

RESOLUTION OF THE CITY COUNCIL

No. 208

Approved May 6, 2014

WHEREAS, On October 4, 2013 Allen's Park, LLC, ("Petitioner"), sought to purchase a parcel of City property which consists of approximately 14,205 square feet on Assessor's Plat 101, Lot 4; and

WHEREAS, Said transfer contemplates a grant of a parcel of Petitioner's property, which consists of approximately 4,803 square feet on Assessor's Plat 101 (formerly a portion of Lot 4) to the City in addition to the sum of Sixty-Five Thousand Dollars (\$65,000); and

WHEREAS, An appraisal of the property was completed by Thomas O. Sweeney a qualified real estate appraiser in the State of Rhode Island, of a net sum of Sixty Five Thousand Dollars (\$65,000), said appraisal having been adopted as the City's appraisal pursuant to Sec. 416 of the Home Rule Charter of 1980; and

WHEREAS, The provisions relative to the exchange of property contained in Sec. 416 (7) of the Home Rule Charter of 1980 have been duly satisfied, and

WHEREAS, The matter was considered and approved by the City Council Committee on City Property at its meeting of April 16, 2014, with due consideration of the aforesaid appraisal as well as an engineer's diagram which accurately depicts the parcels under consideration.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approves the exchange of the parcels of property aforesaid in addition to the sum of Sixty Five Thousand Dollars (\$65,000) to the City from Petitioner, pursuant to that certain Purchase and Sale Agreement between the Petitioner and the City, substantially in the form attached hereto, subject to approval as to form and correctness by the City Solicitor; and

BE IT FURTHER RESOLVED, That the City Council authorizes the Mayor to execute said Purchase and Sale Agreement, as well as all other instruments necessary to carry out the aforesaid transaction.

IN CITY COUNCIL

MAY 01 2014

READ AND PASSED



PRES.



ACTING CLERK

I HEREBY APPROVE.



Mayor

Date: 5/6/14

Purchase and Sale Agreement

This Agreement (the "Agreement") is made and entered into as of the _____ day of May, 2014, by and between the City of Providence with an address of 25 Dorrance Street, Providence, Rhode Island 02903 Attn: Alan Sepe, Director of City Property (the "Seller") and Allen's Park, LLC, or its nominee, with an address of 17 Virginia Avenue, Providence, Rhode Island 02905 (the "Buyer").

WITNESSETH:

In consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Subject to the terms and provisions hereof, the Seller agrees to sell and convey to the Buyer and the Buyer agrees to purchase that certain parcel of land located on Allen's Avenue in the City of Providence, Rhode Island, more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Premises"), together with all rights, privileges, easements and appurtenances thereto.

2. The Premises are to be conveyed by a good and sufficient statutory quitclaim deed (the "Deed"), in form and substance satisfactory to Buyer, running to Buyer or to such nominee as the Buyer may designate to Seller at or prior to the Closing (as that term is hereinafter defined), and said deed shall convey a good, clear, record, marketable and insurable title thereto, free from all mortgages, liens, restrictions, easements or other encumbrances or matters of record.

3. The agreed purchase price for the Premises is Sixty-five Thousand and No/100 Dollars (\$65,000.00), and the conveyance to the Seller of the property described on Exhibit B attached hereto (the "Exchange Property") by a good and sufficient quitclaim deed in form and substance satisfactory to Seller (the "Exchange Deed"). The Exchange Deed shall convey a good, clear, marketable and insurable title, free from all mortgages, liens, restrictions, easements or other encumbrances or matters of record. The monetary portion of the Purchase Price will be paid as follows:

(a) \$5,000.00 has been paid as of the date hereof as a deposit (the "Deposit") to be held in escrow by Hinckley, Allen & Snyder LLP (the "Escrow Agent") and such amount plus the interest accrued thereon shall be accounted for at the time of closing and credited against the purchase price; and

(b) the balance of the purchase price, subject to the adjustments to be made by the parties as hereinafter set forth, is to be paid at the time of delivery and recording of the deed in cash, by certified or bank check or checks or by federal wire transfer of immediately available funds.

4. The aforesaid Deed and Exchange Deed are to be delivered (the "Closing") at the office of Hinckley, Allen & Snyder LLP, 50 Kennedy Plaza, Suite 1500, Providence, Rhode Island at 10:00 a.m. on the day that is thirty (30) days subsequent to the Contingency Date or on such later date as the Closing may be extended pursuant to the terms hereof (herein referred to as the "Closing Date"). If the Closing Date falls on a Saturday, Sunday, or legal holiday then the Closing shall take place on the next following business day. It is agreed that time is of the essence of this Agreement.

5. Full possession of the Premises and the Exchange Property, free and clear of all tenants, occupants and personal possessions is to be delivered on the Closing Date, the Premises and the Exchange Property to be then in the same condition as they are now in and not in violation of any Laws.

6. If Seller shall be unable to give title or to make conveyance, or to deliver possession of the Premises, all as herein stipulated, or if on the Closing Date the Premises do not conform with the provisions hereof, then the Seller shall use good faith and reasonable efforts to remove any defects in title,

or to deliver possession as provided herein, or to make the Premises conform to the provisions hereof, as the case may be, and the Closing Date shall automatically be extended for a period of thirty (30) days (the "Extended Time"). If at the expiration of the Extended Time the Seller shall have failed so to remove any defects in title, deliver possession, or make the Premises conform, as the case may be, all as herein agreed, after using good faith and reasonable efforts to do so, then, at the Buyer's option, the Deposit (and all interest which has accrued thereon), and any other amounts paid by the Buyer hereunder as a deposit (and all interest which has accrued thereon), shall be forthwith refunded and all other obligations of all parties hereto shall cease and this Agreement shall be void without recourse to the parties hereto.

The Buyer shall have the election, at either the original or any Extended Time for performance, to accept such title as the Seller can deliver to the Premises in its then condition and to pay therefor the purchase price without deduction, in which case the Seller shall convey such title, except that in the event of such conveyance in accord with the provisions of this clause, if the Premises shall have been damaged by fire or casualty, and if the Buyer has not exercised its right of termination under paragraph 18 hereof, then the Seller shall, unless the Seller has previously restored the Premises to their former condition, give to the Buyer a credit against the purchase price, at the Closing, equal to an amount, as reasonably determined by Buyer's engineer or contractor, that is sufficient to restore the Premises to the condition that existed prior to the fire or casualty.

7. The following conditions are conditions precedent to Buyer's obligation to purchase the Premises and to all of Buyer's other obligations and agreements hereunder:

(a) The Buyer must receive all closing documents referred to in paragraph 15 hereof; In the event the aforesaid conditions precedent are not satisfied on or before 5:00 p.m. on the date that is the forty five (45) day anniversary of the date hereof (the "Contingency Date"), then, at Buyer's option, this Agreement shall terminate upon written notice thereof mailed by the Buyer in accordance with the provisions of paragraph 12 hereof and postmarked on or before 5:00 p.m. on the Contingency Date, and this Agreement shall thereupon be null and void and of no further force or effect without recourse to the parties hereto and the Escrow Agent shall refund the Deposit together with any interest accrued thereon to the Buyer. Notwithstanding anything contained herein to the contrary or which might be construed to the contrary, the Buyer will also have the absolute right to terminate this Agreement and all of its obligations and duties hereunder (and receive a full refund of the Deposit and all interest which has accrued thereon, and any other amounts paid by the Buyer hereunder as a deposit and all interest which has accrued thereon in the event for any reason whatsoever the Buyer elects not to acquire the Premises, which option to terminate must be exercised pursuant to a written notice postmarked on or before 5:00 p.m. on the Contingency Date.

8. To enable Seller to make conveyance as herein provided, Seller may, on the Closing Date, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests provided that all instruments so procured are recorded simultaneously with the delivery of said deed or that provision for prompt recording thereof satisfactory to Buyer's attorneys are made on the Closing Date.

9. The Seller represents and warrants that the Premises is tax exempt and no real estate taxes were assessed December 31 for the year immediately preceding the year in which the Closing occurs, and therefore, real estate taxes shall not be adjusted between Buyer and Seller at Closing with respect to the Premises. The Seller shall pay the documentary stamps for recording the deed to the Premises, if any. Buyer shall pay the documentary stamps for recording the Exchange Deed, if any. Utilities, personal property taxes and service contract payments, if any, (if approved by Buyer) shall also be adjusted as of the Closing Date with the Seller paying its pro-rata share of such amounts for the period prior to and including the Closing Date and the Buyer at its option paying or assuming the balance.

Real estate taxes applicable to the Exchange Premises shall be prorated on a per diem basis as of the Closing.

10. Any unpaid betterment or improvement assessments constituting a lien against the Premises payable in installments shall be apportioned, the Seller paying all installments due for prior periods and a pro rata share of the current installment, the Buyer taking subject to the lien of any such assessment and assuming the balance.

11. If, after satisfaction of all conditions precedent set forth herein and provided Seller is not in default under this Agreement and is ready, willing, and able to convey title and deliver possession of the Premises all as required under this Agreement, Buyer shall fail to fulfill Buyer's obligations hereunder (after notice and a 30 day opportunity to cure), then (i) the Deposit (and all interest accrued thereon) shall be delivered by the Escrow Agent to Seller as liquidated damages and as Seller's sole and exclusive remedy in law and in equity against Buyer for such default. Such liquidated amount is agreed upon by Seller and Buyer as an appropriate measure of liquidated damages owing to Seller due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof.

In the event all of the aforesaid conditions precedent to Buyer's obligations set forth herein are not satisfied and Buyer terminates this Agreement as a result thereof, the Escrow Agent shall forthwith deliver to the Buyer the Deposit, together with all interest which has accrued thereon, and all other payments made hereunder by Buyer, if any, and all obligations of the parties hereto shall cease and this Agreement shall be void and without recourse to the parties hereto.

In the event the Seller shall be in default hereunder, the Buyer shall receive a full refund of the Deposit together with all interest which has accrued thereon, and shall be entitled to pursue all available remedies at law and in equity, including, without limitation, the right to seek the remedy of specific performance of this Agreement.

12. All notices required or permitted to be given hereunder shall be mailed postage prepaid, by registered or certified mail, addressed to the addresses set forth on page 1 hereof or to such other address as shall be designated by written notice given to the other party and, in any event, with a copy to:

If to Seller:

Jeffrey M. Padwa, City Solicitor
444 Westminster Street, Suite 200
Providence, Rhode Island 02903

If to Buyer:

Hinckley, Allen & Snyder LLP
50 Kennedy Plaza, Suite 1500
Providence, Rhode Island 02903
Attn: E. Jerome Batty, Esq.

13. Intentionally Omitted.

14. From the date hereof until the Closing Date, Seller shall not take any of the following actions with respect to the Premises without obtaining Buyer's prior written consent and Buyer will not take any of the following actions with respect to the Exchange Property without obtaining Seller's prior written consent;

(a) enter into any lease, amendment of lease, contract or agreement with respect to the Premises or the Exchange Property;

(b) make or permit any structural modifications or additions to the Premises or the Exchange Property;

(c) mortgage or otherwise encumber or to permit liens (whether inchoate or not) upon the Premises or the Exchange Property;

(d) enter into any agreements relating to the operation or maintenance of the Premises or the Exchange Property the term of which shall extend beyond the date of Closing; or

(e) permit occupancy of the Premises or the Exchange Property, or any part thereof, by any party other than the Buyer as party in possession of the Premises or the Exchange Property.

15. The Seller hereby agrees to deliver to Buyer the following documents, each in form and substance satisfactory to Buyer, at or before the Closing:

(a) The statutory quitclaim deed referred to in paragraph 2 hereof;

(b) All documents required by the title company to remove the standard title exceptions from the title commitment and the subsequent title policy obtained by the Buyer including without limitation a no lien affidavit in form and substance reasonably satisfactory to said title company, as well as all authority or other documents as may be reasonably requested by the title company or Buyer.

16. The Buyer hereby agrees to deliver to Seller the following documents, each in form and substance satisfactory to Seller, at or before the Closing:

(a) The statutory quitclaim deed referred to in paragraph 2 hereof;

(b) All documents required by the title company to remove the standard title exceptions from the title commitment and the subsequent title policy obtained by the Seller including without limitation a no lien affidavit in form and substance reasonably satisfactory to said title company, as well as all authority or other documents as may be reasonably requested by the title company or Seller.

17. The Seller acknowledges that FIRPTA withholding is not required. The Seller agrees to deliver to the Buyer at the Closing a Non-Foreign Certification in form and substance satisfactory to Buyer.

18. (a) The risk of loss or damage to the Premises by fire or other casualty is assumed by Seller. Notwithstanding anything contained herein to the contrary, in the event that prior to the Closing, any part of the Premises is destroyed or damaged by fire or any other cause whatsoever or condemnation proceedings are initiated against all or any portion of the Premises, Seller shall immediately give notice to Buyer thereof, and whether or not such notice is given, the following paragraphs shall be applicable:

If the Premises shall be damaged from any cause (including condemnation or eminent domain proceedings) Buyer may, by giving notice to Seller within fifteen (15) days after receiving notice of such damage from Seller or any other third party, terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, and the Deposit together with accrued interest thereon shall be returned to Buyer. If Buyer does not exercise such right to terminate, Buyer shall receive a credit against the purchase price, at the Closing, equal to an amount, as reasonably determined by Buyer's architect, that is sufficient to restore the Premises to the condition that existed prior to such damage.

(b) The risk of loss or damage to the Exchange Property by fire or other casualty is assumed by Buyer. Notwithstanding anything contained herein to the contrary, in the event that prior to the Closing, any part of the Exchange Property is destroyed or damaged by fire or any other cause whatsoever or condemnation proceedings are initiated against all or any portion of the Exchange Property, Buyer shall immediately give notice to Seller thereof, and whether or not such notice is given, the following paragraphs shall be applicable:

If the Exchange Property shall be damaged from any cause (including condemnation or eminent domain proceedings) Seller may, by giving notice to Buyer within fifteen (15) days after receiving notice of such damage from buyer or any other third party, terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, and the Deposit together with accrued interest thereon shall be returned to Buyer.

19. The Escrow Agent, by executing this Agreement, acknowledges receipt of the Deposit paid by the Buyer to be held under the terms hereof. The Escrow Agent agrees to hold, keep and deliver the Deposit and all other sums delivered to it pursuant hereto in accordance with the terms and provisions of this Agreement. The Escrow Agent shall not be entitled to any fees or compensation for its services hereunder except in the event of costs and fees incurred in any litigation or controversy relating to the Deposit, in which case Buyer and Seller shall each be obligated to pay one-half of such costs and fees. The Escrow Agent shall be liable only to hold said sums and deliver the same to the parties named herein in accordance with the provisions of this Agreement, it being expressly understood that by acceptance of this agreement the Escrow Agent is acting in the capacity of a depository only and shall not be liable or responsible to anyone for any damages, losses or expenses unless same shall have been caused by the gross negligence of willful malfeasance of the Escrow Agent. In the event of any disagreement among the parties to this Agreement, or among them or any of them and any other party resulting in any adverse claims and demands being made in connection with or for the monies involved herein or affected hereby, the Escrow Agent shall be entitled to refuse to comply with any such claims or demands so long as such disagreement may continue; and in so refusing the Escrow Agent shall make no delivery or other disposition of any of the monies then held by it under the terms of this Agreement and in so doing the Escrow Agent shall not become liable to anyone for such refusal; the Escrow Agent shall be entitled to continue to refrain from acting until (a) the rights of the adverse claimants shall have been finally settled by binding arbitration or finally adjudicated in a court assuming and having jurisdiction of the monies involved herein or affected hereby, or (b) all differences shall have been adjusted by agreement between or among the parties and the Escrow Agent shall have been notified in writing of such agreement signed by the parties hereto. Further, the Escrow Agent shall have the right at all times to pay all sums held by it (i) to the appropriate party under the terms hereof, or (ii) into any court of competent jurisdiction after a dispute between or among the parties hereto has arisen, whereupon Escrow Agent's obligations hereunder shall terminate.

20. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, as applicable. This Agreement may not be amended or modified except pursuant to a written instrument executed by both Buyer and Seller. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and is subject to no other understandings, conditions or agreements other than those expressly contained herein. The parties further agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.

21. Each party represents to the other that such party has not dealt with any real estate broker or agent with respect to the Premises or the Exchange Property and hereby agrees to indemnify each other party from any claims made by any such agent or broker claiming to have dealt with such indemnifying party. The aforesaid indemnification shall survive the Closing Date and the delivery of the deed.

22. This Agreement may be executed in any number of counterparts each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.

23. If any provision herein shall be held illegal, invalid or unenforceable, such provision shall not affect the validity or enforceability of any other provisions hereof, all of which other provisions shall, in such case, remain in full force and effect.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF this Agreement has been executed as a sealed instrument the day and year first set forth above.

Witnesseth: BUYER:

ALLEN’S PARK, LLC

By:

Name:
Title:

SELLER:

CITY OF PROVIDENCE

By:

Name:
Title:

Escrow Agent:

By:
Name:
Title:

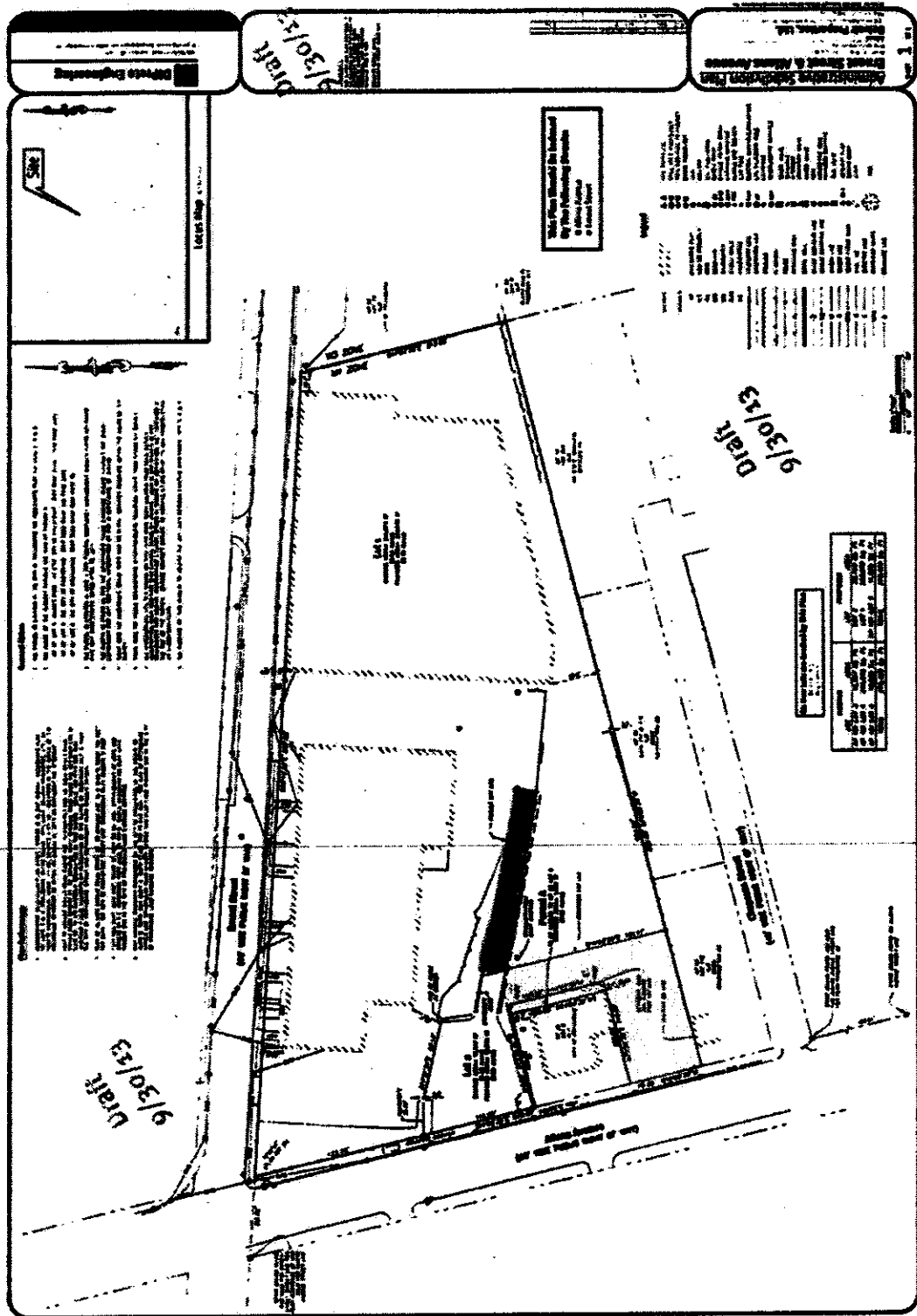
Approved as to form and correctness:

Jeffrey M. Padwa, City Solicitor

EXHIBIT A

LEGAL DESCRIPTION

The Premises is shown in yellow and the Exchange Property is shown in blue on the plan attached hereto.



14106



**HINCKLEY
ALLEN**

50 Kennedy Plaza, Suite 1500
Providence, RI 02903-2319

p: 401-274-2000 f: 401-277-9600
hinckleyallen.com

E. Jerome Batty
jbatty@haslaw.com

VIA HAND DELIVERY

October 4, 2013

Mr. Alan Sepe
Director of Public Property
Providence City Hall
25 Dorrance Street
Providence, RI 02903

RE: Portion of 40 Ernest Street, Providence, Rhode Island

Alan:


At the request of Jim Winoker, I am forwarding to you a draft plan prepared by DiPrete Engineering which delineates the property to the south and east of the fire station on Allens Avenue which Allen's Park, LLC is interested in purchasing from the City. In connection with the purchase of the Property, Allen's Park, LLC will convey to the City approximately 4,803 square feet currently owned by Allen's Park and constituting the easterly portion of the Allen's Park Property. The plan also shows that approximately 1,000 square feet would become part of the fire station lot (Plat 101, Lot 6). This is necessary since the building on the fire station lot actually encroaches on the 40 Ernest Street lot.

The total area in which Allen's Park, LLC has an interest is 14,205 square feet and after accounting for the transfer of the 4,803 square feet to the City, the net being acquired would be 9,403 square feet.

I am also enclosing an Appraisal prepared by Thomas O. Sweeney, SIOR of Sweeney Real Estate and Appraisal. The Appraisal is based on the net figure of 9,403.

If you have any questions in connection with the enclosures, please contact me.

Very truly yours,


E. Jerome Batty
EJB/amh

cc: James R. Winoker
David M. Winoker

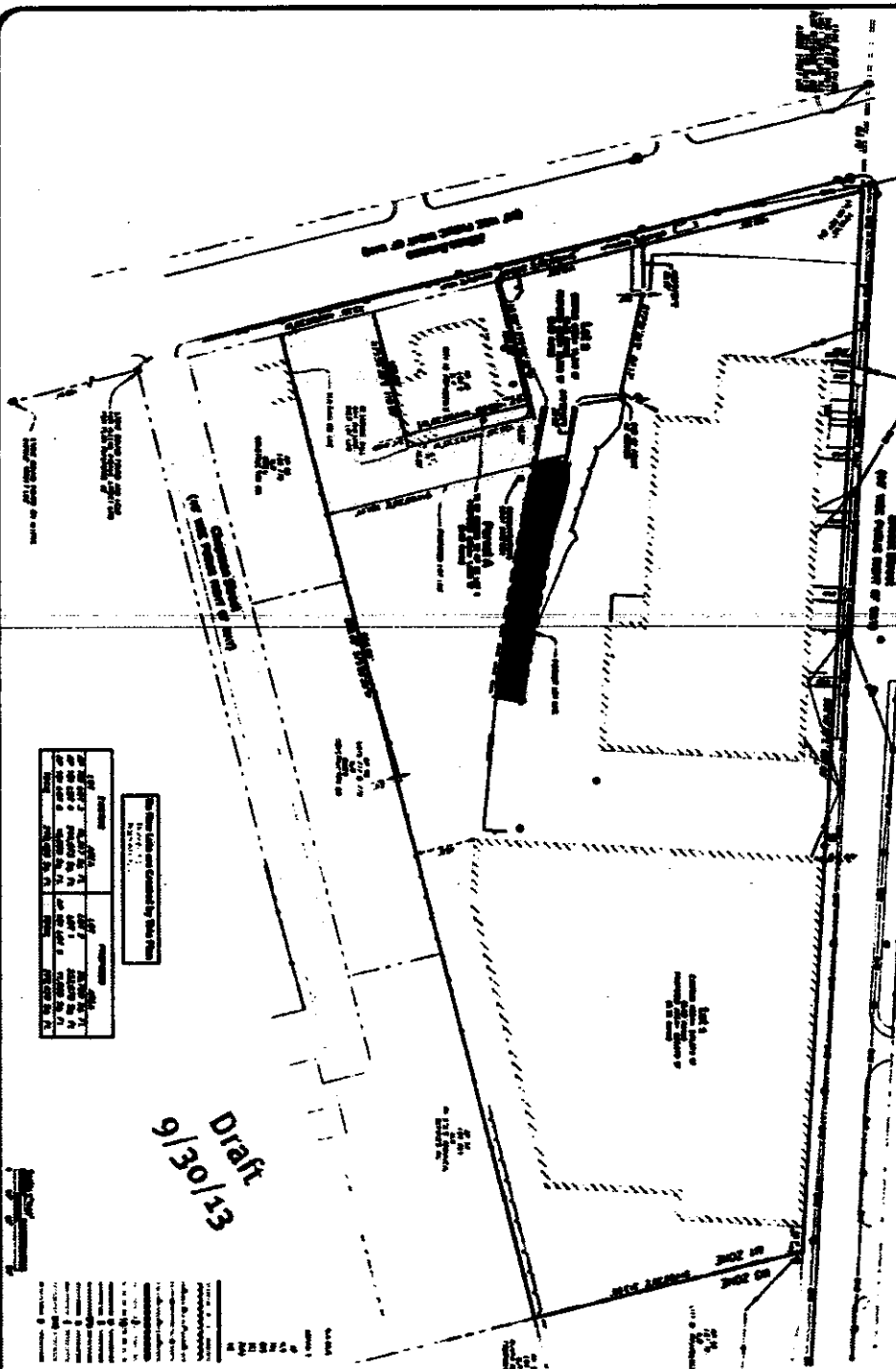
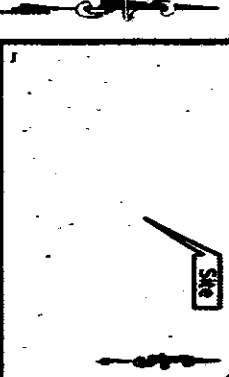
► ALBANY ► BOSTON ► CONCORD ► HARTFORD ► NEW YORK ► PROVIDENCE

HINCKLEY, ALLEN & SNYDER LLP, ATTORNEYS AT LAW
1111854V1

Draft
9/30/13

Introduction
This document is a preliminary site plan for the proposed development of a new office building at the intersection of 1st Street and 2nd Street, N.W. The site is located in the City of Atlanta, Georgia. The plan shows the proposed building footprint, parking areas, and surrounding streets. The plan is subject to review and approval by the City of Atlanta Planning Department.

Site Description
The site is located at the intersection of 1st Street and 2nd Street, N.W. The site is currently vacant and is zoned for office use. The proposed building is a four-story office building with a total area of approximately 100,000 square feet. The building will be constructed on a lot that is 100 feet wide and 150 feet deep. The building will have a flat roof and will be surrounded by a parking lot. The parking lot will have a total area of approximately 20,000 square feet. The surrounding streets are 1st Street, 2nd Street, and 3rd Street, N.W.



Area	Area (sq. ft.)	Area (sq. ft.)
Proposed Building	100,000	100,000
Parking Area	20,000	20,000
Total	120,000	120,000

Draft
9/30/13

This Plan Shows the Location of the Following Streets:
• 1st Street
• 2nd Street
• 3rd Street

Legend
The following symbols are used in this plan:
• Solid black area: Proposed Building
• Diagonal hatching: Parking Area
• Dashed line: Street
• Solid line: Property Line
• Dotted line: Easement
• Arrow: Direction of Traffic
• Circle with 'X': Intersection
• Circle with 'O': Corner
• Circle with 'P': Parking Space
• Circle with 'B': Building
• Circle with 'T': Transit Station
• Circle with 'S': School
• Circle with 'H': Hospital
• Circle with 'C': Church
• Circle with 'M': Museum
• Circle with 'L': Library
• Circle with 'R': Restaurant
• Circle with 'I': Ice Cream Parlor
• Circle with 'F': Fast Food Restaurant
• Circle with 'D': Dry Cleaning
• Circle with 'G': Grocery Store
• Circle with 'P': Pharmacy
• Circle with 'M': Medical Office
• Circle with 'D': Dental Office
• Circle with 'V': Veterinary Office
• Circle with 'A': Art Studio
• Circle with 'M': Music Studio
• Circle with 'D': Dance Studio
• Circle with 'Y': Yoga Studio
• Circle with 'S': Spa
• Circle with 'H': Hair Salon
• Circle with 'N': Nail Salon
• Circle with 'C': Car Wash
• Circle with 'R': Repair Shop
• Circle with 'O': Oil Change
• Circle with 'T': Tire Shop
• Circle with 'A': Auto Detailing
• Circle with 'W': Window Tinting
• Circle with 'P': Paint Shop
• Circle with 'C': Car Wash
• Circle with 'R': Repair Shop
• Circle with 'O': Oil Change
• Circle with 'T': Tire Shop
• Circle with 'A': Auto Detailing
• Circle with 'W': Window Tinting
• Circle with 'P': Paint Shop

Administrative Subdivision Plan
Consent Street & Atlanta Avenue
Atlanta, Georgia
Metropolitan Planning, LLC

Draft
9/30/13

Site Plan
Site Plan
Site Plan

DiPrete Engineering
 1000 West 10th Street, Suite 100, Fort Collins, CO 80521
 970.226.1111
 Engineers • Planners • Surveyors



SUMMARY REAL ESTATE APPRAISAL

**LAND LOCATED ON ALLENS AVENUE
(PARENT TRACT IS LOCATED AT 40 ERNEST STREET)
PROVIDENCE, RHODE ISLAND 02903**

Prepared For: Mr. E. Jerome Batty, Partner
HINKLEY ALLEN
50 Kennedy Plaza, Suite 1500
Providence, RI 02903

By: Thomas O. Sweeney, SIOR
SWEENEY REAL ESTATE & APPRAISAL
170 Westminster Street, Suite 750
Providence, Rhode Island 02903

As of: September 27, 2013

Report Date: October 2, 2013

Property Type: A 9,403± square foot parcel of land to be taken from a parent tract of land which totals 5.85± acres, located on Allens Avenue (subject) and Ernest Streets (parent tract).

170 Westminster Street, Suite 750 • Providence, Rhode Island 02903
T: 401.331.9300 • F: 401.331.9306 • www.sreari.com

170 Westminster Street, Suite 750 • Providence, Rhode Island 02903
T: 401.331.9300 • F: 401.331.9306 • www.sreari.com





October 2, 2013

Mr. E. Jerome Batty, Partner
HINKLEY ALLEN
50 Kennedy Plaza, Suite 1500
Providence, RI 02903

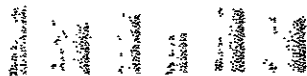
**Re: Land Located on Allens Avenue
(A portion of Tax Assessor's Plat 101, Lot 4)
Providence, Rhode Island 02905**

Dear Mr. Batty:

In accordance with your request, I have appraised the property captioned above. The purpose and function of this appraisal is to estimate the "as is" market value, of the fee simple interest in the property referenced above, under market conditions and expectations as of September 27, 2013 the current date of our market research and inspection of the subject property. Therefore the price per square foot value will be determined for the subject site. The legal interest appraised is the fee simple estate.

The subject property consists of a 9,403± square foot parcel of land with frontage on Allens Avenue (access is via an abutting parcel), which is to be taken from a larger parent tract of land that totals 5.84± acres (254,826± square feet) which is improved with a one and two-story industrial warehouse building located on the corner of Ernest Street and Allens Avenue in the city of Providence, Rhode Island. The subject parcel has frontage on Allens Avenue but access is via an abutting lot as Allens Avenue does not have a curb cut for the property. The parent tract has frontage on Ernest Street and Allens Avenue. The property is otherwise designated as a portion of Lot 4, on Plat 101, of the Tax Assessor's Plats of the City of Providence, State of Rhode Island. A complete description of the property, the sources of information, and the basis of the estimates are stated in the accompanying sections of this report.

The appraiser has broad experience in appraising commercial, industrial and land properties in the subject region. The analysis and conclusions within the attached summary report are based on field research, interviews with market participants, and publicly available data collected by Sweeney Real Estate & Appraisal. To the best of our ability the accompanying report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice as promulgated by the appraisal foundation, and the requirements of title XI of FIRREA.



170 Westminster Street, Suite 750 • Providence, Rhode Island 02903
T: 401.331.9300 • F: 401.331.9306 • www.sreari.com



Mr. E. Jerome Batty
October 2, 2013

After analysis and adjustment a value was determined. Based upon the information gathered and the analysis thereof, the indicated value of the fee simple interest of the subject property on an "as is" basis, on the subject property, as of September 19, 2013 is:

SIXTY FIVE THOUSAND DOLLARS

(\$65,000.00)

Respectfully submitted,
SWEENEY REAL ESTATE APPRAISAL



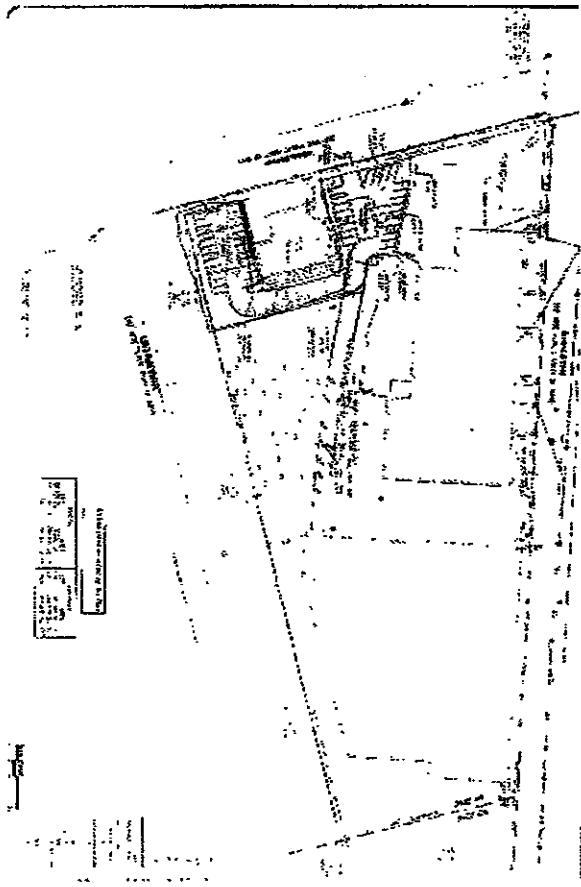
David Widmann
REA.0A01442-TRNE



Thomas O. Sweeney, SIOR
CGA.00217

REPRESENTATIVE VIEW OF SUBJECT PROPERTY

MAP OF THE SUBJECT PROPERTY (HIGHLIGHTED IN YELLOW)



**REAL ESTATE APPRAISAL
OCTOBER 1, 2013**

IDENTIFICATION OF SUBJECT PROPERTY

The subject property is located on Allens Avenue and is identified as a portion of Lot 46 on Plat 101 of the Tax Assessor's Maps of the City of Providence, State of Rhode Island. The subject site consists of a 9,403± square foot parcel of land with frontage on Allens Avenue but access in only through an adjoining lot, which is currently part of a larger parent tract of land that totals 5.84± acres (254,826± square feet) and is improved with a one and two-story industrial warehouse building located on the corner of Ernest Street and Allens Avenue. The subject parcel wraps around Lot 6, on Plat 101. The exact land area of the subject is not determined, it is assumed to be less than 10,000± square feet.

SALES HISTORY

There have been no transfers of the subject property in the last three years. The subject is currently owned by the City of Providence.

PURPOSE AND FUNCTION OF APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property on "as is" basis as of the effective date of the appraisal. The function of the appraisal is to provide information so the client may adequately assess the property.

INTENDED USE OF THE APPRAISAL

The purpose of the appraisal is to provide an opinion for the "as is" market value of the fee simple interest in the subject property. It is understood that the function of this report is to assist the client, James Winoker (intended user) with its collateral analysis and/or portfolio management (intended use). If an unrelated party does receive this report, or part of it, for use other than its intended use, the appraiser or firm assume no obligation, liability, or accountability to the third party.

REAL ESTATE APPRAISAL
OCTOBER 1, 2013

EFFECTIVE DATE OF VALUATION

The property was externally inspected on September 30, 2013, which is the effective date of the appraisal and the date of our market research.

LEGAL INTEREST APPRAISED

The legal interest appraised herein is the fee simple estate in the land and improvements.

DEFINITION OF VALUE

As indicated above, the purpose of this appraisal is to estimate the market value of the subject property. The definition of market value is:

The most probable price which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;
5. the price represents the normal consideration for the property, sold unaffected by special or creative financing or sales concessions granted to anyone associated with the sale.¹

¹ Rules and Regulations, Federal Register, Vol. 55, No. 165, p. 34696.

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Scope of the Assignment

It is the intent of this report to communicate an appraisal, in narrative fashion, based upon gathering, presenting, and analyzing various pertinent market data. Traditional appraisal methodology and standard valuation techniques were utilized in the estimation of value. The Sales Comparison Approach, the Income Capitalization Approach and the Cost Approach were considered in this report. The Sales Comparison Approach was developed as typical buyers will compare sales of other similar type properties. The Income Capitalization Approach and the Cost Approach was not developed due to the vacant nature of the subject property. The scope of the appraisal included but was not limited to the following:

- The inspection of the subject property and the subject neighborhood on September 27, 2013.
- Research and collection of public information regarding the subject property including but not limited to
 - Tax Assessor's records
 - Land Evidence Records
 - Building Inspector's Office
- Research and collection of market data related to market conditions and market activity including but not limited to :
 - Reviewing community and statewide sales information from quarterly sales information from Statewide MLS and the CoStar Group
 - Reviewing and analyzing sale, pending sale and sold property information from Statewide MLS, Loopnet.com and CoStar Group
 - Reviewing sale information from the Warren Group
- An attempt was made to determine the existence of any apparent adverse conditions.
- Deriving an opinion of the Highest and Best Use.

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- Development of a Sales Comparison Approach to value including:
 - Surveying and analyzing sales information in an attempt to identify sales which are comparable to the subject property. The appraiser utilized Statewide MLS, the Warren Group and public records to confirm the information, all of which are deemed reliable sources of information.
 - The appraiser looked at time of sale, location and physical characteristics in order to ascertain which sales would be appropriate in the analysis.
 - After determining which sales were appropriate, the appraiser compared the sales to the subject property, made qualitative adjustment to the sales and arrived at an adjusted range of value.
 - After analyzing the results, the appraiser arrived at an estimate of value
- The Income Approach has been considered but given the fact that the primary motivation of this market segment is to occupy the space, the market is not driven by investor motives. The income approach best reflects investor's motivations and since the subject market is not primarily driven by investors, the income approach does not reflect the motivations within the subject's market; therefore, the income approach has not been developed.
- The Cost Approach was not utilized in this assignment due to the fact that the subject suffers from both physical and economic obsolescence. Accurately measuring for all appropriate forms of depreciation undermines the validity of this approach. With an ample supply of existing space available construction is not generally an alternative sine the cost to build will generally exceed market price within an over supplied market. Because this approach relies on subjective analysis it is not deemed to be relevant to the appraisal problem at hand here.
- Reconciling the approach to value, deriving an opinion of the market value of the subject properties and preparing this report.

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AREA AND NEIGHBORHOOD ANALYSIS

The subject is located in the City of Providence, Rhode Island. Following is a brief summary of the Rhode Island area, the subject neighborhood and the market conditions for this type of property. Additional information is retained in the appraiser's files.

Rhode Island is the smallest state in the Union having only 1,214 square miles of land area. The state is divided into 39 municipalities ranging in size from 1.3 to 64.8 square miles. The municipalities are organized into 5 counties-Bristol, Kent, Newport, Providence, and Washington. Rhode Island ranks thirty-ninth in population nationally, with a population of 1,052,567 in 2010, a 0.4% increase over the 2000 U.S. Census.

However, the state's 0.4% increase in population is the lowest in the country, with only Michigan and Puerto Rico seeing decreases in population. Local economic experts attribute the slow growth in population to negative factors such as high housing and energy costs, slow job growth, and a non-competitive tax policy that makes it difficult to attract highly skilled workers and high tech companies from moving and expanding here.

Also, with approximately 867 people per square mile, the state is ranked second in population density. Providence, the states capitol, is the second largest city in all of New England, after Boston.

Also, Rhode Island's total personal income and wage and salary disbursements were on the weaker end of the spectrum compared to the region. As Rhode Island experienced a declining economy from 2007 through 2009, the State has had to wrestle with annual budget deficits. Revenues for the current year are now projected to be \$3.3 billion-\$4.9 million below earlier estimates. Revenues for next year are now projected to be \$3.2 billion-\$51.2 million below earlier estimates. Legislative aides projected earlier this spring that Rhode Island would face a \$171 million deficit in the 2014-2015 budget.

The deficits are attributed to substantial declines in Rhode Island's largest streams-income and sales taxes, both of which are directly tied into the regional and national economy which have been in recession given unemployment, a weak housing market and diminished consumer spending.

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Statewide Transportation: Virtually any point in the population concentration can reach any other point in less than one hour of travel time. Interstate 95 travels north/south through the area, and is supplemented by Interstate 295, which also is north/south, but veers around the westerly perimeter of the population concentration. Interstate 195 travels easterly from Providence towards Cape Cod in Massachusetts. Numerous east/west secondary roads access the freeways.

The T. F. Green Airport (PVD) is a public airport located in Warwick, six miles south of Providence, which provides domestic flights within the United States. T.F. Green was renovated and expanded with construction completed in 1996. An intermodal station adjacent to the airport was completed in 2011. It includes an elevated walk-way to the terminal, a rental car garage and commuter rail station/parking. Full MBTA commuter rail service between Boston, Massachusetts and Wickford Junction in North Kingstown has recently been completed. Logan International airport, in Boston, is an average of an hour distance from most points in Rhode Island.

The northeast corridor is the busiest passenger rail line in the United States by ridership and user frequency. The route is fully electrified and serves a densely urbanized string of cities from Washington D.C., in the south through Providence to Boston in the north. Mostly owned and operated by Amtrak, the northeast corridor offers the only true high-speed rail service in the United States, Amtrak's Acela Express, as well as the lower speed conventional passenger trains. Freight trains also use the tracks by trackage rights. The Providence/Worcester Railroad operates local freight service from New Haven, CT., into Rhode Island.

The ports of Providence and Davisville are located on Narragansett Bay offering in excess of 20,000 feet of birthing space and direct rail and highway access. They are utilized for distribution of automobiles, petroleum products, scrap iron, lumber and chemicals. One of the largest facilities in the Municipal Wharf, owned by the City of Providence, which has 4,750 feet of birthing space, 305,000 square feet of transit and 20 acres of open storage.

The Rhode Island Public Transit Authority (RIPTA) runs statewide bus service, the Providence LINK trolleys, trolley service in Newport, plus other programs like the Commuter Resource Rideshare Program.

Ferry Service is available year-round from the port of Galilee, Narragansett to Block Island (New Shoreham); high speed ferry service (passenger only) is available on a seasonal basis from Quonset Point in North Kingstown to Martha's Vineyard, MA.

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Statewide Utilities: Verizon and Cox Communications, as well as numerous wireless carriers provide the telephone system to the state. National grid provides electrical service to about half of Rhode Island, with the remainder of the state is serviced by Eastern Utilities and Blackstone Valley Electric. The state's oil and gas supply is provided through the Port of Providence. The National Grid (f.k.a. Providence Gas) and Valley Gas Company distribute most of the natural gas consumed in the state. The state's water supply is primarily by surface reservoirs and aquifers throughout the state, with the largest water supplier being the Scituate Reservoir providing water to Providence and certain surrounding communities.

Economy: Rhode Island like the rest of the country is beginning to recover from the economic crisis of the last two years. The economy in general is starting to see signs of rebounding from the last two years where the failing of financial institutions and subsequent government bailout had caused a global economic downturn not seen in decades. As of August 2013 the state unemployment rate was 9.1%, which is up slightly from 8.8% from April 2013. It still is the highest in New England and one of the highest rates in the country. The state, like the region, and country in general is in a slow but recovering economy. The economy of R.I. is very diversified with many comparatively small companies, with no single industry dominating the economy. It has seen a transition over the last 10 years from a Goods Producing to a Service Producing sector. In spite of this, many of the products for which Rhode Island is famous are still being manufactured. These include jewelry, silverware, textiles, primary and fabricated metals, machinery, electrical equipment, and rubber and plastic items. Tourism and gambling are also important to the economy. Most of the farmland is used for dairying and poultry raising, and the state is known for its Rhode Island Red chickens. Principal crops are greenhouse and nursery items. Commercial fishing is an important but declining industry. Narragansett Bay abounds with shellfish; flounder and porgy which are also caught in the waters. Naval facilities in Newport contribute to the state's income.

Population and Area: Rhode Island is the second most densely populated state in the U.S. Following is information from the 2010 census.

Land Area:	1,214 square miles
Population,	2000: 1,048,319
	2010: 1,052,567
Change:	+4,248 or .41%
Density:	867/square mile

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While the state did not lose population, it was one of the slower growing states based upon Census data.

Statewide Real Estate Market: The Rhode Island real estate market at the end of 2011 is still showing signs of stabilization. Following is a summary of each sector of the market, based upon information from Statewide MLS and the Costar Group.

Residential: For the end of the second quarter 2013 the single family residential market statewide saw sales increase 14.90%, with an increase in the sale prices of 10.18% versus the end of the second quarter 2012. The Woonsocket market saw the number of residential sales decrease by 27.5% for the second quarter 2013 versus the same period of 2012 while prices increased by 21.85%. Housing starts for all of Rhode Island for 2012 were 384 starts; this is down from 451 for the same period in 2010. The rental market should hold its' own and rents will struggle to keep pace with inflation. Vacancy rates have been inching downward, rents will continue to increase, but at a slow rate. Rental demand increased throughout 2012 and continues in 2013. Apartment supply should be more than sufficient to meet demand. It is unlikely there will be a shortage of apartment properties in the future. It will be at least the end of 2013 or 2014 before a possible shortage could emerge.

Office: The Providence office market ended the second quarter of 2013 with a vacancy rate of 8.2%. The vacancy rate was up over the previous quarter with net absorption totaling negative 25,829± square feet in the second quarter of 2013. Rental rates ended the second quarter at \$17.43, a decrease over the previous quarter. The office vacancy rate in the Providence market area increased to 8.2% at the end of the second quarter 2013. The vacancy rate was 8.1% at the end of the first quarter 2013, 8.2% at the end of the fourth quarter 2012, and 8.1% at the end of the third quarter 2012. The average quoted asking rental rate for available office space, all classes, was \$17.43 per square foot per year at the end of the second quarter of 2013 in the Providence market area. This represents a 1.0% decrease in quoted rental rates from the end of the first quarter 2013, when rents were reported at \$17.60 per square foot. The total office inventory in the Providence market area amounted to 40,323,878 square foot in 2,676 buildings as of the end of the second quarter 2013. On the sales side, there are still many who are looking for space outside downtown with on-site parking. The lack of available product has limited activity but there are some astute buyers who are looking at the opportunities that are presenting themselves.

Retail/Commercial: The Providence retail real estate market experienced a slight improvement in market conditions in the second quarter 2013. The vacancy rate

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went from 6.6% in the previous quarter to 6.3% in the current quarter. New absorption was positive 210,990 square feet, and vacancy sublease space decreased by 16,992 square feet. Quoted rental rates decreased from first quarter levels, ending at \$14.30 per square foot per year. A total of 3 retail buildings with 17,010 square feet of retail space were delivered to the market in the quarter, with 64,786 square feet still under construction at the end of the quarter.

From a sale point of view there has been very limited activity with most well located retail properties trading between \$80.00 and \$100.00 per square foot with some owner occupied location selling for more. There is very little quality product on the market.

Industrial: The Rhode Island industrial market ended the second quarter of 2013 with a vacancy rate of 7.3%. The vacancy rate was down over the previous quarter, with net absorption totaling a positive 233,348 square feet in the second quarter. Vacant sublease space remained unchanged in the quarter, ending at 10,000 square feet. Rental rates ended the second quarter at \$4.46, a decrease over the previous quarter. A total of one building delivered to the market in the quarter totaling 16,878 square feet, with 68,222 square feet still under construction at the end of the quarter. The industrial vacancy rate in the Providence market area decreased to 7.3% at the end of the second quarter 2013. The vacancy rate was 7.6% at the end of the first quarter 2013, 7.9% at the end of the fourth quarter 2012, and 8.0% at the end of the third quarter 2012. The industrial market will continue to see stabilization, with some of the older properties being converted to alternative uses or made into multi-talented facilities to serve smaller companies. It would appear that this market is at the very beginning of a slow recovery with tenants still able to locate in premium areas at rents below the high of three years ago.

CITY OF PROVIDENCE OVERVIEW

The subject property is located in the City of Providence, Rhode Island. The city is bounded by North Providence and Pawtucket to the north, East Providence to the east, Cranston and Narragansett Bay to the south and the town of Johnston to the west.

Population: Providence's population according to the 2010 US Census is 178,042. The city contains the highest population in the state as well as being the most both densely populated. Since 2000 the population has grown by 2.5% which is a full 2.1% more than the state average.

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Income: According to the 2010 US Census Bureau the median household income in the City of Providence was \$36,925 which is far less than the state's average of \$54,902.

Unemployment: The City of Providence contains both the highest labor force as well as the highest unemployment rate in the state. The city's unemployment rate as of July 2013 was 10.2% which was down 12.8% from March 2012. The city has lost numerous industries in the past two decades but continues programs to make the city more attractive including the biotech industry in the proposed knowledge district comprised of the foot print left after the removal of Interstate 195. The most recent local and regional unemployment information had indicated signs of stabilization, and perhaps slight improvement, after a few years of increasing unemployment.

NEIGHBORHOOD ANALYSIS

Neighborhood Boundaries: The subject property is located on Allens Avenue (Rt. 1A), an industrial corridor along the Providence waterfront. The corridor is located between Interstate 95 and the Providence River and is bounded by the Interstate 195 overpass on the north and Port of Providence and the Manu Center area on the south.

Access: The subject neighborhood has very good access to Interstate 95, which connects to Boston and points north and New York and points south, with full direct access available at Thurbers Avenue (Exit 18). I-95 intersects with Interstate 195, which provides access to southeastern Massachusetts and Cape Cod, approximately one mile north at Exit 19 and with RI Highway 146 at Exit 23 which provides access to Worcester, MA and central Massachusetts as well as the Massachusetts Turnpike (Interstate 90)

Surrounding Uses: The subject property is located along an established industrial corridor with uses including scrap yards, self-storage, marine repair, petroleum tank farm and other heavy and light industrial uses. There has been some conversion of industrial uses to office and medical office uses, primarily at the southern end of the corridor in the ManuCenter area.

Neighborhood Real Estate Market: The subject neighborhood's real estate market is stable with very little turnover in property. There have been some conversions to alternative uses (as evidenced by the Conley's Wharf project) but the corridor primarily maintains its industrial character.

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EXPOSURE PERIOD AND MARKETING TIME

The value estimated in this report is based upon the subject property being exposed to the market for nine months to a year period prior to the consummation of a sale on the effective date of the appraisal. The appraiser concludes the subject would sell in less than one year. This is contingent on reasonable pricing and aggressive marketing of the subject property.

SITE ANALYSIS

The subject site consists of a 9,403± square foot parcel of land with frontage on Allens Avenue but access is only via and adjoining property. The Allens Avenue frontage does not have a curb cut for access. It is currently part of a larger parent tract of land that totals 5.84± acres (254,826± square feet). The subject parcel wraps around Plat 101, Lot 6 (See map in addenda) which is a fire station for the city of Providence. The subject site is level. Normal utility easements are in place on the subject property and are assumed to have no detrimental effect on the subject's value. No other easements or encroachments were noted. Public utilities of water, gas, sewer, electric and telephone are available and connected to the subject property.

The subject property is located in an Industrial (M1) in the City of Providence. The current uses are considered to be a legal conforming use. The subject site is considered to have average marketability and appeal due to its location.

IMPROVEMENT ANALYSIS

The subject site is un-improved. The parent tract for which the subject comes from is improved with a one and two story brick and block industrial building with a total area of 44,168± square feet. Further description is deemed unnecessary.

HIGHEST AND BEST USE ANALYSIS

Real estate is valued in terms of its highest and best use. Highest and best use may be defined as the most probable, possible and permissible use for which the property may be used and is capable of being used.

After analyzing the demand for similarly zoned land in the subject market and taking into consideration that the most probable use for the subject property would be for it to be developed under the current zoning. It is the appraiser's opinion that

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the highest and best use would be for industrial/commercial development under the current zoning. Therefore the appraiser will estimate the value of the subject property as a vacant industrial parcel of land.

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VALUATION

There are three basic approaches that may be used by appraisers in the estimation of value, the Sales Comparison Approach, the Income Approach and the Cost Approach. These methods rely upon market data from at least three different sources when possible. Normally, these approaches will each indicate a different value. After the factors in each of the approaches have been weighted carefully, the indications of value derived from each approach are correlated to arrive at a final value estimate.

The Cost Approach considers the valuation of the site by comparison with other sites in the area that have sold in the recent past, making adjustments for differences with the subject to indicate a site value estimate. To this value then is added the estimated cost to reproduce or replace the improvements, less any loss to value (depreciation) that might have transpired or taken place.

The Sales Comparison Approach is based on the principle of substitution, and assumes that the value of a property is based on the value of similar properties, adjusted for differences in market conditions and locational and property characteristics.

The Income Capitalization Approach estimates the amount of net income generated by the property and capitalizes it in a manner that is commensurate with the risk and life expectancy of the income stream to indicate the present value of that income stream.

The appraisal process attempts to replicate the actions and motivations of the most likely purchaser of a property. In order to identify the appropriate approaches to valuing real estate, it is necessary to identify its most probable purchaser. The subject property consists of a parcel of land with 9,304± square foot. The appraiser has determined that the Highest and Best Use of the property is a vacant parcel of industrial land available for development under the current zoning. The most likely purchaser of the property would be a developer/owner. This buyer would base their investment decision on what other similar properties have sold for in the area. These types of buyers would place most weight on the Sales Comparison Approach. The Income Capitalization Approach and the Cost Approach were considered but not developed as the property is vacant.

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The Sales Comparison Analysis is based on the premise that market participants examine individual properties in relation to others that have recently sold, making allowances for differences from the property in question. Buyer's account for these differences by making negative and positive adjustments to the sales prices of the market sales.

Based upon the development along the corridor, the appraiser determined that the subject property would compete with other industrial/commercial development properties in the region. An intensive search was made to find comparable sales for which pertinent data was available. It is noted that these are the most recent sales available for similar type and character land. The sales prices, terms and motivations for the sales were studied and verified. These sales then were compared to the subject for the purpose of identifying and measuring the differences for location and physical characteristics.

A unit of comparison was developed and an opinion formulated as to the market value of the property. The appraiser utilized a per square foot of land unit of comparison. In this approach to value, the appraiser attempts to reproduce the actions of buyers and sellers in order to arrive at the final value estimate. It should be noted that since the site is improved the cost to remove the improvements has to be deducted from the value as if vacant to arrive at a final estimate.

The appraiser found sales of properties with similar lot development potential in the market, which are detailed in the addendum and summarized in the following comparison grid.

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	<u>Subject</u>	<u>Sale # 1</u>	<u>Sale # 2</u>	<u>Sale # 3</u>	<u>Sale # 4</u>	<u>Sale # 5</u>
	Allens Avenue Providence	30 Royal Little Drive (Branch Avenue) Providence	15 Rathbone Street Providence	601 Cranston St. Providence	220-238 Cranston Providence	1492 Westminster Providence
Sales Price		\$400,000	\$295,000*	\$70,000	\$100,000	\$56,500
Price/Sq. Ft.		\$9.47	\$15.61	\$9.45	\$13.51	\$7.63
Interest Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing / Sales	None Noted	None Noted	None Noted	None Noted	None Noted	None Noted
Date of Sale		10-Sep-10	4-Aug-10	9-May-11	28-Jun-11	19-Oct-12
Location	Allens Avenue	Branch Ave Average	Pleasant Valley Pkwy Average	Cranston St. Average	Cranston St. Average	Westminster St. Average
Land Area (SF)	9,403	42,253	18,900	7,405	7,400	7,405
Topography	Level	Sloping,	Level	Level	Level	Level
Utilities	All	All	All	All	All	All
Shape	Irregular	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular
Zoning	Industrial (M-1)	Industrial (M-1)	Industrial (M-1)	Residential (R3)	Commercial (C4)	Commercial (C1)

*including demolition

*including demolition

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ANALYSIS: The comparable sales had unadjusted prices ranging from \$7.63 to \$15.61 per square foot of land with a mean of \$11.13. Two of the sales prices included demolition and were higher priced for that. Following is an analysis of the sales. All of the sales occurred within a period of stabilization in the market and therefore no time adjustment was applied.

Comparable Sale #1: This property is located at the intersection of Branch Avenue and Silver Spring Street, just west of Branch Avenue's intersection with Interstate 95. The property has additional frontage on Royal Little Drive but this is not considered usable due to it being significantly below the grade of the remainder of the site. The site sloped and required a significant amount of fill to make it developable. Location and topography is similar to the subject.

Comparable Sale #2: This property is located between Rathbone Street, just to the west of Pleasant Valley Parkway, just north of the intersection the Dean Street /RI Highway 6/10 intersection. Site was purchased by an abutter they developed and the improvements were removed as indicated in the sale price. The site is level and at street grade and therefore an adjustment was required for topography.

Comparable Sale #3: This property is located along an older commercial corridor in the city. It is level, but demand and rental rates are inferior to the subject.

Comparable Sale #4: This property is located outside of downtown along Westminster Street, an older commercial corridor in the city inferior to the subject.

Comparable Sale #5: This property is located along an older commercial corridor in the city. It is level, but demand and rental rates are inferior to the subject. Price includes demolition.

All of the properties have access from the street they front on. The subject has access only from an abutting property as Allens Avenue has no curb cut for access. This abutting property was appraised by this appraiser for \$7.00 per square foot in 2011. After analysis and adjustment and taking into account the limited access of the subject, \$7.00 per square foot value was estimated for the subject property. Therefore \$7.00 per square foot at 9,304± square feet is \$65,821, say \$65,000.

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Therefore based upon the information gathered, the indicated market value via the Sales Comparison Approach on an "as is" basis is:

SIXTY FIVE THOUSAND DOLLARS

(\$65,000.00)

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RECONCILIATION

The appraiser felt there was sufficient data in the market to arrive at a reliable estimate of value. The appraiser analyzed and adjusted comparable sales and estimated a value for the subject property. The Sales Comparison Approach was the only approach utilized as it best reflects the action of the most likely buyer.

RELIABILITY

Every effort has been made to produce a reliable estimate of value, but certain factors limit this effort. The scope of the assignment was limited to a Sales Comparison Approach. Only a limited market analysis was made.

It is the appraiser's opinion that these factors will not have a significant negative impact on the reliability of this valuation. The steps taken in this assignment are sufficient for the complexity of the property type and the current market conditions. These steps produced a value estimate, which is considered to be reliable and will serve the function of this report.

CONCLUSION

Based upon the information gathered and the analysis thereof it is my considered opinion that the range of market value of the subject property as of the effective date of the appraisal was:

SIXTY FIVE THOUSAND DOLLARS

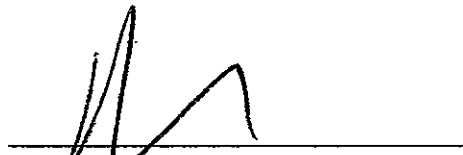
(\$65,000.00)

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. I personally inspected the subject property.
3. The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and is my personal, impartial and unbiased professional analyses, opinions and conclusions.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Neither this appraisal assignment nor my compensation is contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Conduct of the Appraisal Institute and with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation.
9. No one other than the undersigned provided research assistance to the persons signing this report.
10. The appraisal assignment was not based on a minimum valuation, a specific valuation, or the approval of a loan.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



David Widmann
REA.0A01442-TRNE



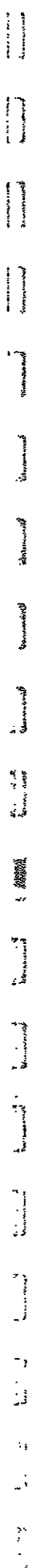
Thomas G. Sweeney, SIOR
CGA.00217

CONTINGENT AND LIMITING CONDITIONS

This appraisal report, the Letter of Transmittal and the Certification of Value are made expressly subject to the following assumptions and limiting conditions contained in the report which are incorporated herein by reference.

1. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be marketable. The property is appraised as though under reasonable ownership.
2. Sketches in this report are included to assist the reader and no responsibility is assumed for accuracy. No survey has been made of the property specifically for this report.
3. Unless arrangements have been previously made, no appearance in court or requirements to give testimony in respect to the subject property will be assumed.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
5. It is assumed that there are no hidden or apparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates and opinions furnished to this office and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by this office.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser and/or the client; nor shall it be conveyed by any but the client to the public through advertising, public relations, news, sales or media without the written consent and the approval by the author(s) particularly as to valuation conclusions, the identity of the appraisers or a firm.
9. On all appraisals subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.
10. In this appraisal assignment, the existence of potentially hazardous material in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste or radon gas, which may or may not be present on the property, has been considered. No information was obtained leading the appraiser to believe or disprove the presence of such hazards, except where noted. The appraiser is not qualified to detect such substances and urges the client to retain an expert in this field if desired.
11. In this appraisal, compliance with the Americans with Disabilities Act (ADA) accessibility requirements has been considered. Unless otherwise noted in this report, no information was obtained to indicate compliance or lack thereof to ADA accessibility requirements. The appraiser is not qualified to conduct an ADA accessibility assessment and urges the client to retain an expert in this field if desired.
12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

ADDENDA

[illegible]

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

REALTOR AND APPRAISAL SPECIALIST ASSOCIATED WITH RODMAN REAL ESTATE

Engaged in Real Estate business since 1983:

Vice President, RODMAN REAL ESTATE

Executive Vice President, HENRY W. COOKE CO. (1983 - 1996)

Certified General Real Estate Appraiser:

Rhode Island Certification No. A00217G

Licensed Real Estate Broker:

Rhode Island Real Estate Broker's License Number B13444

Commonwealth of Massachusetts Real Estate Broker's License # 137525

Member:

Industrial Specialist Designation, Society of Industrial and Office Realtors

Graduated from:

Providence College with a Bachelor of Arts Degree in Political Science.

Successfully completed the following courses and examinations:

Society of Real Estate Appraisers:

Course 101: Introduction to Appraising Real Property

Course 102: Applied Property Valuation

Course 201: Principles of Income Property Appraising

Course 202: Applied Income Property Valuation

Seminar: Narrative Report Seminar

Seminar: How to Appraise Apartments

Seminar: Overview of Income Capitalization

American Institute of Real Estate Appraisers:

Course 1A1: Real Estate Appraisal Principles

Course 1A2: Basic Valuation Procedures

Appraisal Institute

Standards of Professional Practice, Parts A & B

Seminar: Feasibility Analysis & Highest and Best Use Analysis

Guest Instructor:

University of Rhode Island Extension Division

"Real Estate Fundamentals"

"Real Estate Finance"

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

Member:

Greater Providence Board of Realtors
National Association of Realtors

Qualified Expert Witness:

Qualified as a Real Estate Expert to Testify in Superior Court & Family Court,
State of Rhode Island

Qualified as a Real Estate Expert to Testify in Federal Bankruptcy Court,
Federal District Court.

Zoning Boards of Review:

Cities of Providence, Warwick, Cranston, Woonsocket and Pawtucket.
Towns of Smithfield, Johnston, North Providence, Lincoln, Barrington,
Scituate, Glocester, Foster, Burrillville, Coventry, West Greenwich, West
Warwick, Cumberland, Middletown, North Kingstown, South Kingstown

Appraisals for Attorneys, Business and Homeowners

Clients include:

United States Small Business Administration
State of Rhode Island
 Department of Transportation, Real Estate Division
 Department of Administration, Division of Municipal Affairs
 Department of Environmental Management
City of Providence
 Water Supply Board
 Department of Planning and Development
 Department of Public Property
Resource Recovery Corporation
Narragansett Bay Commission
Providence Redevelopment Agency
Federal National Mortgage Association

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

Clients, continued:

Fleet Bank
Citizens Bank
Home Loan and Savings Bank
Washington Trust
Freedom National Bank
GTECH Corporation
Merrill Lynch Relocation
Edwards and Angell
Tillinghast, Licht, Perkins Smith and Cohen
Hinckley, Allen & Synder
Adler, Pollock and Sheehan
Partridge, Snow and Hahn
Nixon - Peabody
Peabody and Arnold
McAleer and McAleer
McOsker, Davignon and Waldman
Lehigh - Portland Cement Co.
Tyco Corporation
Kaiser Aluminum
Benny's Stores
PJ Fox Paper Co.
CFS Air Cargo
Christmas Tree Shops
McLaughlin Automotive
Ferland Corp.
Tenneco Gas
Narragansett Electric Company

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Thomas O. Sweeney, SIOR
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David Widmann
dwidmann@sreari.com • C: 401.862.6068

SUMMARY REAL ESTATE APPRAISAL

LAND LOCATED ON ALLENS AVENUE (PARENT TRACT IS LOCATED AT 40 ERNEST STREET) PROVIDENCE, RHODE ISLAND 02903

Prepared For: Mr. James Winoker
Belvoir Properties
17 Virginia Avenue, Suite 100
Providence, RI 02905

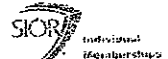
By: Thomas O. Sweeney, SIOR
SWEENEY REAL ESTATE & APPRAISAL
170 Westminster Street, Suite 750
Providence, Rhode Island 02903

As of: November 11, 2011

Report Date: November 18, 2011

Property Type: A 15,681± square foot (0.36± acres) parcel of land to be taken form a parent tract of land which totals 5.85± acres, located on Allens Avenue (subject) and Ernest Streets (parent tract).

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Thomas O. Sweeney, SIOR
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David Widmann
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November 18, 2011

Mr. James Winoker
Belvoir Properties
17 Virginia Avenue, Suite 100
Providence, RI 02905

**Re: Land Located on Allens Avenue
(A portion of Tax Assessor's Plat 101, Lot 4)
Providence, Rhode Island 02905**

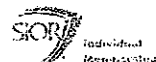
Dear Mr. Winoker:

In accordance with your request, I have appraised the property captioned above. The purpose and function of this appraisal is to estimate the "as is" market value, of the fee simple interest in the property referenced above, under market conditions and expectations as of November 11, 2011. The legal interest appraised is the fee simple estate. The date as of which the value estimate shall apply is August 8, 2011, the current date of our market research and inspection of the subject property.

The subject property consists of a parcel of land with an overall area of 15,681± square feet with frontage on Allens Avenue, which is to be taken from a larger parent tract of land that totals 5.84± acres (254,826± square feet) which is improved with a one and two-story industrial warehouse building located on the corner of Ernest Street and Allens Avenue in the city of Providence, Rhode Island. The subject parcel has frontage only on Allens Avenue, while the parent tract has frontage on Ernest Street and Allens Avenue. The property is otherwise designated as a portion of Lot 4, on Plat 101, of the Tax Assessor's Plats of the City of Providence, State of Rhode Island. A complete description of the property, the sources of information, and the basis of the estimates are stated in the accompanying sections of this report.

The appraiser has broad experience in appraising commercial, industrial and land properties in the subject region. The analysis and conclusions within the attached summary report are based on field research, interviews with market participants, and publicly available data collected by Sweeney Real Estate & Appraisal. To the best of our ability the accompanying report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice as promulgated by the appraisal foundation, and the requirements of title XI of FIRREA.

170 Westminster Street, Suite 750 • Providence, Rhode Island 02903
T: 401.331.9300 • F: 401.331.9306 • www.sreari.com



Mr. James Winoker
November 19, 2011

After analysis and adjustment a value was determined. Based upon the information gathered and the analysis thereof, the indicated value of the fee simple interest of the subject property on an "as is" basis, on the subject property, as of August 8, 2011 is:

ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000.00)

Respectfully submitted,
SWEENEY REAL ESTATE APPRAISAL



Thomas O. Sweeney, SIOR
RI General Certification # A00217G

REPRESENTATIVE VIEW OF SUBJECT PROPERTY

AERIAL VIEW OF THE SUBJECT PROPERTY (OUTLINED IN RED)



REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

IDENTIFICATION OF SUBJECT PROPERTY

The subject property is located on Allens Avenue and is identified as a portion of Lot 46 on Plat 101 of the Tax Assessor's Maps of the City of Providence, State of Rhode Island. The subject site consists of a parcel of land totaling 15,681± square feet with frontage on Allens Avenue which is currently part of a larger parent tract of land that totals 5.84± acres (254,826± square feet) and is improved with a one and two-story industrial warehouse building located on the corner of Ernest Street and Allens Avenue

SALES HISTORY

There have been no transfers of the subject property in the last three years. The subject is currently owned by the City of Providence.

PURPOSE AND FUNCTION OF APPRAISAL

The purpose of the appraisal is to estimate the market value of the fee simple interest in the property on "as is" basis as of the effective date of the appraisal. The function of the appraisal is to provide information so the client may adequately assess the property.

INTENDED USE OF THE APPRAISAL

The intended use of this report is exclusively for the client. If an unrelated party does receive this report, or part of it, for use other than its intended use, the appraiser or firm assume no obligation, liability, or accountability to the third party.

**REAL ESTATE APPRAISAL
NOVEMBER 18, 2011**

EFFECTIVE DATE OF VALUATION

The property was externally inspected on November 11, 2011, which is the effective date of the appraisal and the date of our market research.

LEGAL INTEREST APPRAISED

The legal interest appraised herein is the fee simple estate in the land and improvements.

DEFINITION OF VALUE

As indicated above, the purpose of this appraisal is to estimate the market value of the subject property. The definition of market value is:

The most probable price which a property should bring in competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interest;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;
5. the price represents the normal consideration for the property, sold unaffected by special or creative financing or sales concessions granted to anyone associated with the sale.¹

¹ Rules and Regulations, Federal Register, Vol. 55, No. 165, p. 34696.

Scope of the Assignment

It is the intent of this report to communicate an appraisal, in narrative fashion, based upon gathering, presenting, and analyzing various pertinent market data. Traditional appraisal methodology and standard valuation techniques were utilized in the estimation of value. The Sales Comparison Approach, the Income Capitalization Approach and the Cost Approach were considered in this report. The Sales Comparison Approach was developed as typical buyers will compare sales of other similar type properties. The Income Capitalization Approach and the Cost Approach was not developed due to the vacant nature of the subject property. The scope of the appraisal included but was not limited to the following:

- The inspection of the subject property and the subject neighborhood on July 8, 2011.
- Research and collection of public information regarding the subject property including but not limited to
 - Tax Assessor's records
 - Land Evidence Records
 - Building Inspector's Office
- Research and collection of market data related to market conditions and market activity including but not limited to :
 - Reviewing community and statewide sales information from quarterly sales information from Statewide MLS and the CoStar Group
 - Reviewing and analyzing sale, pending sale and sold property information from Statewide MLS, Loopnet.com and CoStar Group
 - Reviewing sale information from the Warren Group
- An attempt was made to determine the existence of any apparent adverse conditions.
- Deriving an opinion of the Highest and Best Use.

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

- Development of a Sales Comparison Approach to value including:
 - Surveying and analyzing sales information in an attempt to identify sales which are comparable to the subject property. The appraiser utilized Statewide MLS, the Warren Group and public records to confirm the information, all of which are deemed reliable sources of information.
 - The appraiser looked at time of sale, location and physical characteristics in order to ascertain which sales would be appropriate in the analysis.
 - After determining which sales were appropriate, the appraiser compared the sales to the subject property, made qualitative adjustment to the sales and arrived at an adjusted range of value.
 - After analyzing the results, the appraiser arrived at an estimate of value
- The Income Approach has been considered but given the fact that the primary motivation of this market segment is to occupy the space, the market is not driven by investor motives. The income approach best reflects investor's motivations and since the subject market is not primarily driven by investors, the income approach does not reflect the motivations within the subject's market; therefore, the income approach has not been developed.
- The Cost Approach was not utilized in this assignment due to the fact that the subject suffers from both physical and economic obsolescence. Accurately measuring for all appropriate forms of depreciation undermines the validity of this approach. With an ample supply of existing space available construction is not generally an alternative since the cost to build will generally exceed market price within an over supplied market. Because this approach relies on subjective analysis it is not deemed to be relevant to the appraisal problem at hand here.
- Reconciling the approach to value, deriving an opinion of the market value of the subject properties and preparing this report.

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

AREA AND MARKET SUMMARY

The subject is located in the City of Providence, Rhode Island. Following is a brief summary of the Rhode Island area, the subject neighborhood and the market conditions for this type of property. Additional information is retained in the appraiser's files.

ECONOMIC SUMMARY: Rhode Island was severely impacted by the economic downturn. It was the first New England state into the recession and will be the last out of it. As of September 2011 the state unemployment rate was 10.5%, which is down from 11.6% from one year ago.

MARKET ANALYSIS

Economy: Rhode Island like the rest of the country is beginning to recover from the economic crisis of the last two years. The economy in general is starting to see signs of rebounding from the last two years where the failing of financial institutions and subsequent government bailout had caused a global economic downturn not seen in decades. As of September 2011 the state unemployment rate was 10.50%, which is down slightly from the previous month's 10.6%. It still is the highest in New England and one of the highest rates in recent history. The state, like the region, and country in general is in a slow but recovering economy. The economy of R.I. is very diversified with many comparatively small companies, with no single industry dominating the economy. It has seen a transition over the last 10 years from a Goods Producing to a Service Producing sector. In spite of this, many of the products for which Rhode Island is famous are still being manufactured. These include jewelry, silverware, textiles, primary and fabricated metals, machinery, electrical equipment, and rubber and plastic items. Tourism and gambling are also important to the economy. Most of the farmland is used for dairying and poultry raising, and the state is known for its Rhode Island Red chickens. Principal crops are greenhouse and nursery items. Commercial fishing is an important but declining industry. Narragansett Bay abounds with shellfish; flounder and porgy are also caught. Naval facilities in Newport contribute to the state's income.

Statewide Real Estate Market: The Rhode Island real estate market at the end of the second quarter of 2011 is still showing signs of stabilization. Following is a summary of each sector of the market, based upon information from Statewide MLS and the Costar Group.

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

Residential/Apartment: As of the end of the 3rd quarter 2010, the single family residential market statewide saw sales decrease by -20.11% with prices lowering slightly by 2.38% versus the same period a year ago. The apartment market for 2011 is starting to improve but will not normalize fully during the year. Transaction volume bottomed out in 2009 and began to increase in 2010. The rental market should hold its' own and rents will struggle to keep pace with inflation. Vacancy rates have been inching downward, rents will continue to increase, but at a slow rate. Rental demand increased throughout 2011. Apartment supply should be more than sufficient to meet demand. It is unlikely there will be a shortage of apartment properties in the next year or two. It will be at least 2013 or 2014 before a possible shortage could emerge.

Office: The providence office market ended the third quarter of 2011 with a vacancy rate of 9.3%. The vacancy rate was down over the previous quarter (9.8%). Net absorption for the overall office market was positive (213,806 square feet) in the third quarter of 2011. The average quoted asking rental rate for available office space, all classes, was \$17.25 per square foot per year in the Providence market area, which was a decline over the previous quarter. One new building totaling 7,508 square feet was delivered to the market with 81,769 square feet of office space under construction at the end of the quarter. The total office inventory in the Providence market area amounted to 37,549,863± square feet in 2,395 buildings as of the end of the third quarter 2011. On the sales side, there are still many who are looking for space outside downtown with on-site parking. The lack of available product has limited activity but there are some astute buyers who are looking at the opportunities that are presenting themselves. Landlords are still making concessions and increasing tenant improvement allowances. Most tenants who were looking to relocate or expand are negotiating extensions in their existing space.

Retail/Commercial: The retail real estate market remained basically unchanged for the 3rd quarter of 2011 with vacancy remaining at 6.0%. Net absorption was a negative 13,646± square feet, and vacant sublease space decreased by just over 31,000 square feet. Quoted rental rates decreased to \$14.35 per square foot per year. There are a number of large spaces remaining available along the primary retail corridors and in community centers. Most active retail requirements are capitalizing on economic conditions and are using them to their benefit.

From a sale point of view there has been very limited activity with most well located retail properties trading between \$80.00 and \$100.00 per square foot with some owner occupied location selling for more. There is very little quality product on the market.

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Industrial: The Rhode Island industrial market ended the third quarter of 2011 with a vacancy rate of 6.9%. The rate was down over the previous quarter, with net absorption totally a positive 240,284± square feet in the quarter. The average quoted asking rate for available Industrial space was \$4.70 in the Providence market area. This represented an increase from the previous quarter. Total industrial inventory in the market amounted to 78,289,574± square feet in 2,396 buildings as of the end of the quarter. An ongoing issue is the lack of product for owner-occupied high bay warehouse space, which led to this type of product not seeing the decreases that others in the industrial class have. The industrial market will continue to see stabilization, with some of the older properties being converted to alternative uses or made into multi-talented facilities to serve smaller companies. It would appear that this market is at the very beginning of a slow recovery with tenants still able to locate in premium areas at rents below the high of three years ago.

NEIGHBORHOOD ANALYSIS

Neighborhood Boundaries: The subject property is located on Allens Avenue (Rt. 1A), an industrial corridor along the Providence waterfront. The corridor is located between Interstate 95 and the Providence River and is bounded by the Interstate 195 overpass on the north and Port of Providence and the Manu Center area on the south.

Access: The subject neighborhood has very good access to Interstate 95, which connects to Boston and points north and New York and points south, with full direct access available at Thurbers Avenue (Exit 18). I-95 intersects with Interstate 195, which provides access to southeastern Massachusetts and Cape Cod, approximately one mile north at Exit 19 and with RI Highway 146 at Exit 23 which provides access to Worcester, MA and central Massachusetts as well as the Massachusetts Turnpike (Interstate 90)

Surrounding Uses: The subject property is located along an established industrial corridor with uses including scrap yards, self-storage, marine repair, petroleum tank farm and other heavy and light industrial uses. There has been some conversion of industrial uses to office and medical office uses, primarily at the southern end of the corridor in the ManuCenter area.

Neighborhood Real Estate Market: The subject neighborhood's real estate market is stable with very little turnover in property. There have been some conversions to

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

alternative uses (as evidenced by the Conley's Wharf project) but the corridor primarily maintains its industrial character.

EXPOSURE PERIOD AND MARKETING TIME

The value estimated in this report is based upon the subject property being exposed to the market for nine months to a year period prior to the consummation of a sale on the effective date of the appraisal. The appraiser concludes the subject would sell in less than one year. This is contingent on reasonable pricing and aggressive marketing of the subject property.

SITE ANALYSIS

The subject site consists of a parcel of land with an overall area of 15,681± square feet with frontage on Allens Avenue. It is currently part of a larger parent tract of land that totals 5.84± acres (254,826± square feet). The subject site is level at its frontage on Allens Avenue and slopes down towards the rear of the property. The sloping portion of the lot is also a narrow strip of land. The combination of the slope and narrowness would have a detrimental effect on the subject property for any potential development along this portion of the lot. Normal utility easements are in place on the subject property and are assumed to have no detrimental effect on the subject's value. No other easements or encroachments were noted. Public utilities of water, gas, sewer, electric and telephone are available and connected to the subject property.

The subject property is located in an Industrial (M1) in the City of Providence. The current uses are considered to be a legal non-conforming use. The subject site is considered to have average marketability and appeal due to its location.

IMPROVEMENT ANALYSIS

The subject site is un-improved. The parent tract for which the subject comes from is improved with a one and two story brick and block industrial building with a total area of 44,168± square feet. Further description is deemed unnecessary.

HIGHEST AND BEST USE ANALYSIS

Real estate is valued in terms of its highest and best use. Highest and best use may be defined as the most probable, possible and permissible use for which the property may be used and is capable of being used.

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

After analyzing the demand for similarly zoned land in the subject market and taking into consideration that the most probable use for the subject property would be for it to be developed under the current zoning. It is the appraiser's opinion that the highest and best use would be for industrial development under the current zoning with an interim parking use. Therefore the appraiser will estimate the value of the subject property as a vacant industrial parcel of land.

VALUATION

There are three basic approaches that may be used by appraisers in the estimation of value, the Sales Comparison Approach, the Income Approach and the Cost Approach. These methods rely upon market data from at least three different sources when possible. Normally, these approaches will each indicate a different value. After the factors in each of the approaches have been weighted carefully, the indications of value derived from each approach are correlated to arrive at a final value estimate.

The Cost Approach considers the valuation of the site by comparison with other sites in the area that have sold in the recent past, making adjustments for differences with the subject to indicate a site value estimate. To this value then is added the estimated cost to reproduce or replace the improvements, less any loss to value (depreciation) that might have transpired or taken place.

The Sales Comparison Approach is based on the principle of substitution, and assumes that the value of a property is based on the value of similar properties, adjusted for differences in market conditions and locational and property characteristics.

The Income Capitalization Approach estimates the amount of net income generated by the property and capitalizes it in a manner that is commensurate with the risk and life expectancy of the income stream to indicate the present value of that income stream.

The appraisal process attempts to replicate the actions and motivations of the most likely purchaser of a property. In order to identify the appropriate approaches to valuing real estate, it is necessary to identify its most probable purchaser. The subject property consists of 15,681± square feet of unimproved land. The appraiser has determined that the Highest and Best Use of the property is a vacant parcel of industrial land available for industrial development with an interim parking use. The most likely purchaser of the property would be a developer/owner. This buyer would base their investment decision on what other similar properties have sold for in the area. These types of buyers would place most weight on the Sales Comparison Approach. The Income Capitalization Approach and the Cost Approach were considered but not developed as the property is vacant.

REAL ESTATE APPRAISAL
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The Sales Comparison Analysis is based on the premise that market participants examine individual properties in relation to others that have recently sold, making allowances for differences from the property in question. Buyer's account for these differences by making negative and positive adjustments to the sales prices of the market sales.

Based upon the development along the corridor, the appraiser determined that the subject property would compete with other industrial/commercial development properties in the region. An intensive search was made to find comparable sales for which pertinent data was available. It is noted that these are the most recent sales available for similar type and character land. The sales prices, terms and motivations for the sales were studied and verified. These sales then were compared to the subject for the purpose of identifying and measuring the differences for location and physical characteristics.

A unit of comparison was developed and an opinion formulated as to the market value of the property. The appraiser utilized a per square foot of land unit of comparison. In this approach to value, the appraiser attempts to reproduce the actions of buyers and sellers in order to arrive at the final value estimate. It should be noted that since the site is improved the cost to remove the improvements has to be deducted from the value as if vacant to arrive at a final estimate.

The appraiser found sales of properties with similar lot development potential in the market, which are detailed in the addendum and summarized in the following comparison grid.

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

	<u>Subject</u>	<u>Sale # 1</u>	<u>Sale # 2</u>	<u>Sale # 3</u>	<u>Sale # 4</u>
	Allens Avenue Providence	30 Royal Little Drive (Branch Avenue) Providence	15 Rathbone Street Providence	23 Chaffee Street Providence	601 Cranston St. Providence
Sales Price		\$400,000	\$295,000*	\$28,000	\$70,000
Price/Sq. Ft.		\$9.47	\$15.61	\$3.06	\$9.45
Interest Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing / Sales		None Noted	None Noted	None Noted	None Noted
Date of Sale		10-Sep-10	4-Aug-10	1-Nov-10	9-May-11
Location	Allens Avenue	Branch Ave Average	Pleasant Valley Pkwy Average	Olneyville Inferior	Cranston St. Average
Land Area (SF)	15,681	42,253	18,900	9,148	7,405
Topography	Sloping	Sloping,	Level	Level	Level
Utilities	All	All	All	All	All
Shape	Irregular	Rectangular	Rectangular	Rectangular	Rectangular
Zoning	Industrial (M-1)	Industrial (M-1)	Industrial (M-1)	Commercial (C4)	Residential (R3)

*including demolition

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

ANALYSIS: The comparable sales had unadjusted prices ranging from \$3.06 to \$15.61 per square foot of land. Following is an analysis of the sales. All of the sales occurred within a period of stabilization in the market and therefore no time adjustment was applied.

Comparable Sale #1: This property is located at the intersection of Branch Avenue and Silver Spring Street, just west of Branch Avenue's intersection with Interstate 95. The property has additional frontage on Royal Little Drive but this is not considered usable due to it being significantly below the grade of the remainder of the site. The site sloped and required a significant amount of fill to make it developable. Location and topography is similar to the subject.

Comparable Sale #2: This property is located between Rathbone Street, just to the west of Pleasant Valley Parkway, just north of the intersection the Dean Street /RI Highway 6/10 intersection. Site was developed and the improvements were removed as indicated in the sale price. The site is level and at street grade and therefore an adjustment was required for topography.

Comparable Sale #3: This property is located in an industrial area of the Olneyville section of the city. The property is level but does not have good visibility or access and therefore a net positive adjustment was required.

Comparable Sale #4: This property is located along an older commercial corridor in the city. It is level, but demand and rental rates are inferior to the subject.

After analysis and adjustment, taking into account the subject sites topography and shape an \$7.00 per square foot value was estimated for the subject property. Therefore 15,681 square feet at \$7.00 per square foot is \$109,767, say \$110,000.

Therefore based upon the information gathered, the indicated market value via the Sales Comparison Approach on an "as is" basis is:

ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000.00)

REAL ESTATE APPRAISAL
NOVEMBER 18, 2011

RECONCILIATION

The appraiser felt there was sufficient data in the market to arrive at a reliable estimate of value. The appraiser analyzed and adjusted comparable sales and estimated a value for the subject property. The Sales Comparison Approach was the only approach utilized as it best reflects the action of the most likely buyer.

RELIABILITY

Every effort has been made to produce a reliable estimate of value, but certain factors limit this effort. The scope of the assignment was limited to a Sales Comparison Approach. Only a limited market analysis was made.

It is the appraiser's opinion that these factors will not have a significant negative impact on the reliability of this valuation. The steps taken in this assignment are sufficient for the complexity of the property type and the current market conditions. These steps produced a value estimate, which is considered to be reliable and will serve the function of this report.

CONCLUSION

Based upon the information gathered and the analysis thereof it is my considered opinion that the range of market value of the subject property as of the effective date of the appraisal was:

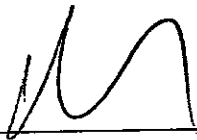
ONE HUNDRED TEN THOUSAND DOLLARS

(\$110,000.00)

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. I personally inspected the subject property.
3. The reported analyses, opinions, and conclusions are limited only by the reported contingent and limiting conditions, and is my personal, impartial and unbiased professional analyses, opinions and conclusions.
4. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Neither this appraisal assignment nor my compensation is contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with and is subject to the requirements of the Code of Professional Ethics and the Standards of Professional Conduct of the Appraisal Institute and with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation.
9. No one other than the undersigned provided research assistance to the persons signing this report.
10. The appraisal assignment was not based on a minimum valuation, a specific valuation, or the approval of a loan.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



Thomas O. Sweeney, SIOR
RI General Certification # A00217G

CONTINGENT AND LIMITING CONDITIONS

This appraisal report, the Letter of Transmittal and the Certification of Value are made expressly subject to the following assumptions and limiting conditions contained in the report which are incorporated herein by reference.

1. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be marketable. The property is appraised as though under reasonable ownership.
2. Sketches in this report are included to assist the reader and no responsibility is assumed for accuracy. No survey has been made of the property specifically for this report.
3. Unless arrangements have been previously made, no appearance in court or requirements to give testimony in respect to the subject property will be assumed.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
5. It is assumed that there are no hidden or apparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates and opinions furnished to this office and contained in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy can be assumed by this office.
7. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser and/or the client; nor shall it be conveyed by any but the client to the public through advertising, public relations, news, sales or media without the written consent and the approval by the author(s) particularly as to valuation conclusions, the identity of the appraisers or a firm.
9. On all appraisals subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner.
10. In this appraisal assignment, the existence of potentially hazardous material in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, asbestos, and/or the existence of toxic waste or radon gas, which may or may not be present on the property, has been considered. No information was obtained leading the appraiser to believe or disprove the presence of such hazards, except where noted. The appraiser is not qualified to detect such substances and urges the client to retain an expert in this field if desired.
11. In this appraisal, compliance with the Americans with Disabilities Act (ADA) accessibility requirements has been considered. Unless otherwise noted in this report, no information was obtained to indicate compliance or lack thereof to ADA accessibility requirements. The appraiser is not qualified to conduct an ADA accessibility assessment and urges the client to retain an expert in this field if desired.
12. This appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

ADDENDA

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

REALTOR AND APPRAISAL SPECIALIST ASSOCIATED WITH RODMAN REAL ESTATE

Engaged in Real Estate business since 1983:

Vice President, RODMAN REAL ESTATE

Executive Vice President, HENRY W. COOKE CO. (1983 - 1996)

Certified General Real Estate Appraiser:

Rhode Island Certification No. A00217G

Licensed Real Estate Broker:

Rhode Island Real Estate Broker's License Number B13444

Commonwealth of Massachusetts Real Estate Broker's License # 137525

Member:

Industrial Specialist Designation, Society of Industrial and Office Realtors

Graduated from:

Providence College with a Bachelor of Arts Degree in Political Science.

Successfully completed the following courses and examinations:

Society of Real Estate Appraisers:

Course 101: Introduction to Appraising Real Property

Course 102: Applied Property Valuation

Course 201: Principles of Income Property Appraising

Course 202: Applied Income Property Valuation

Seminar: Narrative Report Seminar

Seminar: How to Appraise Apartments

Seminar: Overview of Income Capitalization

American Institute of Real Estate Appraisers:

Course 1A1: Real Estate Appraisal Principles

Course 1A2: Basic Valuation Procedures

Appraisal Institute

Standards of Professional Practice, Parts A & B

Seminar: Feasibility Analysis & Highest and Best Use Analysis

Guest Instructor:

University of Rhode Island Extension Division

"Real Estate Fundamentals"

"Real Estate Finance"

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

Member:

Greater Providence Board of Realtors
National Association of Realtors

Qualified Expert Witness:

Qualified as a Real Estate Expert to Testify in Superior Court & Family Court,
State of Rhode Island

Qualified as a Real Estate Expert to Testify in Federal Bankruptcy Court,
Federal District Court.

Zoning Boards of Review:

Cities of Providence, Warwick, Cranston, Woonsocket and Pawtucket.

Towns of Smithfield, Johnston, North Providence, Lincoln, Barrington,
Scituate, Glocester, Foster, Burrillville, Coventry, West Greenwich, West
Warwick, Cumberland, Middletown, North Kingstown, South Kingstown

Appraisals for Attorneys, Business and Homeowners

Clients include:

United States Small Business Administration

State of Rhode Island

Department of Transportation, Real Estate Division

Department of Administration, Division of Municipal Affairs

Department of Environmental Management

City of Providence

Water Supply Board

Department of Planning and Development

Department of Public Property

Resource Recovery Corporation

Narragansett Bay Commission

Providence Redevelopment Agency

Federal National Mortgage Association

QUALIFICATIONS OF THOMAS O. SWEENEY, SIOR

Clients, continued:

Fleet Bank
Citizens Bank
Home Loan and Savings Bank
Washington Trust
Freedom National Bank
GTECH Corporation
Merrill Lynch Relocation
Edwards and Angell
Tillinghast, Licht, Perkins Smith and Cohen
Hinckley, Allen & Synder
Adler, Pollock and Sheehan
Partridge, Snow and Hahn
Nixon – Peabody
Peabody and Arnold
McAleer and McAleer
McOsker, Davignon and Waldman
Lehigh - Portland Cement Co.
Tyco Corporation
Kaiser Aluminum
Benny's Stores
PJ Fox Paper Co.
CFS Air Cargo
Christmas Tree Shops
McLaughlin Automotive
Ferland Corp.
Tenneco Gas
Narragansett Electric Company