

I-195 REDEVELOPMENT DISTRICT

RESOLUTION REGARDING DISTRICT PARCELS 42 AND P4

December 19, 2018

WHEREAS: The I-195 Redevelopment District (the “District”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations under Chapter 64.14 of Title 42 of the General Laws of Rhode Island (the “Act”); and

WHEREAS: The Act authorizes the District, acting through its Commission (the “Commission”), to enter into purchase and sale agreements for properties owned by the District for any consideration and upon such terms and conditions as the Commission shall determine; and

WHEREAS: The Commission has received a proposal from The Fane Organization (“Fane”) to develop a high-rise residential project on portions of District Parcels 42 and P4 (the “Project”); and

WHEREAS: On January 31, 2018, the Commission entered into a non-binding term sheet with Fane (the “Term Sheet”) outlining the terms and conditions under which the District would negotiate a purchase and sale agreement with Fane with respect to the Project; and

WHEREAS: Negotiation of a purchase and sale agreement with Fane with respect to the Project has resulted in substantial deviation from the provisions of the Term Sheet; and

WHEREAS: The Chairperson and Executive Director have completed their negotiations with Fane and have briefed the Commissioners in Executive Session on this date as to those negotiations and the revised terms of the sale to Fane.

NOW, THEREFORE, acting by and through its Commissioners, the District hereby resolves as follows:

RESOLVED:

1. That the District be and it hereby is authorized to enter into a purchase and sale agreement with Fane with respect to the Project (the “Purchase Agreement”) on the terms contained in the “Summary of Terms – Fane Transaction” attached hereto as Exhibit A.
2. That each of the Chairperson and Executive Director, acting singly, be and hereby is authorized to execute the Purchase Agreement on behalf of the District subject to such modifications as he in his discretion deems necessary and appropriate.

**Exhibit A: Summary of Terms— Fane Transaction
Operative Documents:
Purchase and Sale Agreement/ Development Agreement**

Term	Term Sheet	Final Document
Purchase Price	\$3,157,195	Same
Deposit	\$500,000 (non-refundable upon adoption of zoning amendment)	\$250,000 (non-refundable) to paid 30 days after City rezoning becomes effective (i.e.) all rezoning litigation, if any, is favorably resolved
Third-Party Expense Deposit	\$75,000	\$150,000 plus litigation and design review costs in excess of \$150,000
Milestones	<p>Due Diligence Period— 6 months to October 18, 2018</p> <p>Permitting Period—6 months thereafter with right to extend for up to 5 months</p> <p>Closing—3 months following expiration of Permitting Period</p> <p>Outside Date for Closing – February 18, 2020</p>	<p>Due Diligence Period – None</p> <p>June 30, 2019 – Must file for:</p> <ul style="list-style-type: none"> • SHPO Concurrence • Tax Stabilization Agreement (TSA) • Design Review <p>November 1, 2019 – Submission of Pre-development Schedule to Commission.</p> <p>April 30, 2020 – Outside Date for Resolving Zoning Litigation (may be extended to June 30, 2020, September 30, 2020 and December 31, 2020 by respective deposit payments of \$50,000, \$75,000 and \$125,000—all non refundable)</p> <p>June 30, 2020 – Outside Date for securing</p> <ul style="list-style-type: none"> • SHPO Concurrence • TSA • Design Review <p>Closing Date – December 31, 2021 subject to Purchaser extension if growth in GDP in second and third quarters of 2021 is negative until 9 months after the first quarter in which growth in GDP is positive but no later than December 31, 2022.</p> <p>If negative growth in GDP is indicated in fourth quarter 2021, Purchaser may extend to February 28, 2022. If fourth quarter GDP growth is not negative, purchase price increased by \$50,000 and Closing Date is February 28, 2022.</p>

Term	Term Sheet	Final Document
		If fourth quarter growth in GDP is negative, then Closing Date extended as provided above and no increase in purchase price but Outside Date for Closing is December 31, 2022 .
Conditions to Closing	Financing must have been secured and construction contract with GMP executed	Same
Construction Commencement and Completion	<p>3 months following closing – clear evidence of material construction activity must commence</p> <p>9 months following closing – steel erection or other clear indication of vertical construction</p> <p>36 months – complete construction</p>	<p>3 months following closing – construction (installation of foundations) must commence</p> <p>9 months following closing – vertical construction of at least 2 stories must have been completed</p> <p>36 months following commencement of construction completion must occur</p>
Remedies for Failure to Commence/Complete Construction	Meaningful penalties and other remedies	<p>Development Agreement (which governs progress of development following closing) provides:</p> <p>Failure to commence construction – forfeiture of title to the Commission</p> <p>Failure to (1) achieve 2 story vertical construction standard, (2) construct continuously or (3) complete – penalties of \$75,000 per month secured by liens on the property and Mr. Fane’s personal guaranty of \$3.75 million</p>
ROFO to Purchase Phase II		
Purchase Price	\$2,000,000 increasing by 7.5% per annum commencing January 1, 2019	Same
Term of ROFO	Expires four (4) years after temporary certificate of occupancy for Fane tower	Expires October 31, 2026

Term	Term Sheet	Final Document
Miscellaneous	Sharing of park maintenance	\$.42 per year per square foot of building area subject to CPI