

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 298

Approved May 22, 2012

WHEREAS, On August 11, 2011, the Sophia Academy ("Sophia") responded to a solicitation of bids for the former ALP School at 582 Elmwood Avenue; and

WHEREAS, The Providence Tax Assessor retained Peter Scotti to provide a new appraisal of the property, in keeping with Home Rule Charter Section 416; and

WHEREAS, Mr. Scotti's appraisal, dated October 18, 2010, provides a value of \$300,000; and

WHEREAS, In response to the Board of Contract & Supply's advertisement for the sale of the 582 Elmwood Avenue property in compliance with the Home Rule Charter, Section 416(1), Sophia submitted its bid of \$606,100, comprised of a cash down payment, a ten-year mortgage in the amount of \$200,000, and \$306,100 as the avoided cost of educating twenty girls from low-income Providence families during the first year of the school's operation at the premises; and

WHEREAS, A purchase and sale agreement in the amount of \$300,000 (100% of the Scotti appraisal) was signed on March 12, 2012; and

WHEREAS, To comply with the Home Rule Charter, this sale requires the authorization of the Providence City Council.

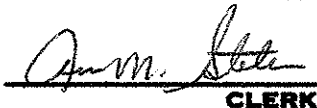
NOW, THEREFORE, BE IT RESOLVED, That the sale by the City of Providence to the Sophia Academy of property located at 582 Elmwood Avenue is hereby ratified and approved.

IN CITY COUNCIL

MAY 17 2012

READ AND PASSED


PRES.


CLERK

I HEREBY APPROVE.


Mayor

Date: 5/22/12



CITY OF PROVIDENCE

Angel Taveras, Mayor

March 12, 2012

Anna Stetson
City Clerk
City of Providence

Dear Anna:

Enclosed please find an original signed Purchase and Sales Agreement between The City of Providence and the Sofia Academy, regarding the property located at 582 Elmwood Avenue (Plat 52, Lots 22,100 & 369). Feel free to contact me if you have any questions.

Thank you,

A handwritten signature in black ink, appearing to read "CPM", followed by a horizontal line.

Christine P. Mullins
Assistant to the City Solicitor

CITY SOLICITOR'S OFFICE

444 Westminster Street, Suite 220, Providence, Rhode Island 02903

(401) 680-5333 | (401) 680-5520 (fax)

www.providenceri.com

Purchase and Sale Agreement

This Agreement (the "Agreement") is made and entered into as of the _____ day of _____, 2011, by and between the City of Providence with an address of 25 Dorrance Street, Providence, RI 02903, Attn: Alan Sepe, Acting Director of City Property (the "Seller") and the Sophia Academy, or its nominee, with an address of 979 Branch Avenue, Providence, Rhode Island 02904, Attn: Gigi DiBello, Head of School (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 approval of the City Council, and 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 in the City of Providence, Rhode Island, commonly known and numbered as 582 Elmwood Avenue, Providence, Rhode Island, consisting of three lots (22, 100 and 369) on Plat # 52 in the land records of the City of Providence, 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 warranty 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, except

(a) Such taxes assessed as of December 31 immediately preceding the Closing Date (as herein defined), which are not due and payable on the Closing Date (if any); and

(b) Any liens for municipal betterments assessed after the Closing Date and those referred to in paragraph 10 hereof.

The Premises (and all buildings and improvements thereon) must be in full compliance with all applicable federal, state and local laws, ordinances and regulations including without limitation zoning, building and fire codes, land use, subdivision, environmental, pollution, hazardous waste, wetlands, conservation, drainage and sewage disposal laws, ordinances and regulations and all other applicable laws, ordinances, regulations and legal requirements (the "Laws"). The Premises must also not contain or be contaminated by any hazardous or toxic chemicals or substances.

3. The agreed purchase price for the Premises is Three Hundred Thousand and No/100 Dollars (\$300,000.00), which shall be paid as follows:

(a) \$25,000.00 has been paid as of the date hereof as a deposit (the "Deposit") to be held in escrow by a title insurance company chosen by Buyer (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 as follows:

(i) \$75,000.00 in cash, by certified or bank check or checks or by federal wire transfer of immediately available funds; and

(ii) \$200,000.00 in a promissory note with a ten year term with no interest to be paid in 120 equal monthly payments of \$1666.27. The first payment to be due on the 1st day of the first full month subsequent to closing and on the 1st day of each month thereafter. PROVIDED HOWEVER, that so long as, during the term of this note, Sophia Academy operates a school for low-income children on the property, each installment payment as it becomes due shall be waived and forgiven by the City of Providence and the principle due on the note will be reduced by the amount of the waived payment.

4. The aforesaid deed is to be delivered at the closing to be held at the office of The City Solicitor of the City of Providence, 440 Westminster Street, Providence, Rhode Island at 10:00 a.m. on the day herein referred to as the "Closing Date" that is thirty (30) days subsequent to the Contingency Date or on such earlier date as mutually agreed or such later date as the Closing may be extended pursuant to the terms hereof. 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, free and clear of all tenants, occupants and personal possessions, except for the Buyer as the sole party in possession of the Premises, is to be delivered on the Closing Date, the Premises 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 sixty (60) 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.

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 an inspection report of the Premises from a duly qualified independent inspection firm or firms satisfactory to the Buyer, which inspection report must indicate that all buildings and improvements located on the Premises are structurally sound, and free from any present or past damage or infestation by termites or other destructive insects, or any oil, petroleum, or any hazardous materials or substances, that all heating, ventilation and air-conditioning systems and all other systems, and the conduits and component systems thereof, are in good order, condition and repair, and which inspection report must otherwise be in form and substance satisfactory to the Buyer;

(b) The Buyer must receive all closing documents referred to in paragraph 15 hereof; and

(c) The Buyer must be satisfied, in its sole discretion, with the results of any survey (or surveyor's report) of the Premises, the results of its review of title to the Premises, and its review of the compliance of the Premises with all Laws.

In the event the aforesaid conditions precedent are not satisfied on or before 5:00 p.m. on the date that is the ninety (90) day anniversary of the date of this agreement (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 provisions for prompt recording thereof satisfactory to Buyer's attorneys are made on the Closing Date.

9. To the extent the Premises is subject to real estate taxes, real estate taxes assessed December 31 for the year immediately preceding the year in which the Closing occurs shall be pro-rated between the Seller and the Buyer, the Seller paying pro rata for the period from January 1 to the Closing Date and the Buyer paying or assuming the balance of such taxes; provided, however, that if the amount of such taxes cannot be ascertained on the Closing Date, the amount of the tax for the year of the Closing Date shall be adjusted based on the amount of the tax for the preceding year, with a reapportionment and adjustment between Buyer and Seller to be made as soon as the actual amount of the aforesaid taxes can be ascertained. Any and all taxes assessed for all prior periods shall be paid in full by the Seller on or before the Closing Date. The Seller shall pay the documentary stamps for recording the deed to the Premises, if any. Utilities, personal property taxes and service contract payments (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.

Buyer shall be entitled to a credit against the purchase price for the total sum of all security deposits, prepaid rental and any other lease payments prepaid to the Seller by Buyer as party in possession, which are not paid over to Buyer at or prior to the Closing. Collected rentals and other lease payments from Buyer as party in possession for the current monthly rental period in which the Closing occurs shall be apportioned between Buyer and Seller.

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) less Ten Thousand Dollars (\$10,000) (said \$10,000 being hereinafter referred to as the "Liquidated Damages") shall be delivered by the Escrow Agent to the Buyer, and (ii) Escrow Agent shall deliver to Seller the Liquidated Damages 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, RI 02903

If to Buyer:

John M. Roney, Esquire
Roney & Labinger LLP
344 Wickenden Street
Providence, RI 02903

13. From the date hereof until the Closing Date, Seller shall:

(a) maintain the Premises in good order, condition and repair, reasonable wear and tear and damage by fire and other insured against casualty excepted;

(b) continuously maintain in full force and effect a policy or policies of fire and extended coverage insurance on the Premises in such amounts as shall be reasonably required by Buyer from time to time but in no event less than is currently in place on the Premises; and

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;

- (a) enter into any lease, amendment of lease, contract or agreement with respect to the Premises;
- (b) make or permit any structural modifications or additions to the Premises;
- (c) mortgage or otherwise encumber or to permit liens (whether inchoate or not) upon the Premises;
- (d) enter into any agreements relating to the operation or maintenance of the Premises the term of which shall extend beyond the date of Closing; or
- (e) permit occupancy of the Premises, or any part thereof, by any party other than the Buyer as party in possession of the Premises.

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 warranty deed referred to in paragraph 2 hereof;
- (b) A bill of sale of the Seller in the form and substance of Exhibit B attached hereto conveying any and all personal property and fixtures owned by the Seller and located on the Premises and used in the maintenance and operation of the Premises;
- (c) 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 satisfactory to said title company, as well as all authority or other documents as may be requested by the title company or Buyer.

16. Buyer and Buyer's duly authorized agents shall have full access to the Premises to inspect and examine the Premises, take measurements, perform tests, and for any other legitimate purpose.

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. 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:

- (a) If the Premises shall be damaged from any cause (including condemnation or eminent domain proceedings) to the extent that the estimated cost to repair or restore such damage can reasonably be expected to cost not more than \$50,000.00, which damage Seller shall not have repaired or replaced prior to the earlier of (i) fifteen (15) days after receiving notice of such damage or (ii) the Closing Date, Buyer may, by giving notice within fifteen (15) days after receiving notice of such damage from Seller or

any third party, either terminate this Agreement with the same effect of a termination as provided in paragraph (b) hereof, or accept the Premises in its damaged condition, whereupon all proceeds of insurance or condemnation awards paid or payable to Seller by reason of such damage, destruction or condemnation shall be paid to and made payable to and assigned to Buyer, together with an amount equal to any deductible under such insurance, at the Closing.

(b) If the Premises shall be damaged from any cause (including condemnation or eminent domain proceedings) to such extent that the estimated cost to repair or restore such damage can reasonably be expected to exceed \$50,000.00, 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, all proceeds of insurance or condemnation awards paid or payable to Seller by reason of such damage, destruction or condemnation shall be payable to and assigned and transferred to Buyer, together with an amount equal to any deductible under such insurance, at the Closing.

(c) For purposes of exercising any rights of Buyer or making any repairs or replacements under this paragraph 18, the Closing Date may be extended, at Buyer's sole election, to allow such rights to be exercised or such repairs or replacements to be made. Buyer may conclusively rely upon any bona fide estimate of the cost to repair or restore any damage to the Premises which is given by any insurance adjuster, engineer or general contractor as establishing whether or not the cost of such repair or restoration would exceed \$50,000.00.

19. Resale Provisions. In the event that the premises are resold by the Buyer within ten (10) years from the closing date, the "net proceeds" from the sale as defined herein shall be apportioned between the parties herein in accord with the percentage that their respective "ownership interests" represent to 100 percent to the "net proceeds" from the sale as defined herein. "Net proceeds" shall be the resale price less payment of all outstanding liens and encumbrances of any kind, closing costs, commissions and attorneys' fees.

The Buyer's "ownership interest" for the purposes of calculating recapture shall include:

(a) the purchase price set forth in paragraph 3 above, less any portions of the promissory note unpaid and not forgiven as of the date of the resale; and (b) the cost of all improvements made to the premises from the closing date; and (c) the cost of all inspections, permits, licenses, studies, reports of consultants and legal expenses related to the purchase or improvement of the premises; and (d) the cost of construction loans and permanent financing, including interest, closing costs and legal fees.

The Seller's "ownership interest" for purposes of this resale provision shall be equal to the amount of the outstanding and unforgiven balance of the promissory note on the last day of the month preceding the date of sale.

At closing or within thirty (30) days after closing, the Buyer shall pay to the Seller that portion of the net proceeds and an accounting thereof in accord with this provision.

This provision shall survive the transfer of the deed to the Buyer.

20. 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 or 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.

21. 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.

22. Each party represents to the other that such party has not dealt with any real estate broker or agent with respect to the Premises 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.

23. 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.

24. 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:

Patti Gorman

BUYER:

SOPHIA ACADEMY

By: [Signature]
Name: Peter A. Frazier
Title: President, Board of Directors

SELLER:

CITY OF PROVIDENCE

[Signature]

By: Angel Taveras
Name: Angel Taveras
Title: Mayor

Escrow Agent:

By: _____
Name: _____
Title: _____

Approved as to form and correctness:

[Signature] 3/2/12
Jeffrey M. Padwa
City Solicitor

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

BILL OF SALE

For and in consideration of the sum of Three Hundred Thousand Dollars (\$300,000), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, The City of Providence (hereinafter collectively "Seller") does hereby sell, transfer, convey and assign to Sophia Academy ("Buyer") all of its right, title and interest in and to the following property (all defined terms herein not otherwise defined herein shall have the same meaning as set forth in that certain Purchase and Sale Agreement by and between Buyer and Seller dated _____, 20__):

All fixtures and personal property now annexed to the Premises built in or fitted especially therefor and/or designed to be used and enjoyed in connection therewith or otherwise owned by Seller and used and enjoyed in connection therewith including, but not limited to, all furnishings and furniture, all heating, lighting, incinerating, refrigerating, ventilating, air conditioning, air cooling, fire extinguishing equipment, yard maintenance equipment, snow removal equipment, cleaning and maintenance equipment, plumbing, power equipment apparatus, gas, water and electrical equipment, elevators, sprinkler equipment, partitions, conduits, ducts and compressors.

Seller does hereby warrant all such property to be free and clear of all security interests, liens, and encumbrances. Seller does hereby covenant with Buyer that the Seller has good right to sell, transfer, convey and assign all right, title and interest in the same as aforesaid and thereto unto the Buyer, its successors and assigns, and agrees to defend same against the claims and demands of all persons whomsoever. All the aforesaid fixtures and personal property are sold and conveyed in their present "AS IS" condition.

IN WITNESS WHEREOF, the undersigned has caused this Warranty Bill of Sale to be executed as a sealed instrument this _____ day of _____, 20__.

Attest:

SELLER:
City of Providence

By: _____

**CITY OF PROVIDENCE LAW DEPARTMENT
INTEROFFICE MEMORANDUM**

TO: MAYOR ANGEL TAVERAS
FROM: ADRIENNE G. SOUTHGATE
DEPUTY CITY SOLICITOR
SUBJECT: SOPHIA ACADEMY PURCHASE & SALE AGREEMENT
DATE: MARCH 7, 2012

Mayor, attached is the Purchase & Sale Agreement for the Sophia Academy's acquisition of the ALP School at 582 Elmwood Avenue. I am reasonably sure that you are familiar with the excellent work being done at the Academy for disadvantaged middle school girls.

The Academy proposes a fairly complex system of payment, both in cash and in kind. The bid provided to the Board of Contract & Supply last August contemplates a total value of \$606,100, which is to be paid as follows:

- \$100,000 cash as a down payment;
- \$200,000 as a ten year mortgage which is payable monthly, with interest and principal payments to be forgiven each month in which the Academy operates a school predominantly for low-income Providence girls; and
- \$306,100 as the Academy's commitment to educate at least twenty girls from low-income Providence families during the first year of the school's operation in the premises, at a per student cost avoidance of \$15,305.

The ALP School is assessed at \$648,200 but, as a municipal property, pays no taxes. The independent appraisal established a fair market value as of October 18, 2010, of \$300,000. The Academy's offer therefore more than meets the 90% FMV requirements of the Home Rule Charter.

I recommend that you sign the Agreement. It will also be submitted to the Providence City Council for ratification since performance entails a period of over one year, but I would not delay signature because the Academy must produce a P&S to get its financing in place so as to be able to make the necessary repairs prior to the commencement of the new school year.



SOPHIA ACADEMY REFLECTING WISDOM IN THE GIRL

979 BRANCH AVENUE | PROVIDENCE, RHODE ISLAND 02904 | www.sophia-academy.org

August 1, 2011

By Hand

Board of Contract and Supply
Department of the City Clerk
City of Providence
Providence, Rhode Island 02903

Re Sale of ALP School, 582 Elmwood Avenue, Providence, Rhode Island

Dear Board Members:

On behalf of Sophia Academy, a private non-profit middle school for girls from low income Providence families, presently located at 979 Branch Avenue, Providence, Rhode Island, I am authorized to tender the following bid for the three lots – 22, 100, and 369 on Plat #52 – together known as 582 Elmwood Avenue, Providence, Rhode Island. Sophia Academy's bid is: six hundred six thousand one hundred (\$606,100) Dollars, payable/valued as follows:

- (A) One Hundred Thousand (\$100,000) Dollars – cash down payment;
- (B) Two Hundred Thousand (\$200,000) Dollars – 10-year mortgage held by the City or other municipal entity, payable monthly, both interest and principal of the monthly payments to be forgiven for each month in which Sophia Academy operates a school predominantly for low-income Providence girls; and
- (C) Three Hundred Six Thousand One Hundred (\$306,100) Dollars – a commitment to educate at least 20 girls from low-income Providence families during the first year of the school's operation in the premises at per student cost avoidance to the City of \$15,305.

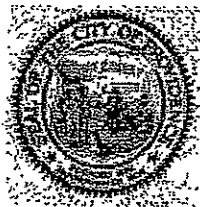
If you have any questions or comments, please do not hesitate to contact me or Gigi DiBello, Head of School, at (401) 784-0021.

Respectfully submitted,

By 

Peter A. Frazier
President, Board of Directors

Enc.



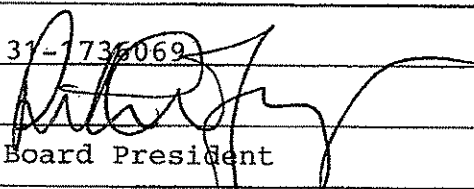
CITY OF PROVIDENCE
STATE OF RHODE ISLAND
BOARD OF CONTRACT AND SUPPLY

BIDDERS BLANK

Name of Company:	SOPHIA ACADEMY
Agrees to bid on: Items(s) to be bid	Sale of ALP School (Lots 22, 100 & 369 582 Elmwood Avenue of Plat 52) Providence, RI
Date of Award	August 1, 2011
Total Amount in Writing:	Six Hundred Six Thousand One Hundred Dollars*
Total Amount in Figures:	\$606,100.00*

Additional Bidding Details (Use Additional Pages if Necessary)

*Please see attached
conditions/contingencies.

Federal ID# or Social Security #:	31-1735069
Signature:	
Title of Person signing:	Board President
Firm Name:	Sophia Academy
Address:	979 Branch Ave., Providence, RI 02904
Phone #:	(401) 784-0021
Delivery Date:	N/A
Name of Surety Company	N/A

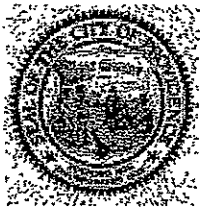
SOPHIA ACADEMY

Additional Bidding Details **Conditions/Contingencies**

Bid for ALP School, 582 Elmwood Avenue, Providence, Rhode Island (comprised of the three lots – 22, 100, and 369 on Plat #52)

Sophia Academy's bid is: \$606,100 - Six Hundred Six Thousand One Hundred Dollars, payable/valued as follows:

1. \$100,000 - One Hundred Thousand Dollars – cash down payment;
2. \$200,000 - Two Hundred Thousand Dollars – 10-year mortgage held by the City or other municipal entity, payable monthly, both interest and principal of the monthly payments to be forgiven for each month in which Sophia Academy operates a school predominantly for low-income Providence girls; and
3. \$306,100 - Three Hundred Six Thousand One Hundred Dollars – a commitment to educate at least 20 girls from low-income Providence families during the first year of the school's operation in the premises at per student cost avoidance to the City of \$15,305.



CITY OF PROVIDENCE
STATE OF RHODE ISLAND
BOARD OF CONTRACT AND SUPPLY

CERTIFICATION OF BIDDER
(Non-Discrimination/Hiring)

Upon behalf of SOPHIA ACADEMY (Bidder's Name),

I, PETER A. FRAZIER (Name of Person Making Certification),

being its BOARD PRESIDENT (Title of Person Making Certification), hereby certify that:

1. Bidder does not unlawfully discriminate on the basis of race, color, national origin, gender, sexual orientation and/or religion in its business and hiring practices.
2. All of Bidder's employees have been hired in compliance with all applicable federal, state and local laws, rules and regulations.

Witness my hand, duly authorized on behalf of Bidder, on this 1ST day of August

200¹¹

Bidder's Name: Sophia Academy

By: Peter A. Frazier
(Printed Name)

Title: Board President

JOHN A. MURPHY
Tax Collector



DAVID N. CICILLINE
Mayor

Finance Department

CITY COLLECTOR

DATE 7/11/11

ENTERPRISE ZONE CERTIFICATE OF GOOD STANDING

The following account # 96000077 assessed in the name of Sophia Reading is

cleared of all back taxes in order that they may obtain their ZONE CERTIFICATE.

Respectfully submitted,

Marc S. Castaldi

Marc Castaldi
Deputy Tax Collector

City Hall Providence, Rhode Island 02903-1789 (401)421-7740

SOPHIA ACADEMY

979 Branch Avenue
Providence, Rhode Island 02904

Regarding the Sale of ALP Building, 582 Elmwood Avenue, Providence, RI

SUMMARY: Sophia Academy has submitted a formal bid to purchase the building and adjacent lots, owned by the City of Providence and located at 582 Elmwood Avenue in Providence, to house the school's educational program commencing July, 2012. Sophia Academy is a private nonprofit nonsectarian middle school for girls, located currently on Branch Avenue in Providence. The bid was qualified Six Hundred Six Thousand One Hundred (\$606,100) Dollars. Sophia intends to perform extensive renovations on the building and grounds, at a cost of roughly Eight Hundred Seventy-Five Thousand (\$875,000) Dollars, in order to bring the building into compliance with code requirements for a middle school.

SOPHIA ACADEMY: Sophia Academy was established as a private non-profit middle school for girls from low-income families in Providence, RI. It opened its doors to the first classes in September of 2001, and since then has admitted classes for 10 consecutive years. The current enrollment is 65 students and if not for Sophia, these 65 girls would be educated by the City of Providence. According to the February 2011 PPSD Fact Sheet, Providence's *per capita* education cost in 2008-2009 was \$15,305. See www.providenceschools.org. Thus, Sophia's education of 65 students each year provides a service to the City of Providence with a real annual value of nearly \$1 Million.

Sophia Academy is the only middle school in Providence designed specifically for low-income girls who are most at risk of repeating the cycle of poverty which includes poor academic progress, low self-esteem, teen pregnancy and high dropout rates. By utilizing best practices in gender specific education we believe that we are fostering academic, moral, cultural, and social growth for girls and the success of our current students and graduates is proof of this fact.

It is well known that high school graduation rates are an important marker for economic success. According to the most recent data from RI Kids Count, the four year graduation rate for students in the district of Providence, Class of 2010 was 68%, the dropout rate was 23%, 3% of students completed their GEDs within four years of entering high school and 5% were still in school in the fall of 2010. The high school graduation rate for the same class of Sophia Academy students was 87%, the dropout rate was 0%, 6.6% of students completed their GEDs within four years of entering high school and 6.6 % were still in school in the fall of 2010.

Sophia maintains contact with its graduates, reaching out in a number of ways such as biannual gatherings, providing after school tutorial support, on site internship volunteering opportunities, and links to critical programs like the Providence based College Visions Program.

Sophia students do well in reading, and marginally or significantly better in math when compared to their Providence peers (girls only). A chart comparing NECAP scores of Providence middle school girls is included below:

**Disaggregated NECAP Testing Data By Gender and Grade:
Providence vs. Sophia Academy Percentile of Girls Who Scored Proficient or Better
in Reading and Math**

	Reading - Providence	Reading- Sophia	Math – Providence	Math - Sophia
Grade 5 Girls	56%	67%	39%	53%
Grade 6 Girls	46%	73%	32%	33%
Grade 7 Girls	39%	69%	25%	31%
Grade 8 Girls	52%	63%	28%	47%

In addition to their academic studies, Sophia students are engaged in service learning programs, including a program for 7th graders where they volunteer at St. Edwards Food Pantry to enhance their understanding of and participation in social justice issues. The capstone class for 8th grade students continues to provide our oldest students with a solid framework to learn about the interconnectedness of oppression, in particular the relationship between race, class and gender. This year’s focus was on Food Justice, the right of all people to have access to a healthy, affordable and sustainable food source.

Team sports provide the perfect backdrop for developing positive group skills and collaboration. Sophia’s basketball team competed for its second season and finished with a record of 6 wins and 5 losses. The first Robotics Team, sponsored by the Women’s Tech Collective, participated in the state-wide competition at Roger Williams University. Sophia was invited to be a pilot site of Girls on the Run, a 501(c)3 positive youth development program which combines an interactive curriculum and running to inspire self-respect and healthy lifestyles in pre-teen girls.

Sophia seeks to partner with the community for the benefit of our students. After-school leadership classes are available to all of our students, organized by an AmeriCorps Vista member generously provided by our partner, Johnson & Wales University. Partnerships also exist with Women and Infants hospital and the Brown Medical School to provide health education and teen pregnancy prevention programming for all our students. Sophia's history of community partnerships would greatly benefit the Elmwood community, as well as that of the surrounding Providence neighborhood. Various current offerings at the school, particularly such as after-school and summer programming, may be appropriate for participation of neighborhood children even beyond Sophia's own student body.

SOPHIA'S INTEREST IN 582 ELMWOOD AVENUE:

The school is currently housed in approximately 11,500 sq. ft. of rental space at the edge of the Providence/North Providence line. While the space is minimally sufficient for core educational purposes, it is inadequate in ways that impede the school's educational program. Classrooms are large and cavernous, and instructional space for special subjects is non-existent; space does not exist for school assemblies and student performances; financial operations are housed in cramped and un-renovated basement space as is the lunchroom and staff areas; and, among many other deficiencies, the current building is not handicap accessible.

In July 2010, Sophia determined that a building owned by the City of Providence, formerly housing the Alternative Learning Program School, might be available. Subsequent investigation and discussions with the City of Providence led to a serious desire to purchase this building and grounds, at 582 Elmwood Avenue, Providence. The parcel is located in the Elmwood section of Providence and consists of three adjacent lots, totaling 28,000 sq. ft. In addition to the existing structure, there is a 20-space parking lot and a courtyard-like space between the parking lot and the building.

This location is ideal for a middle school. Elmwood is a largely residential neighborhood of low-income and middle-income housing, and a large number of Sophia students live within walking distance of the property. Fully one-third of Sophia's current students could walk to school if it were located at 582 Elmwood Avenue. In addition, this area has become a school corridor in the middle of a Providence Redevelopment area, and as such, the Sophia Academy would be an additional asset to the neighborhood.

The school building is a 2-1/2 story masonry structure of approximately 13,700 sq. ft., but one story is fully underground. It was built to house a branch bank circa 1960. Although the building was used for a 150-student alternative high school some years ago, it is in need of substantial renovation in order to bring it up to code as a school building.

FINANCIAL CONSIDERATIONS:

In October 2011, Sophia commissioned an appraisal of the building and grounds. That appraisal opined that the highest value of the three lots together, if they were used at their best use, is \$300,000, well below the appraised value. The Opinion Letter containing that appraisal is attached.

In November 2011, Sophia commissioned a rough renovation plan and estimate of renovation costs; a summary of those costs is attached. In order to bring the building into compliance with Code relative to middle schools, approximately \$875,000 of renovations is required. The building is in poor shape, in need of substantial repairs to remedy everything from exposed asbestos and wiring to the lack of fire walls and sprinklers. The building as currently constructed is not handicapped-accessible, nor are there any handicapped-accessible facilities in it.

Sophia's bid of \$606,100 has three components:

- \$100,000 -- cash down payment
- \$200,000 -- 10-year mortgage held by the City or other municipal entity, payable monthly, both interest and principal of the monthly payments to be forgiven for each month in which Sophia Academy operates a school predominantly for low-income Providence girls
- \$306,100 -- a commitment to educate at least 20 girls from low-income Providence families during the first year of the school's operation in the premises at \$15,305 (the Providence 2008-2009 published *per capita* pupil spending) (Sophia Academy has historically educated at least 55 low-income girls from Providence each year).

Sophia has in hand sufficient funds to make the down payment and to begin construction.

TIMETABLE:

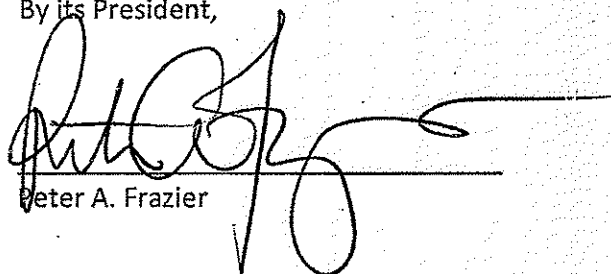
Sophia's current lease runs through June 2012. It proposes to move its administrative offices to the Elmwood Avenue location by July 1, 2012, and open the 2012-2013 school year on Elmwood Avenue. The construction schedule is tight and depends on a prompt closing.

SOPHIA'S COMMITMENT :

Sophia Academy is committed to continue as a middle school for girls from low income Providence families. To best accomplish this goal, Sophia is seeking a permanent home within the community where girls can learn in an environment where they can feel safe, challenged, engaged and powerful. A permanent home in the Elmwood area, where many of our students live, will enable Sophia to become more involved with student families, to contribute positively to the culture of empowerment for girls and women

that is essential to fulfillment of the school's mission, and to make a positive impact on the local community. New space will enrich the overall program of the school, contribute mightily to Sophia's sustainability, and provide immeasurable benefit to the community at large.

SOPHIA ACADEMY
Board of Directors
By its President,

A handwritten signature in black ink, appearing to read 'Peter A. Frazier', is written over a horizontal line. The signature is stylized with a large, looping 'P' and a long, sweeping horizontal stroke extending to the right.

Peter A. Frazier

Estimated Renovation Costs for 582 Elmwood Avenue

Space	Expense Description	Estimated Expense
Building-Wide Expenses	Interior & emergency lgt & signage	\$68,500
	Windows	\$7,500
	Disability-accessibility	\$100,000
	Roof	\$77,406
	Fire alarm, stopping, sprinkler	\$114,591
	Abatement of exposed asbestos	\$20,000
	HVAC system	\$7,500
	Patching - prep & painting	\$40,477
	Other Essential Repairs	\$27,241
		\$463,215
Lower Level	Cafeteria	\$9,600
	Art Room & Program rooms	\$13,120
	Restrooms (2)	\$14,010
	Corridor & back stair railing	\$5,100
Sub-Total Lower Level		\$41,830
First Floor	Front Stair	\$6,600
	Front Offices	\$12,400
	Staff Restroom	\$10,944
	Room 101	\$600
	Classrooms 102-109 & Library	\$19,620
Sub-Total First Floor		\$50,164
Second Floor	Fire Escape	\$35,000
	Office /Nurse	\$2,500
	Restrooms	\$2,500
	Staff Area	\$11,050
Sub-Total Second Floor		\$51,050
Contractor, Regulatory and Administrative Costs	Program Contingency - 10%	\$60,608
	Site Services - 5%	\$30,304
	General Conditions - 10%	\$60,608
	Ins Bonds/CDI - 1.2%	\$7,273
	Arch/Engr Fees - 8%	\$48,486
	Hazmat Consultant	\$2,500
	Roofing Consultant	\$1,500
	Testing/Inspection Allowance	\$1,500
	First Dept. Consultant - 0.5%	\$3,030
	Building Permit Local - 1%	\$6,061
	Building Permit State Fees - 0.1%	\$606
	Contractor Fee - 5%	\$41,428
	Insurance - 0.747%	\$6,189
Contractor, Regulatory and Administrative		\$270,093
Grand Total Renovation Costs		\$876,351

Other Expenses Not Included in Estimate

Exterior envelope repairs
 Replace building HVAC system
 Electrical service upgrade
 Clock system
 Cable TV system -- modify existing
 Emergency generator
 Telephone wiring
 Science lab & computer lab
 Site upgrades & improvements
 IT infrastructure wiring
 2.5% Owner's Rep Fee
 Locker replacement
 Commissioning
 Fixtures, furnishings and equipment
 Educational technology
 Moving expenses
 Utility fees
 Escalation
 Premium Time

**Broker's Opinion Letter
Commercial Property
582 Elmwood Avenue
Providence, Rhode Island 02903**

**Effective Date of Letter
October 18, 2010**

**Date of Letter
October 18, 2010**

Prepared For

**Ms. Gigi DiBello
Head of School
Sophia Academy
979 Branch Avenue
Providence, Rhode Island 02904**

Prepared By

**Mr. Eugene F. Nichols
Peter M. Scotti & Associates, Inc.
246 Hope Street
Providence, Rhode Island 02906**

October 18, 2010

Ms. Gigi DiBello
Head of School
Sophia Academy
979 Branch Avenue
Providence, RI 02904

RE: Broker's Opinion Letter
Commercial Property
582 Elmwood Avenue
Providence, Rhode Island 02903

Dear Ms. DiBello:

At your request, I have made a preliminary study of the property located at 582 Elmwood Avenue, Providence, Rhode Island. It should be clearly understood that an appraisal has not been undertaken on the above referenced property and that this letter does not constitute an appraisal report, nor should it in any way be construed as such.

The subject is a one and two story masonry building originally constructed as a bank circa 1960. There are 6,034 GSF of first floor space, a 6,034 GSF basement and 1,664 SF of second floor space. The improvements are in need of renovations and upgrading the interiors.

The purpose of my study was to render an opinion of value on an "as is" basis. In preparation for this Letter of Opinion, information was derived from a personal inspection of the subject property on October 18, 2010

Additional information was obtained from the Tax Assessor's Office of the City of Providence and this brokerage firm's files.

Two methods of valuation were performed in order to arrive at a final value range, the Sales Comparison and Income Approaches.

The subject property is located at 582 Elmwood Avenue otherwise designated as Lots #100, 369 and 22 on Plat #52 of the Tax Assessor's Plat Maps of the City of Providence, State of Rhode Island.

The subject property is assessed to City of Providence as follows:

	Lot #100	Lot #369	Lot #22
Land	\$146,000	\$111,000	\$54,500
Improvements	<u>\$316,800</u>	<u>\$ 13,000</u>	<u>\$ 6,900</u>
Total	\$462,800	\$124,000	\$61,400
Taxes	\$0	\$0	\$0
Total Assessment	\$648,200		

The current tax rate for the City is \$33.70/\$1,000 of assessed value, the subject is tax exempt. If the property were assessed the annually tax would be \$21,844.34.

There have been no recent transfers of the subject property. The subject may be for sale.

Providence zoning maps indicate the subject as being located in a C-2 commercial zone. After a cursory review of the City Zoning Ordinances, it appears that, under current zoning, the subject is a legal conforming use.

A review of the Flood Maps #445406 0008E, dated 4/15/86 for the subject area indicated the subject is located in a flood zone C, areas of minimal flooding.

Property Description

Site Analysis

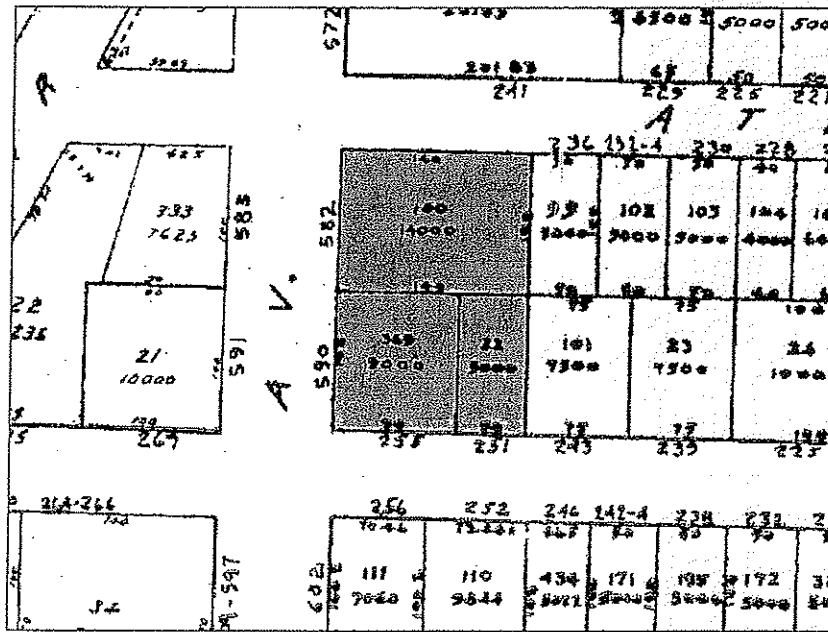
Site: Plat #48 Lot #100, 369, 22 Area: 28,000 SF

The three lots form a rectangular shaped corner lot of 28,000 SF with ±200 feet of frontage on Elmwood Avenue and ±140' on Adelaide and 140' on Atlantic. The site is at street-grade and level; all public utilities are available and connected. The improvements sit on or very close to the north and west lot lines, Lots 369 and 22 are paved and fenced parking for ±20 cars, on-street parking is permitted. There is a park like area between the improvements and parking area.

Elmwood Avenue, Route #1, is a four-lane divided, two-way heavily traveled road at the subject which runs north to south through most of the City. The area is made up of a variety of uses including offices, retail, automobile repair and restaurants. Roger Williams Park is one-mile south; to the east on side streets are residential uses.

Environmental Concerns

We are not trained or experienced professionals in recognizing, detecting, or measuring contamination. The client/owner has not disclosed any information relative to any environmental concerns being associated with the subject. For purposes of this appraisal we assume none exist.



Applicable Portion of Subject Plat Map

Building Analysis

Building:

Area: 7,698 GSF above grade

The subject improvement was constructed circa 1960, as a bank. The improvements are currently used for offices for Aramark and Gilbane, and previously as a school. We have not been provided with rental information. There are 6,034 GSF of first floor space apportioned into twelve offices; 1,664 GSF second floor space apportioned into four offices, two lavatories and storage. There is a 6,034 GSF finished basement which has window wells which provides some natural lighting. Apportioned into a kitchen, utility rooms, dining area and a large classroom. From our inspection the improvements appeared to be in average to fair condition in need of renovations and updating. Building's salient characteristics follow:

Area: 6,034 GSF plus a 1,664 SF second floor over a 6,034 SF basement.

Age: Circa 1960. Effective age is ± 25 years.

Foundation: Concrete slab, thickness and bearing capacity unknown.

Walls: Masonry and marble, fixed aluminum frame windows covered with security grates.

Roof: Flat roof (partially inspected) covered with tar and gravel, no leaks were noted.

Finish: Floors are concrete covered with vinyl or asbestos tiles or terrazzo, interior walls are masonry block or sheetrocked, ceilings are plaster or acoustical tiles with fluorescent fixtures. There is one lavatory on the first floor two on the second and two in the basement.

Sprinklers: None, hardwired fire detection system.

Windows: Aluminum frame

Electric: 400-amp service

HVAC: Full HVAC first and basement, window unit second floor

Condition: Exterior as well as interior is average to fair. Some ceiling deterioration noted especially in the basement, older inoperable boiler and vault still in basement, the building is not handicap accessible.

In developing a value range for the subject, a survey was conducted in order to locate comparable improved sales and rents. This information was then reviewed and adjusted to reflect the qualities possessed by the subject site and improvements in order to estimate a value via the Sales Comparison Approach. The major premise of the Sales Comparison Approach is that the Market Value of a property is directly related to the prices of comparable, competitive properties. A comparison of the subject property with others of similar design, utility and use that have sold in the recent past was made.

The Income Approach as used for investment properties has as its premise the estimation of the amount of the net income, which when capitalized in a manner that is commensurate with the risk and the life expectancy of the improvements will indicate the present value of the income stream. Rental information was based on comparable rents we are aware of in the market. The Income Approach for this property indicated a value less than that of the Sales Comparison Approach.

Based on the data collected and the analysis thereof, it is my opinion that the Market Value of the subject improved property, as of October 18, 2010, on an "as is" basis, is \$300,000 or \pm \$50.00/GSF of first floor area.

Three Hundred Thousand (\$300,000) Dollars

It should be clearly understood that the range of value approximated is subject to adjustment upon completion of an appraisal.

Respectfully submitted,

Eugene F. Nichols

Peter M. Scotti
Broker #: B14864

CERTIFICATION

1. Eugene F. Nichols has personally inspected the subject property.
2. We have no present or contemplated future interest in the subject property.
3. We have no personal interest or bias with respect to the subject matter of this report or the parties involved.
4. The amount of the fee is not contingent upon reporting a pre determined value or upon the amount of the value estimate.
5. This report sets forth all of the special and limiting conditions affecting the analysis, opinions and conclusions contained within this report.
6. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in this report.
7. This assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
8. The statements of fact contained in this report are true and correct to the best of the undersigned's knowledge.
9. "Broker Price Opinion" or "BPO" shall mean an analysis, opinion, or conclusion prepared by a person licensed under R.I. Gen. Laws 5-20.5-1 et seq. in the ordinary course of his or her business relating to the price of specified interests in or aspects of identified real estate or identified property for the purpose of listing, purchase, or sale.

In my opinion, the Market Value of the subject property on an "as is" basis as of the effective date of this letter is:

Three Hundred Thousand (\$300,000) Dollars

Respectfully submitted,

Eugene F. Nichols

Peter M. Scotti
Broker #: B14864

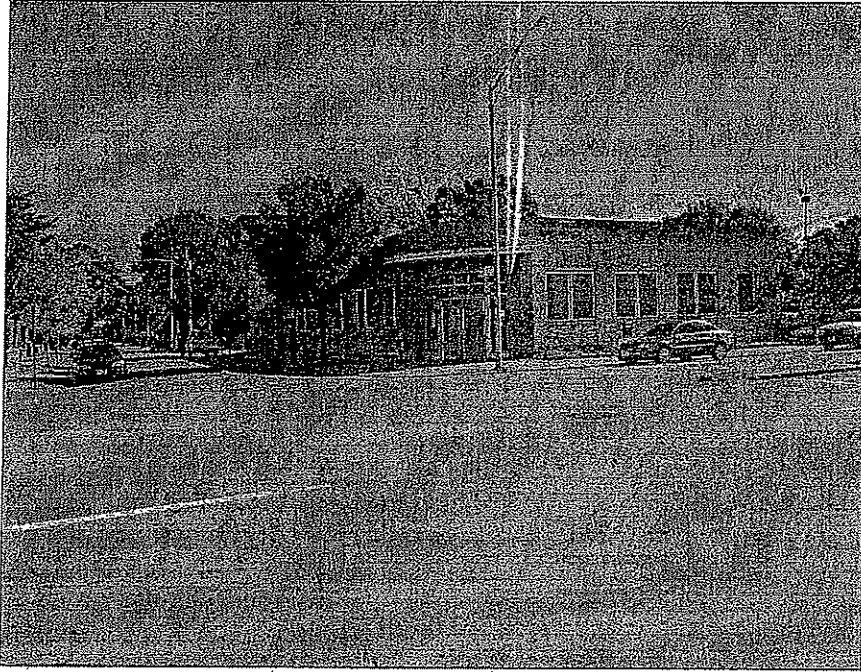
CONTINGENT & LIMITING CONDITIONS

This report is made expressly subject to the following assumptions and limiting conditions and any special limiting conditions contained in the report which are incorporated herein by reference.

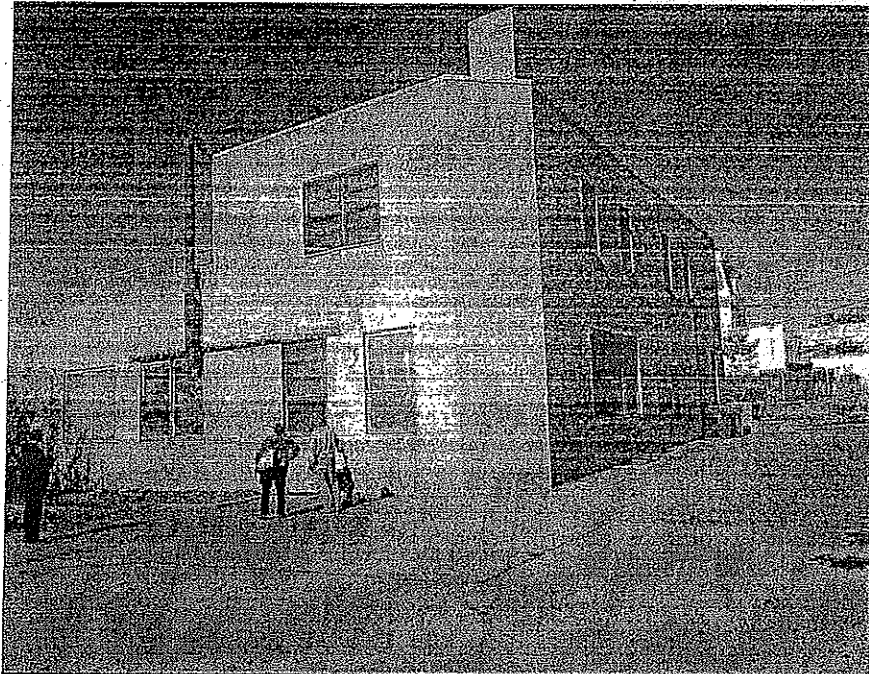
1. The legal description used in this report is assumed to be correct.
2. Sketches in this report are included to assist the reader and no responsibility is assumed for accuracy. No survey has been made of the property specifically for this report.
3. No responsibility is assumed for matters legal in nature, nor is any opinion rendered as to title, which is assumed to be good and marketable. The title is assumed to be held in fee simple.
4. Information, estimates and opinions furnished by others in this report were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy was assumed by the undersigned.
5. All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within this report. The property is appraised as though under responsible ownership and competent management.
6. Subsurface rights (minerals and oil) were not considered in making this report.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. No responsibility is assumed for such conditions nor is the undersigned responsible for arranging engineering, which might be required to discover such factors.
8. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the report.
9. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this report.

11. Unless arrangements have been previously made, no appearances in court or requirements to give testimony in respect to the subject property will be assumed by the undersigned.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the person to whom it is addressed without the written qualification and only in its entirety.
13. The distribution of the total valuation in this report between land and improvements applies only under the highest and best use of the subject property. The separate valuations for land and buildings must not be used in conjunction with any other report and are invalid if so used.
14. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by anyone but the client, without the previous written consent of the undersigned and/or client; nor shall it be conveyed by anyone but the client to the public through advertising, public relations, news, sales or other media without the written consent and the approval by the author(s), particularly as to valuation conclusions, the identity of the undersigned or a firm.
15. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. In this appraisal assignment, the existence of potentially hazardous material in the construction or maintenance of the building, such as the presence of ureaformaldehyde 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 confirming, disproving, or leading us to suspect the existence of such hazards, except where noted. The appraiser is not qualified to detect such substances. We urge the client to retain an expert in this field if desired. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
16. On January 26, 1992, The Americans with Disabilities Act (ADA) became effective. The Act requires compliance based on each property owner's financial ability with regard to the cost to cure the property's potential physical characteristics. Given that compliance is dependent upon the specific financial ability of each owner as determined by the U.S. Justice Department, it is not possible for the appraiser to comment on either current or potential adherence to the act or its impact on value. Consequently, a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines has not been undertaken.

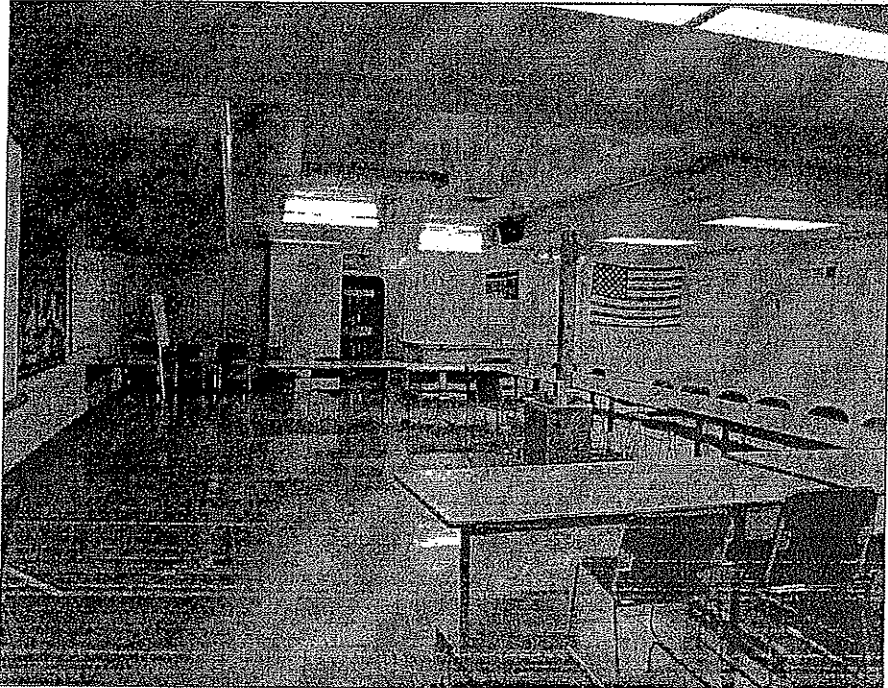
SUBJECT FRONT



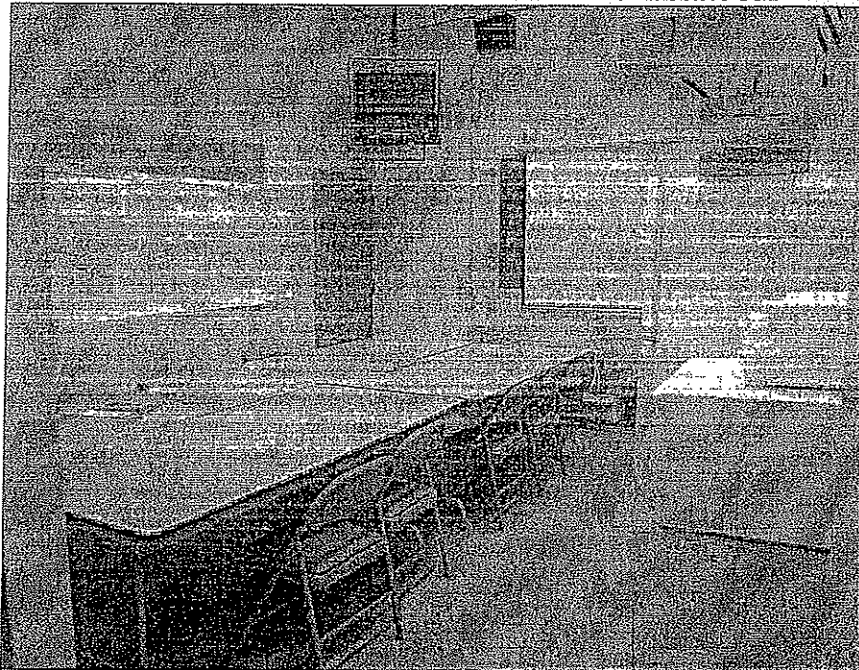
SUBJECT REAR



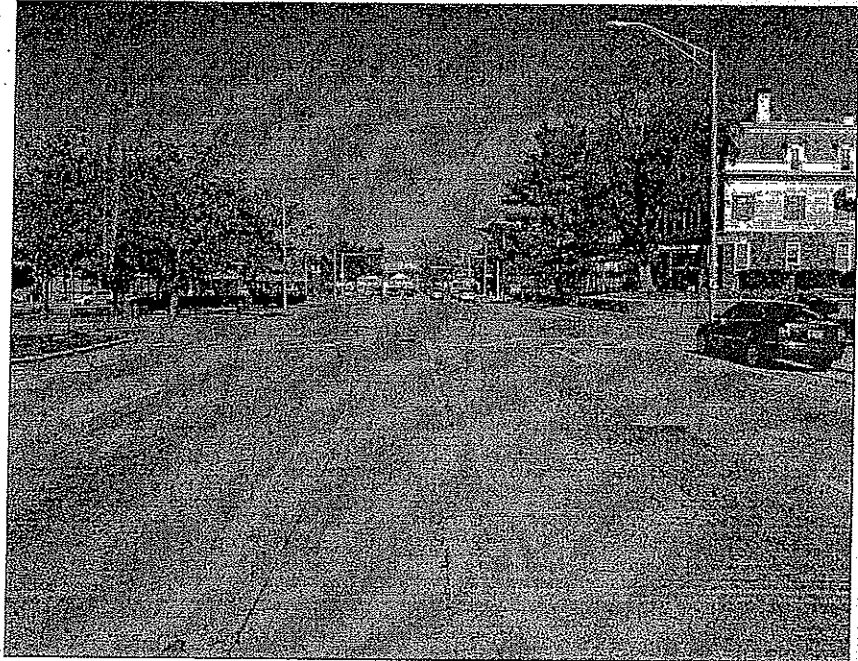
INTERIOR VIEW BASEMENT



INTERIOR VIEW FIRST FLOOR TYPICAL CLASSROOM



ELMWOOD AVENUE LOOKING NORTH



LOOKING SOUTH

