

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1999-42

No. 556

AN ORDINANCE

ESTABLISHING A TAX
STABILIZATION PLAN FOR
BANK RHODE ISLAND

Effective ~~XXXXXXXX~~ **Approved** October 19, 1999

Be it ordained by the City of Providence:

PREAMBLE

WHEREAS, the City Council, pursuant to Section 43-3-3.1 of the General Laws of the State of Rhode Island, as amended, has the authority to exempt property used for industrial or commercial purposes from the payment of property tax if the granting of the exemption meets certain conditions set forth in said Sections of the General Laws of the State of Rhode Island; and

WHEREAS, Bank Rhode Island (hereinafter "BankRI") made application under, and has satisfied each condition of the above mentioned sections of the Rhode Island General Laws; and

WHEREAS, BankRI is a commercial concern who has entered a lease for a branch office ("Branch Office") and who agrees to relocate its administrative headquarters ("Headquarters") to the City of Providence and agrees, as a condition of the hereinafter referenced "tax treaty," to increase its workforce in the City of Providence, by virtue of such relocation to a portion of 76 Westminster Street, in Providence, Rhode Island, on Assessor's Plat 20, Lot 121 and ("Project"); and

WHEREAS, the Project will cause an increase in the tax base of the City and will increase employment opportunities in the City; and

WHEREAS, it is in the interest of the residents of the City of Providence to grant such an exemption to induce the development and construction of the Project in the City, and such exemption will inure to the benefit of the City;

Be it Ordained by the City of Providence:

No.

CHAPTER

AN ORDINANCE ESTABLISHING A
TAX STABILIZATION PLAN FOR
BANK RHODE ISLAND

THE COMMITTEE ON

Finance
Recommends Public Hearing
Claire E. Bestwick
Sept. 13, 1999 Clerk

THE COMMITTEE ON

Finance
Recommends Be Continued
Claire E. Bestwick
Sept. 13, 1999 Clerk

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance
Claire E. Bestwick
Sept. 29, 1999 Clerk

IN CITY COUNCIL
JUN 17, 1999
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

CLERK

THE COMMITTEE ON

Finance
Recommends Be Continued
June 30, 1999 Clerk

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance, as amended
Claire E. Bestwick
Aug. 12, 1999 Clerk

IN CITY COUNCIL
SEP 2, 1999

Passed Just Now And Referred Back
To The Committee on
Finance, as amended
Jan M. Chagnon CLERK

Councilwoman Young

SECTION 1. That the findings set forth in the preceding Preamble Clauses are hereby made and confirmed.

SECTION 2. As long as BankRI leases the Branch Office and Headquarters at the facility, it will continue to pay taxes on the facility. BankRI, its successors and assigns, agree that this portion of the property will be subject to full taxation at the expiration of the tax treaty. Notwithstanding this provision, in the event that the successor to the property does not make the payments under the tax treaty, BankRI will be responsible to make payments in lieu of taxes to the City of Providence in the amounts set forth in the attached schedule during the term of the tax treaty. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, by BankRI or any subsequent transferee to such property, BankRI will be responsible to make payments in lieu of taxes to the City of Providence during the term of the tax treaty equal to the amount of taxes which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein or in the tax treaty used in connection herewith, the provisions of this Section 2. shall continue to be given full force and effect until such time as the same shall be amended or terminated by majority vote of the City Council of Providence. If, for any reason, BankRI vacates the portion of the building located at 76 Westminster Street used for the Headquarters and/or the Branch Office prior to the expiration of this ten (10) year treaty, this treaty shall be rendered null and void and BankRI shall pay the difference between the payments made during the term of this treaty and those taxes and fees that would have been due and owing if no treaty had been approved.

SECTION 3. It shall be the goal of BankRI to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("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 BankRI's further goal to award to women business enterprises (WBE) 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 BankRI to achieve a minimum level of 10% for minority and 10% for female employment.

SECTION 4. BankRI shall employ a minimum of six (6) employees at the facility located at 76 Westminster Street in Providence within twenty-four (24) months of occupancy of said facility. Thereafter, within the term of the treaty, BankRI shall employ, at a minimum, an additional nineteen (19) employees at the

facility. In accordance with this section, BankRI shall give preferential consideration to qualified applicants who reside in the City of Providence with regard to all hiring decisions during the term of this tax treaty. Failure to generate the required additional new jobs within this time period, shall render the treaty null and void, unless so waived by the City Council. The treaty being rendered null and void shall require the owner of the property to pay all taxes and fees as due and owing as if no treaty had been entered.

SECTION 5. The schedules listed below are based upon information provided to the Tax Assessor by BankRI including, but not limited, to estimated construction costs. The schedules are also based only on that portion of 76 Westminster Street currently used by BankRI as headquarters and a branch office. This treaty is based upon information relative to the renovation of BankRI's headquarters and branch office at the Project. As additional improvements are made, this treaty shall be modified to account for those improvements and/or changes. In the event any of this information is inaccurate or proves to be erroneous, this treaty shall be modified to reflect the accurate information.

SECTION 6. That the tangible property taxes payable to the City during the term of this Ordinance shall be based upon the tangible personal property tax rates in effect for the City's 1998 fiscal year. This treaty is conditioned upon BankRI owing no back taxes to the City of Providence or remaining current on a payment plan approved by the Tax Collector. Failure to make said timely payments may render this treaty null and void at the sole discretion of the City of Providence. The treaty being rendered null and void would require the owner to pay all taxes and fees as due and owing as if no treaty had been approved.

SECTION 7. That the City, in accordance with Section 44-3-3.1 and Section 44-3-9 of the Rhode Island General Laws hereby grants an exemption from taxation of tangible personal property to BankRI located at 76 Westminster Street, Providence, Rhode Island, Assessor's Plat 20, Lot 121, for the personal property located at said location which is used exclusively for and in connection with the operations of BankRI at said location, in accordance with the schedules listed in Exhibit A, attached hereto and made a part hereof.

SECTION 8. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL
SEP 2 1999
FIRST READING
READ AND PASSED

Michael R. Clement CLERK

IN CITY
COUNCIL
OCT 7 1999
FINAL READING
READ AND PASSED

Michael R. Clement CLERK
PRESIDENT

Effective without the Mayor's Signature:

Michael R. Clement

Michael R. Clement, City Clerk

CITY OF PROVIDENCE, RHODE ISLAND

APPLICATION REQUESTING

TAX STABILIZATION FOR COMMERCIAL / INDUSTRIAL PROPERTIES

ACCORDING TO

CHAPTER 21 OF THE CODE ORDINANCES AS AMENDED

PAY OF NON-REFUNDABLE APPLICATION FEE
MUST ACCOMPANY APPLICATION ACCORDING TO
THE FOLLOWIG SCHEDULE :

\$150.00 FOR PERMIT UP TO - \$250,000 (COM/IND)

\$225.00 FOR PERMIT FROM \$251,000 - \$750,000

\$300.00 FOR PERMIT OVER - \$751,000

\$200.00 FOR COMPUTER/TELEPHONE

.001% OF EST. CONSTRUCTION COSTS (RESIDENTIAL)

DATE November 18, 1998

1. NAME & ADDRESS OF APPLICANT Bank Rhode Island
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING APPLICATION). 999 South Broadway
East Providence, RI 02914
Merrill W. Sherman, President and CEO
2. IF APPLICANT IS LESSEE, GIVE
NAME AND ADDRESS OF OWNER Granoff Realty II, L.P.
AND SPECIFIC TERMS OF LEASE 76 Westminster Street, Suite 950
Providence, RI 02903
LEASE TERMS (BRANCH) Suite 101 (HEADQUARTERS) Suites 1600, 1550 and 1510
Initial Term: 10 yr. term Initial Term: 5 years commencing 8/99
commencing 3/99
OPTIONS: Two 5-year Options OPTIONS: Three 5-year Options
S/F: 4,691 S/F: 14,911
3. LOCATION OF PROPERTY 76 Westminster Street
4. ASSESSOR'S PLAT AND LOT Plat 20, Lot 121
5. DATE & PURCHASE PRICE OF
EXISTING PROPERTY Not Applicable
6. COST & PROJECTED DATE OF
ADDITIONAL PROPERTY TO BE
PURCHASED FOR THIS
EXPANSION PROJECT Not Applicable

7. ESTIMATED COST OF EXPANSION/RENOVATION. (ATTACH EVIDENCE SUPPORTING SUCH FIGURE: COP OF BIDS, CONSTRUCTION CONTRACT, ARCHITECT'S CERTIFICATION). GIVE DETAILS AS TO SCOPE OF PROJECT TO BE UNDERTAKEN—# OF STORIES TYPE OF CONSTRUCTION, TOTAL SQ. FT. ETC.)
- Interior reconfiguration of Branch and interior renovation and build out of administrative offices for Headquarters, by Lessee.
- Headquarters: \$635,000
- Branch: renovations: 200,000

8. DESCRIBE EXISTING FACILITY:

OF STORIES 16

OF SQ. FT./ FLOOR 9,260

AGE OF BUILDING(S) 85 years

TYPE OF CONSTRUCTION Masonry/block/steel

INTERIOR CONDITION Fair

EXTERIOR CONDITION Good

9. APPLICATION IS MADE UNDER THE PROVISION OF THE ORDINANCE FOR THE FOLLOWING REASON(S) (CHECK ONE OR MORE)
- ☒ a. locate in City of Providence
- ☐ b. replace section of premises
- ☐ d. expand building
- ☒ e. remodel facility
- ☐ f. construct new building (s)
- ☒ g. computer/telephone
- ☒ h. other
- (furniture, fixtures, equipment)

10. WILL PROPOSED CONSTRUCTION/ ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY
- YES ☒ NO ☐
- During the period of tax treaty,

IF YES, GIVE ESTIMATE AS TO NEW POSITIONS TO BE CREATED AND JUSTIFICATION FOR SAME

anticipate 12-14 new positions. The relocation will provide growth opportunities for Bank.

11. WILL THE PROPOSED ALTERATION/ CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE?
- YES ☐ NO ☒

12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED
- YES ☒ NO ☐
- HEADQUARTERS: 26 Private Offices \$160,000;
45 Workstations \$135,000; Miscellaneous (conference rooms, lounge, window treatments, etc.) \$105,000
- Total Furniture/Fixtures: \$400,000
- Telecom/Computer Equipment: \$60,000
- \$460,000
- BRANCH: 2 Private Offices and Conference Room: \$20,000; Teller/CSR Stations: \$20,000; Bank Equipment: \$30,000; Comp/Telecom Equipment: \$7,000
- equalling \$77,000
- TOTAL FURNITURE, FIXTURES AND EQUIPMENT: \$470,000.00
- TOTAL COMPUTER/TELECOM: \$67,000.00

13. CONSTRUCTION SHALL BEGIN December, 1998/January, 1999
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED May, 1999

14. ARE ALTERATIONS/CONSTRUCTION YES X NO
PLANS PERMITTED UNDER THE
PRESENT ZONING;

IF NO, PLEASE ADVISE AS TO Not Applicable
WHETHER APPLICATION HAS BEEN
OR WILL BE FILED WITH ZONING
BOARD OF REVIEW.

HAS HEARING BEEN SCHEDULED? Not Applicable

IT IS THE UNDERSTANDING OF THE APPLICANT(S) THAT THE EXEMPTION, IF APPROVED, IS APPLICABLE ONLY TO COMMERCIAL/ INDUSTRIAL CONCERNS WHO WISH TO LOCATE IN THE CITY, OR WHO WISH TO REPLACE, RECONSTRUCT, EXPAND OR REMODEL CURRENT FACILITIES; THAT MEET THE APPROVAL OF THE BUILDING INSPECTOR; THAT ALL CURRENT AND PAST TAXES DUE BY THE APPLICANT(S) MUST BE PAID IN FULL; THAT THE EXEMPTION WOULD BE ATTRIBUTABLE ONLY TO THAT PORTION OF THE ASSESSMENT ATTRIBUTABLE TO THIS CONSTRUCTION / RENOVATION; THAT THE EXEMPTION MAY BE REVOKED IN THE EVENT OF FRAUD OR MISREPRESENTATION BY THE APPLICANT(S).

BANK RHODE ISLAND



SIGNATURE OF APPLICANT

By: MERRILL W. SHEARMAN

Title: President

999 Broadway, East Providence, RI 02914
ADDRESS


WITNESS

November 18, 1998
DATE

November 18, 1998
DATE

RECEIVED BY CITY ASSESSOR
PROVIDENCE RHODE ISLAND

11/13/98

DATE

APPLICATION FEE FORWARDED TO
COLLECTOR

\$ 200 + 275

AMOUNT

REVIEWED BY ASSESSOR WITH THE
FOLLOWING RECOMMENDATIONS

Approval pending 10 year
leases

SIGNATURE/DATE/ASSESSOR

[Signature] 1/25/99

RECEIVED BY CITY COLLECTOR

Jan 27th 1999

APPLICANT OWES FOLLOWING TAXES

YEAR

AMOUNT

Both assessed and arrears are
Current

TAXES ARE PAID IN FULL

Current

ARRANGEMENTS HAVE BEEN MADE

YES

NO

SIGNATURE/DATE/COLLECTOR

[Signature] 11-24-98

RECEIVED BY BUILDING INSPECTOR
DATE

11-24-98

PLANS AS REVIEWED MEET ALL CUR-
RENT CODES/STATUTES OF CITY

YES

NO

*

NO VIOLATIONS EXIST ON THIS OR
OTHER PROPERTIES OWNED BY
APPLICANT

YES

NO

* VIOLATIONS EXIST AS FOLLOWS

VIOLATIONS HAVE BEEN DIS-
CUSSED WITH APPLICANT(S)
ARRANGEMENTS HAVE BEEN
MADE TO CORRECT SAME

YES

NO

SIGNATURE/DATE/BUILDING INSPECTOR

Ranji J. Jeyaraj

11-25-98

* Pending Bldg. Bd. variances for # of exits from spaces
and exit remoteness. Bldg. Bd. Meeting hearing will be
held Dec. 1, 1998.

November 16, 1998

VIA HAND DELIVERY

Mr. Thomas P. Rossi
Tax Assessor
City of Providence
City Hall
25 Dorrance Street
Providence, RI 02903

Re: Application for Tax Stabilization/Exemption for Bank Rhode Island

Dear Mr. Rossi:

We represent Bank Rhode Island in the above-referenced matter, and to that regard I am enclosing a completed Application for Tax Stabilization for Commercial and Industrial Properties according to Chapter 21 of the City of Providence Code of Ordinances, as amended. Also enclosed is a check in the amount of Two Hundred Twenty-Five Dollars (\$225.00) and a check for Two Hundred Dollars (\$200.00) made payable to the City of Providence to cover the application fees for tax stabilization on furniture, fixtures and equipment and computer and telephone equipment, respectively.

We will be in contact with Ms. Rosemary Glancy of your office regarding upcoming dates for City Council review of the Application. Please do not hesitate to contact me with any questions or comments you may have with regard to this matter.

Very truly yours,



Deborah M. Kupa

DMK/dad

Enclosures

cc: Ms. Elizabeth M. Carroll
Ms. Rosemary Glancy
Jeffrey A. Gladstone, Esq.



January 19, 1999

Mr. Thomas P. Rossi SR/WA
City Assessor
City Hall
Providence, RI 02903-1789

RE: Bank Rhode Island Application
Lease Agreement

Dear Tom:

Pursuant to your request, I have made a copy of the lease by and between the Bank and Granoff Realty II Limited Partnership. This lease is for the bank's headquarters to be located on the 15th and 16th floors. The existing branch lease is being rewritten for an initial term of 10 years, with four 5-year options. A copy of that lease will be forwarded to you upon execution.

It is important that the lease document be handled with the strictest of confidentiality.

Thank you for your continued assistance in this process. If you have any questions or need any further information, please do not hesitate to call.

Sincerely,


Elizabeth M. Carroll
Vice President

enclosure

ASSESSORS OFFICE
PROVIDENCE, R.I.

JUN 30 3 55 PM '99

	A	B	C	D	E	F	G
1	Bank Rhode Island						
2	999 South Broadway						
3	East Providence, RI 02914						
4							
5	Year #	% Abated	Date	Taxes Pd.	Assessment Abated	Taxes Abated	Level Pmts
6							
7	1	90%	12/31/98	10,365	\$ 1,215,000	\$ 93,288	\$ 57,009
8	2	80%	12/31/99	20,731	\$ 1,080,000	\$ 82,922	\$ 57,009
9	3	70%	12/31/00	31,096	\$ 945,000	\$ 72,557	\$ 57,009
10	4	60%	12/31/01	41,461	\$ 810,000	\$ 62,192	\$ 57,009
11	5	50%	12/31/02	51,827	\$ 675,000	\$ 51,827	\$ 57,009
12	6	40%	12/31/03	62,192	\$ 540,000	\$ 41,461	\$ 57,009
13	7	30%	12/31/04	72,557	\$ 405,000	\$ 31,096	\$ 57,009
14	8	20%	12/31/05	82,922	\$ 270,000	\$ 20,731	\$ 57,009
15	9	10%	12/31/06	93,288	\$ 135,000	\$ 10,365	\$ 57,009
16	10	0%	12/31/07	103,653	\$ -	\$ -	\$ 57,009
17	Totals			570,092	\$ 6,075,000	\$ 466,439	\$ 570,090
18							
19		Total Assessment/Taxes					
20	FF&E	\$ 515,000	\$ 39,542				
21	Leshld	\$ 835,000	\$ 64,111				
22	Total	\$ 1,350,000	\$ 103,653	@ 100 %			

10 Year Tele-Computer

ASSESSORS OFFICE
PROVIDENCE, R. I.

JUN 30 3 55 PM '99

	A	B	C	D	E	F
1	Bank Rhode Island					
2	999 South Broadway					
3	East Providence, RI 02914					
4						
5	Year #	% Abated	Date	Taxes Pd.	Assessment Abated	Taxes Abated
6						
7	1	100%	12/31/98	-	\$ 185,000	\$ 14,204
8	2	100%	12/31/99	-	\$ 185,000	\$ 14,204
9	3	100%	12/31/00	-	\$ 185,000	\$ 14,204
10	4	100%	12/31/01	-	\$ 185,000	\$ 14,204
11	5	100%	12/31/02	-	\$ 185,000	\$ 14,204
12	6	100%	12/31/03	-	\$ 185,000	\$ 14,204
13	7	100%	12/31/04	-	\$ 185,000	\$ 14,204
14	8	100%	12/31/05	-	\$ 185,000	\$ 14,204
15	9	100%	12/31/06	-	\$ 185,000	\$ 14,204
16	10	100%	12/31/07	-	\$ 185,000	\$ 14,204
17	Totals			-	\$ 1,850,000	\$ 142,043
18						
19	Computers/Telecommunication Equipment					

January 21, 1999

VIA HAND DELIVERY

Mr. Thomas P. Rossi
Tax Assessor
City of Providence
City Hall
25 Dorrance Street
Providence, RI 02903

Re: Amendment to Application for Personal Property Tax Exemption for
Bank Rhode Island

Dear Mr. Rossi:

I am forwarding the above-referenced amendment to Item No. 12 of the the above-referenced Application originally submitted on November 16, 1998 for your review. The remainder of the Application remains unchanged.

We will be in contact with Ms. Rosemary Glancy of your office regarding upcoming dates for City Council review of the Application. Please do not hesitate to contact me with any questions or comments you may have with regard to this matter.

Very truly yours,



Deborah M. Kupa

DMK/dad

Enclosures

cc: Ms. Elizabeth M. Carroll
Ms. Rosemary Glancy
Jeffrey A. Gladstone, Esq.

Exhibit A

Amended Item No. 12 from the
Application for Tax Exemption
By Bank Rhode Island as of
January 20, 1999

A. <u>Headquarters</u>		<u>Existing</u>	<u>New</u>
1.	<u>Furniture, Fixtures, Equipment</u>		
	Offices	\$11,000	\$160,000
	Office Equipment	2,000	15,000
	Work Stations	-----	135,000
	Miscellaneous	<u>9,600</u>	<u>125,000</u>
		\$22,600	\$435,000
2.	<u>Telecommunications/Computer</u>	\$5,744	\$142,160
		-----	-----
	Subtotal Headquarters	\$28,344	\$577,160
B. <u>Branch Office</u>			
1.	<u>Furniture, Fixtures, Equipment</u>		
	Office Equipment	\$24,850	\$80,000
	Miscellaneous	<u>10,000</u>	-----
		\$34,850	\$80,000
2.	<u>Telecommunications/Computer</u>	\$780	\$42,000
		-----	-----
	Subtotal Branch	\$35,630	\$122,000
		-----	-----
	Total	\$63,974	\$699,160

EXECUTION COPY

EXHIBIT 1

TO

TURKS HEAD BUILDING LEASE

The following terms used in the Lease to which this Exhibit 1 is attached shall have the following meanings, respectively:

Execution Date: November ^{33rd}~~30~~, 1998

Lessor: GRANOFF REALTY II LIMITED PARTNERSHIP
d/b/a Greater Providence Properties
One Turks Head Place
Providence, R.I. 02903
Attn: Lisa M. Marrocco

Lessee: Bank Rhode Island
76 Westminster Street
Providence, RI 02903

Building: TURKS HEAD BUILDING located at One
Turks Head Place, Providence, Rhode
Island 02903 on the property described
in Exhibit 2 ("Property").

Premises: The entire 16th floor and that portion of the
floor space on the 15th floor of the Building
shown on the Drawing attached hereto as
Exhibit 3, and known as Suites 1600, 1550 and
1510. Premises to be delivered in an "AS IS"
condition, except as set forth herein.

Square Feet
of Rentable Area: 14,922 Rentable Square Feet (Suite 1600=9,260,
Suite 1550=2,667, Suite 1510=2,995)

Percentage Share for
Additional Costs: 9.95%

Commencement
of Term: Sixty (60) days after substantial completion
of construction but no later than August 1,
1999. The August 1, 1999 deadline shall be
extended on a day to day basis if construction
is delayed and such delay is: 1) not the fault
of Lessee; and 2) not a result of Lessee's
lack of diligence in pursuing such
construction. Lessee shall diligently pursue

a building permit for the Premises.

Termination
of Term:

5 years after Commencement of Term

Base Rental:

See Rental Schedule below.

Monthly Installments:

See Rental Schedule below.

<u>Rent Schedule</u>	<u>Base Rental</u>	<u>Monthly</u>	<u>Rate/Sq. Ft.</u>
Year 1	\$231,291	\$19,274.25	\$15.50
Year 2	\$238,752	\$19,896.00	\$16.00
Year 3	\$246,213	\$20,517.75	\$16.50
Year 4	\$246,213	\$20,517.75	\$16.50
Year 5	\$246,213	\$20,517.75	\$16.50

Base Year: Calendar year Ending December 31, 1999.

1999 Operating Costs: \$ _____

1999 Real Estate Taxes: \$ _____

1999 Operating Costs and 1999 Real Estate Taxes will be provided to Lessee upon completion of Lessor's audit, and Lessor and Lessee shall execute an amendment to this Exhibit 1 setting forth said amounts.

Use:

General office and related uses


Security Deposit: N/A

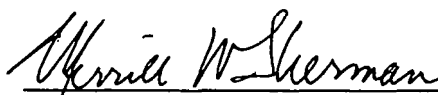
Lessor:


Lessee:

GRANOFF REALTY II LIMITED
PARTNERSHIP
By Granoff Associates, L.L.C.
its General Partner

BANK RHODE ISLAND

By: 
LLOYD W. GRANOFF
Managing Member

By: 
Pres. & CEO

By: 
EVAN J. GRANOFF
Managing Member

**TURKS HEAD BUILDING
LEASE**

THIS LEASE made and entered into as of the Execution Date as stated in Exhibit 1:

Lessor, for and in consideration of the rent and all other charges and payments hereinafter reserved and payable by Lessee, and of the covenants, agreements, terms and conditions to be kept and performed by Lessee, hereby demises and leases to Lessee, which hereby leases and rents from Lessor, the Premises defined and referred to in Exhibit 1 together with nonexclusive use and access to all "Common Areas" (as hereinafter defined) for the term commencing and ending on the respective dates set forth in Exhibit 1 ("Initial Term"), together with any extensions thereof when duly exercised as provided in this Lease ("term"), and upon the terms and conditions hereinafter set forth. Each reference in this Lease to any terms or data contained in any Exhibit attached to this Lease shall be deemed and construed to incorporate in this Lease the terms and data as set forth in such Exhibit.

1. RENT

1.1 Base Rental. The Lessee agrees to pay the Base Rental at the rate specified in Exhibit 1 in equal monthly installments in the amount specified in Exhibit 1, in advance, on or before the fifth day of each month during and until the expiration of the term. If by reason of the provisions of this Lease the term hereof shall commence on any day other than the first day of a calendar month or shall end on any day other than the last day of a calendar month, the rent for such calendar month shall be prorated. All such installments and all further rent, Additional Rental and other charges under this Lease shall be paid at the business management office of the Lessor located in said Building or at such other place as Lessor may designate in writing, without any setoff or deduction whatsoever, except as specifically set forth herein.

1.2 Additional Rental. It is understood that the Base Rental provided for above makes no allowance for any probable increase in the amount of Real Estate Taxes on the Property (described on Exhibit 2) and on the Building of which the Premises are a part and in the amount of Operating Costs of said Property and Building in effect at the time this Lease is entered into. Accordingly, it is the intention of the parties that the amount of Base Rental to be paid by the Lessee for each calendar year or part thereof that this Lease is in effect subsequent to the Base Year specified in Exhibit 1, shall be increased to reflect Lessee's Share of the increase in the amount of Real Estate Taxes and Operating Costs over such Real Estate Taxes and Operating Costs for the Base Year. The Lessor and the Lessee therefore agree that in addition to the Base Rental provided for above, Additional

Rental shall be payable as computed under the following provisions:

1.2.1 Definitions:

- (1) "Base Rental" shall mean the rental set forth in Exhibit 1 of this Lease.
- (2) "Adjusted Rent Period" shall mean each calendar year commencing with the calendar year following the Base Year, including a final period of less than a calendar year, if any.
- (3) "Additional Rental" shall mean the additional rental to be paid for each of the Adjusted Rent Periods as herein required.
- (4) "Base Year" shall mean the calendar year specified as such in Exhibit 1.
- (5) "Common Areas" shall mean all Common Areas of the Building including without limitation, hallways, stairways, elevators, corridors, rest rooms and lobbies.
- (6) "Operating Costs" shall mean those expenses related to the Building in which the Premises are located including:
 - (a) wages, benefits and payroll taxes of the Property Manager and lower-level employees working for the Building (if such employee works in other buildings in addition to the Building, a reimbursement to Operating Costs shall be made for work performed in such other buildings),
 - (b) costs of utilities and utility distribution,
 - (c) costs of maintenance, repairs, decorating and janitorial and service contracts,
 - (d) premiums for commercially reasonable types and levels of insurance carried by Lessor or managing agent, and fees for legal, audit or management and expenses of civic promotion (such expenses for civic promotion not to exceed \$5,000 per year),
 - (e) Lessor's commercially reasonable management fee and reasonable overhead,
 - (f) depreciation, amortization or rental of

improvements with a useful life of ten (10) years or less which are directly related to the reduction of operating expenses, and,

- (g) costs of compliance for a majority of the tenants of the Building with building codes, OSHA, fire, life safety, or security codes as administered or required by the applicable enforcement authority, which codes are first enacted after the Commencement of Term, incurred or paid by or on behalf of the Lessor or managing agent during the calendar year with respect to which the calculation is being made in connection with the operation and maintenance of the Building, Property and the improvements thereon which, in accordance with generally accepted accounting practices as applied to the operation and maintenance of first class office buildings, are properly chargeable to the operation and maintenance of said Building, Property and the improvements thereon.

(7) Operating Costs shall not include:

- (a) expenditures which materially add to the value of the Building;

- (b) the amount of expenses for any services or installations furnished to a particular tenant and not furnished or available to Lessee;

- (c) amortization of indebtedness or federal or state income taxes;

- (d) legal, accounting, auditing, consulting and appraisal fees not related to the operation of the Building or that are related to a particular tenant of the building;

- (e) any expenses incurred in connection with any mortgage or other financing or refinancing securing any ground or land lease or the Property or the Building;

- (f) any amounts paid to any affiliate, parent or subsidiary of Lessor in excess of then current market rates that would have been obtainable if the services provided by such affiliate, parent or subsidiary had been competitively bid;

- (g) transfer, gains, franchise, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, profit and income taxes imposed upon Lessor;

(h) the cost of installing, operating and maintaining any specialty facility such as broadcasting facilities, luncheon club, athletic or recreation club, child care facility, auditorium, cafeteria or dining facility or other similar facilities other than a conference center available for use by all tenants;

(i) any compensation paid to persons in commercial concessions operated by Lessor;

(j) all leasing costs, including, without limitation, brokerage commissions and similar costs;

(k) expenditures for capital improvements (except depreciation or amortization expenses attributable to such capital improvements as permitted under Section 1.2.1(f));

(l) artwork purchased by Lessor (to be selected and installed at Lessor's sole discretion);

(m) costs incurred with respect to removal or encapsulation or other treatment of hazardous substances as defined under present or future state, federal or local laws relating to the environment but excepting the costs of normal and customary testing and monitoring and excepting the costs associated with the existing asbestos abatement program; and

(n) costs in excess of \$5,000 incurred by Lessor with respect to Year 2000 compliance of the Building systems.

Lessor shall operate the Building efficiently and economically at all times during the term of this Lease so as to provide Lessee with the services required for tenants of the Building and at the same time keep operating expenses at a reasonable minimum, all in accordance with standards of operating first-class office buildings. It is the intent and purpose of the parties hereto that the Lessor will incur no additional or unreasonable expenses in the operation of the Building solely for the reason that such expenses can be passed on to Lessee or other tenants.

(8) "Real Estate Taxes" shall mean all real estate taxes which are assessed with respect to the calendar year with respect to which the calculation is being made, on the Building, Property, improvements, fixtures and equipment thereon or any tax thereon which shall be levied in addition to or in lieu of real estate taxes. All taxes, assessments and charges which at any time may be assessed, levied, confirmed, imposed upon, become due and payable out of or in respect to, or becoming a lien upon the Building; excluding, however, general federal and state income, death or gift taxes and any increases in real estate taxes

in non-revaluation years as a result of capital improvements made to the Building by or for a particular tenant other than Lessee. The Lessor shall have the right, in its discretion, to contest the amount or validity of any Real Estate Taxes by appropriate legal proceedings and include the reasonable costs of any such contest in Real Estate Taxes. In the event of a rebate of any current or prior years' taxes included in the Term, the amount shall be credited to Real Estate Taxes in the year in which actually received.

1.2.2 Payment

1.2.2(a) Payment of Operating Costs. On or after the first day of March of each year during the term of this Lease, the Lessor may estimate the increase in Operating Costs for such calendar year over the Operating Costs for the Base Year and the Lessee's pro rata share thereof which shall be determined by multiplying such increase by Lessee's Percentage Share for Additional Costs as set forth in Exhibit 1. The Lessee's pro rata share of such reasonably estimated increase in Operating Costs shall be payable to the Lessor as Additional Rental for the Adjusted Rent Period within thirty (30) days after statements therefor have been rendered, except that, at the option of the Lessee, if the current term has more than twelve (12) months to expiration and if the total amount due is over One Thousand Dollars (\$1,000.00), such sums may be paid in twelve (12) equal monthly installments plus simple interest at the "Prime rate" published in the Wall Street Journal plus 2% (the "Default Rate") on the unpaid balance, on the same dates as the Base Rental is payable, the first installment to be due on the rent payment date coinciding with or next following the rendering of the statement; provided, however, that if this Lease terminates for any reason before the entire amount of estimated Additional Rental has been paid for the previous or current year, the balance shall become due and payable on the date of termination and may be based upon a reasonable estimate for the current year.

1.2.2(b) Payment of Real Estate Taxes. On or after the first day of March of each year during the term of this Lease, the Lessor may estimate (based upon tax bills) the increase in Real Estate Taxes for such calendar year over the Real Estate Taxes for the Base Year and the Lessee's pro rata share thereof which shall be determined by multiplying such increase by Lessee's Percentage Share for Additional Costs as set forth in Exhibit 1. The Lessee's pro rata share of such estimated increase in

Real Estate Taxes shall be payable to the Lessor as Additional Rental for the Adjusted Rent Period within thirty (30) days after statements therefor have been rendered, except that, at the option of the Lessee, if the current term has more than twelve (12) months to expiration and if the total amount due is over One Thousand Dollars (\$1,000.00), such sums may be paid in twelve (12) equal monthly installments plus interest at the Default Rate on the unpaid balance, on the same dates as the Base Rental is payable, the first installment to be due on the rent payment date coinciding with or next following the rendering of the statement; provided, however, that if this Lease terminates for any reason before the entire amount of estimated Additional Rental has been paid for the previous or current year, the balance shall become due and payable on the date of termination and may be based upon a reasonable estimate for the current year.

- 1.2.3 Reconciliation. On or after the first day of March of each year during the term of this Lease, or if the figures are not available on said date, then as soon thereafter as the information is reasonably available, the Lessor shall notify the Lessee in writing of the actual total increase in Operating Costs and Real Estate Taxes for the previous calendar year over the Operating Costs and Real Estate Taxes for the Base Year and of the Lessee's pro rata share of such increase in each of Operating Costs and Real Estate Taxes. Such Operating Costs and Real Estate Taxes and the increase thereof shall be set forth in a statement by a recognized firm of public accountants which shall be the basis for Lessor's statement of Lessee's pro rata share of each such increase as set forth in Section 1.2.2(a) and 1.2.2(b). Lessor will remit to Lessee, or Lessee will remit to Lessor as Additional Rental, within ten (10) days, any difference between estimated Additional Rental payments previously made, if any, and the Lessee's adjusted pro rata share according to such Lessor's statement with respect to sums under Section 1.2.2(a) or 1.2.2(b). Any unpaid monthly installments of the Lessee's share of the increase in Operating Costs and Real Estate Taxes shall be as determined by such Lessor's statement.

- 1.3 Overdue Rental Payments. Any payments of Base Rental, Additional Rental and any other sums due under this Lease not paid within ten (10) days of the date due shall bear interest at the rate of one and one-half percent (1½%) per month or fraction thereof, or at the lesser maximum lawfully permissible rate, from the

original due date until paid.

- 1.4 Audit Rights. The obligations of Lessee and Lessor to make payments required by this Section shall survive the expiration date or earlier termination of this Lease. For a period of ninety (90) days after Lessor's submission of Operating Expenses to Lessee, Lessee shall have the right during regular business hours, after reasonable advance notice to Lessor, and at Lessor's place of business in Rhode Island, to audit Lessor's books and records in connection with Operating Expenses for such Lease Year at Lessee's expense. Lessor shall provide a reasonable level of backup documentation to support such audit or at the reasonable request of Lessee. In the event such audit reveals an error, Lessor shall reimburse Lessee, or Lessee shall reimburse Lessor (as the case may be) within thirty (30) days.

2. USE

The Premises may be used solely by the Lessee, for the sole purpose set forth in Exhibit 1 and for no other use or purpose without the prior written consent of the Lessor in each instance.

Lessee shall not use, or knowingly permit the use of, or permit anything to be done in or anything to be brought into or kept in or about the Premises or the Building or any part thereof (i) which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease, or (ii) for any unlawful purposes or in any unlawful manner, or (iii) which would impair the appearance or reputation of the Building or impair or interfere with any of the Building services or the proper and economic heating, or cleaning, air conditioning or other servicing of the Building or Premises or (iv) which use would occasion discomfort, inconvenience or annoyance to any other tenant or occupant of the Building. Lessor agrees to similarly protect Lessee from other tenants in the Building.

Lessee shall not do or knowingly permit to be done any act or thing upon the Premises or elsewhere in the Building which would invalidate or be in conflict with any insurance policies covering the Building and the fixtures and property therein or which would increase such insurance premiums unless Lessee agrees to pay for such increase; and shall not do, or permit to be done, any act or thing upon the Premises which shall subject Lessor to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon said Premises or for any other reason. If by reason of failure of Lessee to comply with the provisions hereof the insurance rate applicable to any policy of insurance shall at any time thereafter be higher than it otherwise would be, the Lessee shall reimburse Lessor for that part of any insurance premium thereafter paid by Lessor which shall have been

charged because of such failure by Lessee.

3. CARE AND ALTERATION

The Lessee shall keep the interior, non-structural portions of the Premises, and the fixtures and all windows and glass therein in good condition and repair, shall not injure or deface (including without limitation, cutting, marking, nailing, drilling or burning) the same or any other part of the Building, nor suffer any waste thereof, nor obstruct any light or skylights, nor without the written consent of the Lessor, make any alterations or improvements or install any fixtures in the Premises or the Building, or install or place on or about the Premises or the Building any sign, placard, advertising material or display which is visible from outside the Premises. All alterations and improvements which may be made or fixtures installed by either of the parties hereto, except movable office furniture and equipment put in at the expense of the Lessee, shall be the property of the Lessor and shall remain upon and be surrendered with the Premises as part thereof at the termination of this Lease unless the Lessor requests the Lessee, in writing at least thirty (30) days before the end of the term hereof or upon any earlier termination, to restore any part of the Premises altered by the Lessee, in which case the Lessee shall do so at its expense prior to the end of the term hereof, or, in the case of earlier termination, within ten (10) days after such request by Lessor. Notwithstanding anything to the contrary herein, if installed by Lessee, Lessee may remove: 1) all fixtures specific to Lessee's business; 2) all artwork; and 3) all special lighting fixtures purchased by Lessee so long as Lessee replaces such special lighting fixtures with standard fixtures found in first-class office buildings.

Lessor shall be responsible for the replacement of all exterior windows unless the need for such replacement is caused by the fault or negligence of Lessee in which case Lessee shall be responsible for such replacement.

Whenever Lessee shall make any alterations or improvements in or to the Premises, all such work shall be commenced only after written approval (which shall not be unreasonably conditioned, withheld or delayed with the understanding that conditioning such approval upon an agreement that such improvement shall be removed at the end of the term shall be deemed reasonable) of the plans and specifications, the contractors and materials involved is received from Lessor, in advance, and the Lessee shall strictly observe the following covenants and agreements:

- (a) In no event shall any material be used in connection with any such alteration or improvement which is subject to any lien, charge, mortgage or other encumbrance of any kind whatsoever or which is subject to any security interest or any form of title agreement.

- (b) Any mechanic's lien filed against the Premises or the Building for work claimed to have been done for, or materials claimed to have been furnished to, the Lessee shall be discharged by Lessee within twenty (20) days thereafter, at Lessee's expense, by filing the bond required by law or otherwise. If Lessee fails so to discharge any lien, Lessor may do so at Lessee's expense, and Lessee shall reimburse Lessor for any expense or cost incurred by Lessor within fifteen (15) days after rendition of a bill therefor.
- (c) All such installations shall be at Lessee's expense and shall at all times comply with all (i) laws, rules, orders and regulations of governmental authority having jurisdiction thereof; (ii) orders, rules and regulations of any Board of Fire Underwriters, or any other body hereafter constituted exercising similar functions and governing insurance rating bureaus; and (iii) rules and regulations of Lessor.
- (d) Lessee shall procure all necessary permits before undertaking any work in the Premises and shall perform all such work in a good and workmanlike manner. Lessee shall defend, save harmless, exonerate and indemnify Lessor from all injury, loss or damage to any persons or property occasioned by or growing out of such work.
- (e) The Lessor will maintain in good condition and will make all replacements and repairs to the roof, exterior and structural components of the Building, including all pipes, wires, conduits, gas, heating and electrical systems (in the case of the electrical system, up to the branch panel box, and excluding electrical and those other utility systems which exclusively serve Lessee's improvements, trade fixtures and equipment and which are in excess of normal office utilities provided generally to other tenants of the Building) and the Lessor will maintain in good condition and keep clean the halls, stairways and other areas in the Building to which Lessee has access; provided, however, that the Lessee shall indemnify the Lessor for all costs incurred for any repairs and maintenance made necessary by any negligent acts of the Lessee or the Lessee's agents or contractors.
- (f) Lessee shall have the option to construct, at its expense, upon the roof of the Building, at a location and in accordance with plans and specifications approved by Lessor (such location to be limited to fifty (50) square feet), which approval shall not be unreasonably conditioned, withheld or delayed, satellite dishes, microwave towers or any other type of communication signal sender/receiver device (collectively the "signal sender/receiver") to be used solely to service the Bank and the banking operations of Lessee. No work shall be undertaken by Lessee in connection with the signal sender/receiver that would void or adversely affect

any warranty with respect to the roof. Recognizing that the signal sender-receiver is of material significance to Lessee, Lessor will use reasonable efforts to cooperate with Lessee, at Lessee's expense, in obtaining all applicable approvals (both governmental and otherwise) if any are needed for the construction and location thereof. All such installations shall be in accordance with Exhibit 5.

- (g) Lessee, at its sole cost and expense, shall have the right to make cosmetic improvements to the Premises without the consent of Lessor provided that :1) such cosmetic improvements are in accordance with standards found within first-class office space; 2) if Lessee replaces any items (i.e. carpeting), such replacement shall be of the same or higher quality and grade as in the Premises at the time of replacement; and 3) all contractors performing such work shall be adequately insured. In no event shall Lessee, without Lessor's consent, remove or replace any improvement that was paid for by Lessor without Lessor's consent, which consent shall not be unreasonably conditioned, withheld or delayed.

4. RULES AND REGULATIONS

The rules and regulations (referred to in Exhibit 4) attached hereto are by this reference fully incorporated herein. Each reference in said rules and regulations to "tenant" or "tenants" includes the Lessee, its officers, employees, invitees and agents, who shall in all respects observe and perform same; and any expense or damage resulting from a failure by the Lessee to comply therewith shall be paid or borne by the Lessee. The Lessor may from time to time adopt further rules and regulations of general application for the use and operation of the Building and rental space therein, which, upon receipt of notice thereof by Lessee, Lessee shall duly observe and comply with.

Nothing contained in this Lease shall be construed to impose upon Lessor any duty or obligation to enforce said rules and regulations or any terms, covenants or conditions of any other lease against any other tenant, and the Lessor shall not be liable to Lessee for violation of the same by any other tenant, its servants, employees, agents, visitors, invitees or licensees, provided that Lessor shall enforce such rules in a uniform manner, as appropriate.

5. SURRENDER

On the last day of the term, or other earlier termination of this Lease, the Lessee shall quit and surrender the Premises broom clean and in as good state and condition as they now are or may be put in, reasonable wear and tear and damage by fire or other unavoidable casualty excepted. The Lessee shall indemnify and hold harmless the Lessor against any cost or expense incurred by the Lessor in disposing

of any personal property of Lessee, and shall repair any damage caused by the removal of Lessee's property.

6. SECURITY DEPOSIT

N/A.

7. SERVICES AND UTILITIES

So long as the Lessee is not in default hereunder beyond all applicable notice and cure periods, the Lessor shall provide, on normal business days: janitorial and, during normal business hours, elevator service and, beginning in October and extending through April, heat and, beginning in April and extending throughout October, air conditioning consistent with the operation of a first-class office building and capable of supplying an ambient temperature between 66 and 72 degrees Fahrenheit. The Lessee shall pay as Additional Rental its pro rata share of any costs of electricity as reasonably determined by the Lessor (if not separately metered), and any cost of any other commodities or utilities provided to Lessee other than those the cost of which are included in Operating Costs. If such costs are not separately measured with respect to electricity, commodities or utilities furnished to the Premises, the Lessee's pro rata share of such costs shall be determined by multiplying such costs by Lessee's Percentage Share for Additional Costs as set forth in Exhibit 1, or if such utility or commodity services only a portion of the Building, by the ratio of the rentable square feet in the Premises to the total rentable square feet served by such utility or commodity in the Building. Janitorial service shall consist of limited cleaning as set forth on Exhibit 6 attached hereto, in accordance with the Lessor's standard practice in the Building, once each business day. The Lessor shall not be liable for any interruption or alteration in provision of any such services, utilities or commodities, nor for any damages resulting from defects in the provision of same unless Lessor fails to make a necessary repair within a reasonable time after receiving notice. Lessor shall have no obligation to provide electrical or other utility installations beyond those presently in the Building for normal office use and capacity.

Lessor reserves the right to interrupt, curtail, stop or suspend (i) the furnishing of heating, elevator, and cleaning services and (ii) the operation of any plumbing and electric systems as well as to close and temporarily suspend use of doors, corridors or other facilities, when necessary by reason of accident or emergency, or for repairs, alterations, replacements or improvements which in the reasonable judgment of Lessor are desirable or necessary to be made; however, provided that Lessor shall incur no additional expense thereby, Lessor shall use reasonable efforts to minimize interference with the conduct of Lessee's business in the Premises. There shall be no diminution or abatement of rent or of other compensation due from Lessee to Lessor hereunder unless Lessee is unable to occupy the Premises for a period

in excess of seven (7) days due to the fault or negligence of Lessor, nor shall this Lease be effected or any of the Lessor's obligations hereunder reduced, and the Lessor shall have no responsibility or liability for any such interruption, curtailment, stoppage, or suspension of services or systems as in this Lease provided, except that: (1) Lessor shall exercise reasonable efforts to restore the same as promptly as reasonably practicable consistent with the performance of such work; and (2) if such services or systems are unavailable, for any reason, for more than ninety (90) days, and such unavailability materially interferes with Lessee's occupation of the Premises, Lessee may terminate this Lease. Notwithstanding anything to the contrary in this Lease contained, Lessor may institute such policies, programs and measures as may be necessary, required or expedient for the conservation and/or preservation of energy or energy services, or as may be necessary or required to comply with applicable codes, rules, regulations or standards.

Lessor will, for a reasonable fee and upon reasonable advance written notice from Lessee of its requirements in that regard, furnish additional heat, cleaning, air conditioning, maintenance, repair, and other services to the premises on days and at times other than as above provided.

8. PROPERTY AT RISK OF LESSEE

All property of any kind that may at any time be in or about the Premises shall be at the sole risk of the Lessee, and the Lessor shall not be liable for any injury, loss, or damage of or to any such property, including without limitation injury, loss, or damage occurring as a result of theft or defects in equipment, steam, electric, water or other apparatus, fixtures, sprinklers, pipes or wires, leakage into or flowage of any material or substance from any source whatever into or about the Premises or the Building unless Lessor fails to act to correct a defect within a reasonable time after notice from Lessee or unless such is a result of the intentional misconduct of Lessor or its agents. The Lessee shall be responsible for notifying the Lessor forthwith of any observable defects or malfunctions in the Premises and fixtures.

9. ASSIGNMENT AND SUBLETTING

The Lessee shall not directly (or indirectly by substantial change in the ownership or control of Lessee) mortgage, pledge, encumber, sell, assign or transfer this Lease, in whole or in part, or sublease, license or permit the use or occupancy by any other person or entity of all or any part of the Premises without Lessor's prior written consent in each instance. In the event that Lessee (including an assignee or sublessee of the original Lessee) desires to assign this Lease, or to enter into a sublease, as to all or any part of the Premises, Lessee shall give Lessor written notice of such desire, of the part of the Premises to be affected thereby, and of the terms and conditions of the

proposed assignment or sublease at least ninety (90) days in advance of the date on which Lessee proposes to enter into such assignment or sublease, which date shall be specified by Lessee in such notice. Lessor shall then have the option, exercisable by written notice to Lessee within thirty (30) days after Lessor's receipt of Lessee's notice, (i) to terminate this Lease as to the part so affected as of the date specified in Lessee's notice, whereupon Lessee shall surrender possession of such part in accordance with the provisions of paragraphs 3 and 5 hereof and the Base Rental and Additional Rental payable hereunder shall be appropriately adjusted based upon the rentable area remaining thereafter within the Premises, (ii) to permit Lessee to assign or sublet such part, on condition that (a) the use of the Premises by such proposed assignee or sublessee is in conformity with the use permitted Lessee under this Lease, (b) except as Lessor shall approve, the terms of such sublease or assignment shall not be more favorable to the assignor or sublessor than the terms of this Lease, (c) such sublease or assignment shall not be to an existing tenant in the Building or to any person or entity which shall, within the prior six (6) months, have had discussions with Lessor or Lessor's agent to become a tenant or occupant in the Building, and (d) the proposed assignee or sublessee is of sound financial condition, as determined by Lessor; or (iii) to withhold consent to such assignment or sublease. If Lessor should fail to so notify Lessee, Lessor shall be deemed to have elected option (iii) above. Lessee shall have the right to withdraw any request to assign or sublet in order to avoid termination under (i). Failure by Lessor to approve a proposed assignment or sublease shall not cause a termination of this Lease. It shall be a further condition of the validity of any assignment or sublease that the assignee or sublessee, as the case may be, agree in writing directly with Lessor, in substance and form satisfactory to Lessor, to be bound by all the obligations of Lessee hereunder, including, without limitation, the obligation to pay the Base Rental, Additional Rental, and other amounts and charges payable under this Lease when due, and to covenant against further assignment and subletting. Any rent or other consideration realized by Lessee in connection with any assignment or sublease (whether or not consented to by Lessor pursuant to option (ii) above) in excess of the Base Rental, Additional Rental and other amounts and charges payable hereunder (or such part thereof as relates to the part of the Premises subject to such assignment or sublease) shall be divided and paid fifty percent (50%) to Lessor and fifty percent (50%) to Lessee. No assignment or subletting shall relieve the Lessee named herein of any obligation under this Lease, and in the event of such assignment or sublease, the Lessee named herein shall remain primarily liable for the obligations of Lessee hereunder, including, without limitation, the obligations to pay Base Rental, Additional Rental and other amounts and charges provided for in this Lease. Any assignment or sublease which conflicts with any provision of this Lease shall be void and, at Lessor's election, shall operate to terminate this Lease.

Notwithstanding anything to the contrary herein, Lessee shall have the absolute right to assign its interest in this Lease or sublet the

Premises or any portion thereof without Lessor's consent only in the following instances: (i) in connection with any assignment or sublease to any parent, subsidiary, or other entity controlling, controlled by or under common control with Lessee; or (ii) any assignment or sublease occurring in connection with a sale of all or a significant portion of the assets or capital stock of Lessee.

10. SUBORDINATION

This Lease and all rights of the Lessee hereunder are and shall remain subject and subordinate to all ground or underlying leases and all mortgages which may now or hereafter affect the Building or the land and to all renewals, modifications, consolidations, replacements and extensions thereof provided that Lessee has received a written subordination agreement reasonably satisfactory to Lessee. In the event that any mortgagee, purchaser at foreclosure sale or lessor shall succeed to Lessor's interest, this Lease may, at such successor's option, continue in effect and Lessee shall attorn to such mortgagee, purchaser or lessor without delay.

11. QUIET ENJOYMENT

So long as the Lessee abides by and performs the covenants and conditions hereof in all respects, the Lessee may peacefully hold and enjoy the Premises for the term of this Lease.

12. ENTRY

The Lessor, its agents, or employees shall have the right to enter the Premises at all reasonable times, after reasonable prior notice, to examine the same, and subject to notice and cure rights, to remove any alterations, additions, fixtures or any other materials installed in violation of this Lease, to make such repairs, redecorating or alterations to the Premises or any other part of the Building as the Lessor shall deem necessary for the safety, appearance or preservation thereof, and also, during the three (3) months previous to the expiration of this Lease, to exhibit the Premises to be let, and to maintain on them a notice of their availability for letting. Notwithstanding the foregoing, no prior notice shall be required for: 1) emergency repair situations; 2) repairs at Lessee's request; and 3) entry in order to access other Building equipment.

13. INSURANCE, INDEMNIFICATION

- (a) Public Liability Insurance. Lessee shall throughout the term procure, keep in force and pay for Comprehensive Public Liability Insurance insuring and indemnifying Lessor and its managing agent and Lessee, and, at the request of Lessor, the holder of any mortgage affecting the Premises, on an occurrence basis, against all claims and demands for personal injury (including, without limitation, bodily injury,

sickness, disease, and death) in an amount of at least One Million Dollars (\$1,000,000) and damage to property in an amount of at least Five Hundred Thousand Dollars (\$500,000) or with such greater limits as may be reasonably required by Lessor and as are customarily carried by responsible office tenants in the City of Providence.

- (b) Certificates of Insurance. Such insurance shall be effected with insurers approved by Lessor, authorized to do business in the State of Rhode Island, under valid and enforceable policies, and such policies shall name Lessor and its managing agent and Lessee and any such mortgage holder as the insureds, as their respective interests appear. Such insurance shall provide that it shall not be canceled or modified without at least thirty (30) day's prior written notice to each insured named therein. Not less than five (5) days prior to the expiration date of each such policy, original copies of the certificates of the policies provided for in subparagraph (a) issued by the respective insurers, or certificates of such policies together with evidence satisfactory to Lessor of the payment of all premiums for such policies, shall be delivered by Lessee to Lessor, and certificates as aforesaid of such policies shall, upon request of Lessor be delivered by Lessee to the holder of any mortgage affecting the Premises.
- (c) Indemnification. Lessee will save Lessor and its managing agent harmless, and will exonerate, defend and indemnify Lessor from and against any and all claims, liabilities or penalties asserted by or on behalf of any person, firm, corporation or public authority:
- (1) On account of or based upon any injury to persons, or loss of or damage to property, sustained or occurring on the Premises on account of or based upon the act, omission, fault, negligence or misconduct of the Lessee, its officers, employees, contractors, invitees (excluding customers of Lessee who are not in the Building to conduct business with Lessee) and agents excepting Lessor and those for whose conduct Lessor is legally responsible;
 - (2) On account of or based upon any injury to persons, or loss of or damage to property, sustained or occurring elsewhere (other than on the Premises) in or about the Building arising out of the use or occupancy of the Building or Premises by the Lessee, or by any person claiming by, through or under Lessee, on account of or based upon the act, omission, fault, negligence or misconduct of the Lessee, its officers, employees, contractors, invitees (excluding customers of Lessee who are not in the Building to conduct business with Lessee)

and agents excepting Lessor and those for whose conduct Lessor is legally responsible;

- (3) On account of or based upon (including monies due on account of) any work or thing whatsoever done (other than by Lessor or its contractors, or agents or employees of either) on the Premises during the term of this Lease by or through Lessee; and
- (4) On account of or resulting from the failure of Lessee to perform and discharge any of its covenants and obligations under this Lease; and in respect of any of the foregoing, from and against all costs, expenses (including reasonable attorneys' fees) and liabilities incurred in or in connection with any claim, or any action or proceeding brought thereon.

The parties hereto shall each endeavor to procure an appropriate clause in, or endorsement on, any fire or extended coverage insurance policy covering the Premises and the Building and the personal property, fixtures and equipment located thereon or therein, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery, and having obtained such clauses and/or endorsements of waiver of subrogation or consent to waiver of right of recovery, each party hereby agrees that it will not make any claim against or seek to recover from the other for any loss or damage to its property or the property of others resulting from fire or other perils covered by such fire and extended coverage insurance; provided, however that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by the terms and provisions of the waiver of subrogation clauses and/or endorsements or clauses and or endorsement consenting to a waiver of right of recovery and shall be co-extensive therewith.

14. DAMAGE BY FIRE, ETC.

The Lessor and the Lessee further covenant and agree that in case the whole or any part of the Premises or of the Building is destroyed or damaged by fire or other casualty or is damaged, condemned or taken by public authority so as to render the Premises unfit for use or occupancy (or if damage to the Building makes the Premises inaccessible) for more than ninety (90) days (hereinafter called "damage event"), if the Lessor shall be unable or shall elect not to repair or restore the Premises and/or the Building, either party may terminate this Lease upon not less than thirty (30) days' notice given to the other party within ninety (90) days after the damage event, notwithstanding Lessor's entire interest may have been divested, provided that if the Premises are rendered wholly or partly untenable by the damage event, and if such damage shall not have been caused by the neglect, default or misuse thereof by the Lessee, a just abatement of the rent shall be made until the Premises shall be

restored to tenantable condition or until such termination of this Lease. In the event of any such action by public authority, Lessee shall have no right, title or interest in any award or proceeds thereof other than reimbursement for relocation expenses or for fixtures and/or improvements by Lessee that would be removable at the end of the Term pursuant to the terms of this Lease (in which case Lessor shall not be obligated to replace such fixtures or improvements) and Lessee shall take any actions necessary to perfect Lessor's right, title and interest therein.

Lessor shall have an affirmative duty to repair if the cost to repair any such aforementioned damage is less than twenty-five percent (25%) of the value of the Premises or less than twenty percent (20%) of the value of the Building.

If neither Lessor nor Lessee elects to terminate this Lease pursuant to the provisions of the preceding paragraph, Lessor shall restore, repair, replace, rebuild or alter the Building to substantially the condition the same was in prior to such damage. Such work shall be commenced promptly and prosecuted with reasonable diligence, unavoidable delays excepted pursuant to a schedule provided by Lessor in writing to Lessee. If, at any time, Lessor fails to pursue such work with reasonable diligence or fails to complete the work within the schedule, unavoidable delays excepted, Lessee shall have the right to terminate this Lease at any time on thirty (30) days notice to Lessor. In any event, appropriate abatement to rent shall be made to the extent Lessee is unable to utilize the Premises.

15. HOLDING OVER

Lessee shall pay to Lessor one hundred and fifty percent (150%) of the rate of Base Rental plus Additional Rental or sums payable hereunder then applicable for each month or portion thereof that Lessee shall retain possession of the Premises or any part thereof after the termination of this Lease, whether by lapse of time or otherwise, and also shall pay all damages sustained by Lessor on account thereof if Lessee holds over for a period greater than thirty (30) days. The provisions of this Paragraph shall not operate as a waiver by Lessor of any remedies in this Lease provided. During the period of any other such holding over, Lessee shall be deemed a tenant at sufferance.

16. DEFAULTS AND REMEDIES

If the Lessee shall (i) fail to pay any installment of Base Rental or other amount due and payable, within ten (10) days after written notice of default thereof is given by Lessor to Lessee (provided that no such notice need be given and no such default in the payment of money shall be curable if on two (2) prior occasions within a twelve (12) month period there had been a default in the payment of money which had been cured after notice thereof had been given by Lessor to Lessee as herein provided); (ii) fail to perform or comply with any of

the other conditions or agreements expressed or implied herein and fail to remedy such lack of compliance within thirty (30) days after notice from Lessor of such default (except for failure to maintain required insurance, in which case there shall be no notice period), or having commenced such remedy within such thirty (30) day period, such additional time as is reasonably required to correct any such default, provided, however, that in no event shall such additional time extend beyond sixty (60) days from the date of said notice from Lessor of such default; (iii) abandon the Premises for fourteen (14) consecutive days; (iv) liquidate or cease to exist, admit insolvency, seek relief under any law for the relief of debtors, make an assignment for the benefit of creditors or be the subject of a voluntary or an involuntary petition in bankruptcy or receivership (unless in the case of an involuntary petition such petition shall have been removed or dismissed within ninety (90) days after the filing thereof) or in the event of any like occurrence which, in the sole judgment of the Lessor, evidences the serious financial insecurity of the Lessee, or if the estate hereby created shall be levied upon or taken by execution or process of law, then and in any such cases, regardless of any waiver of consent of any earlier event of default, the Lessor, at its option, may exercise any and all remedies available to the Lessor under law, all of such rights and remedies to be cumulative and not exclusive, including without limitation the following:

- (1) (a) Lessor may terminate this Lease by five (5) days' notice to Lessee and this Lease shall terminate on the date specified therein and Lessee shall quit and surrender the Premises by said date and remain liable as set forth below.
- (b) Lessor may enter upon the Premises forthwith or at any subsequent time without notice or demand (which are hereby expressly waived by the Lessee) and thereby terminate the estate hereby created and expel the Lessee and those claiming under it and remove their effects without being guilty of any manner of trespass, and the Lessee shall remain liable as set forth below, and the Lessee further agrees that if Lessor shall cause Lessee's goods or effects to be removed from the Premises pursuant to the terms hereof or of any court order, Lessor shall not be liable or responsible for any loss or damage to Lessee's goods or effects, and the Lessor's act of so removing such goods or effects shall be deemed to be the act of and for the account of Lessee.
- (c) In the event of termination under (a) or (b) above, the Lessee shall pay to the Lessor as current liquidated damages (i) the Base Rental and other amounts payable hereunder up to the time of termination and (ii) thereafter until the expiration of the then current term hereof, whether or not the Premises shall be relet and

as and when due in accordance with the provisions hereof, the Base Rental and other sums payable hereunder if this Lease had remained in effect less the net proceeds to the Lessor of any reletting of the Premises, after deducting all reasonable expenses in connection with such reletting, including without limitation, all costs, fees, and expenses of repossession, brokers, advertising, attorney's fees and legal costs, repairing, cleaning, repainting, moving and storage charges incurred by Lessor in moving Lessee's property and effects and remodeling the Premises for reletting. Lessor shall use reasonable and diligent efforts to mitigate its damages.

- (d) At any time after termination under (a) or (b) above, whether or not Lessor shall have collected any amounts under (c) above, Lessor shall be entitled, at Lessor's option, to obtain from Lessee, who shall pay to Lessor on demand, as liquidated final damages and in lieu of amounts payable under (c) above beyond the date of Lessor's receipt of such liquidated final damages, either (i) an amount equal to the present value to the Lessor of the Lease as of the time of such demand or (ii) the amount, if any, by which the aggregate Base Rental and other amounts which would be payable to Lessor if this Lease remained in effect for the balance of the then current term exceeds, as of the date of the date of the demand (a) the aggregate rent reserved for the period ending on the same date at the then current term of this Lease on any reletting of the Premises by the Lessor, or (b) if no reletting has occurred by the time of demand hereunder, the lowest aggregate rent reserved for such period for a like amount of space in the Building.
- (e) Without waiving its right to terminate at any time under (a) and (b) above, Lessor may continue this Lease in effect for the remainder of the then current term or any extension, and Lessee shall remain liable and obligated under all of the covenants and conditions hereof during said period and shall pay as and when due the Base Rental and other amounts payable hereunder as if the Lessee had not defaulted hereunder. In such event the Lessor shall use its best efforts to relet the Premises for the account of the Lessee crediting the rent received on such reletting to amounts owing by the Lessee hereunder. Such continuance of this Lease shall not constitute any waiver or consent by the Lessor of or to said default or any subsequent default.

- (2) In the event that any court or governmental authority shall

thereby.

19. ENTIRE AGREEMENT

This Lease sets forth all of the covenants, promises, agreements and understandings between Lessor and Lessee concerning the Premises and the renting thereof, and the Lessor has made no representations or promises with respect to the Building or the Premises except those, if any, contained in writing to the Lessee signed by the Lessor. Except as otherwise provided herein, no alteration, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless in writing and signed by both parties hereto.

20. [Intentionally Deleted]

21. ESTOPPEL CERTIFICATES

Lessee shall at any time and from time to time upon not less than ten (10) days' prior written notice by Lessor to Lessee, execute, acknowledge and deliver to Lessor a statement in writing, in form and substance acceptable to Lessor, certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications), and the date to which the Base Rental and other charges have been paid in advance, if any, and stating whether or not, to the best knowledge of the signer of such certificate, Lessor is in default in performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser of the Building or the land or of the interest of Lessor therein, any mortgagee or prospective mortgagee thereof, any lessor or prospective lessor thereof, any lessee or prospective lessee thereof, or any prospective assignee of any mortgage thereof.

22. NOTICES

Any notice required or permitted to be given by one party hereto to the other party hereto may be delivered to the Lessee at the Premises, and to the Lessor at 76 Westminster Street, Providence, Rhode Island 02903. In addition, notices to Lessee shall be marked to the attention of Elizabeth Carroll. A copy of each notice to Lessee shall also be mailed by regular mail to Hinkley, Allen & Snyder, 1500 Fleet Center, Providence, RI 02903, Attention: David J. Rubin, Esquire.

The deposit of any such notice or other communication in a post office in the City of Providence, Rhode Island, in an envelope, proper postage prepaid, certified mail, return receipt requested, addressed, to the Lessor or Lessee as the case may be at said address, or to such other address as either party hereto may designate by notice to the

other party, shall be deemed to constitute the giving of such notice or communication in accordance with the terms hereof.

23. COMPLIANCE WITH LAW

Lessee at its sole expense shall comply with all laws, rules, orders and regulations, including without limitation, all energy-related requirements, of federal, state and municipal authorities and with any direction of any public officer or officers, pursuant to law, which shall impose any duty upon Lessor or Lessee with respect to or arising out of Lessee's use or occupancy of the Premises. Lessee shall reimburse and compensate Lessor for all expenditures made by, or damages or fines sustained or incurred by Lessor due to non-performance or noncompliance with or breach of or failure to observe any item, covenant, or condition of this Lease. If Lessee receives notice of any violation of law, ordinance, order or regulation applicable to the Premises, it shall give prompt notice thereof to Lessor. Lessor represents that, to the best of Lessor's knowledge, the Premises are delivered to Lessee in compliance with all applicable laws, rules, orders and regulations and Lessor shall be responsible, at its sole cost and expense, for any actions necessary to bring the Premises into such compliance as of the Commencement of Term, including but not limited to ADA compliance. Notwithstanding the foregoing, Lessee shall be responsible, at its sole cost and expense, for any actions necessary to bring the Premises into such compliance if such action is necessitated by construction pursuant to this Lease.

24. ACCEPTANCE OF PREMISES

No act or thing done by Lessor during the term hereby demised shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by Lessor.

25. RECORDING

If either party hereto desires to record this Lease, the other shall join in the execution of a short form of lease, which shall not state the rent payable hereunder, for purposes of recordation. In the event of any termination, modification, extension or renewal of this Lease, each party hereto agrees to execute such documents as may be required to perfect the recording hereof in light of such event.

26. SUCCESSORS, ASSIGNS, JOINT AND SEVERAL

The words "Lessor" and "Lessee" shall include their respective heirs, legal representatives, successors and assigns, and the word "it" where applicable shall apply to the Lessor or Lessee regardless of sex, number or form. If more than one party signs as Lessee hereunder the covenants, conditions and agreements herein of the Lessee shall be the joint and several obligations of each such party.

27. PARAGRAPH TITLES

The paragraph titles are for convenience only and shall not be relevant to the interpretation of any provision hereof.

28. GOVERNING LAW

This Lease shall be governed by the laws of the State of Rhode Island.

29. LIMITATION ON RECOURSE

Lessee specifically agrees to look solely to Lessor's interest in the Building and Property (including sales proceeds, refinancing proceeds, instructions and condemnation) for the recovery of any judgments from Lessor. Lessor (and its trustees and beneficiaries, and their shareholders, venturers and partners and all of their officers, directors and employees) will not be personally liable for any such judgments. The provisions contained in the preceding sentences are not intended to, and will not, limit any right that Lessee might otherwise have to obtain injunctive relief against Lessor or relief in any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Lessor.

30. [Intentionally Deleted]

31. WHEN LEASE BECOMES BINDING

The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the Premises, and this document shall become effective and binding only upon the execution and delivery hereby by both Lessor and Lessee. All negotiations, considerations, representations and understandings between Lessor and Lessee are incorporated herein and may be modified or altered only by agreement in writing between Lessor and Lessee, and no act or omission of any employee or agent of Lessor shall alter, change or modify any of the provisions hereof.

32. ADDITIONAL PROVISIONS

See Addendum.

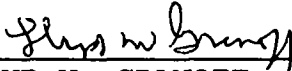
IN WITNESS WHEREOF, Lessor and Lessee have caused this instrument to be executed on the day and year first above written.

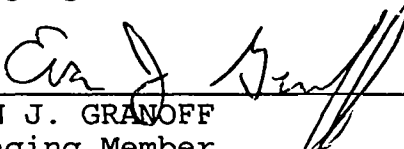
Lessor:

Lessee:


GRANOFF REALTY II LIMITED
PARTNERSHIP

By Granoff Associates, L.L.C.
its General Partner

By: 
LLOYD W. GRANOFF
Managing Member


By: 
EVAN J. GRANOFF
Managing Member

BANK RHODE ISLAND

By: 
Name: Merrill W. Sherman
Title: President & CEO

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

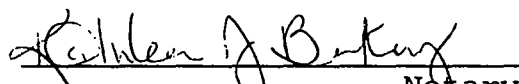
In Providence on the 28th day of November, 1998, personally appeared before me Merrill W. Sherman, President and CEO of Bank Rhode Island, to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed in said capacity to be his free act and deed and the free act and deed of Bank Rhode Island.


Notary Public
My Commission Expires:

PAUL G. WIELGUS
NOTARY PUBLIC
COMMISSION EXPIRES AUG. 2, 2001

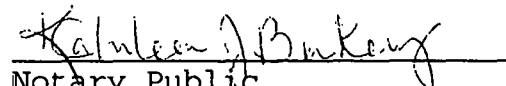
STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence on the 28th day of November, 1998, personally appeared before me LLOYD W. GRANOFF, Managing Member of Granoff Associates L.L.C. the General Partner of Granoff Realty II Limited Partnership, to me known and known by me to be the person executing the foregoing instrument and he acknowledged said instrument by him executed in said capacity to be his free act and deed and the free act and deed of Granoff Realty II Limited Partnership.


Notary Public
My Commission Expires: 8-15-00

STATE OF RHODE ISLAND
COUNTY OF PROVIDENCE

In Providence on the 23rd day of November, 1998, personally appeared before me EVAN J. GRANOFF, Managing Member of Granoff Associates L.L.C. the General Partner of Granoff Realty II Limited Partnership, to me known and known by me to be the person executing the foregoing instrument, and he acknowledged said instrument by him executed in said capacity to be his free act and deed and the free act and deed of Granoff Realty II Limited Partnership.


Notary Public
My Commission Expires: 8-15-00

LIST OF EXHIBITS

1. Lease Terms
2. Legal Description of Property
3. Description of Premises
4. Rules and Regulations
5. Telecommunications/Satellite Agreement
6. Janitorial Services
7. Lessor's Work
8. 17th Floor Storage Space

ADDENDUM TO LEASE

A. ENVIRONMENTAL

(1) The Lessee shall provide the Lessor written notice: (a) upon the Lessee's obtaining knowledge of any potential or known release or threat of release of any hazardous waste, hazardous substances, pollutants, contaminant, toxic substance, oil or any other hazardous materials or other chemicals or substances as so defined under or regulated pursuant to any environmental laws or regulations enacted and/or promulgated by any federal, state or local government agency ("Hazardous Materials") at, on or from the Premises subject of this Lease; (b) upon the Lessee's receipt of any notice from any federal, state or other governmental authority advising Lessee of or concerning any potential or known release or threat of release of any Hazardous Materials at, on or from the Premises subject of this Lease; and (c) upon the Lessee's obtaining knowledge of any incurrence of any expense or loss by any governmental authority in connection with the assessment, containment, or removal of any Hazardous Materials from the Premises subject of this Lease for which expense or loss the Lessee or the Lessor may be liable.

(2) Lessee shall comply with any and all environmental laws and other governmental directive and order with respect to the threat of release, release, transportation, storage, disposition and removal of Hazardous Materials. Further, Lessee agrees to immediately contain and remove any Hazardous Materials found on the Premises subject of this Lease.

(3) Lessee agrees to indemnify, defend, and hold Lessor harmless from and against any claim, cost, damage (including without limitation consequential damages), expense (including without limitation consequential damages), expense (including without limitation attorneys' fees and expenses), loss, liability, or judgment now or hereafter arising as a result of any claims for environmental cleanup costs, any resulting damage to the environment and any other environmental claims against the Lessor caused, created or deriving from the Lessee's activities and/or occupation of the Premises.

(4) Lessor represents and warrants that, to the best of Lessor's knowledge:

(a) The Building and Property are not contaminated with any "Hazardous Materials" and Lessor has no knowledge of the release of any Hazardous Materials except for the asbestos in the Building which is now subject to an approved asbestos abatement plan. Furthermore, the use of the Building by Lessee will not subject Lessee to any liability for clean-up, removal or relocation of any Hazardous Material except as to the aforementioned asbestos abatement plan. As used herein, "Hazardous Materials" means any hazardous or toxic substance, material

or waste that is regulated by any local governmental authority, the State of Rhode Island or the United States Government; and

(b) There are no transformers on the Property containing PCBs.

B. LESSOR'S INITIAL DEMOLITION

Lessor and Lessee shall agree to and initial a demolition plan setting forth the demolition to be performed by Lessor. Such demolition shall be completed by Lessor within thirty (30) days of the Execution Date in a neat and workmanlike manner.

C. OPTION TO EXTEND

Lessee, so long as it is then in possession of the Premises and is fully in compliance with its obligations under the terms of this Lease or is within the applicable notice and cure period, if any with respect to any default (and any default therein shall have been cured within the applicable cure period), shall have the option to extend the Initial Term hereof for up to three (3) successive periods of five (5) years each by the giving of written notice by Lessee to Lessor at least six (6) months prior to the expiration of the then current term. Upon the giving of any such notice by Lessee, this Lease and the term hereof shall be extended for an additional term of five (5) years without the necessity for the execution of any additional documents. In each event that Lessee shall duly exercise such option, the extended term or terms shall be upon the same terms and conditions as are in effect under this Lease immediately preceding the Commencement of such Extended Term or Terms except for said Base Rental. The Third Extended Term shall be upon the same terms and conditions as are in effect under this Lease except as to Base Rental and except there will be no further option to extend. All other terms of this Lease shall remain unchanged and in full force and effect.

Said First Extended Term shall commence on the fifth anniversary of the Commencement of Term and expire on the tenth anniversary of the Commencement of Term. The Base Rental for said First Extended Term shall be \$16.75 per rentable square feet with a construction allowance of \$1.25 per rentable square feet, such construction allowance to be used for construction of improvements within the Premises and to be in accordance with Section P of this Addendum.

Said Second Extended Term shall commence on the tenth anniversary of the Commencement of Term and expire on the fifteenth anniversary of the Commencement of Term. The Base Rental for said Second Extended Term shall be \$17.00 per rentable square feet with a construction allowance of \$2.50 per rentable square feet, such construction allowance to be used for construction of improvements within the Premises and to be in accordance with Section P of this Addendum.

Said Third Extended Term shall commence on the fifteenth anniversary of the Commencement of Term and expire on the twentieth anniversary of the Commencement of Term. The Base Rental for said Third Extended Term shall be the fair market rental but at a rate not less than \$17.00 per rentable square feet. Lessee shall also receive a construction allowance equal to the fair market value amount paid to tenants under renewed leases, such construction allowance to be used for construction of improvements within the Premises and to be in accordance with Section P of this Addendum. The fair market rental shall be determined by agreement of the parties and if the parties cannot reach such an agreement, the fair market rental shall be determined by appraisal, each party selecting one qualified MAI appraiser. If such two appraisals differ by more than ten percent (10%), the parties' two appraisers shall select a third MAI appraiser and the fair market rent shall be the average of the three appraisals. Each party shall pay for its own appraiser and the parties shall share equally the cost of the third appraiser, if necessary. All appraisers shall be advised that the construction allowance is based upon renewed leases. Upon determination of the fair market rent in accordance with this paragraph, the parties shall execute a memorandum indicating such fair market rent. Notwithstanding anything to the contrary, Lessee may withdraw its election to extend this Lease to the Third Extension Term upon the completion of the appraisal process, in which case this Lease shall be extended to a date that is six (6) months from the notice of withdrawal (if the appraisal process is completed after the end of the term) at the appraised rent and Lessee shall pay the reasonable cost of all appraisals.

D. DELIVERIES AND SHIPMENTS

All deliveries and shipments to and from the Premises shall be made via the alleyway from Westminster Street through the Building's receiving entrance and to the Premises by means of the freight elevator in accordance with the Building's customary operating procedures.

No passenger elevators shall be used by the Lessee for purposes of deliveries or shipments. During such times when Lessor does not make the freight elevator available for the use of Lessee, Lessee shall use the Building's Westminster Street stairs leading to its basement for access to the receiving entrance.

In no event shall the Building's main street level lobby or entrances be used by Lessee for the purposes of deliveries or shipments.

E. [Intentionally Deleted]

F. RIGHT TO ADDITIONAL SPACE IN THE BUILDING

Subject to the rights of existing tenants under their leases or any renewals thereof, during the term of this Lease, Lessee shall have continuing rights of first refusal to lease other suites on the Fourteenth Floor and Fifteenth Floor that have common walls with the Premises as such Premises may be expanded from time to time and on immediately contiguous floors to the Premises leased by Lessee (the "Adjacent Suites").

These rights shall be on the following terms:

(a) prior to leasing an Adjacent Suite to any third party, Lessor shall notify Lessee in writing of such prospective leasing and its terms and conditions; and

(b) for a period of ten (10) business days following such notice, Lessee shall have the option to elect to lease such Adjacent Suite upon the following terms and conditions:

The Commencement Date with respect to such Suite will be the fifteenth (15th) day after the date of the notice or such later date as the Suite becomes available, and if such option is effectively exercised such Suite shall be deemed included in the Premises hereunder and subject to all the terms and conditions as set forth in the notice provided for in subparagraph (a) above.

(c) upon Lessee's exercise of such election to lease such Suite, at Lessor's request, Lessee and Lessor shall execute an Amendment to Exhibit 1 reflecting the changes described in (b) above.

(d) if Lessee notifies Lessor that Lessee does not wish to lease such Suite, or if Lessee does not respond in writing within such ten (10) day period, then Lessor shall be free to lease such Suite, within twenty (20) days thereafter, upon such terms and conditions as Lessor shall agree to in its sole discretion, but if not so leased, such Suite shall again be subject to the right of first refusal set forth herein.

G. DELIVERY

Premises Delivered As Is. Possession of the demised premises shall be delivered by Lessor to Lessee in an "As Is" condition as of the Commencement of Term except as to the work set forth on Exhibit 7, and Lessor's demolition as set forth in the approved demolition plan.

for 
E.A.

H. NAME OF BUILDING

Lessor agrees that the name of the Building shall at all times during the term of this Lease remain the "Turks Head Building" and neither the name nor the address shall be changed without the prior written consent of Lessee.

I. EXCLUSIVITY

Lessor covenants that, subject to existing rights of existing tenants and their renewals, during the term of this Lease and any renewals thereof, no other premises in the Building will be let or leased or permitted to be used or occupied for or by another bank, FDIC insured institution, mobile banking, ATM, cash dispensing machine, or other financial institution (excluding a financial or investment advisor, stock brokerage business or a business whose principal purposes is to act as a corporate trustee) whose primary function is accepting or holding deposits. Any future leases in the Building shall include a provision (exclusive restriction) protecting Lessee's exclusive rights set forth in this paragraph.

J. LOBBY STATION ATTENDANT

Lessor agrees to provide 24 hour building attendant services and that after 6:00 p.m. will require all building visitors to register with such attendant. These attendant services shall not be construed as security services.

K. BUILDING DIRECTORY; SIGNAGE

Lessee, and its permitted assignees and subtenants, shall have the right to have its name listed on the existing lobby directory of the Building. Lessee shall reimburse Lessor for the cost to add, delete or change Lessee's listing on such directory.

L. STORAGE

Lessee shall have the free rental use of a portion of the 17th floor of the Building for storage, such storage area to be as cross-hatched on Exhibit 8. Use of such storage area by Lessee shall be at Lessee's sole cost, risk and responsibility.

M. ARCHITECTURAL ALLOWANCE

Within thirty (30) days of the execution of this Lease by Lessee, Lessor shall pay Lessee an architectural allowance of \$2.30 per rentable square feet.

N. DEDICATED ELEVATOR SERVICE

Lessee shall have exclusive elevator service of Car No. 1 from 10:00 a.m. to 11:30 a.m. and from 1:30 p.m. to 4:30 p.m., Monday through Friday, excluding holidays. Lessor shall have the right, at its sole discretion, without prior notice to Lessee, to interrupt or suspend such exclusive service when deemed necessary by Lessor due to: 1) any and all elevator malfunctions that effect any elevator car or cars; 2) increased traffic in the Building lobby; or 3) an emergency situation.

O. PARKING

Lessee shall have the right to two (2) free parking spaces in the 32 Custom House Street parking lot. Lessee shall also have priority status for any future parking at that location or another location that may become available at market rental rates.

P. LESSEE'S INITIAL CONSTRUCTION

(1) Premises Delivered As Is. Possession of the Premises shall be delivered by Lessor to Lessee in an "as is" condition as of the Commencement of Term except as to Lessor's Work set forth on Exhibit 7. Lessor shall permit Lessee early access to the Premises for design and construction. Such early entry will be at Lessee's sole risk and subject to all the terms and conditions of this Lease except payment of rent.

(2) Lessee's Improvements. Prior to NOVEMBER 15, 1998, Lessee shall have DRL & ASSOCIATES, INC. prepare plans and specifications for the installations required on the part of Lessee to the Premises, and submit the plans and specifications to Lessor for written approval. All such plans and specifications shall comply with all applicable laws, codes, ordinances and regulations and the requirements of all governmental departments and agencies having jurisdiction and the Providence Board of Fire Underwriters and any other similar body.

Lessor agrees to endeavor to notify Lessee within ten (10) days of receipt of plans and specifications whether it approves the plans and specifications; and upon such failure to notify within that time, Lessor shall be deemed to have given its approval; however, Lessor shall not unreasonably withhold such approval.

Lessor or its agent shall be made a party to all project meetings of architect, engineer, interior designer and general contractor and Lessor shall be copied on all transmittals relating to Lessee's improvements.

Within thirty (30) days after Lessor's demolition and upon reasonable assurance that a building permit is obtainable, Lessee shall take possession of the Premises and thereafter commence its work in

accordance with the plans and specifications approved by Lessor as above provided, and proceed expeditiously to complete the work.

Lessee shall not in the course of its work to be performed materially interfere with, hamper, or cause any inconvenience with the use and occupation or ingress and egress to, in and from the Building or of any offices in the Building, and Lessee shall comply with all rules established by Lessor with respect to such matters.

(3) Quality of Work; Approval of Contractor. All of Lessee's work shall be completed by Lessee at its sole cost and expense and in a neat and workmanlike manner by a contractor approved in writing by Lessor, free of all claims and encumbrances and in substantial compliance with said specifications. All such work shall be subject to and carried out in accordance with the requirements, orders, and limitations of all local, state, federal departments or bureaus having jurisdiction therein, and in such manner that the Premises when completed may lawfully be occupied for the use provided for herein. Lessee shall obtain and pay for licenses and necessary insurance required in connection with the above work.

(4) Reimbursement. Lessor will reimburse Lessee for the cost of Lessee's said improvements to the Premises up to thirty dollars (\$30.00) per rentable square feet (being Lessor's maximum reimbursement to Lessee).

Lessor will reimburse Lessee as aforesaid within ten (10) business days of (i) the completion of the leasehold improvements (or portion thereof) in conformity to the plans and specifications approved by Lessor, as determined by Lessor, (ii) the submission to Lessor of a completed request for payment signed by Lessee and the general contractor and architect approved by Lessor, in a form acceptable to Lessor, (iii) the submission to Lessor of such lien releases and waivers from the contractor, subcontractor(s), if any, and materialmen as Lessor may reasonably require and (iv) such other evidence reasonably satisfactory to Lessor that the expenses in question have been reasonably and properly incurred. Lessee may submit requisitions not more than once per month up to a total of five (5) requisitions. Each requisition shall be paid within fifteen (15) days of written request by Lessee subject to the above requirements and subject to retainage. All payments made by Lessor will be based on ninety (90%) percent of the construction costs submitted by Lessee to Lessor as outlined above. The final ten (10%) percent will be paid upon receipt of a fully executed, original Certificate of Occupancy from the City of Providence, Department of Inspections and Standards.

Lessor will retain any and all monies allowed for by Lessor but not expended by Lessee in the construction of improvements to the Premises.

EXHIBIT 2

Those three parcels of land, with all buildings and improvements thereon situated in the City of Providence and State of Rhode Island, bounded and described as follows:

PARCEL I:

That certain tract or parcel of land with all buildings and improvements thereon situated on the southeasterly side of Westminster Street and on the westerly side of Weybosset Street in the City of Providence, County of Providence, State of Rhode Island being bounded and described as follows:

Beginning at a point in the southeasterly street line of Westminster Street; said point being the most northerly corner of land now or formerly of The Providence National Bank; said corner also being the most westerly corner of the herein described parcel;

thence running northeasterly bounding northwesterly on Westminster Street a distance of one hundred seventeen and 60/100 (117.60) feet to a corner;

thence turning an interior angle of 90 degrees and running in a southeasterly direction, bounding northeasterly on Westminster Street a distance of one and 09/100 (1.09) feet to a corner;

thence turning an interior angle of 270 degrees and running easterly bounding northwesterly on Westminster Street a distance of one and 50/100 (1.50) feet to a point of curvature;

thence running in a generally easterly direction bounding northerly in part on Westminster Street and in part on Weybosset Street, along a curve to the right, said curve having a radius of 28.50 feet and subtending an angle of 132 degrees - 38' 16" an arc distance of sixty-five and 977/1000 (65.977) feet to a point of tangency;

thence running southerly bounding easterly on Weybosset Street, along a tangent to the aforementioned curve, a distance of one and 50/100 (1.50) feet to a corner;

thence turning an interior angle of 270 degrees and running easterly bounding northerly on Weybosset Street a distance of one and 09/100 (1.09) feet to a corner;

thence turning an interior angle of 90 degrees and running southerly bounding easterly on Weybosset Street a distance of ninety-three and 37/100 (93.37) feet to a point;

thence turning an interior angle of 176 degrees -08' -49" and continuing southerly bounding easterly on Weybosset Street a distance of fifty-eight and 35/100 (58.35) feet to a corner; said corner being the most northeasterly corner of land now or formerly of The Providence

National Bank, said corner also being the most southeasterly corner of the herein described parcel;

thence turning an interior angle of 89 degrees -26' -11" and running in a westerly direction a distance of fifty and 03/100 (50.03) feet to a corner;

thence turning an interior angle of 274' - 20'00" and running in a southerly direction a distance of one and 32/100 (1.32) feet to a corner;

thence turning an interior angle of 90 degrees -34' -20" and running in a westerly direction a distance of thirty-three and 51/100 (33.51) feet to a corner; said corner being the most southerly corner of the herein described parcel;

thence turning an interior angle of 82 degrees -54' -50" and running in a northerly direction a distance of eleven and 92/100 (11.92) feet to a point;

thence turning an interior angle of 181 degrees -45' -00" and continuing in a northerly direction a distance of twelve and 26/100 (12.26) feet to a point;

thence turning an interior angle of 175 degrees -51' -06" and continuing in a northerly direction a distance of nine and 79/100 (9.79) feet to a corner;

thence turning an interior angel of 231 degrees -46' -00" and running in a northwesterly direction a distance of seventy-nine and 33/100 (79.33) feet to a point and place of beginning, the last seven courses bounding on land now or formerly of The Providence National Bank;

The last course making an angle of 89 degrees -52' -00" with the first herein described course.

PARCEL II:

That certain tract or parcel of land with all buildings and improvement thereon situated on the northerly side of Delta Street and the southerly side of Custom House Street in the City of Providence, County of Providence, State of Rhode Island, being bounded and described as follows:

Beginning at a point in the northerly street line of Delta Street; said point being the most southeasterly corner of land now or formerly of the R.I. Industrial Facilities Corp., said point also being the most southwesterly corner of the herein described parcel;

thence running northerly bounding westerly on the aforementioned R.I. Industrial Facilities Corp.; a distance of one hundred two and 90/100 (102.90) feet, to a corner; said corner being the most northeasterly corner of the aforementioned R.I. Industrial Facilities Corp. land; said corner also being the most northwesterly corner of the herein described parcel;

thence turning an interior angle of 90 degrees -16' and running easterly bounding northerly on Custom House Street, a distance of seventy-five and 26/100 (75.26) feet to a corner; said corner being the most northeasterly corner of the herein described parcel;

thence turning an interior angle of 88 degrees -14' and running southerly bounding easterly in part on other land of this Grantor and in part on a gangway, a distance of one hundred four and 09/100 (104.09) feet to a corner; said corner being the most southeasterly corner of the herein described parcel;

thence turning an interior angle of 90 degrees -52' and running westerly bounding southerly on Delta Street, a distance of seventy-two and 54/100 (72.54) feet to the point and place of beginning.

The last course making an angle of 90 degrees -38' with the first herein described course.

PARCEL III:

That certain tract or parcel of land with all buildings and improvements thereon situated on the southerly side of Custom House Street in the City of Providence, County of Providence, State of Rhode island, being bounded and described as follows:

Beginning at a point in the southerly street line of Custom House Street, said point being the most northeasterly corner of the above described Parcel I; said point also being the most northwesterly corner of the herein described parcel{

thence running easterly bounding northerly on Custom House Street a distance of nine and 68/100 (9.68) feet to a corner; said corner being the most northwesterly corner of land now or formerly of the Gulf Oil Corp. said corner also being the most northeasterly corner of the herein described parcel;

thence turning an interior angle of 88 degrees -14' and running southerly bounding easterly on the aforementioned Gulf Oil Corp. land, a distance of thirty-six and 04/100 (36.04) feet to a corner; said corner being the most southeasterly corner of the herein described parcel;

thence turning an interior angle of 91 degrees - 46' and running westerly bounding southerly on the northerly terminus of a gangway a distance of nine and 68/100 (9.68) feet to a corner; said corner being the most southwesterly corner of the herein described parcel;

thence turning an interior angle of 88 degrees -14' and running northerly bounding on other land of this Grantor, a distance of thirty-six and 04/100 (36.04) feet to the point and place of beginning.

The last course making an angle of 91 degrees -46' with the first herein described course.

WESTMINSTER STREET

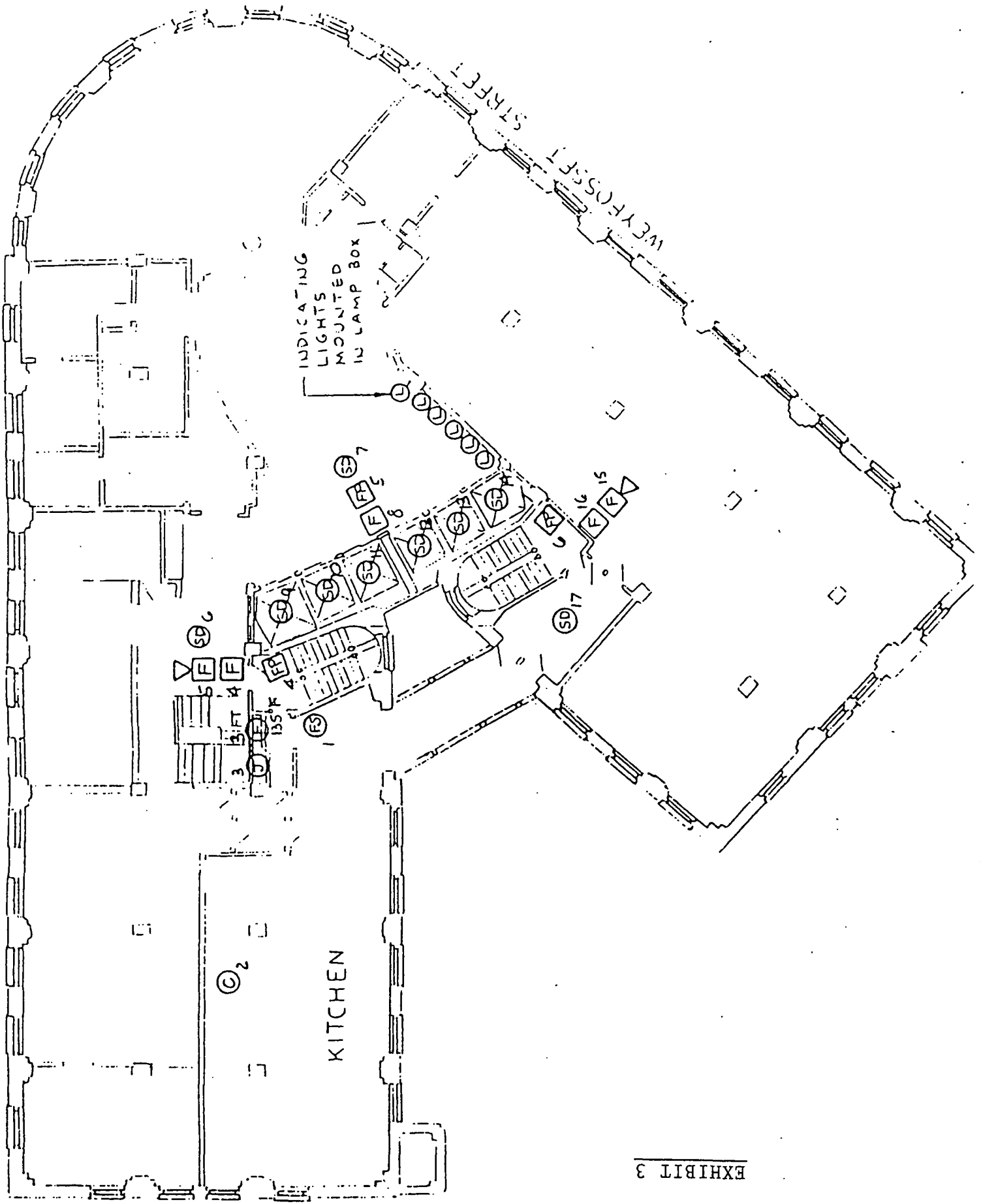


EXHIBIT 3

EXHIBIT 3

A detailed floor plan of a building, oriented vertically. The plan shows a central corridor system connecting various rooms. On the left side, there are several rooms with dimensions: 10'-7 1/4" x 13'-0", 10'-0" x 15'-0", 10'-0" x 15'-0", and 10'-0" x 15'-0". A room labeled 'CLARK' is located in the center. To the right of the center, there is a 'STAIR' and a 'ELEVATOR LOBBY 221.5 S.F.'. Further right, there is a 'STAIR' and a 'CORRIDOR 194.5 S.F.'. The rightmost part of the plan shows a series of rooms, including a 'STAIR' and a 'CORRIDOR 194.5 S.F.'. The plan also shows a 'STAIR' and a 'CORRIDOR 194.5 S.F.' at the bottom. The overall layout is complex, with many rooms and corridors.

EXHIBIT 4

Rules and Regulations

1. No Lessee shall do or knowingly permit or suffer anything to be done on the leased premises or in the building which will interfere with the rights, privileges and conveniences of any other tenant or which will conflict with the provisions of any insurance policy covering said building or any part thereof or which will violate any law, ordinance or rule or regulation of any governmental authority.
2. No Lessee shall cause unnecessary labor or services by reason of carelessness or indifference to the preservation of good order and cleanliness, and Lessee shall not make or permit any improper noises or disturbances in the building.
3. No additional locks, belts or other closing or locking devices shall be placed upon any of the doors, windows, transoms or other openings by any Lessee without written permission from the on-site Building Manager, and each Lessee shall notify the Building Manager of all duplicate keys procured by Lessee together with the names of holders thereof, and upon termination of his leasehold, shall restore to the Lessor all keys to offices, toilet or other rooms furnished to or otherwise procured by such Lessee. In the event of the loss of any key furnished by the Lessor, the Lessee shall pay to the Lessor the cost thereof. All doors, entries and exits of offices opening upon the corridors or other passageways shall be kept closed at all times except as necessary for opening the same for the immediate purpose of entry or exit, and all doors and other openings shall be securely locked when premises are not in use.
4. The sidewalks, entrances, corridors, passageways, stairways and elevators of the building shall not be obstructed or used by any Lessee or his/her agents, clerks, servants, employees, patrons or visitors for any other purpose than that of ingress or egress - all loitering being positively prohibited.
5. Sashes, sash doors, windows, transoms and any lights or skylights that reflect or admit light or air into the halls or other parts of the building shall not be covered or obstructed nor shall anything be placed upon or hung from the window sills or allowed to protrude from any window. No awnings or shades shall be put up.
6. The toilet rooms, wash basins, sinks, water closets, urinals and other plumbing apparatus and other appurtenances and appliances shall not be used for any other purpose than that for which they are respectively designed, nor will water be wasted by improper use of faucets, sinks or toilets or otherwise, and the repair of any breakage, wastes, stoppage or

damage resulting from the violation of this rule shall be borne by the Lessee, who or whose agent, clerk, servant, employee, customer, patron or visitor shall have caused it.

7. No Lessee shall mark, paint, drill into or in any way mar or deface any of the walls, ceilings, partitions or floors, or any of the wood, stone, iron or other work or trim nor drive into nor insert in any part of the premises or building any nails, hooks or screws, boring or cutting for any purpose whatsoever is absolutely prohibited.
8. All repairs, painting, lettering or other special work to be done on the premises shall be arranged for with the on-site Building Manager, and only persons approved by her/him shall be permitted to perform the same or to furnish ice, drinking water, towels, and similar services or deliveries, and only at hours and under regulations used by her/him.
9. All complaints relating to the premises or the building or the services thereof or the conduct of other Lessees' shall be promptly reported to the on-site Building Manager.
10. The placement or moving of all furniture, fixtures, safes and other heavy articles into, out of, or about the premises or building shall be arranged for with the Superintendent at least seven (7) days previously and the person employed to do the same must be acceptable to the Lessor. All freight, furniture or other bulky or heavy articles to be moved or to be carried up or down the elevators shall first be unpacked and moved only during the hours assigned by the Superintendent of the building. The Lessee shall pay for all damages caused or incurred by such moving.
11. In order that the good will and reputation of the building be maintained, all newspaper, magazine, or other kind of advertising which shall be used by any Lessee wherein any office or other space in the building is given as an address unless such advertising shall have prior written approval of the Lessor with respect to the maintenance of ethical and Better Business Bureau standard.
12. No signs, signals or illuminations shall be inscribed or imposed on or from any window, wall or other part of the building. All names or designations or the Lessee upon the doors facing the corridors or on the building directory shall be done by sign painters approved by the Lessor, and any other names than that of the Lessee shall first be submitted to Lessor for approval.
13. No dogs, cats or other animals or birds shall be brought into or kept in the building.
14. All Lessees, at the end of usual daily office hours, shall close all windows and extinguish all lights and stop all

mechanical operations, and all utilities services shall, at all times be kept turned off when not in normal use in the presence of someone properly on the premises incidental to the permitted business of the Lessee. The on-site Building Manager shall be notified whenever the premises are to be used after 9:00 p.m. The premises shall not be used for sleeping, or housekeeping, immoral or unlawful purposes.

15. No Lessee shall use, operate or play or perform upon any radio, phonograph or other musical, talking or sound producing devices of any kind, nature or description in the leased premises or in the building, without the written permission of the Lessor.
16. The Lessor shall not be responsible to any Lessee for the violation by or non-observance of any other Lessee of these or future rules and regulations.
17. No new or additional installation of mechanical, electrical or other apparatus or appliances requiring utility service or motive power will be permitted except by the written consent and under the direction of the Lessor.
18. All waste, rubbish and refuse shall be kept in proper receptacles upon the premises ready for collection by the janitor service and nothing shall be thrown or swept into or upon the corridors, passageways, stairways or other parts of the building, or into toilets or sinks or out of windows or doors. Janitors employed by Lessor will be provided with pass keys to the offices so that the premises may be cleaned and cared for and no other persons shall be employed by Lessee for this purpose without the permission of Lessor.
19. No bicycles, velocipedes or other vehicular devices shall be allowed in the entrances, halls, passageways or corridors of the building.
20. The term, "Tenant" shall apply to and include all tenants or other occupants of offices or spaces in the building whether under written leaseholds or otherwise.
21. The Lessor reserves the right to make other and further reasonable rules and regulations, as in his judgment may from time to time be necessary or desirable for the safety, care and cleanliness of the building and for the preservation of good order therein and the efficient, economical operation thereof.
22. Canvassing, soliciting and peddling in the building or on the lot are prohibited, and Tenant shall cooperate to prevent the same.
23. Tenant may request heating and/or air conditioning during other periods in addition to normal working hours by submitting their request in writing to the Building Managers office no later than 2:00 p.m. the preceding workday (Monday through Friday) on forms available from the Building Manager. The request shall

clearly state the start and stop hours of the "off-hour" service. Tenant shall submit to the Building Manager a list of personnel who are authorized to make such requests. Charges are to be determined by the Building Manager on the additional hours of operations and shall be fair and reasonable and reflect the additional operating costs involved.

24. Tenant shall comply with all security measures from time to time established by Landlord for the building.

EXHIBIT 5

TELECOMMUNICATIONS/SATELLITE AGREEMENT

1. Lessee agrees that the installation of the telecommunications/satellite equipment shall be performed at the Lessee's sole cost and expense with materials of good quality, and in a neat and workmanlike manner, and in accordance with all applicable laws, ordinances, orders, regulations, and requirements of all government authorities.
2. The use of Lessor's facilities by the Lessee shall be such that it does not conflict with any existing use or future use of said facilities by the Lessor, or with others presently using the facilities by permission of Lessor, or interfere with the working facilities thereon.
3. The telecommunications/satellite equipment installed by the Lessee shall at all times remain the property of the Lessee and may be replaced or removed by the Lessee at Lessee's sole cost and expense, from time to time, at Lessee's sole discretion, during the term of this Lease in accordance with the provisions hereof.
4. Without the Lessor's written consent, Lessee shall not have the right to assign this Agreement, or to sublet all or any part of its rights or obligations hereunder.
5. It is agreed that complying with Lessor's covenants in this Agreement, Lessee shall and may peacefully and quietly have, hold and enjoy the rights granted to it hereunder.
6. The Lessee shall access their telecommunications/satellite equipment for maintenance and repairs only with Lessor's permission and only when accompanied by a member of the building management staff.
7. Lessee shall not drill any holes in the roof.
8. Marking and Lighting Requirements Lessee acknowledges that it, and not Lessor, shall be responsible for compliance with all tower or building marking and lighting requirements which may be required by the Federal Aviation Administration ("FAA") or the Federal Communications Commission ("FCC"). Lessee shall indemnify and hold harmless Lessor from any fines or other liabilities caused by Lessee's failure to comply with such requirements. Further, should Lessor be cited by either the FCC or FAA because this site is not in compliance, and if Lessee does not cure the conditions of noncompliance within the time frame allowed by the citing agency, Lessor may terminate this Agreement immediately upon notice to Lessee.

9. Upon expiration of the Lease, Lessee will remove all equipment installed on Lessor's premises at Lessee's sole cost and expense.
10. Lessee does hereby indemnify and hold Lessor harmless from any claim which may arise against Lessor by reason of any occurrence attributable to the installation, operation, maintenance or removal of Lessee's equipment.
11. Any additional costs associated with the operation of Lessee's equipment not specifically mentioned herein shall be borne solely by the Lessee.
12. Any notice required or permitted to be given by one party hereto to the other party hereto may be delivered pursuant to the Notice provision defined in the Lease.
13. Any costs of electricity associated with Lessee's equipment will be borne solely by the Lessee.
14. Lessor will designate the exact roof location and required mounting instructions subsequent to Lessee providing written notice of the specifications of said telecommunication/satellite equipment to Lessor.

EXHIBIT 6

GENERAL OFFICE AREAS

DAILY

Empty all trash receptacles and remove collected waste to totes in basement. Replace plastic liners as needed. Liners supplied by owner. Damp wipe all exterior surfaces of containers.

Empty and damp wipe all ash trays, removing all visible signs of tar and ash haze.

Spot dust and spot clean all horizontal surfaces of counter tops, desks, chairs, tables, office equipment, window ledges and heating units, partitions and filing cabinets.

Spot wash walls, doors, door frames, kick and push plates, handles, light switches, fire hose and extinguisher cabinets and any other obviously soiled areas. All surfaces covered with flat paint or delicate materials will be cleaned with utmost care.

Vacuum and clean all exposed carpeted floor surfaces, including edges, corners and under easily moved furniture. Inspect carpet for spots and stains and remove where possible.

Dust mop hard floor surfaces using a chemically treated mop. Damp mop any spills or stains.

Spot clean interior glass partitions and tenant entry doors.

WEEKLY

Damp mop and spray buff all hard surface floors, maintaining a high, clean shine. Check areas for polishing.

Thoroughly clean all interior glass partitions and tenant entry doors.

Dust all pictures, charts and similar wall hangings.

Thoroughly dust and clean all horizontal surfaces of counter tops, desk, chairs, tables, office equipment, window ledges and heating units, partitions and filing cabinets.

QUARTERLY

Hand brush or vacuum clean all upholstered furniture.

Dust all chair and table legs and rungs, baseboards, ledges, moldings and other low reach areas.

Dust or damp clean all ceiling diffuses, fluorescent light lenses and incandescent light cans.

LAVATORIES

DAILY

Clean and polish all chrome fittings and brightwork, including shelves, flushometers and metal dispensers.

Clean, sanitize and polish all vitreous fixtures, including toilet bowls, urinals and sinks, using a germicidal detergent solution.

Clean and sanitize both sides of all toilet seats with a germicidal detergent solution.

Clean and polish all mirrors and glass

Dust and spot clean all toilet partitions, tile walls and receptacles.

Empty all refuse containers, inserting liners as needed. Liners to be furnished by owner.

Refill all dispensers, including sanitary napkin, soap, toilet tissue, paper towels, cups, etc. Supplies to be furnished by owner.

Remove spots and splashes from urinal wall partitions. Wash and sanitize exterior of all containers.

Dust mop or sweep floors thoroughly; wash and rinse, using a germicidal detergent solution.

MONTHLY

Wash and sanitize all partitions, tile walls and enamel surfaces.

Machine scrub and rinse all floor surfaces.

QUARTERLY

Dust or damp clean all ceiling diffusers, fluorescent light lenses and incandescent light cans.

GENERAL NOTES

Contractor will not touch or disturb papers on desks, files, counters, etc. Contractor will not shut off computers, copiers, etc.

Upon completion of the work detailed in these specifications, lights shall be extinguished, windows closed, doors locked, premises secured and left in a neat, orderly condition at all times. Trash shall be removed to the designated collection area by contractor's employees.

Contractor will leave notice to owner advising of any irregularities noted during servicing.

Owner shall maintain a written log to advise contractor of any specific concerns. Contractor shall review this log on a daily basis and initial each entry indicating that they have resolved the concern.

EXHIBIT 7

A. Lessor's Work:

1. Lessor to repair severely damaged exterior walls from previous water damage on the sixteenth floor in the kitchen area and selected window walls throughout the former dining room;
2. Lessor will provide at the existing ladies and men's room on the sixteenth floor new fixtures, accessories, toilet partitions, wall and floor tiles, and ceiling tiles of the same quality as presently utilized within the Turks Head Building. As this work is finishes only, Lessor will not be required to obtain a permit from the City of Providence. Lessee understands and acknowledges that any deviation from the existing locations will require a permit to be filed and additional expenses incurred thereby. Any and all costs associated with changes in location will be borne solely by Lessee;
3. Lessor to provide heat to the former kitchen area;
4. Lessor to replace eight exterior windows located on the sixteenth floor in the former kitchen and pass-through area (remaining former kitchen windows will have their hardware removed and the frame covered with a feature strip of aluminum extruded bronze anodized trim);
5. Lessor will leave a 4" drain line capped to the sixteenth floor to accommodate the executive restrooms.

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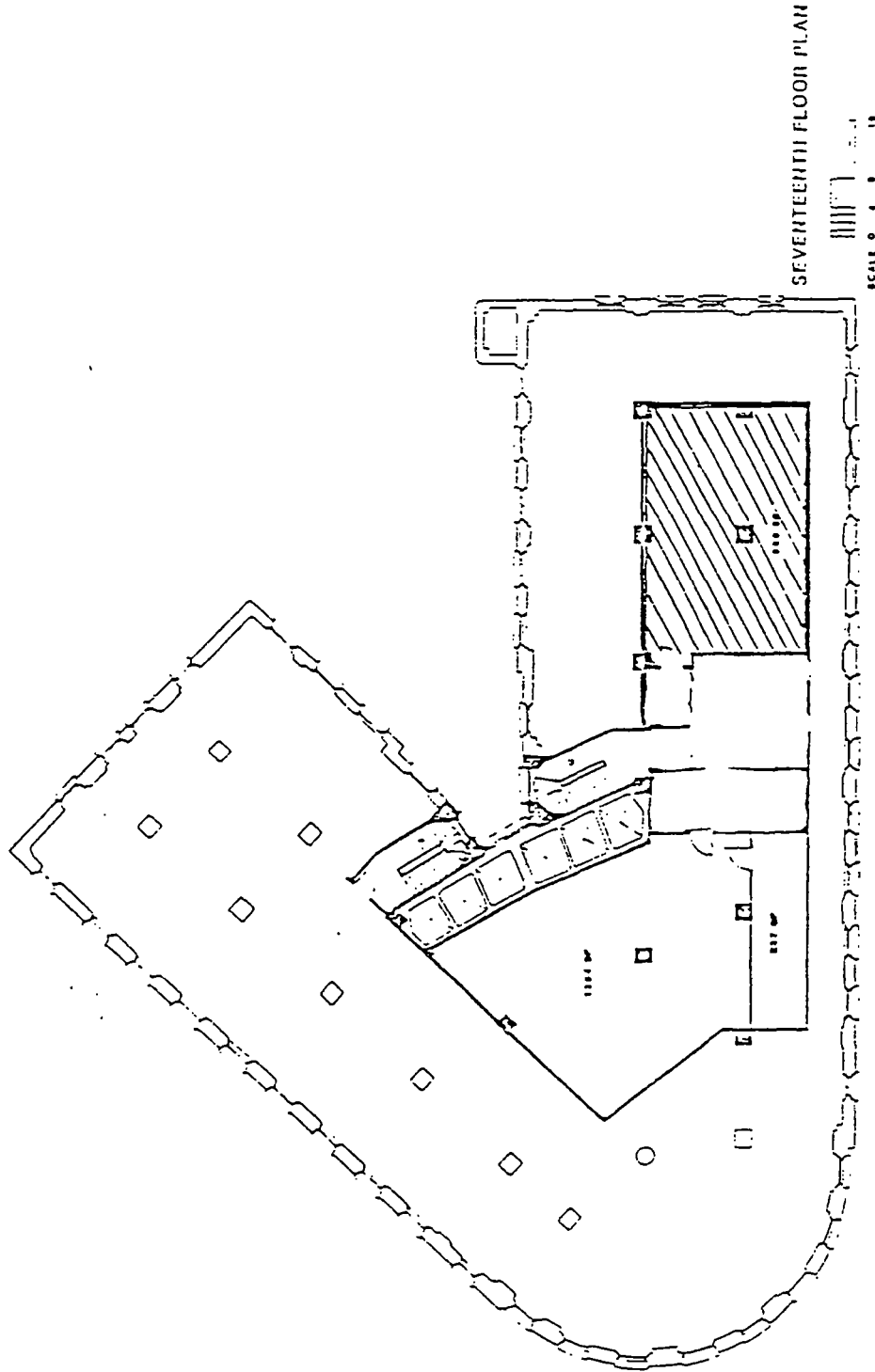


Exhibit 8

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (hereinafter called the "Amendment") is entered into between Granoff Realty II Limited Partnership d/b/a Greater Providence Properties, a Rhode Island limited partnership ("Lessor"), having an address of One Turks Head Place, Providence, Rhode Island 02903, Attn: Lisa M. Marrocco, and Bank Rhode Island, a Rhode Island financial institution, having an address of 76 Westminster Street, Providence, Rhode Island 02903 ("Lessee").

RECITALS

A. Lessor is the owner of certain real property and improvements thereon known as the Turks Head Building located at 76 Westminster Street in Providence, Rhode Island (the "Property").

B. Lessor and Lessee have entered into that certain Turks Head Building Lease and Addendum to Lease both dated November 23, 1998 for certain office space (the "Premises") located at the Property and as further described in the Lease.

C. Lessor and Lessee now wish to amend the Lease to extend the initial term of the Lease and to amend certain other provisions contained in the Lease, all as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and other good valuable consideration, receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agrees as follows:

1. Extension and Expiration of Initial Term. Effective as of the date hereof, the initial term of the Lease shall be extended by five (5) years to a term of ten (10) years commencing July 1, 1999 and expiring on June 30, 2009 (the "Term"). Exhibit 1 is modified ("Amended Exhibit 1") to reflect this change and is attached hereto and incorporated herein by this reference.

2. Rent Schedule. Exhibit 1 of the Lease is further modified by adding to the end of the Rent Schedule, "Years 6-10". The Base Rental for this period shall be \$16.75 per rentable square foot with a construction allowance of \$1.25 per rentable square foot in Year 6, such construction allowance to be used for construction of improvements within the Premises and to be in accordance with Section P of the Addendum to Lease (to the extent applicable.) (Amended Exhibit 1 reflects this change.)

3. Option to Extend. Section C of the Addendum to Lease is hereby modified by deleting the phrase "three (3) successive periods" from line six of the first paragraph of this section and inserting "two (2) successive periods" in lieu thereof; and by deleting all other references in the Addendum to Lease to the "Third Extended Term" and replacing same with "Second Extended Term"; and by deleting the second full paragraph of Section C; and by deleting the phrase "Said Second Extended Term" in the first and third lines of the third paragraph, and inserting "Said First Extended Term" in lieu thereof.

4. Option to Terminate. A new Paragraph Q is hereby added to the Addendum as follows: "Notwithstanding anything to the contrary contained in this Lease and without limiting any of the other rights and/or obligations of Lessee, Lessee may terminate, without cost or penalty, the initial term of this Lease at the end of the fifth year of this Lease by providing written notice to Lessor no later than January 1, 2004 in which event the Lease will terminate as of June 30, 2004."

5. Broker. Lessor and Lessee mutually represent and warrant that they have dealt with no broker or agent in connection with this Amendment. Each party agrees to indemnify the other with respect to such claim made by any such agent or broker claiming to have dealt with the indemnifying party.

6. Capitalized Terms. All capitalized terms not otherwise defined herein shall have the same meaning as ascribed in the Lease.

7. Ratification. Except as specifically provided herein, the Lease is hereby ratified and confirmed in all respect and shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Lease as of the 1st day of June, 1999.

Lessee:

BANK RHODE ISLAND

By: 

Name: Merrill W. Sherman

Title: President & CEO

Lessor:

GRANOFF REALTY II LIMITED
PARTNERSHIP

By: Granoff Associates, L.L.C.
Its General Partner

By: 

Name: Lloyd W. Granoff

Title: Managing Member

By: 

Name: Evan J. Granoff

Title: Managing Member

300772

AMENDED EXHIBIT 1

TO

TURKS HEAD BUILDING LEASE

The following terms used in the Lease to which this Exhibit 1 is attached shall have the following meanings, respectively.

Execution Date:	November 23, 1998
First Amendment to Lease Date:	June <u>1</u> , 1999
Lessor:	GRANOFF REALTY II LIMITED PARTNERSHIP d/b/a Greater Providence Properties One Turks Head Place Providence, R.I. 02903 Attn: Lisa M. Marrocco
Lessee:	Bank Rhode Island 76 Westminster Street Providence, RI 02903
Building:	TURKS HEAD BUILDING located at One Turks Head Place, Providence, Rhode Island 02903 on the property described in Exhibit 2 ("Property").
Premises:	The entire 16 th floor and that portion of the floor space on the 15 th floor of the building shown on the Drawing attached hereto as <u>Exhibit 3</u> , and known as Suites 1600, 1550 and 1510. Premises to be delivered in an "AS IS" condition, except as set forth herein.
Square Feet of Rentable Area:	14,922 Rentable Square Feet (Suite 1600=9,260, Suite 1550=2,667, Suite 1510=2,995)
Percentage Share of Additional Costs:	9.95%

Commencement
of Term: July 1, 1999

Termination
of Term: June 30, 2009 (unless
terminated pursuant to Paragraph Q of the First
Amendment to Lease)

Base Rental: See Rental Schedule below.

Monthly Installments: See Rental Schedule below.

<u>Rent Schedule</u>	<u>Base Rental</u>	<u>Monthly</u>	<u>Rate/Sq/ Ft.</u>
Year 1	\$231,291	\$19,274.25	\$15.50
Year 2	\$238,752	\$19,896.00	\$16.00
Year 3	\$246,213	\$20,517.75	\$16.50
Year 4	\$246,213	\$20,517.75	\$16.50
Year 5	\$246,213	\$20,517.75	\$16.50
Years 6-10	\$249,943.50	\$20,828.63	\$16.75

Base Year: Calendar year Ending December 31, 1999.

Lessee will also receive a construction allowance of \$1.25 per rentable square foot in Year 6, such construction allowance to be used for construction of improvements within the Premises and to be in accordance with Section P of the Addendum to Lease (to the extent applicable).

1999 Operating Costs: [\$_____]

1999 Real Estate Taxes: [\$_____]

1999 Operating Costs and 1999 Real Estate Taxes will be provided to Lessee upon completion of Lessor's audit, and Lessor and Lessee shall execute an amendment to this Exhibit 1 setting forth said amounts.

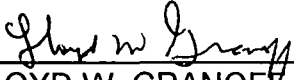
Use: General office and related uses


Security Deposit: N/A

Lessor:

GRANOFF REALTY II LIMITED
PARTNERSHIP

By: Granoff Associates, L.L.C.
Its: General Partner

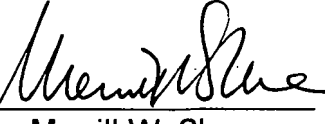
By: 
LLOYD W. GRANOFF
Managing Member

By: 
EVAN J. GRANOFF
Managing Member

300677

Lessee:

BANK RHODE ISLAND

By: 
Name: Merrill W. Sherman
Title: President and CEO