to accept such conveyance, subject to all encumbrances then of record thereon and in its then condition.

(i) PPG, its general partner and the general partners of its general partner hereby agree to indemnify and hold the Corporation harmless from and against any loss, cost, liability, claim or expense arising out of or in connection with the existence of Hazardous Substances with respect to the Project Site but shall have no obligation to indemnify as to Unforeseen Conditions with respect to the Amtrak Parcel if this Agreement is terminated pursuant to this Section 3.2 and the Corporation elects to retain the Amtrak Parcel and shall have no obligation to indemnify as to Unforeseen Conditions with respect to the URI Parcel and State Parcels, the cost to remediate which constitutes Excess Remediation Costs, unless and to the extent the Corporation has agreed to assume such Excess Remediation Costs. Notwithstanding the foregoing, if this Agreement is terminated pursuant to Section 3.2(c) or Section 3.2(d), then PPG and its several partners shall have no further liability under this indemnity from and after such termination as to Hazardous Substances with respect to the Project Site, other than the presence or release of Hazardous Substances caused, in whole or in part, from any action or omission of PPG, except that if this Agreement is terminated after the Corporation has acquired title to the Amtrak Parcel and the Amtrak Parcel is conveyed to PPG the obligation of PPG, its general partner and the general partners of its general partner to indemnify as to Hazardous Substances, including Unforeseen Conditions, with respect to

the Amtrak Parcel, shall remain in full force and effect and shall survive such termination and the conveyance by the Corporation to PPG of the Amtrak Parcel.

(j) In the event this Agreement is terminated and PPG retains the Amtrak Parcel pursuant to the provisions of this Agreement, any future development of the Amtrak Parcel shall be conducted in compliance with all applicable zoning, land use and other laws, ordinances and regulations effecting the Amtrak Parcel, including Environmental Laws.

Section 3.3. Title Conditions and Condemnation. PPG hereby agrees to accept a leasehold interest in the Project Site subject to mutually acceptable title matters to be set forth in an exhibit to the Ground Lease (the "Permitted Title Exceptions"). PPG and the Corporation have determined that it is necessary to condemn the City Parcels and the State Parcels, or interests therein. PPG and the Corporation shall determine the exact nature of the interests to be condemned (fee simple, easement, air rights, etc.) and shall establish a mutually agreeable procedure to effect the same, and PPG shall promptly upon presentation of invoices therefor, reimburse the Corporation for all costs and expenses, including legal and other professional fees and disbursements incurred by the Corporation in connection with such condemnations. Prior to commencement of condemnation by the Corporation, PPG shall deposit with the Title Company pursuant to the Title Escrow Agreement sums reasonably agreed upon by PPG, the Corporation and the Title Company as being sufficient to pay all expenses reasonably associated with such condemnation, including, without limitation, notice and publication expenses, filing fees, recording fees, reasonable fees of attorneys of the Corporation's choosing, and mutually acceptable reasonable estimates for condemnation awards. PPG shall have sole responsibility to pay all such expenses and all condemnation awards required for such condemnation. Should such escrowed funds prove insufficient, PPG agrees to deposit additional funds from time to time as reasonably determined by the Title Company. PPG agrees that the initiation of any agreed-upon condemnation proceeding may be delayed or the finalization thereof may extend beyond the Closing Date, and neither of these circumstances shall constitute an Event of Default under this Agreement.

Section 3.4. Purchase of Amtrak Parcel. On or before the date hereof, the Corporation shall, with the assistance and cooperation of PPG, use reasonable efforts to obtain an amendment to the Amtrak Agreement to (a) define the air rights over the Amtrak Parcel, (b) include the right to place columns and footings within the Parcels 17A and 17B shown on the Survey and such other footings as PPG may determine are reasonably necessary, (c) require Amtrak to provide notice to Providence and Worcester Railroad Company ("P&W") and Conrail under their trackage agreements with respect to said air rights, columns and footings (d) set forth design, insurance and work guidelines and procedures for obtaining post closing approvals of such matters by Amtrak, P&W and Conrail, (e) eliminate the notification date regarding termination of the Amtrak Agreement or extend it to no more than two business days prior to closing, (f) provide for an extension of the closing date for up to sixty (60) days if required by PPG's lender for the Project, (g) waive the prohibition against conveyance by PPG and the Corporation with respect to any mortgage, deed in lieu of foreclosure, any foreclosure sale or any conveyance following a foreclosure sale and (h) obtain a partial

release of any mortgage on the Premises. As part of the consideration for the Ground Lease described in Section 3.5 below, and pursuant to the terms of the escrow agreement, if any, between PPG, the Corporation and the Title Company, which escrow agreement shall be substantially in the form of Exhibit F attached hereto (the "Title Escrow Agreement"), no later than 1:00 p.m. on the Closing Date, PPG will pay the Amtrak Purchase Price and all additional amounts required to purchase the Amtrak Parcel (the "Amtrak Deposit") to the Title Company or to or for the account of the Corporation for disbursement or to or for the account of Amtrak to acquire the Amtrak Parcel, as PPG may elect subject to indemnification of the Corporation as provided in Section 3.1. PPG hereby acknowledges the various provisions of the Amtrak Agreement and assumes all responsibility for all costs of all obligations imposed on the Corporation thereunder. Further, to the extent notices are required under the Amtrak Agreement, PPG shall notify the Corporation of any and all notices it desires the Corporation to give thereunder at least two (2) business days in advance of the date such notice to be given.

To facilitate PPG's providing funds to pay the Amtrak Purchase Price, the Corporation agrees to join PPG in placing a mortgage (the "Amtrak Mortgage") to an Institutional Lender on the Amtrak Parcel upon the Corporation's acquisition of that parcel. The terms and provisions of the Amtrak Mortgage shall be subject to the Corporation's reasonable approval and, without limitation, shall include (a) non-recourse provisions; (b) a principal amount not to exceed \$11,100,000; and (c) provisions acknowledging the Corporation's rights under Section 3.7 modifying the repayment terms to comply with that section.

The Title Escrow Agreement shall include provisions whereby (a) the holder of the Amtrak Mortgage, upon execution and delivery of the Amtrak Mortgage by the Corporation, shall deliver to the Title Company to be held by it in escrow a discharge of the Amtrak Mortgage (the "Amtrak Discharge") in form and substance reasonably acceptable to the Title Company and the Corporation and sufficient upon recording to discharge the Amtrak Mortgage of record; and (b) the Title Company shall record the Amtrak Discharge upon receipt of the Corporation's written notification to it that (i) a permit for the demolition of the improvements, or removal of any portion of the improvements, now existing on the URI Parcel ("Demolition") has been issued to PPG, or (ii) PPG has entered upon the URI Parcel to commence Demolition, or (iii) the Amtrak Mortgage has been repaid, either pursuant to the provisions of Section 3.7 or otherwise. PPG agrees to keep the Corporation apprised of PPG's permit applications and preparations for Demolition and promptly to provide the Corporation with copies of any Governmental Approvals relating to the Demolition.

Section 3.5. Ground Lease to PPG. The terms of the Ground Lease shall provide good, marketable and insurable (at PPG's expense at normal rates) leasehold title to the Project Site for an initial term of ninety-nine (99) years, with options to extend the term of the Ground Lease for four (4) consecutive terms of ninety-nine (99) years each with limited rights, as set forth therein, to change the permitted uses of the Project Site. In connection with the acquisition of the Project Site, PPG shall cause the Title Company to issue to the Corporation an owner's title insurance policy, in form and content acceptable to the

Corporation, in an amount of at least \$20,000,000 insuring the Corporation's fee interest in the Project Site, the premium for which shall be paid by PPG. Such title insurance policy shall be updated by one or more appropriate endorsements upon completion of the condemnation proceedings contemplated in this Agreement. The title policy shall provide simultaneous and not first dollar coverage. It is anticipated that, in addition to the title insurance policy issued to the Corporation (the "Owner's Title Policy"), the Title Company also shall issue title insurance policies to Leasehold Mortgagees (the "Leasehold Mortgagees' Title Policies") in an amount not to exceed the aggregate principal balance of the Leasehold Mortgages and to PPG (the "Leasehold Tenant's Title Policy") in an amount of approximately \$235,000,000, but in any event in an amount not less than the principal amount of the loan(s) secured by one or more mortgages granted to Leasehold Mortgagees. The policies shall provide that claims owing under the Leasehold Mortgagees' Policies shall be paid on a priority basis over claims made under the Owner's Policy or the Leasehold Tenant's Policy and that, should any proceeds or coverage remain after making the required payments under the Leasehold Mortgagees' Policies (collectively, the "Remaining Coverage"), the Remaining Coverage shall be allocated between the Corporation as owner and PPG as tenant in the same manner that condemnation awards are allocated between the Corporation as landlord and PPG as tenant under the Ground Lease.

Section 3.6. Execution of Ground Lease and Parking Garage Lease; Delivery into Escrow. Simultaneously with the execution of this Agreement, PPG and the Corporation shall execute the Ground Lease and the Parking Garage Lease and such other Project Documents as shall be mutually acceptable to the parties. The executed Ground Lease and Parking Garage Lease and other Project Documents shall be held in escrow by the Title Company pursuant to the Title Escrow Agreement.

Section 3.7 Inability to Perform. If for any reason other than the willful and intentional breach of the Corporation's obligations under this Agreement, (a) the Ground Lease has not been released from escrow under the Title Escrow Agreement by the date set forth in the following subsection 3.7(b), subject to Unavoidable Delays or (b) the closing of the purchase of the Amtrak Parcel pursuant to the Amtrak Agreement has not occurred by January 15, 1996, or such later date as may be provided under the Amtrak Agreement, as amended, or as such date may be extended by agreement, the Corporation shall have the right, at its sole discretion, to terminate this Agreement by written notice thereof to PPG, whereupon, if the Corporation has acquired the Amtrak Parcel pursuant to Section 3.4 hereof, the Corporation, at its election, shall either convey the Amtrak Parcel to PPG (or its designee) subject to all encumbrances then of record thereon or shall pay to PPG or the holder of the Amtrak Mortgage, as the case may be, within five (5) years a total of \$11,100,000, in equal annual installments, together with simple interest on the unpaid balance, with each such installment of principal, at a rate per annum equal to the 5 year U.S. Treasury Note rate existing on the date the Corporation makes such election, whereupon the Amtrak Discharge shall be recorded; all other rights of the parties hereto shall cease upon the Corporation's giving of such notice, and this Agreement shall be null and void.

Section 3.8 State to Vacate URI Parcel. The Corporation represents that to the best of its knowledge, the State will vacate the buildings on the URI Parcel not later than January 15, 1996.

ARTICLE IV

CONSTRUCTION OF THE PROJECT

Section 4.1. Preconditions to PPG's Rights to Construct the Project; Termination for Inability to Perform. PPG's rights hereunder, or under any other Project Document, to construct the Project (including, without limitation, commencement of demolition of the buildings now existing on the URI Parcel) are subject to the following conditions precedent (the "Conditions Precedent") which shall also be incorporated, by reference or otherwise, into the Ground Lease:

(a) title to the Project Site shall have been acquired by the Corporation, with any condemnation procedures completed and title policies issued, and the Ground Lease and all other Project Documents formerly held in escrow released therefrom, all pursuant to Article III hereof; provided however, that the assemblage of State Parcels 4, 5 and 6 shall be at the option of PPG;

(b) copies of all construction Plans required for all stages of work PPG proposes to commence shall have been delivered to the Corporation;

(c) all Governmental Approvals (including without limitation, compliance with Design Approval Standards and Department of Transportation Standards) required for the stage of work PPG proposes to commence shall have been received by PPG, and copies thereof shall have been delivered to the Corporation, and all appeal periods therefrom shall have expired with any appeals therefrom having been withdrawn or dismissed;

(d) PPG shall have delivered to the Corporation an estimated summary Project Budget (the "Project Budget") which Project Budget shall be certified by PPG as accurate and correct setting out by line item (and otherwise in a form reasonably acceptable to the Corporation) the sources and uses of funds necessary to achieve Final Completion. PPG covenants and agrees to revise the Project Budget as often as shall be necessary in its or the Architect's reasonable judgment, to accurately reflect changes in such costs as the Project continues, and shall promptly provide to the Corporation on a quarterly basis on the last business days of each March, June, September and December of each year, a revised Project Budget reflecting such changes;

(e) PPG shall have certified to the Corporation (in form and substance satisfactory to the Corporation) that it has entered into construction contracts for the work which it proposes to commence providing for a cost to perform such work described in the Plans consistent with the Project Budget (the "Construction Contracts");

(f) PPG shall have delivered to the Corporation copies of performance and payment bonds (to the extent that the same have been required by PPG's construction lenders for the Project) (the "Performance and Payment Bonds");

(g) PPG shall have delivered to the Corporation certified copies of builders risk insurance ("Builders Risk Insurance"), public liability insurance ("Liability Insurance") and such other insurance as shall be required under the Ground Lease, all in amounts and upon other terms reasonably acceptable to and naming the Corporation as an additional insured and containing, among other terms, twenty (20) day termination, non-renewal or modification prior notice requirements to the Corporation, all as more specifically set forth in the Ground Lease;

(h) subject to the provisions of Section 4.3 hereof, PPG shall have delivered to the Corporation commitments for construction financing and, if obtained, permanent financing issued by Institutional Lenders, which financing, together with available funds to be provided by PPG or Anchor Tenants or other tenants within the Mall, shall be in an amount at least equal to the total of all costs of the Project as set forth in the Project Budget (as the same may be revised from time to time as set forth in Section 4.1(d) hereof), and shall contain no contingencies or expiration or termination provisions reasonably unacceptable to the Corporation (the "Financing Commitments"). The Financing Commitments and Financing Documents shall not contain any cross default, cross collateralization or similar provisions having the effect of causing a default by PPG or any of its Affiliates under any other financing document or agreement of any nature to be a default or breach of the obligations of PPG or any of its Affiliates under the Financing Commitments or Financing Documents. The Corporation shall not have any approval rights regarding the terms of the Financing Commitments or Financing Documents so long as they comply with this Section 4.1(h);

(i) PPG shall have delivered to the Corporation a copy of a progress schedule for construction of the Project (the "Construction Schedule") containing estimated dates for commencement of construction, Substantial Completion and Final Completion of the Project in accordance with the dates therefor set forth in Section 4.3;

(j) PPG shall have certified to the Corporation (in form and substance satisfactory to the Corporation) that all Anchor Tenants for Anchor Stores shown on the Master Plan have executed long-term leases or other agreements regarding occupancy of the Anchor Stores and that such leases or other agreements contain no contingencies other than completion of the Project, other than those contingencies which are usual and customary in similar transactions;

(k) the Architect shall have certified to the Corporation that PPG has made satisfactory arrangements with all providers of utilities to provide types and quantities of utility services necessary for the development and intended operation of the Project;

(l) PPG shall have delivered to the Corporation evidence reasonably satisfactory to the Corporation that the construction financing shall have been closed and no material contingencies for funding of the initial disbursement under the construction loan for the Project shall remain unfulfilled.

Subject to the provisions hereof concerning Unavoidable Delays, if for any reason the Conditions Precedent are not met on or before March 1, 1996, then the Corporation may, at its sole election, terminate this Agreement by written notice thereof to PPG and exercise its rights under the Ground Lease.

Section 4.2. Waiver of Conditions Precedent. The Corporation may in writing waive any one or more Conditions Precedent which waiver may include retention by the Corporation of rights against PPG for its failure to meet such Condition(s) Precedent.

Section 4.3. Construction of the Mall and the Garage; Scheduled Completion Dates. All dates and time periods set forth herein are subject to Unavoidable Delays, except as otherwise specifically provided for herein. Construction of the improvements constituting the Project shall be commenced by PPG no later than June 1, 1996. Construction shall be prosecuted by PPG with reasonable dispatch in a good and workerlike manner and without substantial and material interruption, discontinuation, suspension or work stoppage in the progress of construction of the Project for more than sixty (60) days. The Project shall be Substantially Completed by PPG in a good and workerlike manner in accordance with the Plans, the Requirements and the Project Documents no later than April 1, 1999. Final Completion shall occur as soon thereafter as is reasonably practicable, and in no event beyond June 1, 1999 (each of the foregoing being a "Scheduled Completion Date").

Section 4.4. Supplements to and Revisions of Construction Documents. As the Project proceeds and as frequently as is necessary to comply with the provisions hereof, PPG shall provide to the Corporation copies of supplements or revisions to the Construction Schedule, Construction Budget and Plans.

Section 4.5. Restoration Guaranty. At or prior to the Closing Date, PPG and each of its general partners shall execute and deliver to the Corporation a guaranty that upon the occurrence of a Material Event of Default hereunder or under the Ground Lease and termination of PPG's interests in the Project, such Persons shall, at the election of the Corporation, given by written notice within six (6) months after such termination, demolish any and all improvements theretofore constructed on the Project Site and restore the Project Site to a safe and buildable condition, which restoration guaranty shall be substantially in the form attached hereto as Exhibit G (the "Restoration Guaranty"), subject to the Corporation's right to require a partial restoration as further provided in Section 7.2(b).

ARTICLE V

PARKING GARAGE; PUBLIC INVESTMENT AND HOV AGREEMENT

Section 5.1. Garage Operation; Standards. During its period of ownership of the Garage, PPG will be responsible for the operation, management, repair and maintenance of the Garage pursuant to the Parking Garage Lease executed by and between PPG and the Corporation. PPG shall operate, manage, maintain and repair the Garage in a manner comparable to other first class, enclosed, multi-level shopping mall garages in New England operated on a self-parking basis (the "Garage Maintenance Standard"). PPG shall prepare an annual operating plan and budget conforming to such Standard, copies of which shall be provided to the Corporation promptly after its preparation. PPG covenants and agrees that the Garage will be operated such that all revenues generated by the Garage will be used solely to repair and maintain the Garage in accordance with the Garage Maintenance Standard, to pay financing costs of the Garage, as limited in the following sentence, to provide security to all users and to provide for improvements to the Garage. During the twenty year period in which payments are made pursuant to the Public Investment and HOV Agreement, PPG shall adjust the parking rates in the Garage (both HOV and Non-HOV rates), if necessary, such that the Garage's annual operating revenues do not exceed the Garage's annual operating expenses, which shall not include debt service attributable to the Garage except to the extent of \$5,700,000 per year (the "Non-Profit Garage Standard"). During this period, PPG shall maintain separate accounting for all revenues and expenses of the Garage, including all debt service attributable to the Garage, a statement of which shall be submitted to the Corporation on an annual basis. PPG may delegate to the Garage Manager certain duties regarding operation and management of the Garage, but PPG shall retain all responsibility and liability to the Corporation therefor.

Section 5.2. HOV Parking Spaces; Rates. Five Hundred (500) spaces in the Garage shall be made available for daily High Occupancy Vehicle ("HOV") parkers ("HOV Spaces") during the months of February through October, inclusive, on terms and conditions more specifically provided for in the Parking Garage Lease. Among other things, the Parking Garage Lease shall provide that the HOV Spaces shall conform to the Garage Maintenance Standard and shall be accessible, be located and be of a quality of construction and finish that shall not undermine in any respect the incentive of parkers in the Garage to use the HOV Spaces. Subject to the provisions of Section 5.3 below and subject to the Non-HOV Rate Restrictions, the daily HOV Rates for vehicles with two passengers shall be one quarter (1/4) of the Area Market Parking Rate for daily parkers, with further discounts in proportion to the number of passengers riding in HOVs (the "HOV Rates"). To ensure that the HOV Rates are continually maintained in the same ratio to the Area Market Parking Rate and that the Area Market Parking Rates are not exceeded as set forth below, PPG (or the Garage Operator) shall obtain from a qualified, independent professional firm, an annual survey of rates charged by other applicable garages and such firm's opinion of the Area Market Parking Rate. The Garage Manager (as the agent of PPG) will be responsible for establishing and implementing parking rates for non-HOV parking spaces ("Non-HOV Spaces"), which (a)

may include discounted or free parking for shoppers in the Mall, provided that the discounts available to parkers (other than those using the three (3) hours of parking for One Dollar (\$1.00) currently planned by PPG for shoppers) shall not undermine in any respect the incentive of parkers in the Garage to use the HOV Spaces and (b) shall not exceed the Area Market Parking Rates applicable to any category of parking, including, without limitation, monthly, daily, evening or "event" parking (this proviso is called the "Non-HOV Rate Restrictions"). Unless and until the Garage Purchase Options are exercised (defined in Section 5.5 hereof), in the event that parking revenues from both HOV and Non-HOV spaces are insufficient to fully fund the annual operating budget of the Garage, PPG shall fund any such operating deficit; provided, however, that if PPG transfers its interest in the Garage after the Assignment Prohibition Period, such obligation shall be deemed assumed by the transferee with respect to future deficits.

Section 5.3 Adjustment of HOV Parking Rates. If in the future the State wishes to enhance the economic incentive for use of HOVs, the State and the Corporation shall have the option to require the modification of the HOV Rates to create such effective economic incentives for use of HOVs; provided, however, that any such required modification which reduces HOV Rates to below one-quarter (1/4) of the Area Market Parking Rates shall include annual payments by the State to the operator of the Garage sufficient to replace fully the difference in revenue attributable to such reduction. It is further understood that neither the State nor the Corporation shall require any modification of HOV Rates or related conditions which would: (i) increase the hours of availability of the HOV Spaces for HOV parkers entering the Garage beyond 6:00 p.m., (ii) increase the operating cost of the Garage without a proportionate increase in revenue, or (iii) materially interfere with the operation of the Garage, all as more specifically set forth in the Parking Garage Lease.

Section 5.4. Other Terms of Parking Garage Lease. The Corporation and PPG shall enter into the Parking Garage Lease pursuant to which the Corporation will lease the HOV Spaces for a term to expire on the earlier of the transfer of title to the Garage pursuant to the State's exercise of the Garage Purchase Option, or the expiration date of the Ground Lease, as such date may be extended from time to time by exercise of the extension options under the Ground Lease. An annual lease payment of One Dollar (\$1.00) shall be payable during each year of the Parking Garage Lease, subject to annual appropriation by the General Assembly. The entire rental due under the Parking Garage Lease may, at the option of the Corporation, be prepaid at any time during the term of the Parking Garage Lease. The Parking Garage Lease shall incorporate the obligations of PPG to construct and maintain the Intermodal Transportation Facilities within the Garage for use by the mini-bus shuttle system to be owned and operated by the Rhode Island Public Transit Corporation ("RIPTA") to distribute HOV parkers using the Garage and others from the central mini-bus terminal to be located in the Garage throughout the central business area of downtown Providence. Funding for this service, if it is implemented, shall be provided by parties other than PPG through a Transportation Management Association ("TMA") in which PPG intends to play a lead role and intended to be formed and staffed through the ridesharing and carpooling programs of RIDOT. The Parking Garage Lease further shall provide that the Corporation may terminate

the Parking Garage Lease at any time during the term of the Parking Garage Lease upon payment to PPG of any accrued owing and unpaid rent due under the Parking Garage Lease, but otherwise without recourse by PPG.

Section 5.5. Garage Purchase Option. The Ground Lease shall contain a provision permitting the State or the Corporation to purchase from PPG a one-half (1/2) interest in the Garage for \$1.00, exercisable by written notice given at any time during the last year of the initial ninety-nine (99) year term of the Ground Lease (the "Garage Purchase Option"). The City shall have the benefit of a similar Garage Purchase Option subject to and containing substantially the same conditions applicable to the Corporation. The Garage Purchase Option must be exercised jointly by the City and the State, or not at all, and in any event may not be exercised until the State or the Corporation and the City have (i) agreed to and recorded the easements referred to in Section 2.4 of the Ground Lease, (ii) executed a management contract with PPG or its designee, which shall be reasonably mutually acceptable to the State or the Corporation, PPG, and the City, providing for PPG's management of the Garage in accordance with the Non-Profit Garage Standard (defined in Section 5.1 above) adjusted to reflect the effect of inflation and (iii) executed a joint ownership agreement, providing for, among other things, appropriate mechanisms for resolution of any deadlock between the parties so that the operation of the Garage is not materially disrupted. The Ground Lease shall require that upon transfer of title pursuant to exercise of the Garage Purchase Option, PPG shall continue to have the right to use the parking spaces in the Garage on substantially the same basis as in effect prior to the transfer and PPG shall be obligated to pay for any and all deficits in the operation, maintenance and repair of the Garage for the duration of such use; provided, however, that if the State or the Corporation determines that the HOV Spaces are still required for public purposes, then PPG's right to use the spaces in the Garage shall be subject to the State's or the Corporation's use of the HOV Spaces during such time and for so long as the right to the HOV Spaces is so required by the State or the Corporation. The use of the HOV Spaces shall be on substantially the same basis as in effect under the Parking Garage Lease prior to the transfer. The Ground Lease shall also require that as of the date title is transferred pursuant to the Garage Purchase Option, (i) all real estate taxes or payments in lieu thereof (if any) for the Garage then due and payable shall have been paid in full, and (ii) the condition of the Garage, including, without limitation, capital maintenance and repair, shall be in conformity with the Garage Maintenance Standard. The Ground Lease shall also require that all Financing Documents relating to the Project shall provide that upon exercise by the Corporation of its Garage Purchase Option each Mortgagee unconditionally shall release from the lien of its Mortgage any interest in the Garage acquired by the State or the Corporation and the City pursuant to their respective exercise of their Garage Purchase Options.

Section 5.6. EDC Payments Under Public Investment and HOV Agreement.

(a) EDC Payment Period. The Public Investment and HOV Agreement shall provide that during the twenty (20) year period commencing on the date which is the first day of the month following satisfaction of the preconditions set forth in Section 5.6(b) (the "EDC

Payment Period"), and subject to such conditions and to annual appropriation by the General Assembly, the Corporation shall make the EDC Payments to PPG calculated and paid as set forth below.

(b) Preconditions to EDC Payments. The obligation of the Corporation to commence making the EDC Payments to PPG pursuant to the Public Investment and HOV Agreement shall be subject to the preconditions that (1) PPG shall have completed the Project in accordance with the Plans and the Scheduled Completion Dates, (2) the Mall and the Garage shall be open to the public for business, (3) the HOV Spaces shall be available for HOV parkers in accordance with the Parking Garage Lease, and (4) no Material Event of Default under this Agreement or the Ground Lease shall have occurred and be continuing.

(c) Special Capital Reserve Fund-General Obligation. The State shall make installments of the EDC Payments into a special capital reserve fund established by the Corporation pursuant to Section 42-64-18 of the General Laws of Rhode Island in connection with its obligations under the Public Investment and HOV Agreement and economic development note issued thereunder (the "EDC Note"). The obligations of the Corporation under the Public Investment and HOV Agreement and the EDC Note shall be a general obligation of the Corporation secured by such capital reserve fund and by the full faith and credit of the Corporation; provided, however, that the EDC Note shall be callable by the Corporation at any time, and provided at the time of said call the Corporation simultaneously issues in exchange for the EDC Note a substitute economic development note which shall be a special and limited obligation, and not a general obligation, of the Corporation, secured solely by such capital reserve fund, and not by the full faith and credit of the Corporation, upon the earlier to occur of (a) the availability and issuance of public debt insurance for the EDC Note at prevailing market rates and on terms reasonably acceptable to PPG and the Corporation, or (b) the refinancing of the Project by PPG on commercially reasonable terms reasonably acceptable to PPG which do not require the continued general obligation of the Corporation with regard to the EDC Payments. In furtherance of the foregoing, PPG agrees to use its best efforts to obtain public debt insurance for the EDC Note after issuance thereof, and agrees to use its best efforts, after achieving Substantial Completion, to refinance the initial and any subsequent debt on the Project on commercially reasonable terms reasonably acceptable to PPG which do not require the continued general obligation of the Corporation with regard to the EDC Payments. PPG shall use its best efforts to assist any efforts by the Corporation to obtain such public debt insurance including, without limitation, providing all information regarding the Project that may be requested by any nationally recognized public debt insurer. PPG and its assigns shall pay any and all premiums, at prevailing market rates, associated with obtaining such public debt insurance for the economic development note to be issued in substitution for the EDC Note. Each party shall have, in addition to their other remedies, the remedy of specific performance with regard to the other party's obligations hereunder.

(d) The Annual Amount of EDC Payments. The annual amount of the EDC Payments due during the initial five (5) year period of the EDC Payment Period shall be equal to the

lesser of (i) Three Million Six Hundred Eighty Thousand Dollars (\$3,680,000) per year or (ii) two-thirds (2/3) of the actual amount of sales tax paid to the State from retail sales transactions occurring at or within the Mall during each year, reduced by any payments required to be made to the Rhode Island Depositors Economic Protection Corporation Special Revenue Fund ("DEPCO") pursuant to Section 44-19-40 of the General Laws, as it may be amended, (the "DEPCO Law") which currently requires that six tenths of one percent (0.6 %) of all sales tax revenues received by the State be devoted to payments to DEPCO. The annual amount of EDC Payments due during years six (6) through twenty (20) of the EDC Payment Period shall be equal to the lesser of (i) Three Million Five Hundred Sixty Thousand Dollars (\$3,560,000) or (ii) two thirds (2/3) of the actual amount of sales tax paid to the State from retail sales transactions occurring at or within the Mall during the year, reduced by payments required to be made to DEPCO pursuant to the DEPCO Law. In the event the annual EDC Payment due in one or more years is less than the maximum applicable amount set forth above, and if the actual sales tax revenues derived from the Mall in any subsequent year, as so adjusted for the required DEPCO payments pursuant to the DEPCO Law, exceeds the maximum EDC Payment amount specified for the applicable years set forth above, then the annual EDC Payment due for each such subsequent year shall be equal to such maximum amount applicable for the year plus one-half (1/2) of the amount by which sales tax revenues derived from the Mall in each such subsequent year, as so adjusted for the required DEPCO payments, exceed such maximum EDC Payment amounts, until the aggregate amount of all underpayments below such maximum amounts for all preceding years has been paid to PPG. No payment shall be due after the expiration of the initial twenty (20) year EDC Payment Period.

(e) Monthly Installments of EDC Payments. The EDC Payments shall be made in monthly installments, four (4) months in arrears, on the first day of each calendar month commencing on the date which is four (4) months after the last day of the first month in which sales tax is paid to the State based on retail sales transactions occurring at or within the Mall. Monthly installments of each annual EDC Payment shall be calculated on the basis of the actual sales taxes paid to the State by retail establishments within the Mall (the "Sales Tax Receipts"). The amount of each monthly installment shall be equal to the lesser of (i) two-thirds (2/3) of the Sales Tax Receipts for the month (a "Receipt Month") which ended four (4) months prior to the date such installment is due, reduced by the required payments under the DEPCO Law as set forth in paragraph (d) above, or (ii) one-twelfth (1/12) of (y) \$3,680,000 for any Receipt Month during the first five years of the EDC Payment Period or (z) \$3,560,000 for any Receipt Month during the last fifteen years of the EDC Payment Period. In the event that the amount of any Sales Tax Receipts are subject to any reporting discrepancies, corrections or recalculations which result in any underpayment or overpayment of any such monthly installments, the amount of any future installment may be adjusted to provide for the appropriate correction of the amount of EDC Payments due pursuant to paragraph (d) above.

(f) Appropriations. In order to facilitate the Corporation's calculation of appropriation for EDC Payments for each year by the General Assembly, PPG shall provide to the

Corporation on or before March 1 of each year, PPG's estimate of the amount of Sales Tax Receipts for the fiscal year of the State beginning on the July of such year, based on standards used by certified public accountants for the retail industry and used in PPG's own internal financial projections and those provided to its lenders.

ARTICLE VI

CERTAIN AGREEMENTS OF PPG AND THE CORPORATION

Section 6.1. Project Approvals. PPG shall be responsible for determining the need for and thereafter using its best efforts to obtain, at PPG's expense, all required Federal, State and local (including Capital Center Commission and any other entities having jurisdiction over applicable Design Approval Standards) permits and approvals for the development and construction of the Project (other than in connection with the Pedestrian Infrastructure Improvements), including, without limitation, all building, environmental, zoning, subdivision, traffic control for construction, utility, sewer, electrical, mechanical, plumbing, curb cut and other permits and approvals necessary for such development and construction. As owner of the fee simple interest in the Project Site, the Corporation shall execute all applications which require the signature of the Corporation, provided the Corporation shall incur no liability or expense in so doing. Granting of all such permits and approvals is called the "Governmental Approvals", and is evidenced by Permit Documents.

Section 6.2. Expedited Approvals. The Economic Development Council has approved the Project for expedited approval pursuant to the provisions of Section 42-117 of the General Laws of Rhode Island. The Corporation shall use reasonable efforts to cause all State agencies with permit or approval power over the Project to perform their reviews consistent with those provisions.

Section 6.3. Equal Opportunity Regulations, Etc. It shall be the goal of PPG to award to Minority Business Enterprises as defined in Section 37-14.1 of the General Laws of Rhode Island ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to the MBE Act). It shall be a further goal to award to women business enterprises no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence. It shall be a further goal of PPG to achieve a minimum level of 10% for minority and 10% for female employment as measured by gross accumulated hours for trades people.

Section 6.4. Downtown Management District; Providence Foundation. The parties acknowledge that the general partners of PPG have national reputations for the development of retail shopping malls. PPG will explore with the Providence Foundation, the Greater Providence Chamber of Commerce and the City the possibility of PPG taking a lead role in the establishment and operation of a Downtown Management District. If requested by the City, the Providence Foundation and the Greater Providence Chamber of Commerce, PPG

will consider providing overall marketing services for such Downtown Management District. The parties acknowledge and incorporate herein the Memorandum of Understanding between PPG and the Providence Foundation, and PPG shall use reasonable efforts to comply with that Memorandum.

Section 6.5. Finance. Neither the Corporation nor the State or any of its agencies, under any condition, shall be requested by PPG to issue, or shall issue, any bonds of any type for construction or permanent financing of the Project.

Section 6.6. Limitations on Corporation Assistance in Governmental Approvals. The Corporation agrees to use reasonable efforts to cooperate with PPG in PPG's efforts to obtain Governmental Approvals and where appropriate shall inform the State, the City and their respective agencies and departments of the Corporation's desire to facilitate PPG's obtaining such permits and approvals; provided, however, that all responsibility, liability and expense connected with the filing, processing and obtaining of such permits and approvals rest solely with PPG. Without limitation and referenced only for purposes of illustration only, the Corporation shall use reasonable efforts to assist PPG in obtaining separate tax lots for any Anchor Store owned by an Anchor Tenant. It is understood and agreed that PPG must strictly adhere to all procedural requirements applicable to the approval processes and that the granting of any Governmental Approvals shall be based solely on the merits and qualifications of the Project according to applicable law, regulations and procedures. Nothing in this section shall have the effect of making the Corporation responsible in any way for obtaining such approvals, and the failure of such approvals to be obtained shall not constitute an Event of Default by the Corporation, nor shall such failure constitute a basis for any delay in PPG's performance of its obligations hereunder, except as specifically set forth in this Agreement.

Section 6.7. Office Building Development Rights. During the term of the Ground Lease (such period, the "Office Building Development Period"), PPG shall have the exclusive right under the Ground Lease to construct and develop an office building (the "Office Building") at the southerly end of the Mall (subject to the approval of the Capital Center Commission) at a location to be mutually agreed upon by PPG and the Corporation. The Office Building shall be a first class office building consisting of no more than 300,000 square feet of gross floor area and no retail space (other than a lobby store customarily found in first class office buildings in Providence). PPG shall bear all risk, expense and liability in connection with the planning, permitting, financing and construction of the Office Building. It shall be a pre-condition of the exercise of PPG's rights under this Section 6.7 that (a) no Event of Default has occurred by PPG under this Agreement or any of the other Project Documents; (b) PPG has met all preconditions and conditions of Article IV hereof, as the same are reasonably amended (*mutatis mutandi*) by the Corporation to apply to the Office Building, and (c) the plans for the Office Building shall have complied with all applicable Design Approval Standards and the Requirements; not in limitation of the foregoing, PPG shall provide the Corporation with (x) copies of detailed plans and specifications that comply with all Requirements and have been approved by the Capital Center Commission for the construction of the Office Building showing reasonable mitigation measures to limit adverse

effects on the Corporation for any adverse effects (both construction phase and post-construction) on the Garage or Project Site reasonably anticipated by the Corporation to be suffered by it through the construction of the Office Building or its inclusion in the Project; (y) copies of written commitments from Institutional Lenders containing customary terms and conditions for the construction financing of the Office Building; and (z) cross-easement and other agreements between the Corporation, PPG and the Office Building owner, or any one or more of them, in form similar to cross-easements and other agreements concerning the Mall and the Garage, and as reasonably necessary to facilitate the construction of the Office Building and minimize any disruption in the operation of the Garage due to the construction or operation of the Office Building. In the event construction of the Office Building results in material disruption in the use of or unavailability of any HOV Spaces, then the Corporation may require PPG to make arrangements reasonably acceptable to the Corporation to accommodate the lost or disrupted HOV Spaces until such disruption or unavailability is cured. If the Corporation requires that the lost or disrupted HOV Spaces be accommodated, as aforesaid, PPG shall, at its election, promptly either redesignate other spaces within the Garage for such purpose or arrange for additional parking to accommodate the lost or disrupted HOV Spaces in other parking garages in Downtown Providence at rates which are no greater than one quarter (1/4) of the rates otherwise applicable in such garages.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default by PPG.

(a) The occurrence of any of the following shall constitute a "Material Event of Default" by PPG under this Agreement:

(i) Subject to Unavoidable Delays, the failure of PPG to commence construction of the Project on or before June 1, 1996;

(ii) Subject to Unavoidable Delays, construction of the Project is not being carried on with reasonable dispatch in a good and workerlike manner, and such condition is not cured within sixty (60) days following written notice from the Corporation to PPG specifying the basis for the Corporation's claim and indicating suggestions, if any, which the Corporation may then have for such condition to be cured;

(iii) Construction of the Project shall, at any time, be substantially and materially interrupted, discontinued, suspended or stopped without consent of the Corporation for reasons other than an Unavoidable Delay, which construction is not resumed within sixty (60) days following written notice to PPG of such circumstance; provided, however, that if such circumstance shall occur more

than once in any twelve (12) month period, no further notice of default shall be required to be given.

(iv) Subject to Unavoidable Delays, the failure of PPG to achieve Substantial Completion on or before April 1, 1999, or Final Completion on or before June 1, 1999; provided, however, that the date for Final Completion may not be extended for any reason, including on account of Unavoidable Delays, beyond June 1, 2000, with the sole exceptions being that if Final Completion is delayed beyond June 1, 2000, either (aa) as a result of fire or other casualty for which PPG has recovered proceeds of insurance or has furnished evidence reasonably satisfactory to the Corporation that it has readily available funds adequate to effect full restoration and completion of the Project and PPG is undertaking and continues diligently to complete the Project so as to achieve Final Completion as soon as reasonably practicable under the circumstances, or (bb) as a result of an unreasonable action or refusal to act by a Governmental Authority which has the effect of preventing Final Completion, provided that PPG is diligently and in good faith contesting or otherwise litigating the matter in the appropriate court or before the appropriate administrative agency or board and a final decision or judgment is issued in its favor, all appeal periods having expired.

(v) Any Builders Risk Insurance, Liability Insurance or other insurance required under the Ground Lease is cancelled or notice of intent to cancel any of the foregoing is received by the Corporation and a reasonably equivalent policy containing reasonably equivalent terms with a reasonably equivalent insurer reasonably acceptable to the Corporation has not been obtained and become effective as of the effective date of termination;

(vi) Any Builders Risk Insurance, Liability Insurance or other insurance required under the Ground Lease is terminated, or expires and a reasonably equivalent policy issued by an insurer acceptable to the Corporation has not been obtained and become effective as of the effective date of termination;

(vii) PPG fails to make any tax payment or payment in lieu of taxes required by it to be paid under any tax agreement with any Governmental Authority, unless and for such time as such payment is being diligently contested in good faith by PPG in appropriate proceedings and provided that if a decision is rendered in such proceedings adverse to PPG, such payment is thereafter made promptly when required;

(viii) PPG assigns any interest herein or in the Project or there occurs an unauthorized change in the partners of PPG or there occurs an unauthorized transfer of partnership interests in PPG in violation of the applicable provisions of Sections 8.6(b) or 8.7 hereof or under PPG's partnership agreement (except for changes or transfers resulting from the death or disability of an individual

partner or transfers made in connection with estate planning, provided that with respect to any such transfer by a general partner of a general partner's interest, the original general partner's obligations hereunder and under the Restoration Guaranty and the Amtrak Agreement Indemnity remain in full force and effect);

(ix) PPG shall fail to construct the Project substantially in accordance with the Plans, the Master Plan and the Project Description, or shall construct improvements not shown on the Plans which have not been approved and constructed in accordance with Design Approval Standards, or shall remove structures shown on the Plans which results in a material reduction in size and scope of the Project as described herein, or shall otherwise reduce the size and scope of the Project as described herein, or shall materially alter the Project in a manner inconsistent with the nature and intended use of the Project as contemplated herein, or shall reduce the number of parking spaces available to the Corporation pursuant to the Parking Garage Lease below 500, and in any such event, PPG shall not have restored the Project to conform to the Plans, Master Plan and Project Description within sixty (60) days after written notice from the Corporation specifying the basis of such claim.

(x) PPG shall admit, in writing, that it is unable to pay its debts as they become due;

(xi) PPG shall make an assignment for the benefit of creditors;

(xii) PPG shall file a voluntary petition under any provision of the United States Bankruptcy Code, or if such petition shall be filed against PPG and an order for relief shall be entered, or if PPG shall file a petition or an answer seeking, consenting to or acquiescing in, any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code, or any the present or future applicable Federal, State or other bankruptcy or insolvency statute or law, or shall seek, or consent to, or acquiesce in the appointment of, any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of PPG, or of all or any substantial part of its properties;

(xiii) If within ninety (90) days after the commencement of a proceeding against PPG seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future Federal bankruptcy code or any other present or future applicable Federal, State or other bankruptcy, receivership or insolvency statute or law, such proceeding shall not be dismissed, or if, within ninety (90) days after the appointment, without the consent or acquiescence of PPG, of any trustee, receiver, custodian, assignee, sequestrator, liquidator or other similar official of PPG, or of all or any

substantial part of its properties, such appointment shall not be vacated or stayed on appeal;

(xiv) If PPG shall fail to perform and complete the environmental remediation which it has agreed to perform as provided in Section 3.2, and as to Unforeseen Conditions, for which PPG is obligated to remediate pursuant to Section 3.2, except as to remediation of Unforeseen Conditions for which it is entitled to terminate, and has terminated, this Agreement in accordance with the provisions of Section 3.2 hereof; or

(xv) If PPG shall fail to pay to the Corporation, within thirty (30) days of a written request therefor, the liquidated damages amount set forth in Section 7.2(d).

(b) The occurrence of any of the following shall be an "Event of Default" by PPG under this Agreement, but shall not, except as provided in Section 7.1(a)(xv), constitute a Material Event of Default:

- (i) Any of the material representations made by PPG in Section 8.17 of this Agreement shall be false or incorrect in any material respect, and within thirty (30) days following written notice from the Corporation to PPG identifying such misrepresentation and the basis of the Corporation's claim, such representation is not made true and correct, to the extent it is reasonably possible to do so;
- (ii) If PPG shall fail to observe or perform one or more of the material terms, conditions, covenants or agreements contained in this Agreement and not specifically addressed or referenced in this Section 7.1 for reasons other than Unavoidable Delay, and such failure shall continue for a period of thirty (30) days after written notice thereof by the Corporation to PPG specifying such failure and the suggestions, if any, which the Corporation may then have for such condition to be cured, or, in the case of a default or a contingency which cannot with due diligence be cured within such period of thirty (30) days, such additional time, if any, as is reasonably necessary to cure such default; provided, however, that there shall be no extension of time beyond such thirty (30) day period for the curing of any such default unless, PPG (aa) shall specify in a written notice to the Corporation, given prior to the expiration of the thirty (30) day period, the cause on account of which the default cannot be cured within such period and shall advise the Corporation of its intention to institute all steps necessary to cure the default, and (bb) shall duly institute and thereafter diligently prosecute to completion the cure of such default; and provided, further, however, that the thirty (30) day or longer grace period provided above shall not be applicable to emergency

conditions where more expeditious action is required to alleviate danger to persons or property which may result on account of a failure of performance by PPG and in such situation, the applicable grace period shall be such time as is reasonable under the circumstances for corrective work to be accomplished so as to abate the dangerous condition; or

- (iii) If PPG shall fail to deliver updates of the Project Budget or Construction Schedule or revisions of plans and new plans for subsequent stages of construction of the Project to the Corporation as provided in Section 4.4 and such failure shall continue beyond ten (10) days following a written request for such information from the Corporation.

Section 7.2. Remedies of the Corporation.

(a) If a Material Event of Default by PPG shall have occurred, the Corporation shall have the right, in addition to those rights contained elsewhere in this Article VII, at its option, but subject, however, to the rights of a Mortgagee under Section 7.3 hereof, to terminate this Agreement by written notice to PPG, whereupon this Agreement shall be deemed terminated on the date designated by the Corporation in such notice of termination, which termination date shall not be less than thirty (30) days after such notice provided, however, that during the period following notice of termination, PPG's rights at the Project Site shall be limited to access for the removal of its property and the taking of other actions consistent with the winding up of its affairs. In no event shall work be permitted to continue at the Project Site after a notice of termination has been given except with the express written consent of the Corporation. Upon such termination, PPG shall quit and peaceably surrender the Property and the Project, including all improvements thereon, without any payment therefor by the Corporation, subject to the rights of the Corporation and obligations of PPG with respect to demolition and restoration as provided in subparagraph (b) below. The Corporation shall, upon termination, have the right to re-enter and re-take possession of the Project Site, excluding therefrom, at its option, PPG and any Persons claiming rights by or through PPG. The Corporation also shall be entitled, upon termination, to a complete set of plans for the Project, including any "as-built" or record plans for the Mall and Garage, if any, and any plans reflecting completed states of construction, to date, subject to the rights of the design professionals who prepared them.

(b) If this Agreement is terminated after commencement of construction (which shall include, without limitation, the earlier of issuance of a demolition permit for or commencement of demolition of the buildings now located on the URI Parcel), but before Final Completion, the Corporation shall have the right to require PPG and other Persons so obligated pursuant to their Restoration Guaranty to cause all improvements constructed on the Project Site, whether completed or partially completed, to be demolished and the Project Site restored insofar as practicable to the condition existing prior to commencement of construction, but in any event, to a safe and buildable condition; provided, however, that the Corporation may, at its option, elect to require certain improvements, including, without

limitation, the Garage and any means of access and egress thereto to remain and require demolition and the restoration of the Project Site only as to the improvements not so designated. If the cost of performing any partial demolition can reasonably be estimated to exceed the cost of a full demolition and restoration, the obligations of PPG under the Restoration Guaranty shall not exceed the cost of full demolition and restoration. Notice of the Corporation's election and designation shall be given to PPG within thirty (30) days following notice to terminate. PPG's obligations hereunder and under its Restoration Guaranty shall survive the expiration or termination of this Agreement. The Corporation's election shall be in addition to and not by limitation of such other rights as the Corporation may also have as a result of a default by PPG under the Ground Lease, the Parking Garage Lease, the Restoration Guaranty or as otherwise provided in this Article VII. Whether or not the improvements on the Project Site are demolished, the Corporation shall have no obligation in the event of a termination of this Agreement by reason of a default by PPG to pay or reimburse PPG on account of any contribution made by PPG of or with respect to the acquisition of the Amtrak Parcel.

(c) In the event this Agreement shall be terminated by the Corporation as hereinabove provided, in addition to all other remedies of the Corporation provided in this Article VII, the Corporation shall be entitled to recover from PPG, and PPG shall pay to the Corporation, on demand, (i) all sums due and owing by PPG hereunder, (ii) the reasonable costs and expenses incurred in the exercise by the Corporation of its rights and remedies hereunder, including, without limitation, reasonable attorneys' and other professional fees and disbursements incurred by the Corporation in terminating this Agreement and re-entering and re-taking possession of the Project Site and all improvements (including stored materials and components) thereon and removing PPG therefrom; (iii) the following additional amounts as may be incurred as damages resulting from such Material Event of Default, namely (w) uncured monetary defaults under the Ground Lease, including amounts (to the extent due and payable) which PPG is required to have paid under the Ground Lease, but failed to pay, as to required insurance and for utilities consumed and any costs incurred by the Corporation to remove any liens on the Project resulting from work performed by or for the account of PPG prior to termination; (x) unpaid obligations for taxes or payments in lieu of taxes, to the extent then due and payable; (y) costs for remediation of Hazardous Substances, for which PPG is obligated under Section 3.2, to the extent not performed by PPG, other than such costs as are a direct result of Unforeseen Conditions and as result of which the Corporation has agreed to reimburse PPG in accordance with the provisions of Section 3.2 hereof; and (z) the cost of demolishing any partially completed improvements and restoring the Project Site to a safe and buildable condition to the extent not performed by PPG pursuant to the Restoration Guaranty. Anything to the contrary notwithstanding, in no event shall PPG be liable for special, incidental, consequential or punitive damages.

(d) In the case of all Events of Default, other than a Material Event of Default, the Corporation's remedies shall be limited to (i) injunctive relief (but not specific performance), and (ii) the recovery of damages in an amount equal to the actual loss suffered by the Corporation as a sole and direct consequence of such Event of Default, including, without

limitation, attorneys' fees and expenses incurred by the Corporation in connection with such Events of Default and its exercise of its remedies hereunder. If PPG shall fail to perform or comply with an obligation which would, if uncured, constitute an Event of Default under Section 7.1(b) hereof, PPG shall pay to the Corporation, as additional liquidated damages for such default, the sum of \$20,000 for each and every such Event of Default.

(e) The right of the Corporation to enforce its rights and remedies due to a Material Event of Default described in Section 7.1(a)(vii) as to failure to pay taxes or payments in lieu of taxes or in Section 7.1(a)(viii) as to unauthorized transfers or changes in partners or partnership interests shall survive Final Completion as to events accruing prior thereto and, as such, shall also constitute an Event of Default under the Ground Lease and enforceable thereunder.

Section 7.3 Rights of Mortgagees.

(a) Each Mortgagee, by placing its Mortgage or other debt instrument on record, shall be deemed to be on notice of this Agreement and its rights under such Mortgage as to the Property and Project shall be subject to the terms and provisions of this Agreement, the Ground Lease, the Parking Garage Lease and, where applicable, and if of record (by recording of the document or notice thereof prior to the recordation of the Mortgage, the other Project Documents.

(b) If PPG shall mortgage its interest in the Project Site or part thereof to a Mortgagee, PPG or such Mortgagee shall give the Corporation prompt notice of such Mortgage and furnish the Corporation with a copy of each such Mortgage, certified as such by PPG or such Mortgagee, together with the name and address of such Mortgagee and the pertinent recording data respecting such Mortgage. After receipt of the foregoing and until the Corporation shall receive notice that such Mortgage has been satisfied, the Corporation shall give to such Mortgagee, at the address of such Mortgagee set forth in such notice, and otherwise in the manner provided by Section 8.15 hereof, a copy of each notice of default at the same time as, and whenever, any such notice of default shall thereafter be given by the Corporation to PPG, and no such notice of default by the Corporation shall be deemed to have been duly given to PPG, unless and until a copy thereof shall have been so given to each such Mortgagee. Each such Mortgagee (i) shall thereupon have a period of thirty (30) days more than given to PPG in each instance in the case of a default in the payment of money and (other than in cases of emergency when more expeditious action is required for the protection of life or property) sixty (60) days more than given to PPG in each instance in the case of any other default, for remedying the default, or causing the same to be remedied, or causing action to remedy a default to be commenced, and (ii) shall, within such periods and otherwise as herein provided, have the right to remedy such default, cause the same to be remedied or cause action to remedy a default to be commenced. The Corporation shall accept performance by a Mortgagee of any covenant, condition or agreement on PPG's part to be performed hereunder with the same force and effect as though performed by PPG.

(c) Notwithstanding the provisions of Section 7.1 hereof, no default by PPG shall result in termination and the Corporation agrees to forbear from terminating this Agreement, notwithstanding any such default by PPG if and so long as (i) the Mortgagee, within fifteen (15) days after the expiration of the time given to PPG pursuant to the provisions of this Agreement to remedy the event or condition which would otherwise constitute a default hereunder, shall have delivered to the Corporation its written agreement to take the action described in clause (i) or clause (ii) of the preceding subparagraph; and (ii) thereafter shall proceed in good faith either (aa) to cure the default and to prosecute the same to completion or (bb) if possession of the Project Site or part thereof is required in order to cure the default, to institute foreclosure proceedings and obtain possession directly or through a nominee or receiver, and to prosecute such proceedings with diligence and continuity and promptly upon obtaining possession, diligently and with continuity proceed to cure any such default, in either event such cure to be effected within the additional grace period afforded to the Mortgagee; and (iii) within ten (10) days after delivery of such agreement, the Mortgagee shall pay or satisfy all monetary obligations of PPG under this Agreement and under the Ground Lease then in default; and (iv) the Mortgagee shall perform and continue to perform all of the other obligations of PPG under this Agreement and the Ground Lease, to the extent they are reasonably susceptible of being performed by the Mortgagee. Upon the request of the Mortgagee, the Corporation, upon conditions acceptable to it (including, inter alia, the payment of outstanding monetary obligations, the cure or diligent proceeding to cure other defaults reasonably susceptible of cure, and the approval of a proposed transferee as to qualifications and experience and as more particularly described in the Ground Lease), shall be willing to enter into a new ground lease for the Project with the leasehold Mortgagee or its nominee or a purchaser, assignee or other transferee who will thereafter be responsible for performance of the obligations and undertakings of PPG as provided for herein. Said new lease shall be for a term equal to the remainder of the term of the terminated Ground Lease and shall contain the same rent, covenants, agreements and conditions as contained in the Ground Lease. However, at any time after the delivery of the aforementioned agreement, the Mortgagee may notify the Corporation, in writing, that it has relinquished possession of the Project Site or part thereof or that it will not institute foreclosure proceedings or, if such proceedings have been commenced, that it has discontinued them, and in such event, the Mortgagee shall have no further liability under such agreement from and after the date it delivers such notice to the Corporation (except as provided below), and, thereupon, the Corporation shall have the unrestricted right to terminate this Agreement and to take any other action it deems appropriate by reason of any default. Notwithstanding anything herein contained to the contrary, and provided such Mortgagee shall have otherwise complied with the provisions of this Section 7.3, such Mortgagee shall have no obligation to cure any defaults which are not reasonably susceptible to being cured by such Mortgagee. Anything herein to the contrary notwithstanding, if a Mortgagee shall elect to cure and possession is taken and subsequently abandoned before cure, the Mortgagee shall be liable to and shall indemnify the Corporation against any loss, cost, expense or damage incurred or to be incurred by the Corporation due to acts or failure to act by the Mortgagee while in possession, including, without limitation, the cost of removal or discharge of liens pertaining to work performed at the request of the Mortgagee, costs incurred in connection with work

authorized by the Mortgagee or permitted to be performed which is not consistent with the Plans or Project Description (including, without limitation, demolition and replacement of such non-conforming work), claims by persons, including tenants, on account of obligations believed by such claimant to have been incurred by the Mortgagee, and claims on account of negligence or fault of the Mortgagee or persons for whose conduct Mortgagee is responsible while in possession.

(d) In the event that a Mortgagee shall become the owner of the Project Site or any part thereof, such Mortgagee shall not be bound by any modification or amendment of this Agreement made subsequent to the date of the Mortgage and delivery to the Corporation of the notice provided in this Section 7.3 and prior to its acquisition of such interest, unless the Mortgagee shall have consented to such modification or amendment.

(e) In any circumstances where arbitration or mediation methods are provided for under this Agreement, the Corporation shall give any Mortgagee with respect to whom a notice shall have been given by the Corporation as provided in this Section 7.3 notice of any demand by the Corporation for any arbitration or mediation, and the Corporation shall recognize the Mortgagee (or if more than one, the senior or "lead" Mortgagee) as a proper party to participate in such arbitration or mediation.

(f) At the request of a Mortgagee, the Corporation will consider such changes to this Agreement as may be reasonably requested by such Mortgagee, including, without limitation, the execution of a non-disturbance and attornment agreement with such Mortgagee. The Corporation further agrees that it will not unreasonably withhold, condition, or delay its consent to such changes, except that in no event shall the Corporation be required to consent and its refusal shall not be deemed unreasonable, if such proposed amendment or change extends the dates for performance by PPG, reduces the size or scope of the Project as described herein, makes material changes in the exterior of the Project, reduces the number of HOV Spaces below 500, or impairs or reduces or limits the rights of persons utilizing HOV Spaces to use the Garage, or otherwise materially and adversely affects the Corporation's rights and remedies hereunder.

Section 7.4. Events of Default by the Corporation.

(a) The occurrence of any of the following shall be a "Material Event of Default" by the Corporation under this Agreement:

- (i) Subject to Unavoidable Delays and to the Corporation's right to terminate under Section 3.7, the failure of the Corporation to perform its obligations under Sections 3.1 and 3.4 regarding the acquisition of the Project Site, which such failure shall not have been cured within sixty (60) days following written notice from PPG to the Corporation specifying such failure and the suggestions, if any, which PPG may then have for such failure to be cured;

- (ii) If after written request from PPG, the Corporation unreasonably refuses to execute instruments and documents as owner of the Property reasonably required for the obtaining of Governmental Approvals essential to the construction of the Project and such failure continues beyond sixty (60) days following written notice of such failure from PPG, which notice specifies the particular instruments or documents required to be executed and the reason why such documents are so required;

(b) The occurrence of any of the following shall be an "Event of Default" by the Corporation, but shall not constitute a "Material Event of Default":

- (i) If any of the material representations contained in Section 8.17 made by the Corporation in this Agreement shall be false or incorrect in any material respect, and within sixty (60) days following written notice from PPG to the Corporation identifying such misrepresentation and the basis of PPG's claim, such representation is not made true and correct, to the extent it is reasonably possible do so; or
- (ii) If the Corporation shall fail to observe or perform one or more of the other terms, conditions, covenants or agreements contained in this Agreement and such failure shall continue for a period of sixty (60) days after notice thereof by PPG to the Corporation specifying such failure and the suggestions, if any, which PPG may then have for such condition to be cured unless such failure requires work to be performed, acts to be done, or conditions to be removed which cannot by their nature or because of Unavoidable Delays reasonably be performed, done or removed, as the case may be, within such sixty (60) day period, in which case no Event of Default shall be deemed to exist as long as the Corporation shall have commenced curing the same within such sixty (60) day period and shall, subject to Unavoidable Delays, diligently and continuously prosecute the same to completion; provided, however, that there shall be no extension of time beyond such sixty (60) day period for the curing of any such default unless the Corporation (aa) shall specify in a written notice to PPG, prior to the expiration of the sixty (60) day period, the cause on account of which the default cannot be cured within such period and shall advise PPG of its intention to institute all reasonable steps to effectuate cure the default, and (bb) shall duly institute and thereafter diligently prosecute to completion the cure of such default.

Section 7.5 Remedies of PPG.

(a) If a Material Event of Default by the Corporation shall have occurred and shall not have been remedied within any applicable grace period provided in Section 7.4 hereof,

PPG shall have the right, in addition to those rights contained elsewhere in this Article VII, at its option, to terminate this Agreement by written notice to the Corporation, whereupon this Agreement shall be deemed terminated on the date designated by PPG in such notice of termination.

(b) In the event this Agreement shall be terminated by PPG as hereinabove provided, in addition to all other remedies of PPG provided in this Article VII, PPG shall be entitled to recover from the Corporation, and the Corporation shall pay to PPG, on demand, (i) all sums, if any, due and owing by the Corporation hereunder, and (ii) the reasonable costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, actually incurred by PPG in terminating this Agreement, or (iii) the amounts, if any, determined to be "Eligible Reimbursable Development Expenses" pursuant to subparagraph (c) hereof. Anything to the contrary notwithstanding, in no event shall the Corporation be liable for special, incidental, consequential or punitive damages.

(c) If such termination is by reason of a Material Event of Default by the Corporation hereunder, the Corporation further agrees to reimburse PPG and its General Partners for all reasonable out of pocket expenses to third parties actually incurred by any of them after the date of execution of this Agreement in connection with the acquisition of the Project Site or the development of the Project during the period commencing on the date of execution of this Agreement and continuing through the date of the Material Event of Default giving rise to PPG's right to terminate this Agreement; provided, however, that if PPG gives prompt notice of such Material Event of Default, such period shall continue through the cure period set forth herein relating to such Material Event of Default ("Eligible Reimbursable Development Expenses"). Subject to Section 3.7, the term "Eligible Reimbursable Development Expenses" shall not include the Amtrak Purchase Price, provided that the Corporation fulfills the provisions of Section 3.4 regarding the Amtrak Parcel. It is further agreed that the amount of Eligible Reimbursable Development Expenses shall be determined after audit by a mutually selected special arbitrator ("Special Arbitrator"), pursuant to Section 8.1, and that the only issue to be determined by the Special Arbitrator (after a prior determination under said Section 8.1 has been made as to whether an Event of Default by the Corporation has occurred) is the amount of Eligible Reimbursable Development Expenses as defined herein. The determination of the Special Arbitrator shall be binding on all parties. In recognition of the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by PPG, the amount determined to be "Eligible Reimbursable Development Expenses" is agreed by the parties to be liquidated damages and not a penalty, and shall be paid and accepted in lieu of all other claims for damage and other remedies which PPG may have on account of the termination of this Agreement and other Project Documents as a result of a Material Event of Default by the Corporation.

(d) In case of all Events of Default, other than a Material Event of Default, PPG's remedies shall be limited to (i) injunctive but not specific performance and (ii) the recovery of damages in an amount equal to the actual loss suffered by PPG as a sole and direct consequence of such Event of Default, including, without limitation, reasonable attorneys fees

and expenses incurred by PPG in connection with such Event of Default and its exercise of its remedies hereunder.

Section 7.6. Strict Performance. No failure by the Corporation or PPG to insist upon the other party's strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy available to such party, and no payment or acceptance of full or partial performance during the continuance of any Event of Default, shall constitute a waiver of any such Event of Default. No covenant, agreement, term or condition of this Agreement to be performed or complied with by either party, and no default by either party, shall be waived, altered or modified, except by a written instrument executed by the other party. No waiver of any default shall affect or alter this Agreement, but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent default.

Section 7.7. Rights of the Parties; Limitation on Specific Performance. In the event of a default or threatened default with respect to any provision of this Agreement, the Corporation and PPG shall be entitled to seek to enjoin such default or threatened default, but shall not have the right to seek specific performance against a defaulting party. The exercise or beginning of the exercise by the Corporation or PPG of any one or more of its respective rights or remedies shall not preclude the simultaneous or later exercise by the Corporation or PPG of any or all of its other rights or remedies. Each right and remedy of the Corporation and PPG provided for in this Agreement shall be cumulative and in addition to every other right or remedy, now or hereafter existing at law, in equity, by statute or otherwise under the Ground Lease, the Parking Garage Lease or any other Project Document, unless specifically waived therein.

Section 7.8. Payment of Expenses. In any action or proceeding seeking to enforce any of the terms and provisions of this Agreement in which a party obtains a judgment or decision for substantially the relief requested, the other party shall pay all of the prevailing party's reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) actually incurred by the prevailing party in respect of such action or proceeding.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Dispute Resolution.

(a) Except as otherwise specifically provided herein, all disputes relating to construction of improvements constituting all or any portion of the Project, including without limitation, commencement of construction, achieving Substantial Completion, achieving Final Completion, whether work is proceeding with "reasonable dispatch", whether there has been a substantial and material interruption, discontinuation, suspension or work stoppage in the

progress of construction of the Project for sixty (60) days or more, and whether an Unavoidable Delay has occurred, shall be resolved by binding arbitration under the Construction Industry Arbitration Rules of the American Arbitration Association. The determination of whether the work conforms to the Plans and whether any work is incomplete or defective shall be resolved by the Architect. Any other dispute or disagreement which shall arise concerning any of the provisions of this Agreement, including whether a Material Event of Default or an Event of Default has occurred or the determination of Eligible Reimbursable Development Expenses, which is specified in this Agreement to be arbitrated or mediated (except those which as a matter of law must be submitted to a court of competent jurisdiction) or as to which the parties agree to submit to arbitration, shall be submitted to and resolved by arbitration in accordance with the then Commercial Arbitration Rules of the American Arbitration Association (except as such Rules may conflict with the provisions of this Article VIII), and such arbitration shall be conducted in Providence, Rhode Island. Notwithstanding the foregoing, if both parties agree, any dispute may also be resolved by mediation or any other mutually acceptable alternate dispute resolution proceedings undertaken by a mutually acceptable dispute resolution firm or organization. Each party shall be entitled to discovery and the arbitrator(s) shall have the power to order the joinder or consolidation of all claims and parties where common issues exist so as to avoid inconsistent findings and the delay and expense of multiple arbitrations. If the parties are able to agree upon a single arbitrator, the arbitration shall be conducted by such single arbitrator. If the parties are not able to agree upon a single arbitrator, each party shall choose one arbitrator and those arbitrators shall choose a third arbitrator and the arbitration shall be conducted by such three arbitrators. Any such arbitrator, mediator or resolution facilitator is referred to herein as an "arbitrator". With respect to construction disputes, any arbitrator selected must be a duly licensed design professional, engineer or contractor having at least fifteen (15) years experience in the field(s) to which the disputes pertain and the arbitrators for resolution of any other dispute shall have comparable credentials and experience in relationship to the nature of the dispute. For the purposes of determining "Eligible Reimbursable Development Expenses", the "Special Arbitrator" shall be a national accounting firm. The decision of the arbitrator(s) shall be final and binding on the parties. As soon as the panel has been convened, a hearing date shall be set to occur as soon as reasonably possible, and in any event no later than twenty-one (21) days thereafter. By a date prior to the hearing and set by the arbitrators, written submittals shall be presented and exchanged by both parties before the hearing date, including reports prepared by experts upon whom either party intends to reply. At such time the parties will also exchange copies of all documentary evidence upon which they will rely at the arbitration hearing and a list of the witnesses whom they intend to call to testify at the hearing. Each party shall also make respective experts available for deposition by the other party prior to the hearing date. The hearings shall be concluded no later than thirty (30) days after the initial hearing date. The arbitrators shall make their award within seven (7) days after the conclusion of the hearing. In the event of a three-member panel, the decisions in which two of the members of the arbitration panel concur shall be the award of the arbitrators.

In the event the hearing cannot be concluded within the specified thirty (30) days, and the parties cannot agree on an extension of the date for the conclusion of the hearing, the chairman of the arbitration panel shall prepare a sworn statement requesting an extension of time which shall not exceed thirty (30) days and stating the reason for the required extension. If the parties do not agree to such an extension, then this statement can be presented to a court of competent jurisdiction by either party by motion requesting an extension of the date by which the hearing is to be completed, and which motion may be brought on five (5) days notice or on an order shortening time, if necessary.

Except as otherwise specified herein, there shall be no discovery or dispositive motion practice (such as motions for summary judgment or to dismiss or the like) except as may be permitted by the arbitrators, who shall authorize only such discovery as is shown to be absolutely necessary to insure a fair hearing and no such discovery or motions permitted by the arbitrators shall in any way conflict with the time limits contained herein. The arbitrators shall not be bound by the rules of evidence or civil procedure, but rather may consider such writings and oral presentations as reasonable businesspersons would use in the conduct of their day-to-day affairs, and may require the parties to submit some or all of their presentation as the arbitrators may deem appropriate. It is the intention of the parties to limit the live testimony and cross-examination to the extent absolutely necessary to insure a fair hearing to the parties on the significant matters submitted to the arbitrators. The parties have included the foregoing provisions limiting the scope and extent of the proceedings before the arbitrators with the intention of providing for prompt, economic and fair resolution of any dispute submitted to the arbitrators.

The arbitrators shall have the discretion to allocate in their award the costs of their proceedings, including their fees and the respective attorneys fees and costs of each party between the parties as they see fit.

Judgment upon the award entered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

The arbitrators shall make their award in accordance with applicable law and based on the evidence presented by the parties, and at the request of either party at the start of the proceeding shall include in their award findings of fact and conclusions of law supporting the award.

Notwithstanding the parties' agreement to mediate, arbitrate or alternatively resolve their disputes as provided in this Agreement, any party may seek emergency relief or provisional remedies in a court of law without waiving their rights under this Section 8.1.

(b) Except as may be otherwise determined by the arbitrators pursuant to Section 8.1(a) hereof: (i) each party shall pay the fees and expenses of its respective arbitrator and both shall share the fees and expenses of the third arbitrator, if any, and the mediator, resolution facilitator, etc., if any; and (ii) each party shall be responsible for the fees and

expenses of its own attorney and other representatives in connection with such arbitration, mediation or other dispute resolution method.

Section 8.2. Priority Hiring. The Corporation shall request that the State in conjunction with PPG develop a retail sales training program for prospective employees at the Mall, such program to be in accordance with all applicable federal, state and local laws.

Section 8.3. Right of Access to the Project Site Prior to Commencement of Construction. (a) The Corporation hereby grants PPG, its Affiliates, contractors, architects, agents and prospective Mortgagees, the right to enter the Project Site, together with workers and materials, at any time for the following purposes, provided such entry does not unreasonably interfere with existing uses of the Project Site, with the prior consent of the Corporation, which consent will not be unreasonably withheld, conditioned or delayed:

- (i) To make physical inspections of the Project Site, including subsurface tests, soil test borings, water survey, topographical surveys, sewage disposal survey and drainage determination;
- (ii) To make an accurate survey of the boundaries of the Project Site or any part or parts thereof;
- (iii) To make any and all inspections, tests, surveys and appraisals;
- (iv) To conduct and to carry out any and all engineering studies and operations that are necessary to carry out the intent of this Agreement; and
- (v) To commence required archeological exploration and mitigation on the old Rhode Island prison in the area now used as the URI parking lot on the URI Parcel, provided that to the extent that such activities interfere with the use of the parking lot, plans for such activities must be approved by the State.

With respect to the Amtrak Parcel, permission to undertake any of the above must be obtained by PPG in advance from Amtrak's Chief Engineer pursuant to the terms of the Amtrak Agreement. If PPG or its Affiliates enter upon the Project Site pursuant to the provisions of this Agreement, PPG shall cause the Project Site to be restored as near as is reasonably possible to its condition prior to such entrance.

(b) PPG shall indemnify, defend and save the Corporation or, with regard to the URI Parcel, the State, if it was the owner thereof at the time the event giving rise to indemnification arose, their respective employees, agents and representatives harmless from any and all loss, costs, damages, expenses and attorneys fees, resulting from personal injury or property damage which the Corporation or any third party may suffer or incur as a

result of such activities. PPG shall maintain or cause to be maintained acceptable liability insurance covering its employees, agents, contractors, and vehicles used by them or any other person, and naming the Corporation as an additional insured, such insurance to be issued by companies and in amounts and with scope of coverage reasonably acceptable to the Corporation.

(c) Notwithstanding anything in this Agreement to the contrary, nothing herein shall impose any responsibility or liability whatsoever upon PPG, or any Affiliate of PPG, for the conditions, losses, costs, damages, expenses and attorneys fees which may be incurred by any party as a result of the discovery or presence of any Hazardous Substance, or any other contaminant under Federal, State, or local laws, statutes, regulations, codes, or ordinances on the Project Site unless such Hazardous Substance was brought to the Project Site by PPG.

Section 8.4. No Subordination. PPG shall not be required to subject or subordinate its interest in the Project Site, including its interest in the Ground Lease, to any mortgage obtained by the Corporation or the State. The Corporation or the State shall not be required to subject or subordinate its fee or other interest in the Project Site to any mortgage obtained by PPG or by any Anchor Tenant in connection with PPG's or such Anchor Tenant's construction or permanent financing of the Mall or Anchor Store, as the case may be.

Section 8.5. Indemnification. Not in limitation of any more specific indemnification agreements, if any, contained in the Amtrak Agreement Indemnity or any other Project Document, PPG hereby agrees to indemnify, defend and hold the Corporation, its agents, representatives, officers, and employees harmless from (i) any and all liabilities, losses, damages, penalties, judgments, awards, claims, demands, costs, expenses, actions, lawsuits or other proceedings arising, directly or indirectly, in whole or in part, out of the negligence or willful act or omission of PPG, any contractors, subcontractors or their respective agents, officers or employees in connection with this Agreement, the Project Documents or in any way with the services or work described herein, any occurrence at or in connection with the Project Site, and (ii) any and all attorneys' fees and expenses, and other litigation costs, including the fees, costs and expenses of experts for the Corporation, incurred by the Corporation in proceedings brought against the Corporation arising, directly or indirectly, in whole or in part, from this Agreement, the Project, or the other Project Documents, or as a result of the Corporation being a party to this Agreement or the other Project Documents; provided, however, that if the Corporation is named as a defendant in any litigation or other proceeding arising from this Agreement, the Project, or the other Project Documents, upon notice by the Corporation PPG shall, at its sole cost and expense, engage the Washington, D.C. law firm of Williams & Connolly to represent the Corporation (and, if also named as a defendant, PPG) in such action(s). In the event the Corporation reasonably determines that the representation by Williams & Connolly of the Corporation creates a conflict of interest, the Corporation shall be entitled to retain separate legal counsel to represent its interests in the action(s) and the indemnity set forth in this Section 8.5 shall

apply to attorneys fees, expenses and litigation costs described above incurred by the Corporation in such action(s), up to a maximum of \$100,000.

Section 8.6. Assignment.

(a) The Corporation's Assignment. The Corporation shall not assign this Agreement or any right, title or interest hereunder until the earlier to occur of June 1, 1999, or Final Completion, and thereafter may assign this Agreement, and any right, title or interest hereunder, only to one or more Governmental Authorities, provided that the Corporation shall not thereby be released from its unperformed obligations hereunder. All references to the Corporation in this Agreement shall be deemed to include such delegate.

(b) PPG's Assignment. PPG shall have the right to collaterally assign all or any portion of its interest in this Agreement or in the Project to a Mortgagee pursuant to a Financing Document and such assignee shall not be required to assume the obligations of PPG hereunder unless and until such assignee exercises its rights under such Financing Document. PPG shall have no right to assign all or any portion of its right, title and interest in this Agreement, any other Project Document or the Project until the later of (a) achieving Final Completion, or (b) January 1, 2000 (the period preceding such applicable date, the "Assignment Prohibition Period"). Thereafter, PPG shall have the right to assign all or any portion of its right, title and interest in this Agreement, any other Project Document or the Project at any time provided the assignee meets the following requirements: (i) if revenues from the tenant leases then in effect at the Mall and from the Parking Garage are not sufficient to cover all operating expenses of the Project, such assignee must demonstrate that it has financial capabilities sufficient to reasonably meet the then-anticipated financial obligations of the Project owner; (ii) such assignee owns and operates, or employs a manager who manages, at least 5,000,000 square feet of mall space in addition to Providence Place; (iii) such assignee has, or employs a manager who has, at least five years experience in retail mall operations; and (iv) such assignee assumes PPG's obligations in connection with the Project in a manner reasonably acceptable to the Corporation. After the Assignment Prohibition Period, PPG and its general partners shall, from and after the effective date of a permissible assignment, be released from any obligation thereafter accruing. No transfer or assignment shall be effective until and unless the Corporation has received, reviewed and approved (which approval shall not be unreasonably withheld, delayed or conditioned) all instruments and other legal documents effecting such transfer or assignment, including, without limitation, an express assumption of liability by the assignee(s).

(c) Void Assignment. Any purported assignment of this Agreement or any right, title or interest hereunder (including without limitation in the Project or under any Project Document) not complying with this Section 8.6 shall be void and of no force or effect whatever.

Section 8.7. Composition of PPG. Except by reason of death or incapacity, there shall be no changes in the identity of the partners (general or limited) of PPG or its general partner without the prior approval of the Corporation, which approval may be granted or withheld by the Corporation in its sole discretion, with or without cause or reason; provided, however, after Final Completion of the Mall, such consent shall not be unreasonably withheld. Further, J. Daniel Lugosch, III, of Dover, Massachusetts, is hereby approved by the Corporation as the managing General Partner of PPG and the Project and shall have day-to-day responsibility to the Corporation and the State, and shall be the contact person for status reports and other information requested by the Corporation or the State, regarding PPG's compliance with the terms hereof and regarding construction of the Project. There shall be no change in such managing General Partner without the prior approval of the Corporation, which approval may be granted or withheld by the Corporation in its sole discretion, with or without cause or reason; provided, however that in the event of death or incapacity, or after Final Completion, such consent shall not be unreasonably withheld.

Section 8.8. Consents and Approvals.

(a) All consents and approvals which may be given under this Agreement shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by a party to perform any act requiring consent or approval under the terms of this Agreement, or the failure on the part of a party to object to any such action taken without the required consent or approval, shall not be deemed a waiver by the party whose consent was required of its right to require such consent or approval for any further similar act.

(b) If, pursuant to the terms of this Agreement, any consent or approval by the Corporation, the State or PPG is required, then unless expressly provided otherwise in this Agreement, and giving effect to extensions provided for in Section 8.8(e) hereof, if the party who is to give its consent or approval shall not have notified the other party within fifteen (15) days or such other period as is expressly specified in this Agreement after receiving such other party's request for a consent or approval that such consent or approval is granted or denied, and if denied, the reasons therefor, in reasonable detail, such consent or approval shall be deemed granted. If, pursuant to the terms of this Agreement; any consent or approval is not to be unreasonably withheld or is subject to a specified standard, then in the event there shall be a final determination that the consent or approval was unreasonably withheld or that such specified standard has been met so that the consent or approval should have been granted, the consent or approval shall be deemed granted.

(c) If it is provided that a particular consent or approval is not to be unreasonably withheld, such consent or approval also shall not be unreasonably conditioned or delayed and any matter required to be done satisfactorily or to the satisfaction of a party need only be done reasonably satisfactorily or to the reasonable satisfaction of that party.

(d) Except as specifically provided herein or by statute, no fees or charges of any kind or amount shall be required by any party hereto as a condition of the grant of any consent or approval which may be required under this Agreement.

(e) The fifteen (15) day period set forth in Section 8.8(b) hereof shall not apply to Governmental Approvals which shall be subject to applicable laws, rules and regulations, including without limitation, appeal periods and procedures.

Section 8.9. Enterprise Zone. PPG covenants and agrees for a period of fifty (50) years from the execution of this Agreement, that if the Project goes forward neither it, its successors or assigns nor any of the Tenants of the Mall shall seek certification from the State's Enterprise Zone Council pursuant to Chapter 64.3 of Title 42 of the General Laws of Rhode Island, as may be amended from time to time to become a qualified business as such term is defined therein.

Section 8.10. Exclusive Negotiations. So long as this Agreement shall not have been terminated, or until an Event of Default has occurred hereunder by PPG, the Corporation shall not negotiate with any other developer for the development of the Project or the Project Site; notwithstanding the foregoing, discussions and negotiations may be engaged in by the Corporation for purposes of the Corporation reviewing and approving Mortgagees and other potential successors in interest to PPG's rights hereunder via mortgage foreclosure or deed-in-lieu of foreclosure transactions.

Section 8.11. Good Faith Negotiations. The parties shall proceed in good faith with the drafting and negotiations of the Project Documents on the basis of the proposed terms as set forth in this Agreement.

Section 8.12. No Broker. PPG and the Corporation mutually represent and warrant that no broker to whom a commission, fee or other compensation is payable is or has been involved in or brought about the transactions contemplated by this Agreement. Each party shall indemnify and hold the other harmless from any and all claims, obligations, liabilities, costs or expenses (including reasonable attorneys' fees) incurred as a result of any claim for brokerage commissions, fees or other compensation by any person or entity which alleges having acted or dealt with the indemnifying party in connection with the Project or the transactions contemplated by this Agreement. The parties obligations under this Section shall survive the termination of this Agreement.

Section 8.13. No Recording. No party shall cause this Agreement or a memorandum hereof to be recorded without the prior consent of the other.

Section 8.14. Relationship of Parties. This Agreement is not to be construed to create a partnership or joint venture between PPG, the Corporation or any other Governmental Authority.

Section 8.15. All Notices, Communications, Etc. in Writing. Whenever it is provided herein that notice, demand, request, consent, approval or other communication (a "notice") shall or may be given to, or served upon, either of the parties by the other, or whenever either of the parties desires to give or serve upon the other any notice, each such notice shall be in writing and shall be effective for any purpose only when and if given or served by personal delivery, or recognized overnight courier, in either instance as evidenced by acknowledgment of receipt, or by facsimile showing the date, time and telephone number of receipt, or by certified mail, postage prepaid, return receipt requested and received, addressed as follows:

If to the Corporation:

Rhode Island Economic
Development Corporation
Seven Jackson Walkway
Providence, Rhode Island
Attn: Marcel A. Valois, Executive Director
Fax No. (401) 274-1381

With copies to:

Peabody & Arnold
One Citizens Plaza
Providence, RI 02903
Attn: John R. Gowell, Jr., Esq.
Fax No. (401) 831-8359

If to PPG:

Providence Place Group
30 Exchange Terrace
2nd Floor
Providence, Rhode Island 02903
Fax No. (401) 453-2232

With copies to:

Edwards & Angell
2700 Hospital Trust Tower
Providence, Rhode Island 02903
Attn: James J. Skeffington, Esq.
Fax No. (401) 276-6611

and

Alex C. Conroy
The Conroy Development Co.
1 Fawcett Place
Greenwich, CT 06830
Fax No. (203) 622-6419

Any party may by notice to any other change the address to which notices to such party shall thereafter be given.

Section 8.16. Negotiated Document. The parties acknowledge that the provisions and language of this Agreement have been negotiated, and agree that no provision of this Agreement shall be construed against any party by reason of such party having drafted such provision or this Agreement.

Section 8.17. Representations and Warranties. In order to induce the Corporation to enter into this Agreement, PPG hereby represents and warrants, with full knowledge that the Corporation shall rely on such representations and warranties, that: (i) PPG is a duly formed and validly existing New York limited partnership duly qualified to do business in Rhode Island with the full power and authority to consummate the transactions contemplated hereby; (ii) to the best of PPG's knowledge and belief, PPG has the capacity on its own or the ability to obtain from the Institutional Lender(s) pursuant to the Financing Commitment(s), or otherwise, funds sufficient to meet all presently anticipated costs of construction of the Project (including without limitation, costs associated with the acquisition and condemnation of the Amtrak Parcel and URI Parcel); (iii) PPG has not and shall not guaranty the payment or performance of any obligation of any Affiliate and no interest of PPG in this Agreement, any other Project Document or the Project has been or shall be pledged or otherwise used as security therefor except in connection with the Project; (iv) no litigation has commenced or to their respective knowledge is threatened against PPG or any of its Affiliates which could have the effect of preventing or delaying performance by PPG of its obligations hereunder or under any of the other Project Documents; and (v) that all documents submitted to the Corporation in satisfaction of Conditions Precedent or otherwise, at the time of submission have been (or, if submitted at any time hereafter, will be) true, accurate and complete in all material respects. In order to induce PPG to enter into this Agreement, the Corporation hereby represents and warrants, with full knowledge that PPG shall rely on such representations and warranties, that the Corporation has full power and authority to consummate the transactions contemplated by this Agreement to be consummated by the Corporation. Each party hereto represents and warrants to the other that this Agreement has been duly authorized by all necessary action on its part and has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of and enforceable against it by the other party hereto (but subject, as to the Corporation, to specific appropriation and enactment of appropriate legislation) and neither the execution and delivery hereof, nor compliance with the terms and provisions hereof (a) requires the

approval and consent of any Governmental Authority or any other party, except as contemplated by the terms hereof, (b) contravenes any existing law, judgment, governmental rule, regulation or order applicable to or binding on it, or (c) contravenes or results in any breach of or, except as contemplated by this Agreement (including without limitation certain deed restrictions on the URI Parcel concerning parking rights), results in the creation of any lien or encumbrance upon any of its property. Concurrently with the execution of this Agreement, each party shall deliver an opinion of counsel to the other in form reasonably satisfactory to such party with respect to the foregoing representations. PPG and the Corporation each acknowledge that, except as otherwise specifically provided herein or in the other Project Documents (a) no representations, statements or warranties, express or implied, have been made by, or on behalf of, PPG or the Corporation with respect to the Project Site, the Project or the transactions contemplated by this Agreement, and (b) neither PPG nor the Corporation has relied on such representations, statements or warranties.

Section 8.18. Strictly Limited Financial Obligations of Corporation and State. Except as otherwise specifically provided in this Agreement, PPG acknowledges and agrees that the sole financial obligations of the Corporation or the State hereunder are the State and the Corporation contributing the URI Parcel (and any other relevant State Parcels) and the Amtrak Parcel, if acquired by the Corporation in accordance with this Agreement, to the Project Site pursuant to the Ground Lease, the Corporation making payments under the Public Investment and HOV Agreement and under the Parking Garage Lease, the State performing the work or making the payments as specified in applicable legislation regarding the Pedestrian Infrastructure Improvements, and the Corporation and the State paying their respective attorneys' and related fees in the negotiation of this Agreement and the other Project Documents, and the payment of damages or awards required hereunder, all to the extent any necessary appropriation for the same may be made from time to time.

Section 8.19. Governing Law and Consent to Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island. Each party hereto, including any general partner of PPG executing this Agreement on behalf of PPG, and each general partner of Providence Place Group, the New York general partnership that is the general partner of PPG, hereby consents to the jurisdiction of the state and federal courts of the State for resolution of any dispute arising hereunder:

Section 8.20. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Agreement by signing any such counterpart.

Section 8.21. Captions. The captions of this Agreement are for the purpose of convenience of reference only, and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

Section 8.22. Gender, etc. As used in this Agreement, the masculine shall include the feminine and neuter, the singular shall include the plural, and the plural shall include the singular, as the context may require.

Section 8.23. No Third Party Beneficiaries. Except as may be expressly provided to the contrary in this Agreement, nothing contained in this Agreement shall or shall be construed to confer upon any person other than PPG and the Corporation, any rights, remedies, privileges, benefits or causes of action to any extent whatsoever.

Section 8.24. Successors and Assigns. The agreements, terms, covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the Corporation and PPG and, except as otherwise provided herein, their respective successors and permitted assigns.

Section 8.25. Further Assurances. Each party hereto shall do all acts and things and make, execute and deliver such written instruments as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

Section 8.26. No Amendment. Neither this Agreement nor any provisions hereof may be changed, modified, amended, supplemented, altered, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, modification, amendment, supplement, alteration, waiver, discharge or termination is sought, and, if required by any mortgage document, the applicable lender has consented thereto.

Section 8.27. Separability. Unenforceability for any reason of any provision of this Agreement shall not limit or impair the operation or validity of any other provision of this Agreement and if any term or provision of this Agreement or the application thereof to any person or circumstance shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances to which it is valid or enforceable, shall not be limited, impaired or otherwise affected thereby, and each term and provision of this Agreement shall be valid and enforced to the extent permitted by law.

Section 8.28. Entire Agreement. This Agreement, together with the Exhibits hereto, and the Project Documents contain all of the promises, agreements, conditions, inducements and understandings between the Corporation and PPG concerning the Project and there are no promises, agreements, conditions, inducements or understandings, oral or written, expressed or implied, between them other than as expressly set forth herein and therein.

Section 8.29. Effectiveness. This Agreement shall not be binding or effective until executed and delivered by the parties hereto.

Section 8.30. Expiration of Agreement. Unless sooner terminated in accordance with its terms, this Agreement shall expire and be of no further force or effect at such time as Final Completion shall have occurred for all components of the Project.

Section 8.31. Termination of Development Agreement. Upon the later to occur of (i) execution of this Agreement, the Ground Lease and the Parking Garage Lease, or a memorandum or letter of intent signed by the parties generally approving the terms of this Agreement and such other Project Documents, (ii) enactment of appropriate legislation agreed by the parties to be required for the consummation of the transactions contemplated hereby, and (iii) approval by the City Council of a new ordinance and agreement with PPG providing for a 30-year real estate tax treaty acceptable to PPG and the Corporation with regard to the Project, the Development Agreement shall be deemed to be terminated without any further action of any Person, and shall have no further force or effect, with all parties waiving all rights against the others thereunder. With regard to clause (iii) above, such ordinance and agreement shall be deemed acceptable to PPG unless, within five (5) days of passage of such ordinance, PPG notifies the Corporation that the ordinance or agreement is not acceptable to PPG.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

PROVIDENCE PLACE GROUP LIMITED
PARTNERSHIP, a limited partnership
organized under the laws of the State of
New York

By: PROVIDENCE PLACE GROUP, a
general partnership organized under the
laws of the State of New York,
General Partner

By: _____
Marcel A. Valois
Executive Director

By: _____
J. Daniel Lugosch, III
General Partner

By: _____
Robert J. Congel
General Partner

By: Woodchuck Associates
General Partner

By: _____
Robert J. Congel
Trustee

By: _____
Peter C. Steingraber
General Partner

EXHIBIT 1	<u>Project Description</u>
EXHIBIT 2	<u>Pedestrian Infrastructure Improvements</u>
EXHIBIT A	<u>Description of Amtrak Parcel</u>
EXHIBIT B	<u>Form of Ground Lease</u>
EXHIBIT C	<u>Form of Parking Garage Lease</u>
EXHIBIT D	<u>Master Plan: Proposed Site Plan</u>
EXHIBIT E	<u>Description of URI Parcel</u>
EXHIBIT F	<u>Form of Title Escrow Agreement</u>
EXHIBIT G	<u>Restoration Guaranty</u>
EXHIBIT H	<u>Amtrak Agreement Indemnity</u>
EXHIBIT I	<u>Public Investment and HOV Agreement</u>

Exhibit 1 - Project Description

The Project will consist of two elements in downtown Providence: a 4,000-space parking garage (the "Garage") and a mall (the "Mall") with a minimum of 1,150,000 gross leasable square feet, both as further described herein.

•Parking Garage:

The multi-story, 4,000-space Garage which is proposed to be built on the Project Site as shown on the Master Plan will include 500 HOV spaces.

The Garage will be enclosed and ventilated and will be a "state of the art" facility, and will include landscaping, walkways, service roads, street lighting, adequate interior lighting, state of the art security systems (with video cameras), first-class interior surface finishes, state of the art vertical transportation through the Garage and into the Mall and to exterior ways and walkways from the Garage, by state of the art elevators and/or escalators, and exterior surface treatment appropriate to the historic downtown setting, all as shown on the Plans.

The Garage will include vehicular access and egress points on Francis Street and Park Street, and a major exit on Hayes Street. Traffic on nearby highways will be monitored from within the Garage, and changeable message signs will direct drivers to the least congested routes.

The Garage will be a part of an intermodal transportation center. In addition to the 4,000 parking spaces, the Garage will include without limitation the following, collectively referred to as the "Intermodal Transportation Facilities":

- a central terminal for a downtown "minibus" shuttle bus network of low-emitting vehicles to be operated by the Rhode Island Public Transit Corporation (RIPTA);
- a direct, enclosed pedestrian access to an extension (built by others) of the nearby Providence train station platform;
- a passenger stop of sufficient size to accommodate up to two (2) 40' long, 6-wheeled buses on regular routes operated by RIPTA (whose central hub will remain at nearby Kennedy Plaza);
- bicycle facilities, including interior bicycle racks and a safe, attractive route which traverses the site along the Riverwalk; and
- an extensive pedestrian network which ties together the surrounding activity centers and public amenities, including Waterplace Park, which would be the downtown terminus for a proposed passenger ferry system.

HOV Spaces

The HOV Spaces will be provided for HOV usage during the hours of 6:00 A.M. through 6:00 P.M., Monday through Friday, excluding business holidays.

Shopping Mall

The Garage will be designed and built to provide a safe platform on which the Mall will be built. The Mall will consist of no less than a 1,150,000 gross leasable square foot 3-level shopping center and will be built with not less than 3 anchor stores and approximately 150 smaller mall shops and will be oriented toward "upscale" shoppers. The size of the Mall and its upscale orientation is intended to create a major regional destination.

The Project will total 10 stories, beginning at an elevation of approximately 5 feet above mean high water (MHW) and reaching a roof elevation of approximately 118 feet above PCD. The structure will cross the Woonasquatucket River, bridging the river over the railroad tracks and remaining open predominately to the river along the western portion of the building. The Riverwalk which will be built by parties other than PPG, will continue across Francis Street from Waterplace Park, carrying pedestrians and bicyclists over the railroad tracks and back down to the river. The Project will have multiple pedestrian entrances along Francis Street, one on Park Street, and will include a skywalk connection to the Convention Center. A plaza will provide an attractive transition between the Riverwalk and the Mall.

The Mall and Garage shall be designed to integrate fully with the downtown area. The frequent, highly visible RIPTA shuttlebus service will provide an obvious, convenient connection to downtown areas. The pedestrian entrances along Francis Street will allow easy communication between the Project and the street, providing access to safe pedestrian crossing facilities. Additionally, separate retail stores will have individual entrances directly on Francis Street. The skywalk across Memorial Boulevard will provide safe passage between the Mall and the Convention Center, beyond which are other downtown destinations. The Riverwalk extension will provide a pedestrian/bicyclist connection between the existing Waterplace Park and Promenade/Kinsley Avenues, a connection which does not exist currently. With a major Mall entrance located directly across from the Waterplace Park, the Project is connected visually and physically with a prominent downtown pedestrian route. Street-level retail and restaurants along Francis Street will provide destinations that will help enliven Francis Street with pedestrian traffic.

The Mall and Garage shall be designed and built in full conformance with the Plans, this Project Description and the Design Approval Standards with thorough review by the Capital Center Commission and in public workshops and hearings. The primary design goals that will be achieved through this process include:

- creating a focus on and backdrop for the Riverwalk and Waterplace Park;

- incorporating architectural elements that enhance the image of the city at its busiest interchange;
- enhancing view corridors of the state capitol and surrounding open spaces; and
- designing a project that appropriately reflects the scale, historic nature, and urban character of the downtown area.

A glassed-in-arcade and food court at upper levels of the Mall will provide views of downtown Providence and will increase the visual connection between the Project and downtown.

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Exhibit 2 - Pedestrian Infrastructure Improvements

The State will be responsible for the cost of the design, permitting, construction, and related costs of the following elements of the Project, except as otherwise noted, hereinafter referred to as the Pedestrian Infrastructure Improvements, all of which shall be completed in accordance with Capital Center Commission regulations:

Pedestrian Skybridge

An enclosed pedestrian overpass will connect the southeast corner of the Mall and Garage (at elevation +36 PCD +/-) to the 2nd floor of the Westin Hotel lobby structure on the south side of Memorial Blvd. The overpass structure will be supported at either end by the respective building with an intermediate support between the east and west bound on/off ramps to the Civic Center Interchange. There will be direct access from the sidewalk to the skybridge by stairs on the north side of Memorial Blvd.

Riverwalk Extension / Streetscape

The riverwalk will be extended from Waterplace Park, on both sides of the Woonasquatucket River, into the Project Site. On the North side of the river, the riverwalk will continue to the west across the street, over the railroad tracks, and down to the riverbank elevation (approx. +4 PCD) via both a bicycle/handicap ramp and a feature staircase, to connect with the sidewalk system along Promenade St. and Kinsley Ave. On the south side of the river, the riverwalk will pass under Francis Street and connect to a riverbank-level plaza that will connect to the Francis Street sidewalk by stairs. The existing concrete railings on the Francis Street bridge will be replaced with pipe railings.

The streetscape is all work between the face of the Mall/Garage building and the curblin and includes the sidewalks, surface treatment, landscaping, planters, light poles, benches, kiosks, railings, etc.

Scope of Work

The workscope for the Pedestrian Infrastructure Improvements includes, but is not limited to: completion of all necessary design and engineering, accomplishing all required physical construction (foundations and structural support, finishes, mechanical, electrical, etc.), securing all permits and regulatory approvals, and the necessary administration of the work. Subject to the approval of the Capital Center Commission, PPG retains the right of design approval of all work which connects to the Project and/or occurs within the Project Site, which approval shall not be unreasonably withheld, conditioned or delayed, and which approval shall not make such work to be performed by or at the direction of the State more costly than as designed and estimated by the State or at its direction.

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PROVIDENCE PLACE GROUP

30 EXCHANGE TERRACE, 2nd FLOOR
PROVIDENCE, RHODE ISLAND 02903
401 453-2100 FAX 401 453-2232

October 10, 1995

Honorable Evelyn Fagnoli
President Pro Tempore
City Council
City of Providence

Dear Madam President:

This is to confirm that PPG has agreed to contribute \$10,000 per year to the Smith Hill Center for a ten year period commencing in 1996, provided that construction of the Providence Place Mall has begun. At the end of the ten year period, PPG will consider extending the payment for an additional period of ten years.

This commitment is being made because the Smith Hill Center is located in the same ward as Providence Place, and we at PPG wish to assist the community in which we will be located.

We are prepared to enter a formal agreement with the City and the Smith Hill Center as soon as one is prepared by the City Solicitor and our attorneys.

Very truly yours,

PROVIDENCE PLACE GROUP

BY:


J. Daniel Lugosch, III
General Partner

JDL:md