

Testimony
of
GREGG M. GIASSON, PE
before the
PUBLIC UTILITIES COMMISSION

for

PROVIDENCE WATER

DOCKET# 4406

June 2015

1 **Q. Please state your name and your position.**

2 A. My name is Gregg M. Giasson and I am the Deputy General Manager of Operations. I
3 oversee the Engineering, Water Supply and Transmission & Distribution Divisions of the
4 Providence Water Supply Board.

5

6 **Q. Please describe your educational background and work experience.**

7 A. I obtained a Masters of Science in Environmental Engineering from Worcester Polytechnic
8 Institute in 2001 and a Bachelor of Science in Civil Engineering from Tufts University in
9 1992. I have worked for the Providence Water Supply Board for just under three years, the
10 first two years as the Senior Director of Operations and the last year as the Deputy General
11 Manager. From 2008 to 2012, I worked for the Pawtucket Water Supply Board as the
12 Assistant Chief Engineer/Chief of Operations. Prior to Pawtucket, I worked at the consulting
13 firm Camp, Dresser & McKee for 12 years where I worked on a variety of drinking water
14 projects as both a project engineer and project manager. I am a Registered Professional
15 Engineer in the State of Rhode Island.

16

17 **Q. What items are being addressed in this testimony?**

18 A. My testimony will cover: (a) the process Providence Water followed to locate and purchase a
19 new central operations facility (COF), (b) how the purchase price was negotiated, and (c) the
20 total cost to purchase and rehabilitate the new COF.

21

22 **Q. Why does Providence Water need a new COF?**

1 A. In 2007, Providence Water engaged the consulting firm Camp Dresser & McKee (CDM) to
2 conduct a facility assessment. The two studies are included in Exhibit GG-1. Phase I of the
3 assessment evaluated the conditions of the Academy Avenue (Providence) and Scituate
4 Avenue (Cranston) facilities and developed an initial needs assessment of the Providence
5 Water organization. Phase II provided an updated needs assessment and suggested locations
6 within our distribution system that would potentially fit our needs.

7 The Phase I assessment had the following conclusions (reference page E-1 of the Phase I
8 CDM report):

9 “The site is too small to accommodate programmed needs for parking of employee, visitor,
10 and PWSB vehicles.”

11 “Large trucks making deliveries to the central stock room or yard storage areas are not able
12 to maneuver safely into the yard due to restricted aisles and turning space, and frequently
13 must be unloaded by forklifts while parked on Academy Ave, resulting in a serious hazard to
14 traffic and pedestrians.”

15 “Building facilities components are approaching or beyond their useful service life, and the
16 upgrades required to bring all components into compliance with current codes represents a
17 substantial investment and rehabilitation program.”

18 As a result of this work, and an ongoing re-evaluation of Providence Water needs, criteria
19 were developed to evaluate potential COF locations. The criteria is included in Exhibit GG-
20 2.

21

1 **Q. What properties did Providence Water consider for the new COF?**

2 A. From 2007 through 2015, Providence Water evaluated at least 29 different properties. A
3 comprehensive list is included in Exhibit GG-3. Many of the facilities on the list were
4 quickly dismissed because they did not meet many (or any) of the criteria provided in Exhibit
5 GG-2.

6

7 **Q. What property is Providence Water purchasing for the new COF?**

8 A. Providence Water has signed a Purchase and Sales (P&S) agreement for the property at 125
9 Dupont Drive in Providence. A copy of the P&S agreement is attached as Exhibit GG-4.
10 Highlights of the property at 125 Dupont Drive are included in Exhibit GG-5.

11

12 **Q. What makes the facility at 125 Dupont Drive the best choice for Providence Water?**

13 A. The property at 125 Dupont Drive meets or exceeds all of the criteria in Exhibit GG-2. Also,
14 of all the facilities that were evaluated, the property at 125 Dupont Drive is the closest to the
15 center of our distribution system as shown in Exhibit GG-6.

16

17 **Q. How was the \$10.35 million purchase price determined?**

18 A. The best way to answer this question is to provide a timeline of events that culminated in the
19 signing of the P&S.

20 On February 5, 2015, Peter Hayes from Hayes & Sherry notified Providence Water that a
21 property with a 175,000 square foot building on 16.5 acres was going to be made available
22 for purchase.

1 On February 20, 2015, Providence Water toured the facility at 125 Dupont Drive.

2 On February 26, 2015, Hayes & Sherry indicated that their research of comparable properties
3 would warrant an offer of \$10,000,000 (approximately \$58/square foot).

4 On March 2, 2015, Providence Water met with representatives of the Commission and the
5 Division to brief them on potential new COF.

6 On March 13, 2015, Providence Water receives three appraisals on the property at 125
7 Dupont Drive. The appraisals ranged from \$9.2 million to \$15 million.

8 On March 16, 2015, Providence Water submitted an offer to buy the property for \$9.5
9 million.

10 On March 26, 2015, Providence Water settled on a purchase price of \$10.35 million.

11

12 **Q. What is the total acquisition and rehabilitation cost for 125 Dupont Drive?**

13 A. Providence Water engaged Dimeo to develop a preliminary construction cost estimate to
14 rehabilitate the property at 125 Dupont Drive to meet the needs of Providence Water. The
15 estimated construction cost is \$16.3 million. The construction cost includes converting the
16 existing 100% office space to a mix of 70% office space and 30% garage space. Including
17 purchase price, due diligence costs, and borrowing costs, the total cost to Providence Water
18 is estimated to be \$30 million. A complete breakdown of costs is included in Exhibit GG-7.

19

20 **Q. Mr. Giasson, does that conclude your testimony?**

21 A. Yes it does

EXHIBIT GG-1



**Providence Water Supply Board
Facility Assessment - Phase II**

August 2009



Final Report





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Providence, Rhode Island 02903
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August 17, 2009

Mr. Gary Marino
Engineer/Project Manager
Providence Water Supply Board
552 Academy Avenue
Providence, Rhode Island 02908

Subject: Academy Avenue and Cranston Facilities Assessment
Phase II Final Report

Dear Mr. Marino:

We are providing ten copies of the final report for the above referenced project for your records.

On behalf of CDM, we thank Providence Water for the opportunity to perform this important evaluation of the existing facilities in Providence and in Cranston, and we trust that you will find the report informative and to your satisfaction for the goals of the project.

We wish to thank the Providence Water staff for their assistance in the completion of this project. Should you have any questions or comments, please do not hesitate to contact us at (401)751-5360.

Very truly yours,

A handwritten signature in blue ink that reads "Ian W. Mead".

Ian Mead, P.E., BCEE
Principal
Camp Dresser & McKee Inc.

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Executive Summary

The Providence Water Supply Board (PWSB) retained CDM to complete an assessment of the Scituate Avenue (Cranston) and Academy Avenue (Providence) facilities and operations. The purpose of this Phase II report is to provide the PWSB with updated space recommendations, possible configurations for new space, a listing of possible properties that meet the requirements, costs associated with obtaining properties and constructing facilities, and a summary for consideration in advance of implementation.

Under Phase I of the project, CDM's team of architects and engineers reviewed available on-site documentation and conducted a visual assessment of both facilities. Our findings and recommendations for this work are discussed further in the Phase I Final Report. However, in completing the Phase II tasks, the following concerns have been considered:

- Additional space is needed for both existing operations and future growth.
- The Academy Avenue site is functionally obsolete, and presents numerous site safety and access challenges.
- Current parking space is inadequate at the Academy Avenue site.
- There is inadequate space for heavier operations such as materials storage, truck and heavy equipment parking, tools, vehicle maintenance, and water meter service.
- Customer service facilities are limited.
- Safety and security of PWSB staff and the general public is a concern.

As a result of the market research, site visits, and work performed under Phase II of the project, updated size recommendations were compiled, various site configurations and department combinations were considered, and planning level costs have been compiled. A summary of conclusions follows:

- The combination of all operations at a single convenient site is challenging, but is an attractive possibility from a management standpoint. The Gorham site offers a feasible location for this option.
- Separating the heavy operations (field operations, T&D, vehicle maintenance, meter service and storage) provides functional flexibility at existing and potential sites. The Dike Street property offers an attractive, centrally located option for the T&D facility.
- PWSB owns the Cranston site, and its expansion for administrative offices is a feasible solution. Further development on or to the rear of this site for the T&D facility may not be feasible given abutter concerns and the lack of a separate access from Phenix Avenue. This location of this site relative to the service area may also limit its feasibility for a T&D facility.
- PWSB owns the Neutaconkanut site, which could facilitate additional development. However, it is likely that similar abutter and access concerns would be encountered.

Cost ranges to purchase or lease these sites, plus to construct the separate facilities and site improvements have been developed under this Phase of the project, and are summarized as follows:

<u>LOCATION</u>	<u>COST RANGE*</u>	
	<u>LOW</u>	<u>HIGH</u>
<i>Dike Street (T & D only)</i>		
Land Purchase Price	\$1,000,000.00	\$1,000,000.00
Multifamily Property Costs (5 lots)	\$250,000.00	\$1,250,000.00
Bello Property Cost (1 lot, allowance)	\$1,000,000.00	\$1,000,000.00
Site Costs (includes demolition)	\$140,000.00	\$600,000.00
Paving Costs (low due to lot size)	\$270,000.00	\$500,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,350,000.00</u>	<u>\$4,000,000.00</u>
	\$16,210,000.00	\$23,250,000.00
<i>Gorham Site (Admin and T & D - with land purchase, and lease buy-out)</i>		
Land Purchase Price (T & D)	\$400,000.00	\$600,000.00
Lease Buyout/Site Purchase (Admin)	\$7,500,000.00	\$9,000,000.00
Site Costs (exclusive of environmental)	\$60,000.00	\$140,000.00
Paving Costs (only needed for T & D)	\$415,000.00	\$485,000.00
Admin Building Costs (refit existing)	\$6,750,000.00	\$8,400,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$3,685,000.00</u>	<u>\$6,000,000.00</u>
	\$30,000,000.00	\$39,500,000.00
<i>Cranston (Admin)</i>		
Site Costs (Admin)	\$52,500.00	\$52,500.00
Paving Costs (Admin)	\$500,000.00	\$590,000.00
Admin Building Costs	\$7,200,000.00	\$9,000,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$1,600,000.00</u>	<u>\$2,000,000.00</u>
	\$9,400,000.00	\$11,700,000.00
<i>Cranston (T & D)</i>		
Site Costs (T & D)	\$300,000.00	\$300,000.00
Paving Costs (T & D)	\$415,000.00	\$485,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,400,000.00</u>	<u>\$3,900,000.00</u>
	\$14,350,000.00	\$19,600,000.00
<i>Nuetaconkaunut (T & D)</i>		
Site Costs (T & D)	\$262,500.00	\$300,000.00
Paving Costs (T & D)	\$415,000.00	\$485,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,400,000.00</u>	<u>\$3,900,000.00</u>
	\$14,300,000.00	\$19,600,000.00

*note – figures have been rounded

Once again, CDM would like to acknowledge the support and assistance provided throughout both phases of the project by Joe Spremulli, Gary Marino, Tony Araujo, and Jackie Brosco.

Section 1

Project Understanding and Approach

1.1 Project Understanding

The Providence Water Supply Board (PWSB) implemented this project to develop a comprehensive assessment of its existing building facilities in Cranston and Providence, identify space needs for existing and future operations, and identify possible sites to which the operations could be relocated. The work was divided into two separate phases, detailed below.

1.2 Project Approach

1.2.1 Phase I

The following items were completed under Phase I of the project, and are detailed further in the Phase I Final Report, December 2008:

1. *Project Kickoff Meeting and Data Collection* - CDM met with PWSB to identify appropriate contact personnel. CDM also worked with PWSB to obtain and review copies of existing relevant information such as building and site. The PWSB organizational chart and current staffing levels for each department were reviewed. Also compiled was a listing of vehicles, trailers, mobile equipment and accessories to be garaged and/or serviced at each site.
2. *Facility Assessments* - CDM visited the existing Providence and Cranston facilities to evaluate current physical and mechanical conditions, including architectural, structural, electrical, HVAC, and instrumentation. Costs to correct identified deficiencies were compiled.
3. *Organization and Operations Assessment* - This evaluation included interviews with selected PWSB staff to determine how current space is used, and what space is required to effectively perform job functions.
4. *Needs Assessment* - As a result of the inspections and interviews, CDM generated program documents including space requirements, identification of shared facilities, vehicle considerations, and recommended site and building sizes.
5. *Phase I Report* - This document summarized and presented the data generated under all Phase I tasks, including the facilities assessments, organizational analysis, and needs assessment.

1.2.2 Phase II

The Phase II work commenced following delivery and approval of the Phase I report. The work completed under Phase II, and summarized in this report, includes the following:

1. *Evaluation of Facilities Siting* - Given the deficiencies, needs, and costs identified in Phase I, CDM evaluated possible site configurations and compared them with the existing facilities.
2. *Market Evaluation* -Working with our Real Estate Consultant, Hayes and Sherry, CDM evaluated real estate market conditions to identify cost effective options for the PWSB, including identification of existing properties and/or buildings that meet the requirements identified in Phase I, such as future expansion and storage requirements, rehabilitation or reconstruction issues, and planning level square foot costs for both new construction and reuse of existing buildings.
3. *Phase II Report*- This final report incorporates the updated space configurations, a summary of available sites, a discussion of the differing challenges and benefits of the various sites, cost summaries, and possible implementation strategies in line with PWSB's goals.

Section 2

Evaluation of Facilities Siting

2.1 Existing Configuration

The staff of PWSB is currently divided between two facilities: Scituate Avenue in Cranston and Academy Avenue in Providence (exclusive of Water Supply staff at the Philip J. Holton Water Purification Plant in Scituate.)

The single-story Cranston facility is primarily office staff, encompassing Engineering, Finance, and a small contingent of Support Services. There is a separate document storage facility on site, and a small amount of light materials (i.e., waters service curb boxes) are delivered to and stored at the rear of the site. Current access to the site is via Scituate Avenue. There is a pipeline easement from the rear of the site that extends to Phenix Avenue down a steep (over 8% average) grade.

The two-story Providence facility contains the remainder of the PWSB staff, including Administration, MIS, Commercial Services, the balance of Support Services, Special Projects, and Transmission and Distribution. This facility also houses meter storage and service, vehicle maintenance, fueling, customer service, heavy equipment, soil and pipe material storage, and parking.

2.2 Challenges

Phase I of this project identified physical deficiencies and estimated costs to update each of the two facilities. These evaluations, deficiencies, and costs are detailed further in the Phase I summary report.

The Academy Avenue site is owned by the City of Providence, and is located in a residential neighborhood adjacent to LaSalle Academy. As noted in the Phase I report, this facility includes many operational challenges due to its location, limited (single) site access, mix of office and field staff, customer service facility, site and building configuration, security concerns, and age of the structure. Although PWSB has maximized the use of this space for several years, it has become functionally obsolete, and the future growth and efficient operations of the PWSB would be best served by moving staff from this location to a more modern facility.

2.3 Potential Configurations

The Phase I report included suggested space requirements for existing personnel, plus parking, materials and equipment, and future growth. The report included programming tables reflecting the relocation of all personnel to a single site of 7 or more acres. This remains a feasible option for the PWSB.

Under Phase II, another option was developed including two separate sites: one 3.5+ acre site for administrative (i.e., "office") staff, and a second 4+ acre site for all T&D staff, Support Services auto maintenance, carpentry, and materials handling staff,

Commercial Services field and meter services staff., and a bill paying lobby. This option allows PWSB the flexibility to identify one site (or utilize and expand the existing Cranston facility) to accommodate additional office staff, while locating a separate centrally located site for the T&D building that provides easy access to the retail delivery area for all field personnel, as well as customer access.

The updated programming tables including departmental needs for building and ancillary space for this two-site option are included in Appendix A, and are summarized as follows:

- **Table A.1 - Space Summary:** Summarizes space needs for all staff, vehicles, yard areas, open space, and future expansion at both facilities.
- **Table A.2 - Departmental Space Requirements for T&D Site:** Lists required area for offices, meeting rooms, personnel areas, storage, locker rooms, vehicle/equipment maintenance, parts storage, and specialty workshops for this garage-type facility.
- **Table A.3 - Departmental Space Requirements for Administrative Site:** Lists required area for offices, board and meeting rooms, personnel areas storage, plus computer and related equipment rooms for this administrative facility.
- **Table A.4 - Shared Department Facilities:** Lists required area of shared spaces included for each facility such as conference rooms, locker rooms, restrooms, delivery rooms, lunch and copy rooms, and reception/lobby areas.
- **Table A.5 - Vehicle, Equipment and Employee Parking:** Lists vehicle parking requirements for each facility, including garage space and outdoor parking.

Maintaining two separate sites would allow PWSB to separately evaluate and address security requirements of the different facilities, provides more site options (discussed further in Section 3), and offers the possibility of utilizing the existing Cranston site for the expanded office facility. Some communication challenges may result.

Section 3

Market Evaluation

3.1 Introduction

Utilizing the space needs developed under Phase I work, plus the updated two-site option discussed in Section 2, CDM and Hayes & Sherry evaluated the current realty market to identify potential sites that met the PWSB programming estimates for size. The purpose was to identify options that would accommodate all staff at one site, or facilitate the split described in Section 2 - one T&D building and one admin building.

3.2 Market Data

Hayes & Sherry surveyed current market conditions to compile a list of available (and “potentially available”) properties that met the size requirements. Some properties were only land suitable for new construction, others were parcels with old buildings requiring demolition, and others were parcels with existing buildings that could potentially be built out to suit the needs of the PWSB. The list included the following potential sites:

1. 586 Atwells Avenue, Providence (GE Building - mixed use)
2. 300 Niantic Avenue, Providence (existing warehouse)
3. 498 Kinsley Avenue, Providence (Eastern Display Group building - small site)
4. 555 Valley Street, Providence (Alco building - site constraints)
5. Lakeside Commerce Center, Johnston (undeveloped land near RIRRC)
6. 2080 Plainfield Pike, Cranston (existing warehouse - subsequently sold)
7. The Gorham Site/Stop & Shop, Providence (existing building and City land)
8. 100 Dike Street, Providence (Colonial Knife, requiring demolition)
9. 31 Manton Avenue, Providence (brick building - small site)

Two of these properties were subsequently sold, and other properties were eliminated from consideration with input from PWSB staff due to location, site or configuration restrictions, or the presence of other tenants. As a result, this list was refined further to include only sites #2, #5, #7, and #8 for future site visits.

3.3 PWSB Properties

In addition to assessing available commercial, industrial, and manufacturing properties, existing City of Providence parcels and other PWSB sites were considered as well.

CDM and Hayes & Sherry met with Mr. Thomas Deller of the City of Providence Department of Planning and Development to review existing City of Providence properties in an effort to identify any possible options for either site option. Mr. Deller reviewed a GIS map of all City of Providence properties, and eliminated them all from consideration; he noted generally that they were all existing schools, parks, cemeteries, fire or police stations, or other existing City facilities. The only option he noted as feasible was the Gorham Site (option #7 above) which is discussed further below and in Section 4.

The PWSB was also interested in determining whether the Cranston location (and the vacant lots between the Cranston site and Route 295) and the Neutaconkanut Reservoir site in Johnston represented feasible options for relocation as well. These two locations were added to the four sites identified above in Section 3.2 for site visits.

3.4 Final Site Assessments

Representatives of PWSB, CDM, and Hayes & Sherry met on March 16, 2009 to visit the six sites and assess the feasibility of each for PWSB operations. Subsequent to the site visits a debrief meeting was held at the PWSB offices in Cranston, and the following assessments and general comments were compiled for each site:

- The site at *300 Niantic Avenue*, Providence was deemed too small, the layout was not ideal, and the building had been partially leased.
- The *Lakeside Commerce Center* (Route 295 Industrial Park) was deemed too far from the PWSB retail area to be a feasible location for the T&D group.
- The *Dike Street* site was deemed a suitable and convenient location for the T&D facility, located near the intersection of Route 6 and Route 10. The buildings on site would require demolition, with new construction for planned activities. This parcel is somewhat smaller than the recommended size, at 2.73 acres. However, the size of the site could be enlarged if the PWSB was also able to purchase abutting properties (including one 1.45-acre parcel.) Further, if the PWSB was able to purchase the entire block, the total site size would exceed the minimum recommended size of 4.5 acres. Hayes & Sherry have noted repeatedly that the owner of the Dike Street site parcel is very motivated to sell this property.
- The *Gorham site* appeared feasible for both options: separate administrative and/or T&D facilities, or all staff in a single location. The existing building could be built out as an administrative office, and the City-owned parcel to the rear of the building would facilitate a T&D structure. One or both options could be considered. This site is conveniently located between Route 10 and Route 95, and there is little concern about disturbing residential neighbors given the existing abutters and railway adjacent to the site. There is also an existing fueling facility on the property. Environmental concerns have been raised during this project, however; specific details on the nature of the site

contamination and/or remediation efforts completed to date have not been found.

- To the rear of the existing *PWSB Cranston facility*, access to the vacant lots along the pipeline easement from Phenix Avenue is too steep for vehicles, and the site conditions are uneven with significant evidence of ledge. Further, although the existing office site is large enough to facilitate new buildings for either operation, concerns from abutters encountered by the PWSB during the original building construction would likely limit this location to administrative offices only. If abutter concerns could be successfully addressed, the T&D facility could potentially be constructed in the vacant lots to the rear of the site, possibly with a second (T&D only) vehicle access from Scituate Avenue. This location is not ideal for T&D access to the retail area, and is also further away from customers who visit the customer service lobby.
- The *Neutaconkanut Reservoir site* appears to have ample land available, though the possible building locations are in an area with significant elevation differences, and there is evidence of a brook and associated wetlands. Further, this site is located within an established residential neighborhood on Ashby Street, which raises concerns over access for vehicles, trucks, and heavy equipment. Access from Plainfield Street would be challenging due to elevation difference and the close proximity of existing abutters. Potential concerns regarding impacts to King Park and Neutaconkanut Park between Central Avenue and Plainfield Street could also limit this option.

As a result of these visits, the list of feasible options has been refined further to include four sites. The final list as detailed by Hayes & Sherry is included in Appendix B, with a brief summary of pros, cons, and general comments for each, plus market rate cost estimates that are discussed in further detail below.

3.5 Costs

In general, new construction is anticipated for both the administrative building and T&D structure at all sites. One exception is for the existing building at the Gorham Site (Mashapaug Common/Stop & Shop.) This structure would be built out for the office staff, with the garage building located to rear, on the land currently owned by the City. The Dike Street structures would be demolished to facilitate new construction. In general, the following assumptions and qualifications were incorporated into the planning level cost estimates:

- A new combined facility would feature a two story administrative building;
- The façade of the administrative building is likely to be brick or block veneer with metal stud back-up and a steel framed building.
- For the Cranston site, a new two story administrative building would be constructed in the front (near Scituate Avenue), with the new garage constructed to the rear of the existing site, or on the current vacant lots. The

Cranston site is less desirable as a location for T&D due to its location, far from the center of the retail service area.

- The Dike Street location may not facilitate all operations unless additional parcels were procured by the PWSB. Therefore, it is assumed that, at least initially, this site would be utilized solely for the T&D facility. It is expected that this facility would be a two story building, with ancillary office space located on a second floor and/or over some portion of the garage. The façade would likely be a masonry veneer due to the area and likelihood of the building being located immediately adjacent to the property line.
- New garages would likely have a masonry façade at least 8-feet up, and would be high-bay, slab on grade, pre-engineered metal buildings.
- Site development reflects potential differing site challenges including cuts/fills, drainage, utilities, wetlands replication, and rock removal. Flat sites such as Dike Street and Gorham are on the lower end, while the sloped sites at Neutaconkanut and Cranston (the parcels abutting the current property) are on the higher end of the range, as it is anticipated that more work will be required to prepare the sites for construction.
- These estimates do not include handling of any contaminated materials, such as additional work required at the Gorham site to facilitate new construction.

Planning level costs for facility construction and site procurement follow.

3.5.1 Construction

For the purposes of planning, the following cost ranges are suggested:

- New administrative building - \$180-225/sf
- New garage (T&D) building - \$150-200/sf
- Interior refit of existing building MEP and finishes - \$120-150/sf (assumes roof is good; MEP is mechanical, electrical, and plumbing)
- Demolition of existing structures - \$100,000 to \$200,000 allowance
- New site paving - \$6-7/sf (includes excavation, 12" gravel base, 4" binder, 2" wearing)
- Site development - \$15,000 to 75,000/acre
- Architectural/Engineering fees - 20 to 25% of construction costs

3.5.2 Purchase/Lease

The following details have been compiled relative to purchase and lease of properties:

- Purchase price of Dike Street is listed at \$1,000,000. However, Hayes & Sherry indicates that the seller owner is quite motivated, and a better price could likely be negotiated. The other large parcel adjacent to this parcel is known as the Bello site, and is about 1.45 acres. There is currently no available

information regarding cost to purchase, as the current owners do not have the property on the market and have been in the process of permitting the site for future retail developments. An allowance of \$1,000,000 is carried for budgeting purposes. The other multifamily parcels abutting the property could be expected to sell within a range of \$50,000 (for bank-owned properties) to \$250,000 (for hostile acquisitions.)

- Purchase of the Gorham site - Hayes & Sherry indicates that a purchase price of \$100K - \$150K per useable raw acre is reasonable, and it is understood that the site contains about 4 useable acres. No response has been obtained from the City of Providence Department of Planning on this potential transaction, and it is likely that senior management of the PWSB would have to initiate these negotiations with the City. Environmental concerns have been raised as well, though specifics of contamination and/or remediation are unknown.
- The purchase price of the existing Stop & Shop building may vary due to the existing ownership arrangement. The City of Providence currently owns the site and leases it to Kimco, a large REIT out of NY, which in turn leases it to Stop & Shop. The lease to Kimco is for 20 years, and for a nominal amount of money. The federal government provided funds to the City to address environmental issues at the site (details on contamination and/or remediation measures are unknown,) with the condition that the city must retain ownership of the property for the next 20 years. It is estimated that the lease expires around 2020, at which point the ownership transfers directly to Kimco. It is estimated that Kimco's investment in the site, building, and related improvements is about \$15 million, and a portion of this cost may be recovered by Kimco through negotiated buy-out of the existing Stop & Shop lease (i.e., Stop & Shop might pay \$6 - 7.5 Million to terminate the lease, versus the estimated \$12.5 Million remaining on their lease, in which case, PWSB could expect to pay the balance of the \$15 Million to obtain the property.)
- Lease of the existing Stop & Shop space adjacent to the Gorham site is expected to be about \$10 NNN/triple net (tenant pays for all three extraneous costs: 1.) Taxes 2.) Common Area Maintenance 3.) Utilities. Note that the Stop & Shop space is currently under lease until 5/31/2022 (they are currently paying \$17 NNN but the broker indicates that a sublease deal closer to \$10 NNN is likely. The improvements on the site, i.e. the buildings and parking lot, are owned by Kimco. The existing building size is about 56,000 square feet.

3.5.3 Cost Summary

In conjunction with the unit costs from sections 3.5.1 and 3.5.2 and the updated space requirements detailed in the Appendix A tables, the range of costs for each of the possible properties is as follows:

<u>LOCATION</u>	<u>COST RANGE*</u>	
	<u>LOW</u>	<u>HIGH</u>
<i>Dike Street (T & D only)</i>		
Land Purchase Price	\$1,000,000.00	\$1,000,000.00
Multifamily Property Costs (5 lots)	\$250,000.00	\$1,250,000.00
Bello Property Cost (1 lot, allowance)	\$1,000,000.00	\$1,000,000.00
Site Costs (includes demolition)	\$140,000.00	\$600,000.00
Paving Costs (low due to lot size)	\$270,000.00	\$500,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,350,000.00</u>	<u>\$4,000,000.00</u>
	\$16,210,000.00	\$23,250,000.00
<i>Gorham Site (Admin and T & D - with land purchase, and lease buy-out)</i>		
Land Purchase Price (T & D)	\$400,000.00	\$600,000.00
Lease Buyout/Site Purchase (Admin)	\$7,500,000.00	\$9,000,000.00
Site Costs (<u>exclusive</u> of environmental)	\$60,000.00	\$140,000.00
Paving Costs (only needed for T & D)	\$415,000.00	\$485,000.00
Admin Building Costs (refit existing)	\$6,750,000.00	\$8,400,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$3,685,000.00</u>	<u>\$6,000,000.00</u>
	\$30,000,000.00	\$39,500,000.00
<i>Cranston (Admin)</i>		
Site Costs (Admin)	\$52,500.00	\$52,500.00
Paving Costs (Admin)	\$500,000.00	\$590,000.00
Admin Building Costs	\$7,200,000.00	\$9,000,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$1,600,000.00</u>	<u>\$2,000,000.00</u>
	\$9,400,000.00	\$11,700,000.00
<i>Cranston (T & D)</i>		
Site Costs (T & D)	\$300,000.00	\$300,000.00
Paving Costs (T & D)	\$415,000.00	\$485,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,400,000.00</u>	<u>\$3,900,000.00</u>
	\$14,350,000.00	\$19,600,000.00
<i>Nuetaconkaunut (T & D)</i>		
Site Costs (T & D)	\$262,500.00	\$300,000.00
Paving Costs (T & D)	\$415,000.00	\$485,000.00
T & D Building Costs	\$11,200,000.00	\$14,900,000.00
A/E Costs (20-25% site/bldg costs)	<u>\$2,400,000.00</u>	<u>\$3,900,000.00</u>
	\$14,300,000.00	\$19,600,000.00

*note - figures have been rounded

Land purchase and building lease costs were developed by Hayes & Sherry. For the purposes of developing the planning level cost estimates included in this summary table, the administration building size is 40,000 square feet (sf) and the T&D building is 74,500 sf (see Appendix A for more details.) Cost ranges for land and paving costs are applied to the space needs as defined in Appendix A, unless limited by individual site constraints (i.e., Dike Street at 2.73 acre site.)

It is assumed that Dike Street would be utilized for the new T&D facility only. It is assumed that the Gorham Site building would be bought out via Kimco and refit for the administrative building, although it is larger than the programming tables call for. The T&D building would be built on the empty site to the rear of the existing building, which would also be purchased from the City (environmental considerations unknown.) Although both building costs are shown for the Cranston site, it is assumed that only the new Administration building would be constructed on the existing PWSB site, in front of the existing modular office building.

Section 4

Summary

4.1 Implementation

The PWSB has proactively evaluated its existing facilities and identified several options for relocation of staff and operations. Each of the four site options is summarized below, with supporting documentation listed in Appendix A.

Dike Street

The old knife factory is a centrally located facility within the retail service area, though it is currently somewhat undersized based on the programming data for the T&D facility. However, indications are that the owner of this site is very motivated to sell, and it is likely that the property could be obtained for a very reasonable price. Further, it is possible that the immediate abutters could systematically be bought out, which would provide PWSB with the entire block, exceeding the minimum recommended site size of 4 acres for the T&D facility. The existing structures would be demolished, and a new facility would be constructed to maximize efficient use of the site.

The Gorham Site

This location offers PWSB a feasible option for relocating all staff to one, centrally located site. There are several considerations to address, such as other nearby tenants, lease or purchase terms, and potential development of the land to the rear of the site. The site is flat, and the fueling facility may also be available to the PWSB. The existing building would be built out to accommodate staff, and a new garage would likely be built to the rear of the site to accommodate T&D and related operations. Regarding operational considerations, this location would have an impact on engineering staff that regularly travel between the treatment plant and the Cranston site. Environmental concerns have been raised during this project; however, specific details on the nature of the site contamination and/or remediation efforts completed to date have not been found.

Cranston Site

Given the updated size requirements for the two-facility option, it appears that utilizing and expanding the existing Cranston site to include the administrative building as described in this report would be a feasible, cost effective option. No additional land costs would be incurred, and staff could continue to work in the existing building while the new facility was constructed adjacent to it. The original building could then be removed from the site, and additional parking or other site improvements could be constructed.

Further, the PWSB may wish to utilize the site for all operations and staff (including T&D), though this scenario is unlikely given the location of the site relative to the retail customers. Another alternative is the property to the rear of the site. The existing topography along the pipeline easement access from this site to Phenix

Avenue does not lend itself to the construction of an access road, as the slope is greater than 8% on average. However, if PWSB could create a separate access road from Scituate Avenue, adequately shielding abutters from noise, this may offer access to the adjacent property to the rear of the site for the T&D facility. In this scenario, the office building would still be constructed adjacent to the existing facility. The challenge of this location remains that it is not centrally located for T&D and Commercial Services field staff with regards to the retail customers.

Neutaconkinut

The reservoir site is within a residential area, and there is a stream running through the portion of the site that would be developed. Site preparation and costs would be more involved due to the elevation difference and presence of a stream. This option would minimize additional land costs, but concerns by abutters may be an issue.

4.2 Closing

The PWSB has proactively evaluated its existing facilities and identified several options. The PWSB must decide which option best suits the long term operations of the enterprise. Negotiations with existing property owners for lease or purchase can then be initiated in earnest, as applicable. This report summarizes the site options along with construction or retrofit costs. Other considerations, such as political and organizational, may impact the PWSB's decision regarding relocation of staff and operations.

Appendix A

Updated Programming Tables

Option 1 - Two Separate Sites

Summary **Transmission & Distribution w/ Support Services Auto Repair and Commercial Services Inventory**

These totals include only those spaces programmed for this location

Department	Building Area (gross)				Outdoor Area (sq. ft.)					Total Building (gross sq. ft.)	Total Useable Outdoor Space (sq. ft.)	Total Site Occupied (sq. ft.)	Open Space Allowance add 20% (sq. ft.)	Minimum Site Area	
	Dept Personnel	Vehicle Garage		10% Future Expansion	PWSB Vehicle Parking	Yard Storage Allowance	Employee Parking	Visitor Parking	10% Future Expansion					Square Feet	Acres
	Drive-thru	Access Aisles													
Administration (Security)	429	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Services	3,363	-	-	-	-	4,500	-	-	-	-	-	-	-	-	-
MIS	429	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Distribution	3,504	-	-	-	-	10,000	-	-	-	-	-	-	-	-	-
Support Services	17,314	-	-	-	-	500	-	-	-	-	-	-	-	-	-
Shared Facilities	6,929	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTALS	31,967	25,200	10,500	6,767	-	15,000	45,600	2,280	6,288	74,434	69,168	143,602	28,720	172,322	3.96
<i>Recommended Minimum Site Size (acres)</i>															4.00

Summary **Administration Offices**

These totals include only those spaces programmed for this location

Department	Building Area (gross)				Outdoor Area (sq. ft.)					Total Building (gross sq. ft.)	Total Useable Outdoor Space (sq. ft.)	Total Site Occupied (sq. ft.)	Open Space Allowance add 20% (sq. ft.)	Minimum Site Area	
	Dept Personnel	Vehicle Garage		10% Future Expansion	PWSB Vehicle Parking	Yard Storage Allowance	Employee Parking	Visitor Parking	10% Future Expansion					Square Feet	Acres
	Drive-thru	Access Aisles													
Administration	11,991	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance	2,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Services	1,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIS	1,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering	6,449	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Support Services	6,056	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shared Office Staff	6,229	-	-	-	-	500	-	-	-	-	-	-	-	-	-
TOTALS	36,267	-	-	3,627	19,000	500	53,200	3,800	7,650	39,894	84,150	124,044	24,809	148,853	3.42
<i>Recommended Minimum Site Size (acres)</i>															3.50

Pros at T&D

- Separates "heavy construction" operations from other office functions
- Improved vehicular access, movement and safety.
- One building type required; Garage w/ warehouse and smaller "office" sections
- Better yard layout for materials storage and handling
- Visitor access limited to deliveries, improves safety and security
- All PWSB vehicles garaged on site

Pros at "Offices"

- "Office" functions can be in less industrial area
- Improved safety for employees and visitors with no heavy equipment
- Improved efficiency with all departments centralized
- Support Services Auto mechanics at T&D, quicker response
- Reduces heavy traffic thru neighborhood

Part A **Option 1 - Two Separate Sites**

DEPARTMENTAL SPACES for T&D Site (w/ Auto and partial Customer Support)

These totals reflect only those employees and spaces proposed at this location

ID	Department	Director	No Employees		Position	Office			Cubicle			Open Area			Closet 8 nsf ea	Storage Room Use	Large (nsf)	Med (nsf)	Small (nsf)	Other Room				
			Men	Women		Number	Size (nsf)	Total (nsf)	Number	Size (nsf)	Total (nsf)	Number	Size (nsf)	Total (nsf)						Purpose	Area (nsf)			
A1.0	Administration																							
A1.10																					Security Room	300	Dept	
A1.11																							Total (nsf)	
								0			0											300	300	
A3.0	Commercial Svcs	Ricky Caroulo	21	5																				
A3.7					Meter Shop Tech	1	72	72																
A3.8					Supervisor	1	72	72											100			100		
A3.9					Clerk							3	60	180								150		
A3.10																						180		
A3.11																						360		
A3.12																						180		
A3.13																								
A3.14																								
A3.15																								
A3.16																								
A3.17																								
								144			0			180								970	1,060	2,354
A4.0	MIS																							
A4.7					Staff	1	120	120																
A4.8																								
								120			0			0								0	180	300
A6.0	Support Services	Joe Spremulli	12	3																				
A6.11					Automotive Clerk								1	45	45									
A6.12					Stockroom Clerk								1	45	45									
A6.13					Mat'l Handling Clerk								1	45	45									
A6.14					Supervisors								3	45	135									
A6.29																								
A6.30																								
A6.31																								
A6.32																								
A6.33																								
A6.34																								
A6.35																								
A6.36																								
A6.37																								
								0			0			270								6,720	5,130	12,120
A7.0	Transmission & Distribution	Ronald Del Gallo	55	2																				
A7.1					Director	1	200	200							8									
A7.2		++			Manager	1	168	168																
A7.3					Dispatcher	1	200	200																
A7.4					Supervisor (payroll)							1	72	72										
A7.5					Supv (dig safe)							1	72	72										
A7.6					Supv (road)							2	72	144										
					Supv Engineer							1	72	72										
					Engineer							1	72	72										
A7.9					Admin Asst							1	45	45										
A7.10					Road Report Clerks							2	45	90										
A7.11					Equipment Mechanic							1	45	45										
A7.12					Switchboard Clerk							1	45	45										
A7.13																								
A7.14																								
								568			432			225								100	1,120	2,453

Program Net Area (nsf)	17,527
Future Expansion Allowance 10% (nsf)	1,753
Subtotal (nsf)	19,280
Net to Gross Factor	0.70
Program Gross Area (gsf)	27,542



Part A **Option 1 - Two Separate Sites**

DEPARTMENTAL SPACES for Administrative Offices

These totals reflect only those employees and spaces proposed at this location

ID	Department	Director	No Employees		Position	Office			Cubicle			Open Area			Closet 8 nsf ea	Storage Room Use	Large (nsf)	Med (nsf)	Small (nsf)	Total (nsf)	Other Room Purpose	Area (nsf)		
			Men	Women		Number	Size (nsf)	Total (nsf)	Number	Size (nsf)	Total (nsf)	Number	Size (nsf)	Total (nsf)										
A1.0	Administration	Pamela Marchand	4	2																				
A1.1					Chief Engr	1	400	400						8							Gnl Mgr Restroom	50		
A1.2					Mgr Security	1	72	72																
A1.3					Mgr Personnel	1	168	168																
A1.4					Supv Personnel				1	72	72													
A1.5					Personnel Clerk							2	45	90										
A1.6					Dep Chief	2	240	480						16										
A1.7					Comm	1	200	200																
A1.8					Spec Prj	1	150	150																
A1.9					Asst							1	168	168										
A1.10																								
A1.11															File/supplies				40		40 Security Room	300		
A1.12															Board Rm			80		80 Permanent Records Storage	5000			
A1.13																				Board Room	700			
A1.14																				Board Mens Restroom	160			
A1.15																				Board Womens Restroom	160			
A1.16																				Bd Rm Kitchenette	80			
								subtotal (nsf)	1,470			subtotal (nsf)	72		subtotal (nsf)	258	24			subtotal (nsf)	120	subtotal (nsf)	6,450	8,394
A2.0	Finance	Jeanne Bondarevski	3	13																				
A2.1					Director	1	200	200						8										
A2.2					Manager	2	168	336																
A2.3					Supervisor				4	72	288													
A2.4					Payroll Clerk							3	60	180										
A2.5					AP Clerk							3	60	180										
A2.6					Acct Clerk							2	60	120										
A2.7					Switchboard				1	72	72				File Room			150		150				
								subtotal (nsf)	536			subtotal (nsf)	360		subtotal (nsf)	480	8			subtotal (nsf)	150	subtotal (nsf)	0	1,534
A3.0	Commercial Svcs	Ricky Caroulo	6	9																				
A3.1					Director	1	200	200						8										
A3.2					Manager	1	168	168																
A3.3					Sr. Supv				3	72	216													
A3.4					Supervisor				1	72	72													
A3.5					Sr Adm Asst				1	72	72													
					Clerk				7	60	420													
								subtotal (nsf)	368			subtotal (nsf)	780		subtotal (nsf)	0	8			subtotal (nsf)	0	subtotal (nsf)	0	1,156
A4.0	MIS	Dave Delsesto	6	0																				
A4.1					Sr. Manager	1	168	168																
A4.2					System Techs				5	72	360													
A4.3					Temp Tech				1	72	72													
A4.4															Computers Incoming				120		120			
A4.5															Computers Outgoing				120		120			
A4.6																					Server Room	150		
A4.7																					Tech Spec Workroom	100		
A4.8																					Conference Room	100		
								subtotal (nsf)	168			subtotal (nsf)	432		subtotal (nsf)	0	0			subtotal (nsf)	240	subtotal (nsf)	350	1,190

Part A **Option 1 - Two Separate Sites**

DEPARTMENTAL SPACES for Administrative Offices

These totals reflect only those employees and spaces proposed at this location

ID	Department	Director	No Employees		Position	Office		Cubicle		Open Area		Closet 8 nsf ea	Storage Room Use	Large (nsf)	Med (nsf)	Small (nsf)	Total (nsf)	Other Room Purpose	Area (nsf)			
			Men	Women		Number	Size (nsf)	Number	Size (nsf)	Number	Size (nsf)											
A5.0	Engineering	Paul Gadoury	25	4																		
A5.1					Director	1	200	200				8										
A5.2					Mgr CIP-IFR	1	168	168														
A5.3					Mgr Const Svcs	1	168	168														
A5.4					Mgr Records	1	168	168														
A5.5					Mgr Customer Svc	1	168	168														
A5.6					Sr Supv IFR	1	120	120														
A5.7					Supv Cross Conn	1	120	120														
A5.8					Supv FH Records	1	120	120														
A5.9					VAC				1	96	96											
A5.10					Real Estate				1	96	96											
A5.11					Statistian				1	96	96											
A5.12					Backflow				1	96	96											
A5.13					IFR				5	96	480											
A5.14					Engineer							1	96	96								
A5.15					Inspector							6	64	384								
A5.16					Clerk							1	64	64								
A5.17					CAD Tech							4	64	256								
A5.18																						
A5.19																						
A5.20																						
A5.21																						
A5.22																						
A5.23																						
								subtotal (nsf)	1,232	subtotal (nsf)	864	subtotal (nsf)	800	8	subtotal (nsf)			1,350	subtotal (nsf)	260	Dept Total (nsf)	4,514
A6.0	Support Services	Joe Spremull	9	6																		
A6.1					Director	1	200	200				8										
A6.2					Mgr Int Govt Rel	1	168	168														
A6.3					Mgr Facil & Equip	1	168	168														
A6.4					Mgr Safety & Risk	1	168	168														
A6.5					Aide to Chief				2	72	144											
A6.6					Claims Administrator				1	72	72											
A6.7					Supv Purchasing				2	72	144											
A6.8					Purchasing Agent							1	45	45								
A6.9					Purchasing Clerk							1	45	45								
A6.10					Switchboard Clerk							1	45	45								
A6.15																						
A6.16																						
A6.17																						
A6.18																						
A6.19																						
A6.20																						
A6.24																						
A6.25																						
A6.26																						
A6.27																						
A6.28																						
								subtotal (nsf)	704	subtotal (nsf)	360	subtotal (nsf)	135	8	subtotal (nsf)			2,300	subtotal (nsf)	732	Dept Total (nsf)	4,239

Program Net Area (nsf)	21,027
Future Expansion Allowance 10% (nsf)	2,103
Subtotal (nsf)	23,130
Net to Gross Factor	0.70
Program Gross Area (gsf)	33,042

Part B | Option 1 - Two Separate Sites

SHARED FACILITIES at the T&D Site

Programmed spaces that would be located at this location

ID	Department	Space	No Rooms	Size (nsf)	Area (nsf)	Comment:
B.01	All	Reception/Lobby	1	400	400	Building, with receptionist/switchboard
B.02	All	Copy Room	1	140	140	
B.03	Office Staff	Lunch Room	1	700	700	Seating 24 people, kitchenette, vending
B.04	All	Conference Rooms	3	240	720	
B.05	Office Staff	Men's Restroom	1	160	160	
B.06	Office Staff	Men's Locker Room	1	60	60	6 lockers
B.07	Office Staff	Women's Restroom	1	160	160	
B.08	Office Staff	Women's Locker Room	1	60	60	6 lockers
B.09	Road Staff	Men's Restroom	1	290	290	
B.10	Road Staff	Men's Locker Room	1	780	780	80 lockers, 6 showers
B.11	Road Staff	Women's Restroom	1	160	160	
B.12	Road Staff	Women's Locker Room	1	160	160	12 lockers, 2 showers
B.13	All	Uniform Locker Room	1	100	100	60 - 6x12x36 lockers, dirty uniform hamper provided by laundry vendor
B.14	All	Deliveries/Recycle	1	160	160	
B.15	Road Staff	Ready Room / Training	1	800	800	Doubles as Lunch Room for Road Staff
subtotal (nsf)					4,850	
Net to Gross Factor					0.70	
Program Gross Area (gsf)					6,929	

SHARED FACILITIES at the Administration Offices Site

Programmed spaces that would be located at this location

ID	Department	Space	No Rooms	Size (nsf)	Area (nsf)	Comment:
B.01		Reception/Lobby	1	400	400	Building, with receptionist/switchboard
B.02		Copy Room	2	120	240	
B.03		Lunch Room	1	1,280	1,280	Seating 50 people, kitchenette, vending
B.04		Men's Restroom	1	200	200	
B.05		Men's Locker Room	1	160	160	12 lockers, 1 Shower
B.06		Women's Restroom	1	200	200	
B.07		Women's Locker Room	1	160	160	12 lockers, 1 Shower
B.08		Deliveries/Recycle	1	160	160	
B.8		Conference Rooms	1	160	160	Seating 6 at table
B.9		Conference Rooms	2	250	500	Seating 10 at table
B.10		Conference Rooms	3	300	900	Seating 12 at table
subtotal (nsf)					4,360	
Net to Gross Factor					0.70	
Program Gross Area (gsf)					6,229	

Part C

Option 1 - Two Separate Sites

VEHICLE PARKING at the T&D Site

These totals reflect only those vehicles that will be housed at this location

Vehicles Proposed for Garaging

Vehicle Type	No. Vehicles	Parking Space Size (nsf)				Total Drive Thru	Drive Aisle (nsf)	Total w/ Aisles
		9 x 20	12 x 20	12 x 24	12 X 30			
Large Vehicle	35				12,600	12,600	5,250	17,850
Pickup or Similar	35			10,080		10,080	4,200	14,280
Total Vehicles	70	Proposed Program Net Area (nsf)				22,680		32,130
						Net to Gross Factor	0.90	0.90
						Proposed Program Gross Area (gsf)	25,200	35,700

Outdoor Parking at T&D Site

	No. Vehicles	Parking Space Size (nsf)				Drive Aisle (nsf)	Total w/ Aisles (nsf)
		9 x 20					
Employee Parking	110	19,800				22,000	41,800
Spare Spaces	10	1,800				2,000	3,800
Visitor Parking	6	1,080				1,200	2,280
Total Vehicles	126	Program Net Area (nsf)					47,880

VEHICLE PARKING at the Administration Building Site

These totals reflect only those vehicles that will be housed at this location

Vehicles Proposed for Garaging

Vehicle Type	No. Vehicles	Parking Space Size (nsf)				Total Drive Thru	Drive Aisle (nsf)	Total w/ Aisles
		9 x 20	12 x 20	12 x 24	12 X 30			
Large Vehicle	-	0	0	0	0	0	0	0
Pickup or Similar	-	0	0	0	0	0	0	0
Total Vehicles	-	Proposed Program Net Area (nsf)				0		0
						Net to Gross Factor	0.90	0.90
						Proposed Program Gross Area (gsf)	0	0

Outdoor Parking at T&D Site

	No. Vehicles	Parking Space Size (nsf)				Drive Aisle (nsf)	Total w/ Aisles (nsf)
		9 x 20					
Employee Parking	130	23,400				26,000	49,400
Staff Vehicles	50	9,000				10,000	19,000
Spare Spaces	10	1,800				2,000	3,800
Visitor Parking	10	1,800				2,000	3,800
Total Vehicles	200	Program Net Area (nsf)					76,000

Appendix B

Final Hayes and Sherry Market Data Summary

Prepared For:



Prepared By:

Peter C. Hayes, *Partner*
&
Matthew T. Fair

HAYES & SHERRY
THE WESTMINSTER SQUARE BUILDING
10 DORRANCE STREET, SUITE 650
PROVIDENCE, RHODE ISLAND 02903
(401) 273-1980

①

430 SCITUATE AVENUE, CRANSTON

②

NEUTACONKANUT RESERVOIR, JOHNSTON
(Central Ave & Ashby St)

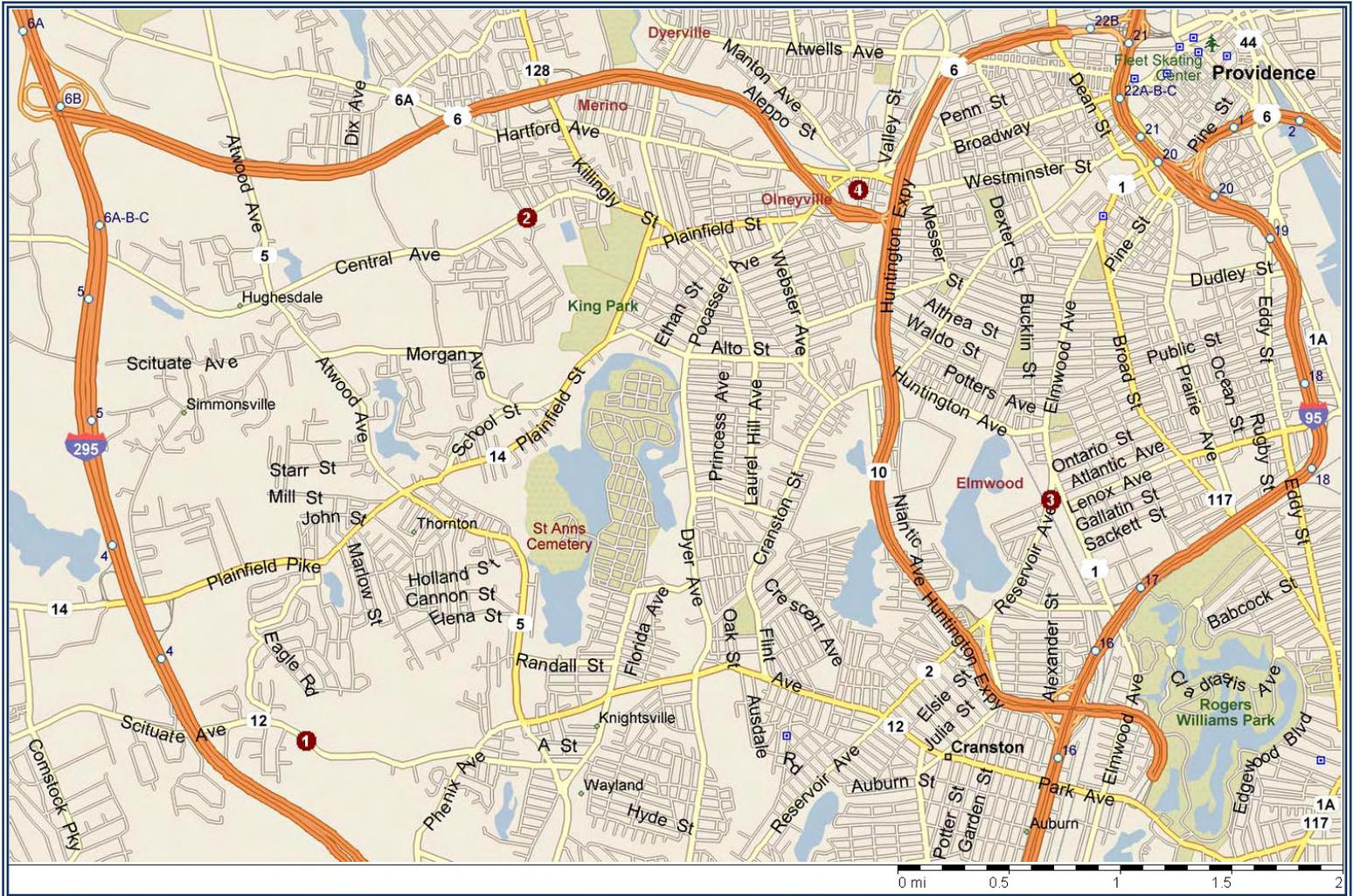
③

THE GORHAM SITE, PROVIDENCE
(Reservoir Ave & Adelaide Ave)

④

100 DIKE STREET, PROVIDENCE

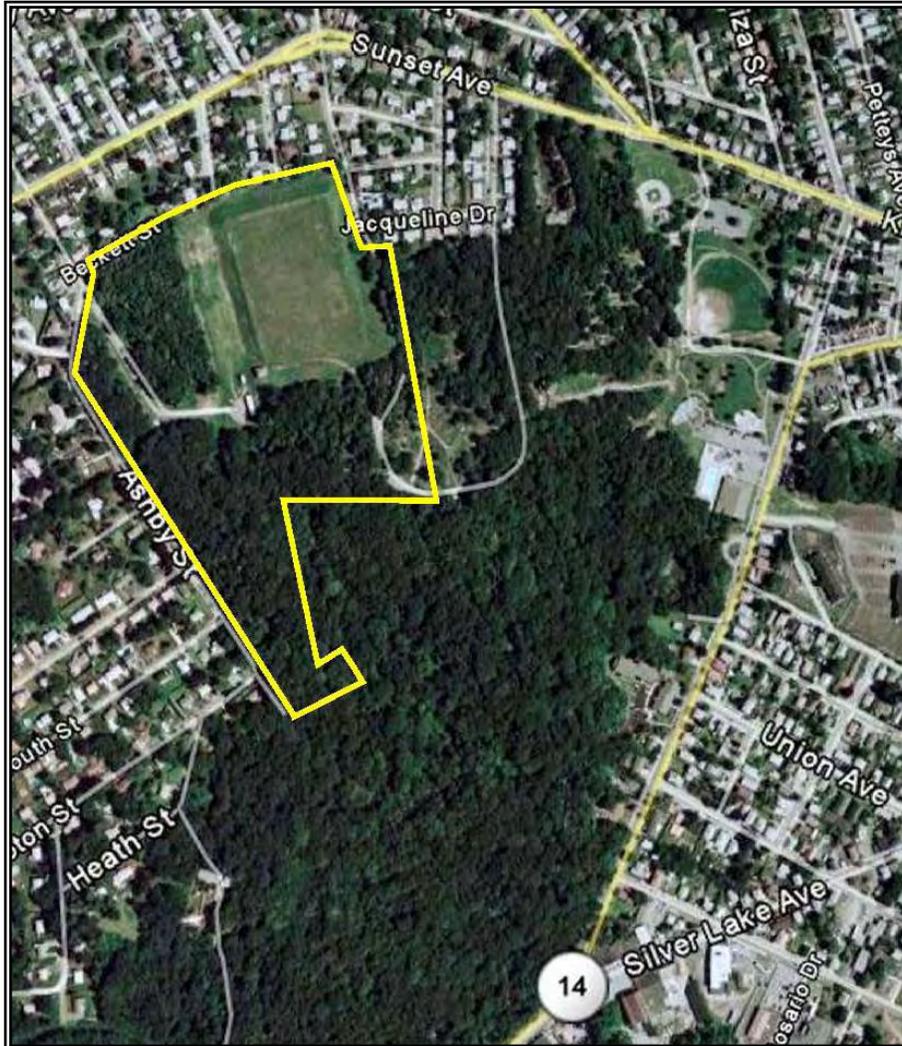
PROVIDENCE WATER
PROPERTY EVALUATION
SITE MAP





Building Address:	430 Scituate Avenue
Total Square Feet:	N/A
Space Available:	N/A
Floorplate:	N/A
Sales Price:	N/A
Parking:	N/A
Land Area:	+/- 9 acres
Zoning:	A 80

Map # 2



Building Address:	Central Ave & Ashby St, Johnston
Total Square Feet:	N/A
Space Available:	N/A
Floorplate:	N/A
Rental Rate:	N/A
Parking:	N/A
Land Area:	+/- 33 Acres
Zoning:	R 40

Map # 3



Building Address:	The Gorham Site – Parcel C (yellow) Mashapaug Common - Stop & Shop (red)
Total Square Feet:	N/A 55,985 square feet
Space Available:	N/A 55,985 square feet
Floorplate:	N/A 55,985 square feet
Rental Rate/Sales Price:	Negotiable Negotiable
Parking:	N/A +/- 5 spaces per 1,000 square feet leased
Land Area:	+/- 4 acres N/A
Zoning:	M1 (Manufacturing)

Map # 4



Building Address:	100 Dike Street
Total Square Feet:	98,000
Space Available:	98,000
Floorplate:	N/A
Sales Price:	\$1,000,000
Parking:	N/A
Land Area:	2.73 acres (possibility to acquire 1 additional contiguous acre)
Zoning:	M1 (Manufacturing)

PROVIDENCE WATER PROVIDENCE PROPERTY EVALUATION PROS AND CONS

Property	Pros	Cons	Comments
 <p>1 430 Scituate Avenue, Cranston</p>	<ul style="list-style-type: none"> • Adequate size • Property located on land controlled by PWB and is adjacent to a PWB facility 	<ul style="list-style-type: none"> • Significant work required to excavate land and build new construction • Located several miles from the majority of PWB service area 	<p>The site appears to have a drastic grade variation and would require significant site work to deal with the ledge area.</p>
 <p>2 Neutaconkanut, Johnston</p>	<ul style="list-style-type: none"> • Adequate size • Property located on land controlled by PWB and is adjacent to a PWB facility 	<ul style="list-style-type: none"> • Site located in a residential area which may be problematic for heavy equipment traffic • Requires significant site work 	<p>The presence of residential homes on the access road to the site seems to be problematic.</p>
 <p>3 The Gorham Site, Providence</p> <p>A = Parcel C Land B = Stop & Shop</p>	<p>A</p> <ul style="list-style-type: none"> • Ability to customize new construction on raw land • City owned property • Centrally located in PWB retail area <p>B</p> <ul style="list-style-type: none"> • Existing 55,985 sf Stop & Shop can be renovated to accommodate either T&D or Admin • Appears to be cost effective • Motivated Landlord 	<p>A</p> <ul style="list-style-type: none"> • New construction is expensive • May be on the small side due to wet land area <p>B</p> <ul style="list-style-type: none"> • Landlord may require PWB to lease/buy the entire retail complex due to conflicting uses • Currently designed as a retail complex 	<p>A</p> <p>The former Gorham Site is currently controlled by City of Providence and is the only city owned property that appears to make sense for PWB</p> <p>B</p> <p>Stop & Shop is under Lease until 2022. Landlord has a 99 year Land Lease on the land with the City of Providence.</p>

PROVIDENCE WATER PROVIDENCE PROPERTY EVALUATION PROS AND CONS

Property	Pros	Cons	Comments
	<ul style="list-style-type: none">• Good Highway Access• On the small end of size requirement• Motivated Seller	<ul style="list-style-type: none">• Significant demo work needed• Has some historic protection rehabilitation requirements	Possibility to acquire 1 contiguous acre.

④ 100 Dike Street, Providence

EXIHIBIT GG-2
CENTRAL OPERATIONS FACILITY CRITERIA

General Facility Requirements:

- Facility must be within close proximity to center of our distribution system

- Minimum Parcel Acreage for one combined facility 10 -12 acres
- Separate Admin or Operations Facility site 5-8 acres/ each

- Minimum parking (employee, visitor, & company vehicles) on combined site: 400 parking spaces

- Minimum Building SF for one COF Facility 80,000 – 100,000 SF
Desirable SF for one COF 100,000 – 140,000 SF
Separate Operations or Admin Facilities 40,000 – 60,000 SF/ each

- Minimum Garage/ Automotive SF: 44,000 SF
- Desired Garage/ Automotive SF: 52,000 SF

Facility Preferences:

- The combination of Administrative and Operations at a single facility increases efficiency
- Natural boundaries to provide a security buffer
- Expected 100 year facility - Functional flexibility that has additional space for both existing operations and future growth

EXHIBIT GG-3

PROPERTY LOCATION	SITE ACCOMODATES	
	ADMIN / T&D	ACREAGE
<i>PROVIDENCE</i>		
1 125 Dupont Drive	Admin & T&D	16.5
2 GE Building - 586 Atwood Avenue	T&D	7
3 COX Communication - 50 Houghton Street	Admin & T&D	25
4 Paragon Mill - 39 Manton Avenue	Admin	4
5 Colonial Knife - Dike Street	T&D	6-11
6 Imperial Knife - 60 King Street	Admin or T&D	8.65
7 Providence Journal Buildings - 288/286 Kinsley Avenue*	Admin & T&D	3.14
8 4 Sims Avenue, 351 Harris Avenue, & 430 Kinsley Avenue*	Admin & T&D	11.29
9 475-486 Valley Street, 411 Valley Street & 4 Sims Avenue*	Admin & T&D	1.34
10 498 Kinsley Avenue (Behind Court House)	Admin	3.2
11 100 Dike Street	T&D	2.73
12 American Locomotive, ALCO Bldg #59 555 Valley Street	Admin	-
13 Rising Sun Mills - 144 Valley Street	Admin	-
14 Gorham Site/ Stop & Shop -Adelaide Avenue	Admin & T&D	9
15 Conley's Wharf	T&D	6-7
16 300 Niantic Avenue	Admin	5
17 100 Niantic Avenue	Admin	2.7
18 Herb Chambers - 101 Cadillac Drive		2.87
<i>CRANSTON</i>		
19 Aqueduct Reservoir - 430 Scituate Avenue	Admin	32
20 Rojacks Shopping Plaza - Independence Way	Admin	-
21 Super Value Distribution Site - Plainfield Pike	Admin & T&D	-
22 Katharine Gibbs - 80 Garfield Street	Admin	7+
23 Trolley Barn Property - 777 Cranston Street	T&D	6.55
<i>JOHNSTON</i>		
24 Shaw's Market - 1485 Hartford Avenue	Admin	7+
25 BJ's Wholesale - 1300 Hartford Avenue	Admin & T&D	11.5
26 Neutaconkanut Reservoir - Ashby Street	T&D	32
27 Vacant Land @ intersection of Rt. 295 and Hartford Avenue	-	-
28 Lakeside Commerce Center	Admin & T&D	-
29 FM Global Building - 1301 Atwood Avenue	Admin & T&D	150

*Smaller parcels would be combined with other parcels

EXHIBIT GG-4

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is entered into this 7th day of May, 2015 (the "Effective Date"), by and between First States Investors 5200, LLC, a Delaware limited liability company ("Seller"), and the City of Providence Water Supply Board ("Purchaser"). In consideration of the mutual agreements herein set forth, the parties hereto, intending to be legally bound, agree as follows.

1. Defined Terms/Riders:

Business Day or business day:	Each day of the week except Saturdays, Sundays and federal holidays.
Closing Date:	2:00 PM prevailing Eastern Time on December 29, 2015, or on such earlier date as mutually agreed upon by Buyer and Seller.
Deposit:	\$250,000.00 (together with any interest earned thereon)
Due Diligence Period:	The period ending at 5:00 P.M. prevailing Eastern Time on September 1, 2015.
Escrowee:	First American Title Insurance Company 633 Third Avenue New York, New York 10017 Attention: Jed Levine Phone: (212) 551-9482 Email: jlevine@firstam.com
Exhibits:	<u>Exhibit A</u> – Legal Descriptions <u>Exhibit B</u> – Escrow Agreement <u>Exhibit C</u> – Permitted Exceptions <u>Exhibit D</u> – Bill of Sale <u>Exhibit E</u> – Title Affidavit <u>Exhibit F</u> – Assignment and Assumption of Intangibles <u>Exhibit G</u> – Non-Foreign Affidavit
Improvements:	The buildings, structures, improvements, personal property (including, but not limited to, all furniture located in the Building) and fixtures erected or located on the Land.

Land:	That certain tract or parcel of land situated at 125 Dupont Drive, Providence, Rhode Island, as more fully described on <u>Exhibit A</u> attached hereto.
Person:	Any individual, corporation, partnership, limited liability company, trust, unincorporated association, government, governmental authority, or other entity.
Purchase Price:	\$10,350,000.00
Purchaser's EIN:	05-600059 05-6000329 "R" 5/6/15
Purchaser's Notice Address:	552 Academy Avenue Providence, Rhode Island 02908 Attn: Gary P. Marino E-mail: gmarino@provwater.com With a required copy to: Schacht & McElroy 21 Dryden Lane, P.O. Box 6721 Providence, Rhode Island 02940-6721 Attn: Michael R. McElroy E-mail: michael@mcelroylawoffice.com
Riders:	The following Rider is attached to and made a part of this Agreement as if more fully set forth herein: <input checked="" type="checkbox"/> Due Diligence Rider
Seller's EIN:	20-1656923
Seller's Notice Addresses:	c/o Gramercy Property Trust 521 Fifth Avenue 30th Floor New York, NY 10175 Attention: Allan B. Rothschild E-mail: ARothschild@gptreit.com With a required copy to:

	Kirkland & Ellis LLP 300 N. LaSalle St. Chicago, Illinois 60654 Attn.: Andrew D. Small, Esq. E-mail: andrew.small@kirkland.com
Transfer Tax:	Any tax, levy or documentary stamp required to be paid or purchased in connection with recordation of the Deed (hereinafter defined) and the cost of which is determined by the amount of the Purchase Price.

2. Agreement to Sell.

(A) For the Purchase Price and subject to the terms and conditions hereof, Seller agrees to sell and convey to Purchaser, and Purchaser agrees to purchase and take from Seller, all of Seller's right, title and interest in and to the following (individually referred to as a "Property" or collectively referred to as the "Property", as the context may require):

1. the Land;
2. the Improvements;
3. the tenements, hereditaments, appurtenances, rights of way, strips, gores, easements, rights and privileges in any way pertaining or beneficial to the Land or Improvements;
4. all intangible property, if any, owned by Seller and related to the Land and Improvements; and
5. all damages, awards, claims and causes of action now or hereafter payable or assertable with respect to any of the foregoing by reason of any exercise of the power of eminent domain, any change of grade of any street, road, highway, avenue or alley, or any damage, destruction, loss or removal of any of the foregoing.

Notwithstanding anything contained in this Agreement to the contrary, those certain assets located on the Land or in the Improvements as set forth on Schedule 1 attached hereto and incorporated by reference herein (the "Excluded Assets") are expressly excluded from the transactions contemplated by this Agreement and are not part of the Property being transferred hereunder.

3. Purchase Price. The Purchase Price for the Property shall be payable by Purchaser as follows:

(A) The Deposit is payable by Purchaser to Escrowee upon execution of this Agreement, to be held in escrow and disbursed by Escrowee pursuant to the provisions of that certain Escrow Agreement (the "Escrow Agreement") of even date herewith among Seller, Purchaser and Escrowee, a copy of which is attached hereto as Exhibit B. At Closing (hereinafter defined), the Deposit shall be credited to Purchaser on account of the Purchase Price.

(B) Notwithstanding anything contained herein to the contrary, including, without limitation, the terms and provisions of the Escrow Agreement, Purchaser hereby agrees that in the event that Purchaser does not elect to terminate this Agreement pursuant to the terms and provisions of the Due Diligence Rider annexed hereto, the Deposit shall become NON-REFUNDABLE upon expiration of the Due Diligence Period, and shall become the sole property of Seller. In such event, Purchaser agrees that the Deposit shall be deemed fully earned by Seller, and Purchaser and Seller hereby acknowledge and agree that Escrowee shall immediately release the Deposit to Seller upon expiration of the Due Diligence Period. Purchaser agrees that under no circumstances whatsoever shall Purchaser have any right or claim to the Deposit after the expiration of the Due Diligence Period, unless the Closing shall not occur due solely to Seller's Willful Default (hereinafter defined) or as may otherwise be expressly provided for herein. In any such event, the Deposit shall be refunded to Purchaser.

(C) The balance of the Purchase Price, subject to the prorations and adjustments herein provided for, shall be payable at Closing by wire transfer to an account designated by Seller.

4. Closing.

(A) "Closing" shall mean the consummation of each of the actions set forth below in this Section 4, or the waiver of such action by the party in whose favor such action is intended. At Closing, Seller shall transfer ownership of the Property by quitclaim deed, the form of which deed (including the legal description of the Property) shall be the same form in which title to the Property is vested in such Seller (individually and collectively, as the context may require, the "Deed"), and Purchaser shall pay the balance of the Purchase Price. Closing shall be held no later than 2:00 P.M. Eastern on the Closing Date. Closing shall take place through an escrow with the offices of Escrowee.

(B) At Closing, Seller shall deliver or cause to be delivered the following documents to Purchaser (the "Seller Deliverables"):

1. the Deed for the Property sufficient to vest in Purchaser marketable title to the Land and the other portions of the Property that constitute real property in accordance with this Agreement and subject to exceptions as provided for in this Agreement;
2. a bill of sale for the Property transferring to Purchaser title to any portion of the Property that is not conveyed by the Deed, without recourse or warranty (other than that such property, if any, is owned by Seller free and clear of liens and encumbrances), in substantially the form attached hereto as Exhibit D;

3. a title affidavit for the Property in substantially the form attached hereto as Exhibit E;

4. two (2) counterparts of an assignment and assumption of intangibles for the Property, executed by Seller, pursuant to which Seller assigns to Purchaser and Purchaser assumes all of Seller's right, title and interest to the intangible personal property relating to the Property, without recourse or warranty, in substantially the form attached hereto as Exhibit F (the "Assignment and Assumption of Intangibles");

5. two (2) counterparts of a closing statement reflecting the apportionments and adjustments provided for in this Agreement (the "Closing Statement");

6. written evidence of termination of that certain lease with respect to the Land and Improvements by and between Seller, as landlord, and Bank of America Corporation, as tenant, to be effective on or before the Closing Date;

7. a certificate stating that Seller is not a "foreign person" within the meaning of Internal Revenue Code Section 1445, in substantially the form attached hereto as Exhibit G; and

8. such other certificates and affidavits to the extent reasonably acceptable to Seller as may be customarily required by the title company.

(C) At Closing, Purchaser shall deliver or cause to be delivered the following documents to Seller (the "Purchaser Deliverables");

(i) the amounts required to be paid to Seller pursuant to this Agreement;

(ii) two (2) duly executed counterparts of the Closing Statement;

(iii) two (2) duly executed counterparts of the Assignment and Assumption of Intangibles.

(D) The acceptance of the Deed by Purchaser shall be deemed to be full performance and discharge of any and all obligations on the part of Seller to be performed pursuant to the provisions of this Agreement except where such agreements and obligations are specifically stated herein to survive the Closing.

(E) Purchaser's obligation to pay the Purchase Price, and to accept title to the Property, shall be subject to compliance by Seller with the following conditions precedent on and as of the Closing Date:

(i) Possession of the Property shall be delivered free and clear of all tenancies or other occupancies;

(ii) Escrowee, in its capacity as title agent (the "Title Company") shall

have committed to issue an owner's policy of title insurance insuring Purchaser as the owner of fee simple title to the Property, as well as a customary lender's policy of title insurance subject only to those matters described on Exhibit C attached hereto and made a part hereof, exceptions listed on the deed in which title was vested in Seller, title and survey matters not objected to by Purchaser pursuant to Section 5(c) hereof (collectively, the "Permitted Exceptions"); and

(iii) Purchaser shall receive approval from all applicable state and local regulatory and financial authorities to acquire the Property prior to the expiration of the Due Diligence Period.

If all of the above conditions have not been satisfied or waived in writing by Purchaser on or prior to the Closing Date, then Purchaser shall have the right to terminate this Agreement, and upon such termination the Deposit shall be refunded to Purchaser and neither Purchaser nor Seller shall have any further rights, obligations or liabilities hereunder, except as otherwise set forth herein.

(F) Seller's obligation to deliver title to the Property shall be subject to compliance by Purchaser with the following condition precedent on and as of the Closing Date:

(i) Purchaser shall deliver to Escrowee on behalf of Seller upon the Closing the remainder of the Purchase Price, subject to adjustment of such amount pursuant to the terms hereof; and

(ii) Purchaser shall deposit with Escrowee the balance of the Purchaser Deliverables.

If all of the above conditions have not been satisfied or waived in writing by Seller on or prior to the Closing Date, then Seller shall have the right to terminate this Agreement, and upon such termination the Deposit shall be refunded to Purchaser and neither Purchaser nor Seller shall have any further rights, obligations or liabilities hereunder, except as otherwise set forth herein.

5. Title.

(A) Purchaser shall, at Purchaser's sole cost and expense, order from the Title Company, a commitment to insure title to the Property, together with complete and legible copies of all written covenants, restrictions, easements, and agreements which are listed as exceptions thereon (the "Title Commitment").

(B) Purchaser may, at Purchaser's sole cost and expense, employ a surveyor to prepare and deliver to Purchaser a survey of the Property or an update thereof (the "Survey").

(C) Within ten (10) Business Days following Purchaser's receipt of each of the Title Commitment and the Survey, Purchaser shall notify Seller in writing (the "Title Objection Notice") of any exception or matter shown in the Title Commitment or the Survey that is not satisfactory to Purchaser ("Title Objections"). If Purchaser delivers a Title Objection Notice to Seller, Seller agrees to notify Purchaser in writing ("Seller's Notice") within ten (10) Business

Days after its receipt of the Title Objection Notice as to whether Seller will attempt to cure such defect(s). If Purchaser does not submit the Title Objection Notice within the time allowed, then Purchaser shall be deemed to have approved all exceptions or matters shown on the Title Commitment and Survey and shall accept title subject thereto.

(D) If Purchaser gives the Title Objection Notice within the time allowed, then Seller shall have the right, at its option, to defer the Closing Date for a period not exceeding sixty (60) days in the aggregate, during which time Seller shall have the right, but not the obligation, to remove or otherwise resolve Purchaser's Title Objections. Nothing contained herein shall obligate Seller to expend any sums of money whatsoever in order to remove or otherwise resolve Purchaser's objections contained in the Title Objection Notice.

(E) If, within ten (10) Business Days after its receipt of the Title Objection Notice, Seller either (1) fails to deliver a Seller's Notice to Purchaser or (2) delivers a Seller's Notice in which Seller refuses to cure such Title Objections by the Closing Date, as such date may be adjourned pursuant to Section 5(D) above, Purchaser shall have the right, prior to the expiration of the Due Diligence Period, to either elect: (i) to terminate this Agreement by giving written notice to Seller, and upon delivery of such written notice of termination, the Deposit shall be returned to Purchaser and this Agreement shall be null and void and of no further force and effect; or (ii) to perform all of Purchaser's obligations hereunder and accept title to the Property subject to such uncured objections without any abatement of the Purchase Price on account of such uncured objections or liability on the part of Seller with respect thereto.

If Purchaser shall fail to deliver a written notice of its election under this Section 5(E) on or before the Closing Date, Purchaser shall be deemed to have elected clause (ii) above and the Closing shall take place on the Closing Date. In the event Purchaser makes the election, or is deemed to have made the election, contemplated by clause (ii) above then those matters of title to which Purchaser has not objected, as well as Purchaser's Title Objections which remain uncured as of the date of such election, shall be deemed Permitted Exceptions. Seller's failure to cure any of Title Objections raised in the Title Objection Notice shall not be considered a default on Seller's part but shall solely give Purchaser the right to terminate this Agreement in accordance with this Section 5(E).

6. Seller's Representations, Warranties and Covenants.

(A) Seller represents and warrants to Purchaser as follows:

(i) Seller is duly organized and validly existing under the laws of its state of formation. Seller has the right, power and authority to enter into this Agreement and, to convey the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(ii) Seller has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and upon the execution and delivery of any document to be delivered by Seller on or prior to the Closing, this Agreement and such document

shall constitute the valid and binding obligation and agreement of Seller, enforceable against Seller in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(iii) Neither the execution, delivery or performance of this Agreement by Seller, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon the Property or any portion thereof pursuant to the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which Seller is bound.

(iv) To Seller's actual knowledge, Seller has not received written notice of any pending suit, action or proceeding, which (A) if determined adversely to Seller, materially and adversely affects the anticipated use by Purchaser or value of the Property, or (B) questions the validity of this Agreement or any action taken or to be taken pursuant hereto, or (C) involves condemnation or eminent domain proceedings involving the Property or any portion thereof.

(v) Neither Seller nor, to Seller's actual knowledge, any of Seller's respective constituents or affiliates nor any of their respective agents acting or benefiting in any capacity in connection with the purchase of the Property is in violation of any laws relating to terrorism or money laundering, including but not limited to, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), as amended from time to time, and the U.S. Bank Secrecy Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and as otherwise amended from time to time (collectively, with the Executive Order, the "Anti-Terrorism Law").

(vi) Neither Seller nor, to Seller's actual knowledge, any of Seller's respective constituents or affiliates nor any of their respective agents acting or benefiting in any capacity in connection with the purchase of the Property is a "Prohibited Person" under the Anti-Terrorism Law.

(vii) Seller is not a party to any service contracts affecting the Property which will be binding upon Purchaser after the Closing.

(viii) If Seller is not a resident of the State of Rhode Island or will not be a resident at the time of the Closing, Purchaser must withhold six percent (6%) of Seller's net proceeds (7% if Seller is a corporation), in accordance with R.I.G.L. §44.30.71.3, and pay such amount to the Rhode Island Division of Taxation (the "Division of Taxation") as a non-resident withholding requirement. In order to have such withholding based on gain rather than net proceeds of sale, Seller may elect to submit an election form to the Division of Taxation at least twenty (20) calendar days prior to Closing. Seller agrees to pay to Purchaser the entire amount of such withholding found to be due at or after the Closing, less that portion of the Purchase Price paid by Purchaser to the Division of Taxation pursuant to this Section 6(a)(viii).

Purchaser's responsibility shall survive the transfer of title to the Property and shall be a lien against the Property. Seller and Purchaser are advised to consult with the appropriate legal, tax or financial professionals and/or the Division of Taxation.

If after the Effective Date but prior to the Closing, Purchaser obtains knowledge that any of Seller's representations and warranties are untrue, inaccurate or incorrect in any "material" respect, Purchaser shall give Seller notice thereof within ten (10) Business Days of obtaining such knowledge (but, in any event, prior to the Closing). Seller shall have the right to cure such misrepresentation or breach and shall be entitled to a reasonable adjournment of the Closing (not to exceed sixty (60) days) for the purpose of such cure. Seller reserves the right, at its sole discretion, at any time during such period to notify Purchaser that it no longer elects to endeavor to effect any such cure, in which event Purchaser shall have five (5) Business Days from such notice in which to notify Seller of its election as provided in the next succeeding sentence. If Seller is unable or elects not to so cure any such "material" misrepresentation or breach, then Purchaser, as its sole remedy for any and all such materially untrue, inaccurate or incorrect representations or warranties, shall elect either (i) to waive such misrepresentations or breaches of representations or warranties and consummate the transactions without any reduction of or credit against the Purchase Price, or (ii) to terminate this Agreement by notice given to Seller within such five (5) Business Day period (but, in any event, prior to the Closing Date), in which event this Agreement shall terminate, the Deposit shall be returned to Purchaser and neither party shall have any further liability to the other hereunder, except as may otherwise be expressly provided herein. The untruth, inaccuracy or incorrectness of a Seller's representation or warranty shall be deemed "material" only if Purchaser's aggregate damages (including a diminution in the value of the Property) resulting from any such untruths, inaccuracies or incorrectness are reasonably estimated to exceed ten percent (10%) of the Purchase Price. If Closing occurs, Purchaser hereby expressly waives, relinquishes and releases any right or remedy available to it at law or in equity, under this Agreement or otherwise to make a claim against Seller for damages that Purchaser may incur, or to rescind this Agreement and the transaction, as the result of any of Seller's representations being untrue, inaccurate or incorrect.

(B) Seller's Covenants and Agreements.

(i) Leasing Arrangements. During the pendency of this Agreement, Seller will not enter into any new lease affecting the Property, without Purchaser's prior written consent in each instance.

(ii) New Contracts. During the pendency of this Agreement, Seller will not enter into any contracts that will be an obligation affecting the Property or any part thereof subsequent to the Closing without Purchaser's prior written consent in each instance (which may be withheld in Purchaser's sole discretion), except contracts entered into in the ordinary course of business that are terminable without cause (and without penalty or premium) on thirty (30) days (or less) notice.

(iii) Operation of Property. During the pendency of this Agreement, Seller shall continue to operate the Property consistent with Seller's past practices.

(iv) Insurance. During the pendency of this Agreement, Seller shall, at its expense, continue to maintain the insurance policies covering the Improvements.

(v) Underground Storage Tank Registration and Permit Transfer. During the pendency of this Agreement, Purchaser and Seller shall each use commercially reasonable efforts to cause the two (2) underground storage tanks located on the Land and serving the Improvements (the "Underground Storage Tanks") to be re-registered with the State of Rhode Island Department of Environmental Management in the name of Purchaser as of the Closing Date and to transfer Seller's rights, title and interest in and to environmental and operating permits relating to the Underground Storage Tanks, if any, to Purchaser at Closing (collectively, the "UST Transfer"); provided, however, that the completion of the UST Transfer shall not be a condition to the obligations of Purchaser or Seller to consummate the transactions contemplated by this Agreement and the failure to complete the UST Transfer on or before the Closing Date shall not be considered a default by Purchaser or Seller.

7. Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller as follows:

(i) Purchaser is duly organized and validly existing under the laws of Purchaser's State of formation. Purchaser has the right, power and authority to enter into this Agreement and to purchase the Property in accordance with the terms and conditions of this Agreement, to engage in the transactions contemplated in this Agreement and to perform and observe the terms and provisions hereof.

(ii) Purchaser has taken all necessary action to authorize the execution, delivery and performance of this Agreement, and upon the execution and delivery of any document to be delivered by Purchaser on or prior to the Closing, this Agreement and such document shall constitute the valid and binding obligation and agreement of Purchaser, enforceable against Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general application affecting the rights and remedies of creditors.

(iii) Neither the execution, delivery or performance of this Agreement by Purchaser, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under the terms of any indenture, deed to secure debt, mortgage, deed of trust, note, evidence of indebtedness or any other agreement or instrument by which Purchaser is bound.

(iv) To Purchaser's knowledge, Purchaser has received no written notice that any action or proceeding is pending or threatened, which questions the validity of this Agreement or any action taken or to be taken pursuant hereto.

(v) Purchaser has not (A) made a general assignment for the benefit of creditors, (B) filed any voluntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (C) suffered the appointment of a receiver to take possession of all, or substantially all, of Purchaser's assets, (D) suffered the attachment or other judicial seizure

of all, or substantially all, of Purchaser's assets, (E) admitted in writing its inability to pay its debts as they come due, or (F) made an offer of settlement, extension or composition to its creditors generally.

(vi) Neither Purchaser nor any of Purchaser's respective constituents or affiliates nor any of their respective agents acting or benefiting in any capacity in connection with the purchase of the Property is in violation of any laws relating to terrorism or money laundering, including but not limited to, the Anti-Terrorism Law.

(vii) Neither Purchaser nor any of Purchaser's respective constituents or affiliates nor any of their respective agents acting or benefiting in any capacity in connection with the purchase of the Property is a "Prohibited Person" under the Anti-Terrorism Law.

If, after the execution of this Agreement, any event occurs or condition exists that renders any of the foregoing representations and warranties untrue or misleading, Purchaser shall promptly notify Seller. All such representations and warranties shall be deemed made by Purchaser on the date of this Agreement and at the time of Closing.

8. Condition of Property. Except as otherwise specifically provided in this Agreement, Seller makes no representation, promise or guaranty with respect to the accuracy or completeness of any due diligence materials and/or Property information provided to Purchaser under this Agreement, the condition or character of the Property (including without limitation the subsoil condition thereof) or the use or uses to which the Property may be put. Purchaser acknowledges that Purchaser has the right to make the examinations and investigations described in this Agreement, and that Purchaser is relying on this right in order to satisfy itself as to the character, condition and operation of the Property, and is fully satisfied with this right. Purchaser further acknowledges that except as otherwise specifically provided in this Agreement, Purchaser will be purchasing the Property on the basis of its examination and investigation and not in reliance on any representation or warranty of Seller or any agent, employee or representative of Seller. Purchaser realizes that the Property is being sold in "AS IS, WHERE IS" condition "WITH ALL FAULTS" as of the Effective Date.

9. Compliance with Laws. The Property is sold, and Purchaser shall accept same, subject to any and all violations of law, rules, regulations, ordinances, orders, or requirements noted in or issued by any Federal, state, county, municipal, or other department or government agency having jurisdiction against or affecting the Property whenever noted or issued (collectively, "Violations") and any conditions which could give rise to any Violations. Seller shall have no obligation to cure or remove any Violations.

10. Apportionments at Closing; Transfer Taxes; Closing Costs.

(A) Apportionments. All charges, pro-rations and apportionments shall be made on a per diem basis between Purchaser and Seller at Closing as of 12:01 A.M. prevailing time in the city where the Property is located on the Closing Date on the basis of a 365-day year, with Purchaser deemed the owner of the Property on the entire Closing Date.

(B) Prorations. Seller and Purchaser agree that all utility charges, real estate taxes, assessments and any assumed liabilities shall be prorated on a calendar-year basis as of the date of Closing. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Property payable during the immediately preceding year, provided that, if the taxes and special assessments payable during the year in which Closing occurs are thereafter determined to be more or less than the taxes payable during the preceding year, Seller and Purchaser promptly shall adjust the proration of such taxes and special assessments, and Seller or Purchaser, as the case may be, shall pay to the other any amount required as a result of such adjustment and this covenant shall not merge with the deed delivered hereunder but shall survive the Closing.

If any adjustment or apportionment is miscalculated at Closing, or the complete and final information necessary for any adjustment is unavailable at the Closing, the affected adjustment shall be calculated after the Closing. All prorations shall be made based on the number of calendar days in such year or month, as the case may be. Either party owing the other party a sum of money based on proration(s) calculated after the Closing Date shall promptly pay said sum to the other party, together with interest thereon at the rate of six percent (6%) per annum, from the date the invoice is delivered to the date of payment, if payment is not made within thirty (30) days after delivery of a bill therefor. The provisions of this Section 9(B) shall survive the Closing and delivery of the Deed from Seller to Purchaser for a period of six (6) months.

(C) Transfer Tax/Documentary Stamps. Seller shall pay the Transfer Taxes imposed in connection with the Closing or the recording of the Deed.

(D) Closing Costs.

(i) Seller shall pay at Closing:

- a. all recording fees due on recording of corrective instruments, if any;
- b. Seller's attorney's fees and costs;
- c. Brokerage fees due to Brokers (as defined below) pursuant to Section 19 hereof; and
- d. one-half of all escrow fees charged by Escrowee, if any.

All costs and expenses to be paid by Seller at Closing shall be disbursed from the balance of the Purchase Price payable by Purchaser at Closing and shall reduce the net cash payable to Seller.

(ii) Purchaser shall pay at or prior to Closing:

- a. all recording fees due on the Deed;
- b. all title examination fees, title insurance premiums (including without limitation premiums for endorsements and extended coverage);

- c. the cost of any Survey obtained by Purchaser;
- d. all costs and expenses of any financing of Purchaser's acquisition of the Property (including, without limitation, all intangible taxes, if any, documentary stamp taxes, if any, and recording and filing fees due on any financing document, and lender's attorneys' fees and expenses);
- e. Purchaser's attorney's fees and costs; and
- f. one-half of all escrow fees charged by Escrowee, if any.

11. Waiver of Tender. Tender at the time of Closing of executed Deed by Seller and the balance of the Purchase Price by Purchaser are hereby mutually waived, but nothing herein contained shall be construed as to relieve Seller from the obligation to deliver the Deed or to relieve Purchaser from the concurrent obligation to pay the balance of the Purchase Price at Closing.

12. Intentionally Omitted.

13. Possession and Condition. It is understood and agreed that the Property is being purchased by Purchaser in its present physical "AS IS" condition. At Closing, Seller shall transfer to Purchaser possession of the Property in substantially the same condition the Property is in on the date hereof, reasonable wear and tear excepted and subject to the terms and conditions of Sections 16 and 17 hereof.

14. Purchaser's Default. If at the time of Closing Purchaser is in default in the observance or performance of its obligations hereunder, then unless Seller has expressly waived the default, in writing, Seller shall have the right, as Seller's sole remedy, to terminate this Agreement and retain the Deposit as liquidated damages and thereafter the parties shall have no further obligations hereunder, except as otherwise expressly provided in this Agreement. The parties acknowledge that the aforesaid liquidated damages are reasonable and do not constitute a penalty and are being agreed upon due to the difficulty of calculating the actual amount of damages that Seller might sustain in the event of a default by Purchaser and termination of this Agreement.

15. Seller's Default. If Seller shall be unable to perform its obligation to convey the Property to Purchaser in accordance with the terms of this Agreement (other than by reason of Seller's Willful Default), then Purchaser, at its sole option and as its sole and exclusive remedy, may terminate this Agreement, in which event Escrowee shall promptly refund to Purchaser the Deposit, and neither party shall thereafter have any further right or obligation hereunder. "Seller's Willful Default" shall mean Seller's willful refusal to perform its obligation to convey the Property to Purchaser in accordance with the terms of this Agreement, provided: (1) the reasons for such refusal do not include conditions beyond Seller's control or the unmarketability of title; and (2) Purchaser has satisfied all conditions required to be satisfied by it under this Agreement, is not otherwise in default under this Agreement, and is ready, willing and able to perform all of its obligations under this Agreement and to deliver the Purchase Price due Seller under this Agreement (without tender thereof being required). In the event of Seller's Willful Default, then Purchaser, at its sole option and as its sole and exclusive remedy may either (a) terminate this Agreement, in which event Escrowee shall promptly refund to Purchaser the Deposit, and neither party shall thereafter have any further right or obligation hereunder, other

than the surviving obligations expressly provided for herein or (b) within forty-five (45) days after any rights of Purchaser arise due to a Seller's Willful Default, bring an action in equity against Seller for specific performance. In no event may Purchaser bring an action against Seller for damages or seek any remedy (whether or not in an action at law or in equity) against Seller that could require Seller to pay any monies to Purchaser whether characterized as damages or otherwise (except for an action to compel Escrowee to return the Deposit to Purchaser if Purchaser is, in fact, entitled to the return thereof in accordance with this Agreement.) The untruth or inaccuracy of any representation or warranty of Seller or Seller's noncompliance with any of its covenants shall not be deemed a Seller's Willful Default, provided, however, Seller shall be responsible for, and shall pay to Purchaser upon proof, all out of pocket expenses of Purchaser capped at \$50,000.

16. Casualty. If, prior to the Closing Date, a Significant Portion (as hereinafter defined) of the Property is destroyed by fire or other casualty, Seller shall notify Purchaser in writing of such fact and Purchaser shall have the option to terminate this Agreement upon twenty (20) days' notice to Seller given not later than twenty (20) days after receipt of Seller's notice, which notice from Seller shall include an estimate from Seller as to the aggregate of the improvements affected; provided, however, that within such twenty (20) day period, Seller may, at its option, notify Purchaser that it intends to repair such damage at its sole cost and expense, and Seller may, upon such notice, postpone the Closing for a period of time reasonably necessary, but not to exceed one hundred twenty (120) days in the aggregate, to make such repairs. For purposes of Section 16 and Section 17 of this Agreement, a "Significant Portion" shall mean ten percent (10%) or more in the aggregate of the Improvements. If Purchaser shall elect to terminate this Agreement as aforesaid, (provided that Purchaser's failure to elect to terminate shall be deemed an election to close) and Seller shall not notify Purchaser within such twenty (20) day period of its intention to make such repairs, this Agreement shall terminate and neither party shall have any further rights or obligations hereunder, except that Escrowee shall refund to Purchaser the Deposit (together with all interest thereon, if any). If Purchaser does not elect to terminate this Agreement as provided above, or if the portion of the Property so damaged or destroyed is not a Significant Portion of the Property, Purchaser shall accept the Property in its then "AS IS" condition with no abatement of the Purchase Price, and at the Closing, Seller shall assign and turn over to Purchaser, and Purchaser shall be entitled to receive and keep, all of Seller's interest in and to all casualty insurance proceeds payable in connection with such casualty (except that the proceeds of any business interruption or rental value insurance payable to Seller shall be apportioned as of the Closing Date), and, to the extent the casualty was to a Significant Portion, Purchaser shall receive a credit against the Purchase Price at the Closing in the amount of any deductible payable by Seller in connection with the casualty coverage.

17. Condemnation. If, prior to the Closing Date, a Significant Portion of the Property is taken by eminent domain, or the Property is rendered unusable for its current purpose or reasonably "inaccessible" by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated), Seller shall notify Purchaser of such fact and Seller or Purchaser shall have the option to terminate this Agreement upon notice to the other party given not later than twenty (20) days after receipt of Seller's notice. If this Agreement is terminated as aforesaid, neither party shall have any further right or obligation hereunder, except that Escrowee shall refund to Purchaser the Deposit (together with interest thereon, if any). If either party does not elect to terminate this Agreement or if the portion of the Property which is taken or rendered

unusable or reasonably inaccessible by eminent domain (or is the subject of a pending or contemplated taking which has not been consummated) is not a Significant Portion of the Property, Purchaser shall accept so much of the Property as remains after such taking in its then "AS IS" condition with no abatement of the Purchase Price, and at the Closing, Seller shall assign and turn over to Purchaser, and Purchaser shall be entitled to receive and keep, all of Seller's interest in and to all awards for such taking by eminent domain. For the purposes hereof, the term "inaccessible" shall mean a significant disruption of ingress, egress or access to or from the Property.

18. Notices. All notices (including without limitation approvals, consents and exercises of rights or options) required by or relating to this Agreement shall be in writing and shall either be (i) hand delivered, (ii) delivered by nationally recognized overnight courier service, (iii) mailed United States registered or certified mail, return receipt requested, postage prepaid, or (iv) electronic mail (provided that any delivery by electronic mail is also simultaneously deposited for delivery by one of the delivery methods set forth in subsections (i), (ii) or (iii), provided, further that, as long as notice by electronic mail is within the applicable time period provided in this Agreement, the subsequent delivery by one of the other delivery methods need not be. All notices shall be addressed to the other respective party at its address above set forth, or at such other address as such other party shall designate by notice, and shall be effective when delivered to such address.

19. Broker. Seller and Purchaser each represent and warrant to the other party that it has not dealt with any broker, finder or like agent in connection with this transaction other than Peter Hayes and Matt Fair of Cushman & Wakefield | Hayes & Sherry, as Purchaser's broker ("Purchaser's Broker"), and Karl Sherry of Cushman & Wakefield | Hayes & Sherry, as Seller's Broker ("Seller's Broker", and together with Purchaser's Broker, the "Brokers"). Seller shall pay the Brokers a brokerage commission pursuant to and in accordance with a separate written agreement between Seller and the Brokers (the total brokerage commission being equal to 4%). Seller hereby indemnifies and holds Purchaser harmless from and against any and all claims for any commission, fee or other compensation by any person or entity, including the Brokers, who shall claim to have dealt with Seller in connection with this transaction and for any costs and expenses incurred by Purchaser in connection with any such claims, including, without limitation, reasonable attorneys' fees and disbursements. Purchaser hereby indemnifies and holds Seller harmless from and against any and all claims for any commission, fee or other compensation by any person or entity, other than the Brokers, who shall claim to have dealt with Purchaser in connection with this transaction and for any costs and expenses incurred by Seller in connection with any such claims, including, without limitation, reasonable attorneys' fees and disbursements. The provisions of this Section 19 shall survive Closing or any earlier termination of this Agreement.

20. Whole Agreement; Amendments. This Agreement sets forth all of the agreements, representations, warranties and conditions of the parties hereto with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, representations, warranties and conditions. The exhibits, schedules and riders referred to above constitute parts of this Agreement. No alteration, amendment, modification or waiver of any of the terms or provisions hereof, and no future representation or warranty by either party with respect to this transaction,

shall be valid unless the same be in writing and signed by the party against whom enforcement of same is sought.

21. Captions; Pronouns. The captions of the sections of this Agreement are for convenience only and have no meaning with respect to this Agreement or the rights or obligations of the parties hereto. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein: “hereof”, “herein” and “hereunder” and other words of similar import refer to this Agreement as a whole; “Agreement” includes these presents as supplemented or amended from time to time by written instrument(s) entered into by Seller and Purchaser; “Purchaser” includes Purchaser's heirs, successors and assigns; “Seller” includes Seller's successors and assigns; and “parties” means Purchaser and Seller. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of pronouns or nouns shall include the plural and vice versa.

22. Governing Law. The laws of the state of Rhode Island shall govern this Agreement and all issues arising hereunder.

23. Assignment. Purchaser may at its option freely assign this Agreement to any entity controlled by, controlling or under common control with the named Purchaser, without the consent of Seller, provided Purchaser shall give Seller prior written notice of the same at least ten (10) days before the Closing Date, which notice must be accompanied by the name of such assignee and such assignee's signature block, along with reasonable evidence that such assignee is controlled by, controlling or under common control with Purchaser, and such assignee assumes, jointly and severally, in writing Purchaser's obligations hereunder and the assignee agrees in writing to be subject to all of the terms and conditions set forth in this Agreement pursuant to an assignment and assumption agreement in a form reasonably acceptable to Seller. For purposes of this Section 23, the term “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person through ownership of voting stock or partnership or membership interests. Except as set forth above, Purchaser may not assign this Agreement or any rights or remedies of Purchaser hereunder without Seller's prior written consent. No assignment of this Agreement shall release Purchaser of its obligations hereunder. If Purchaser is permitted to (or Seller otherwise consents to) assign Purchaser's rights under this Agreement and such assignee makes additional payments of any kind in connection with such assignment of this Agreement (the “Additional Consideration”), Purchaser shall pay fifty percent (50%) of any Additional Consideration to Seller and be solely responsible for any additional transfer taxes assessed as a result thereof and Purchaser shall pay such additional taxes at Closing and recording of the Deed. Seller shall have no liability for any taxes assessed based on any consideration greater than the Purchaser Price, and Purchaser shall indemnify and hold Seller harmless from and against any such additional taxes. The provisions of this Section 23 shall survive Closing and the delivery of the Deed by Seller to Purchaser.

24. Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original, and all of which taken together shall constitute a single agreement, with the same effect as if the signatures thereto and hereto were upon the same instrument. For purposes of this Agreement, an electronic format of an executed counterpart shall constitute an original. Any party delivering an executed counterpart of this Agreement by electronic mail

shall also deliver an original executed counterpart of this Agreement, but the failure to deliver an originally executed counterpart shall not affect the validity of this Agreement.

25. Drafts Not an Offer to Enter into a Legally Binding Contract. The parties hereto agree that the submission of a draft of this Agreement by one party to another is not intended by either party to be an offer to enter into a legally binding contract with respect to the purchase and sale of the Property. The parties shall be legally bound with respect to the purchase and sale of the Property pursuant to the terms of this Agreement only if and when the parties have been able to negotiate all of the terms and provisions of this Agreement in a manner acceptable to each of the parties in their respective sole discretion, including, without limitation, all of the exhibits, schedules and riders hereto, and each of Seller and Purchaser have fully executed and delivered to each other a counterpart of this Agreement, including, without limitation, all exhibits, schedules and riders hereto.

26. Seller's Limited Liability. It is hereby expressly agreed that any liability of Seller arising hereunder, for any reason whatsoever, shall be limited to Seller's interest in and to the Property and the proceeds thereof. It is further hereby expressly agreed that in no event shall any member, manager, officer, trustee, director, shareholder, employee, agent or representative of Seller have any personal liability in connection with this Agreement or the transaction envisioned herein. The provisions of this Section 26 shall survive Closing or any termination of this Agreement.

27. No Recording. Neither this Agreement nor any memorandum or short form thereof may be recorded by Purchaser. A violation of this prohibition shall constitute a material breach by Purchaser of this Agreement.

28. Severability. If any provision in this Agreement, or its application to any person or circumstance, is held to be invalid or unenforceable to any extent, that holding shall not affect the remainder of this Agreement or the application of that provision to persons or circumstances other than that to which it was held invalid or unenforceable.

29. No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest.

30. Confidentiality/No Public Disclosure.

(a) If required by Seller, Purchaser shall execute a confidentiality agreement respecting the transaction contemplated by this Agreement and any and all due diligence materials as are made available to Purchaser, regardless of whether such due diligence materials relate to the Property. Even if Purchaser does not execute a confidentiality agreement, any due diligence materials made available to Purchaser (by any means of transmission or delivery) will be treated by Purchaser as confidential information of Seller and used by Purchaser solely for the purpose of evaluating the Property and obtaining the necessary approvals for the purchase and must be returned immediately upon request to Seller when Purchaser terminates this Agreement.

(b) Except as may be required in order to comply with a court order or a governmental requirement, neither Purchaser nor Seller shall publicly disclose by written press release, public announcement or otherwise, the financial terms of this transaction without the prior written approval of the other party, provided, however, that, notwithstanding the foregoing, either party shall be permitted to disclose the financial terms of the transaction to any of its attorneys, accountants, agents, consultants, advisors, investors and/or lenders who have agreed to keep such information confidential, and nothing contained herein shall prohibit either party from making any public announcement (including without limitation placing a notice on a website of such party and/or an affiliate thereof) or issuing any written press release to announce the occurrence of Closing and the purchase of the Property by Purchaser.

(c) Notwithstanding the foregoing and anything to the contrary in this Agreement, nothing contained herein shall impair Seller's right to disclose information relating to this Agreement or the Property (a) to any due diligence representatives and/or consultants that are engaged by, work for or are acting on behalf of, any securities dealers and/or broker dealers evaluating Seller, (b) in connection with any filings (including any amendment or supplement to any S-11 filing) with governmental agencies (including the SEC) by any REIT holding, or that is considering holding, an interest (direct or indirect) in Seller, and (c) to any broker/dealers in the Seller's or any REIT's broker/dealer network and any of the REIT's or Seller's investors.

(d) The provisions of this Section 30 shall survive Closing or any termination of this Agreement.

31. Intentionally Omitted.

32. Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS AND/OR INSTRUMENTS EXECUTED IN CONNECTION HERewith, THE PROPERTY OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING.

33. General Release. TO THE FULLEST EXTENT PERMITTED BY LAW, (BUT WITHOUT LIMITING SELLERS REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN) PURCHASER HEREBY UNCONDITIONALLY AND IRREVOCABLY RELEASES AND FOREVER DISCHARGES SELLER, SELLER'S OFFICERS, MEMBERS, MANAGERS, TRUSTEES, DIRECTORS, PARTNERS, SHAREHOLDERS, EMPLOYEES, REPRESENTATIVES AND AGENTS, AND EACH OF THEIR RESPECTIVE AFFILIATES, OFFICERS, MEMBERS, MANAGERS, TRUSTEES, DIRECTORS, PARTNERS, SHAREHOLDERS, EMPLOYEES, REPRESENTATIVES AND AGENTS (EACH A "SELLER PARTY" AND COLLECTIVELY THE "SELLER PARTIES") FROM ANY AND ALL LIABILITY OR RESPONSIBILITY FOR CLAIMS, LOSSES AND DEMANDS, INCLUDING WITHOUT LIMITATION THOSE ARISING FROM PERSONAL INJURY OR DEATH, AND ALL CONSEQUENCES THEREOF (INCLUDING WITHOUT LIMITATION ANY INTERRUPTION OR INTERFERENCE WITH ANY BUSINESS OR ACTIVITIES BEING CONDUCTED ON THE PROPERTY AND ANY LOSS OF OPPORTUNITY),

WHETHER NOW KNOWN OR NOT, WHICH MAY ARISE FROM (1) ANY LATENT OR PATENT DEFECTS, ANY HIDDEN OR CONCEALED CONDITIONS, OR ANY SUBSOIL, GROUNDWATER OR GEOLOGICAL CONDITIONS, (2) THE CONDITION, STRUCTURAL INTEGRITY, OPERABILITY, MAINTENANCE OR REPAIR OF ANY BUILDINGS, EQUIPMENT, FURNITURE, FURNISHINGS OR IMPROVEMENTS, (3) THE PRESENCE OF ANY HAZARDOUS OR TOXIC MATERIALS OR SUBSTANCES, (4) THE COMPLIANCE OF THE PROPERTY WITH, OR VIOLATION OF, ANY LAW, STATUTE, ORDINANCE, RULE OR REGULATION OF ANY GOVERNMENTAL ENTITY, INCLUDING WITHOUT LIMITATION APPLICABLE ENVIRONMENTAL LAWS, ZONING ORDINANCES, AND BUILDING AND HEALTH CODES, (5) ANY MATTER RELATED TO THE TENANTS OF THE PROPERTY, (6) ANY MATTER RELATED TO THE DUE DILIGENCE MATERIALS, OR (7) ANY OTHER MATTER OR THING AFFECTING OR RELATED TO THE PROPERTY OR THE OPERATION OF THE PROPERTY.

Purchaser acknowledges and agrees that the provisions of this Section 33 are a material factor in Seller's acceptance of the Purchase Price and that Seller would be unwilling to sell the Property unless Seller and the other Seller Parties are expressly released in accordance with the foregoing provisions of this Section 33. The provisions of this Section 33 shall survive Closing or any termination of this Agreement.

34. Survival. Except for the rights and obligations of Seller and Purchaser which by their express terms shall survive, none of the rights and obligations of Purchaser and Seller shall survive Closing or the termination of this Agreement.

[Remainder of page intentionally left blank; Signatures follow]

IN WITNESS WHEREOF, the parties have executed this Agreement the date and year first above written.

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: 

Name: David Snyder

Title: Chief Financial Officer

PURCHASER:

CITY OF PROVIDENCE WATER
SUPPLY BOARD

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties have executed this Agreement the date and year first above written.

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

PURCHASER:

CITY OF PROVIDENCE WATER
SUPPLY BOARD

By: 
Name: RICK CARUOLO
Title: General Manager

Exhibit A

Legal Descriptions

The real property and all buildings, structures, fixtures, improvements, machinery, equipment, furnishings and other personal property and air rights located on that certain tract or parcel of land situated on the Easterly side of Dupont Drive in the City and County of Providence, State of Rhode Island, bounded and described as follows:

Beginning at a point of curvature on the Easterly line of Dupont Drive, said point being sixty and 00/100 (60.00') feet radially from a concrete bound at a point of curvature on the Westerly line of Dupont Drive; thence running S 24°39'50" W along said Easterly line of Dupont Drive, a distance of three hundred seventy-three and 27/100 (373.27') feet to a point on said street line; thence turning an interior angle of ninety-degrees nine minutes eighteen seconds (90°09'18") and running S 65°10'52" E a distance of six hundred seventeen and 97/100 (617.97') feet to a point on the approximate top of slope line; thence turning an interior angle of eighty-nine degrees forty-nine minutes one second (89°49'01") and running bounded Easterly by Mashapaug Pond, a distance of six hundred twenty-seven and 69/100 (627.69') feet to an angle point in said slope line; thence turning an interior angle of two hundred six degrees eight minutes fifty-six seconds (206°08'56") and running N 50°47'05" E along said approximate top of slope line and bounded Easterly by Mashapaug Pond, a distance of four hundred sixty-five and 89/100 (465.89') feet to a point in said line, said point also being on the Southerly line of that parcel of land now or formerly of the New York, New Haven and Hartford Railroad Company; thence turning an interior angle of seventy degrees twenty-six minutes eleven seconds (70°26'11") and running N 58°46'44" W along the Southerly line of said railroad's land a distance of twenty-six and 46/100 (26.46') feet to an angle point in said line; thence turning an interior angle of one hundred seventy-five degrees twenty-one minutes thirty-one seconds (175°21'31") and running one N 63°25'13" W along the Southerly line of said railroad's land a distance of ninety-eight and 41/100 (98.41') feet to an angle point in said line; thence turning an interior angle of one hundred seventy-seven degrees thirty-nine minutes two seconds (177°39'02") and running N 65°46'11" W along the Southerly line of said railroad's land a distance of seven hundred forty-four and 14/100 (744.14') feet to a point; thence turning an interior angle of ninety degrees twenty-six minutes forty seconds (90°26'40") and running S 24°40'29" W a distance of five hundred eighty-seven and 52/100 (587.52') feet to a point on a curve in said Easterly line of Dupont Drive; thence turning left and curving to the right following a portion of said curve said portion having a radius of one hundred and 00/100 (100.00') feet and subtended by a central angle of fifty-seven degrees twenty-two minutes thirty-four seconds (57°22'34") in an arc distance of one hundred and 14/100 (100.14') feet to a point of tangency in the Easterly line of Dupont Drive, said point also being the point and place of beginning.

Exhibit B

Escrow Agreement

First American Title Insurance Company (the "Escrowee") agrees to hold in escrow pursuant to this escrow agreement (this "Escrow Agreement"), the sum of \$250,000.00 (the "Deposit") to be deposited by the City of Providence Water Supply Board ("Purchaser"), pursuant to that certain Purchase and Sale Agreement by and between Purchaser and First States Investors 5200, LLC ("Seller"), the provisions of which (including, without limitation, the defined terms) are hereby incorporated herein by reference (the "Agreement"). The Deposit shall be disbursed by Escrowee as set forth in the Agreement. Escrowee shall, immediately upon receipt of the Deposit, deposit same in an interest bearing, money market type escrow account with a federally insured bank.

All interest which shall accrue on the Deposit shall be credited against the Purchase Price, if Closing occurs, and if Closing does not occur, shall be paid to whichever party to the Agreement is entitled to receive the Deposit. Escrowee shall pay such interest to such party contemporaneously with Escrowee's payment of the Deposit.

Seller and Purchaser agree that Escrowee is an escrow holder only and is merely responsible for the safekeeping of the Deposit and interest and shall not be required to determine questions of fact or law. If Escrowee shall receive notice of a dispute as to the disposition of the Deposit or the interest, then Escrowee shall not distribute the Deposit or interest except in accordance with written instructions signed by both Purchaser and Seller. Pending resolution of any such dispute, Escrowee is authorized to pay the Deposit and interest into court. If Escrowee pays the Deposit and interest into court, it shall be discharged from all further obligations hereunder.

In the event that Escrowee receives conflicting instructions from the parties or determines in good faith that a bonafide dispute exists as to whether Escrowee is obligated to deliver the Deposit, or as to whom said Deposit is to be delivered, Escrowee, at its option, (a) may refuse to comply with any claims or demands on it and continue to hold the Deposit until (I) Escrowee receives written notice signed by the Seller and the Purchaser directing the release and delivery of the Deposit, in which event Escrowee shall then release and deliver the Deposit in accordance with said direction, or (ii) Escrowee receives a certified copy of a final non-appealable judgment of a court of competent jurisdiction directing the release and delivery of the Deposit, in which event Escrowee shall then release and deliver the Deposit in accordance with said direction, or (b) may deliver the Deposit to the Clerk of the Superior Court of Providence County, Rhode Island, or (c) may take such affirmative steps as Escrowee may elect in order to substitute another impartial party reasonably satisfactory to the Seller and the Purchaser (whose consents to such substitution shall not be unreasonably withheld), to hold the Deposit, including, without limitation, the deposit thereof in a court of competent jurisdiction and the commencement of an action for interpleader, the costs thereof to be the joint and several obligation of the Seller and the Purchaser (but, as between the Seller and the Purchaser, such costs shall be borne by whichever of the Seller or the Purchaser is the losing party, or in accordance with any mutual agreement of the Seller and the Purchaser if neither party is the losing party).

Escrowee is acting as a stakeholder only with respect to the Deposit. It is agreed that the duties of Escrowee are only as herein specifically provided, and are purely ministerial in nature, and that Escrowee shall incur no liability whatsoever except for the willful misconduct or gross negligence. The Seller and Purchaser each release Escrowee from any act done or omitted to be done by Escrowee in good faith in the performance of its duties hereunder.

Seller and Purchaser shall jointly and severally indemnify, defend (with counsel acceptable to Escrowee) and save harmless Escrowee from and against all loss, cost, claim, liability, damage and expense, including reasonable attorneys' fees and disbursements incurred in connection with the performance of Escrowee's duties hereunder, except with respect to actions or omissions taken or suffered by Escrowee in bad faith, in willful disregard of this Escrow Agreement, or involving gross negligence on the part of Escrowee (the "Indemnified Matters") (but, as between the Seller and the Purchaser, the cost of such Indemnified Matters shall be shared equally, except to the extent that such Indemnified Matters are attributable to the breach by the Seller or the Purchaser of the Agreement or this Escrow Agreement, in which event the cost shall be borne by whichever of the Seller or the Purchaser is the breaching party.

The parties agree and acknowledge that Escrowee has no liability in connection with Deposit in the event of failure or insolvency of the financial institution in which the Deposit is deposited.

All notices, demands, offers, elections or other communications required or permitted by this Escrow Agreement shall be in writing and shall be personally delivered, whether by express mail or by reputable overnight courier which delivers only upon receipt of addresses, or by electronic mail, and addressed to the party at its address set forth below by either of the aforesaid methods, or by registered or certified mail, postage prepaid, with a return receipt requested, with copies as follows:

To Seller:	c/o Gramercy Property Trust 521 Fifth Avenue 30th Floor New York, NY 10175 Attention: Allan B. Rothschild ARothschild@gptreit.com
With a copy to:	Kirkland & Ellis LLP 300 N. LaSalle St. Chicago, Illinois 60654 Attn.: Andrew D. Small, Esq. Email: andrew.small@kirkland.com
To Purchaser:	City of Providence Water Supply Board 552 Academy Avenue Providence, Rhode Island 02908 Attn: Gary P. Marino E-mail: gmarino@provwater.com

With a copy to: Schacht & McElroy
21 Dryden Lane, P.O. Box 6721
Providence, Rhode Island 02940-6721
Attn: Michael R. McElroy
E-mail: Michael@mcelroylawoffice.com

To Escrowee: FIRST AMERICAN TITLE INSURANCE COMPANY
633 Third Avenue
New York, New York 10017
Attention: Jed Levine
Phone: (212) 551-9482
Email: jlevine@firstam.com

or at such other address, as from time to time, shall be supplied by a party to the others by like notice, and shall be deemed to have been given or sent, if sent by express mail or by registered or by certified mail, when properly deposited with the United States Postal Services with the proper address and postage paid therewith, and shall be deemed to have been received when actually delivered to or refused receipt at the specific address, or if sent by overnight courier, when delivered to said courier service with the proper address and delivery charges either prepaid or charged to a proper account, and deemed to have been received when actually delivered to the specified address. Notwithstanding the preceding sentence to the contrary, and solely with respect to Escrowee, notice shall be deemed to have been given or delivered to Escrowee on the date of Escrowee's actual receipt or refusal of such notice. Each party shall be entitled to rely on all communications which purport to be on behalf of the party and purport to be signed by an authorized party or the above-indicated attorneys or such other attorney as may be designated from time to time by any of the parties hereto.

Escrowee hereunder may resign at any time giving ten (10) Business Days prior written notice to that effect to each of the Seller and Purchaser. In such event, the successor Escrowee shall be selected by the Purchaser and approved by Seller, such approval not to be unreasonably withheld or delayed. Escrowee shall then deliver to successor Escrowee the Deposit, to be held by successor Escrowee pursuant to the terms of this Escrow Agreement and the Agreement.

In its capacity as Escrowee, Escrowee shall not be responsible for the genuineness or validity of any security, instrument, document or item deposited with it, and shall have no responsibility other than to faithfully follow the instructions contained herein, and it is fully protected in acting in accordance with any written instrument given to it hereunder by any of the parties hereto and believed by Escrowee to have been signed by the proper person. Escrowee may assume that any person purporting to give any notice hereunder and representing that they have the authority to do so has been duly authorized to do so.

Escrowee shall have no duties or responsibilities other than those expressly set forth herein. Escrowee shall have no duty to enforce any obligation of any person to make any payment or delivery or to enforce any obligation of any person to perform any other act. Escrowee shall be under no liability to the other parties hereto or to anyone else by reason of any failure on the part

of any party hereto or any maker, guarantor, endorser or other signatory of any document or any other person to perform such person's obligations under any such document.

Escrowee shall be entitled to approve (not to be unreasonably withheld or delayed) any and all counsel who may be retained to defend or prosecute any action on behalf of Escrowee under or arising out of this Escrow Agreement.

This Escrow Agreement and the obligations of the parties hereunder shall be interpreted, construed and enforced in accordance with the laws of the state where the Property is located.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Escrowee, Seller and Purchaser, for valuable consideration, each intending to be legally bound and to bind their respective successors and assigns, have caused this Escrow Agreement to be executed and delivered as of May 7, 2015.

ESCROWEE:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: 
Name: Ted Levine
Title: Underwriter

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

PURCHASER:

CITY OF PROVIDENCE WATER
SUPPLY BOARD

By: _____
Name:
Title:

IN WITNESS WHEREOF, Escrowee, Seller and Purchaser, for valuable consideration, each intending to be legally bound and to bind their respective successors and assigns, have caused this Escrow Agreement to be executed and delivered as of

~~MAY 06~~, 2015.

May 7,

ESCROWEE:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____
Name:
Title:

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

PURCHASER:

CITY OF PROVIDENCE WATER
SUPPLY BOARD

By: 
Name: J. RICKY CARUBLO
Title: General Manager

IN WITNESS WHEREOF, Escrowee, Seller and Purchaser, for valuable consideration, each intending to be legally bound and to bind their respective successors and assigns, have caused this Escrow Agreement to be executed and delivered as of _____ May 7, 2015.

ESCROWEE:

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: _____
Name:
Title:

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: 
Name: David Snyder
Title: Chief Financial Officer

PURCHASER:

CITY OF PROVIDENCE WATER
SUPPLY BOARD

By: _____
Name:
Title:

Exhibit C

Permitted Exceptions¹

1. Current real estate taxes which are not yet due and payable.
2. Such facts or conditions that an inspection or accurate survey would disclose.
3. Restrictions and all other matters appearing on the plat or otherwise common to the subdivision.
4. Existing zoning laws, ordinances and regulations and other laws, ordinances and regulations respecting the Property, and any violations thereof.
5. Assessments for improvements begun or completed after the date of this Agreement.
6. All easements, restrictions and agreements of record provided that such easements, restrictions and agreements do not prohibit the current use of the Property.
7. All outstanding oil, gas and mineral rights of record without right of entry.
8. All other exceptions to title set forth of record.

¹ NOTE: Purchaser may review title during Due Diligence Period.

Exhibit D

Bill of Sale

[See Attached]

BILL OF SALE

This Bill of Sale is given this ____ day of [_____, 2015] by First States Investors 5200, LLC, a Delaware limited liability company (the "Seller"), with a mailing address of 521 Fifth Avenue, 30th Floor, New York, New York 10175, to the City of Providence Water Supply Board (the "Purchaser"), with a mailing address of 552 Academy Avenue, Providence, Rhode Island 02908.

The Seller, for good and valuable consideration received from the Purchaser, the receipt and sufficiency of which are hereby acknowledged, hereby remises, conveys and quitclaims to the Purchaser all furnishings, furniture (including but not limited to office chairs, desks, tables, bookshelves and cubicle partitioning panels), equipment, supplies, and other personal property (hereinafter collectively referred to as the "Personal Property") of the Seller located on, and used in connection with, the real property located at 125 Dupont Drive, Providence, Rhode Island, to have and to hold the Personal Property unto Purchaser, its successors and assigns, forever. This Bill of Sale shall include in the definition of Personal Property any furniture, furnishings, trade fixtures, equipment or other personal property of the tenant previously occupying such real property.

Except as otherwise set forth herein, the Personal Property is being transferred by the Seller to the Purchaser in its "AS IS" condition. Seller has not made and does not make any representations as to the physical condition, operation or any other matter affecting or related to the Personal Property. Purchaser expressly disclaims and Seller acknowledges and accepts that Purchaser has disclaimed to the maximum extent permitted by law, any and all representations, warranties or guaranties of any kind, oral or written, express or implied, concerning the Personal Property

[remainder of page intentionally left blank; signature follows]

IN WITNESS WHEREOF, the Seller has hereunto executed this Bill of Sale as of the date first above written.

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

PURCHASER:

CITY OF PROVIDENCE WATER SUPPLY
BOARD

By:  _____
Name: RICKY CARUOLO
Title: General Manager

Exhibit E

Title Affidavit

[See Attached]

TITLE AFFIDAVIT

PROPERTY:

COUNTY:

STATE:

First States Investors 5200, LLC, a Delaware limited liability company (“Seller”), as seller, and the City Providence Water Supply Board (“Purchaser”), as purchaser, are parties to that certain Purchase and Sale Agreement and Escrow Agreement (the “Purchase Agreement”) dated _____, 2015, [as the same has been amended and modified], relating to the improved real property (the “Real Property”) referred to in Exhibit “A” attached hereto and made a part hereof.

In connection with the consummation of the transactions contemplated by the Purchase Agreement, Seller hereby represents and warrants to First American Title Insurance Company the following:

1. Seller is a limited liability company organized and existing under the laws of the State of Delaware, and authorized to do business in the State of Rhode Island.
2. To Seller’s actual knowledge, (i) Seller’s _____ agreement is in full force and effect, and (ii) no proceedings are pending for the dissolution of the Seller.
3. To Seller’s actual knowledge, there are no leases or occupancy agreements currently encumbering the Real Property.
4. To Seller’s actual knowledge, (a) there is no capital improvement work currently being constructed (or that was constructed during the last two hundred (200) days) on the Real Property that is the subject of a written contract with Seller which could give rise to a mechanic’s or materialman’s lien on the Real Property, and (b) Seller has not entered into any contracts for the furnishing of labor, materials, or services for construction purposes with respect to the Real Property to be furnished subsequent to the date of this affidavit.
5. To Seller’s actual knowledge, the Company has not received notice of any special assessments that are not otherwise publicly noticed or available by searching the public records of the jurisdiction where the Property is located.
6. Seller shall not hereafter cause any encumbrances or other instruments to be recorded against the Property (other than the recording of a deed (the “Deed”) transferring fee title to the Real Property to Purchaser) through the effective date of such title insurance policy or policies or other title evidence issued to Purchaser.

For purposes hereof, the “actual knowledge” of Seller shall be limited to the actual knowledge (and not implied, imputed, or constructive) of Brian Ragsdale, with no duty of inquiry. Notwithstanding anything contained herein to the contrary, the representations and warranties set forth in this Title Affidavit shall only survive the closing of the transactions contemplated by the Purchase Agreement until the date that is ten (10) days following the date hereof, after which date this Title Affidavit shall be of no further force or effect and First American Title Insurance

Company shall have no further rights hereunder (notwithstanding that one or more of the representations and/or warranties set forth herein may prove to be incorrect). This Title Affidavit is being executed for the sole and exclusive benefit of First American Title Insurance Company and no other party or person shall have any rights hereunder.

Executed as of _____, 2015.

[SIGNATURES ON NEXT PAGE]

SELLER:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ACKNOWLEDGMENT

State of _____)
County of _____)

On _____ before me, _____
(insert name of notary) personally appeared _____
(insert name and title of the officer), who proved to me on the basis of satisfactory evidence to be
the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me
that he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of
_____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

LEGAL DESCRIPTION

The real property and all buildings, structures, fixtures, improvements, machinery, equipment, furnishings and other personal property and air rights located on that certain tract or parcel of land situated on the Easterly side of Dupont Drive in the City and County of Providence, State of Rhode Island, bounded and described as follows:

Beginning at a point of curvature on the Easterly line of Dupont Drive, said point being sixty and 00/100 (60.00') feet radially from a concrete bound at a point of curvature on the Westerly line of Dupont Drive; thence running S 24°39'50" W along said Easterly line of Dupont Drive, a distance of three hundred seventy-three and 27/100 (373.27') feet to a point on said street line; thence turning an interior angle of ninety-degrees nine minutes eighteen seconds (90°09'18") and running S 65°10'52" E a distance of six hundred seventeen and 97/100 (617.97') feet to a point on the approximate top of slope line; thence turning an interior angle of eighty-nine degrees forty-nine minutes one second (89°49'01") and running bounded Easterly by Mashapaug Pond, a distance of six hundred twenty-seven and 69/100 (627.69') feet to an angle point in said slope line; thence turning an interior angle of two hundred six degrees eight minutes fifty-six seconds (206°08'56") and running N 50°47'05" E along said approximate top of slope line and bounded Easterly by Mashapaug Pond, a distance of four hundred sixty-five and 89/100 (465.89') feet to a point in said line, said point also being on the Southerly line of that parcel of land now or formerly of the New York, New Haven and Hartford Railroad Company; thence turning an interior angle of seventy degrees twenty-six minutes eleven seconds (70°26'11") and running N 58°46'44" W along the Southerly line of said railroad's land a distance of twenty-six and 46/100 (26.46') feet to an angle point in said line; thence turning an interior angle of one hundred seventy-five degrees twenty-one minutes thirty-one seconds (175°21'31") and running one N 63°25'13" W along the Southerly line of said railroad's land a distance of ninety-eight and 41/100 (98.41') feet to an angle point in said line; thence turning an interior angle of one hundred seventy-seven degrees thirty-nine minutes two seconds (177°39'02") and running N 65°46'11" W along the Southerly line of said railroad's land a distance of seven hundred forty-four and 14/100 (744.14') feet to a point; thence turning an interior angle of ninety degrees twenty-six minutes forty seconds (90°26'40") and running S 24°40'29" W a distance of five hundred eighty-seven and 52/100 (587.52') feet to a point on a curve in said Easterly line of Dupont Drive; thence turning left and curving to the right following a portion of said curve said portion having a radius of one hundred and 00/100 (100.00') feet and subtended by a central angle of fifty-seven degrees twenty-two minutes thirty-four seconds (57°22'34") in an arc distance of one hundred and 14/100 (100.14') feet to a point of tangency in the Easterly line of Dupont Drive, said point also being the point and place of beginning.

Exhibit F

Assignment and Assumption of Intangibles

[See Attached]

ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY

THIS ASSIGNMENT AND ASSUMPTION OF INTANGIBLE PROPERTY (the "Assignment") is made this ____ day of [_____, 2015] (the "Effective Date"), by and between First States Investors 5200, LLC (the "Assignor"), with a mailing address of 521 Fifth Avenue, 30th Floor, New York, New York 10175, and the City of Providence Water Supply Board (the "Assignee"), with a mailing address of 552 Academy Avenue, Providence, Rhode Island 02908.

WITNESSETH:

WHEREAS, pursuant to that certain Purchase and Sale Agreement dated May __, 2015, by and between the Assignor, as seller, and the Assignee, as purchaser, the Assignor desires to assign all of its right, title and interest in and to certain intangible personal property to the Assignee, and the Assignee desires to assume the Assignor's right, title and interest in and to the intangible personal property in accordance with the terms hereinafter set forth;

WHEREAS, the Assignor has simultaneously executed and delivered to the Assignee a Bill of Sale conveying all of the Assignor's right, title and interest in and to certain furnishings, furniture, equipment, supplies and other items of personal property (collectively, the "Tangible Personal Property") located on or attached to the real estate, the building and improvements erected thereon located at 125 Dupont Drive, Providence, Rhode Island (the "Property");

WHEREAS, the Assignor may be a party to or beneficiary of certain agreements, easements, contracts, licenses, permits and other documents with respect to the Property and the Tangible Personal Property.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties hereto, intending to be legally bound, the Assignor and the Assignee do hereby agree as follows:

1. Assignment. The Assignor hereby assigns, gives, sells, conveys, transfers and quitclaims unto the Assignee, its successors and assigns, as of the Effective Date, without representation or warranty of any kind, all of the Assignor's right, title and interest, if any, in and to the following (the "Intangible Personal Property"):

All intangible personal property owned by the Assignor and used solely in the ownership, use or operation or development of the Property or the Tangible Personal Property, including, without limitation, all building approvals, licenses and permits to the extent transferable, all warranties and guaranties to the extent transferable, together with all agreements, records, substantive correspondence and other documents affecting in any way a right to occupy any portion of the Property and all guaranties thereof and all amendments thereto, but specifically

excluding any intangible personal property relating to the operation of the Assignor's business on the Property.

2. Assumption. The Assignee hereby accepts the foregoing assignment and, in consideration thereof, the Assignee hereby covenants and agrees that, on and after the Effective Date, the Assignee shall assume, observe, perform, fulfill and be bound by all terms, covenants, conditions and obligations of the Intangible Personal Property that arise on and after the Effective Date and are to be observed, performed and fulfilled by the Assignor on and after the Effective Date in the same manner and to the same extent as if the Assignee were named therein.

3. Successors and Assigns. The terms and conditions of this Assignment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

4. Counterparts. This Assignment may be executed in several counterparts, all of which together shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on the day and year first set forth above.

ASSIGNOR:

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

ASSIGNEE:

**CITY OF PROVIDENCE WATER SUPPLY
BOARD**

By: 
Name: J. RICKY CARUOLO
Title: General Manager

Exhibit G

Non-Foreign Affidavit

[See Attached]

Internal Revenue Code
Section 1445(b)(2)
Non-foreign Affidavit

[_____, 20__]

For purposes of Section 1445(b)(2) of the Internal Revenue Code, as amended, First States Investors 5200, LLC, a Delaware limited liability company ("Transferor"), hereby certifies, under penalty of perjury to the City of Providence Water Supply Board ("Transferee"), that (a) Transferor's United States taxpayer identification number is 20-1656923, (b) Transferor's address is c/o Gramercy Property Trust, 521 Fifth Avenue, 30th Floor, New York, New York 10175 and (c) Transferor is not a "foreign person", within the meaning of said Section 1445(b)(2), as amended, and (d) Transferor is not a "disregarded entity" as defined in Section 1.1445-2(b)(2)(iii), as amended]. Transferor understands that this Affidavit may be disclosed to the Internal Revenue Service, and that any false statement made herein could be punished by fine, imprisonment or both. Under penalty of perjury, the undersigned declares that it has examined this certification and to the best of its knowledge and belief it is true, correct and complete, and further declares that it has authority to sign this document.

Transferor executes this Internal Revenue Code Section 1445(b)(2) Non-foreign Affidavit (FIRPTA) as of the day and year set forth above.

FIRST STATES INVESTORS 5200, LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Due Diligence Rider

The following provisions are hereby added to the terms and provisions of the Purchase and Sale Agreement dated as of May ____, 2015, by and between First States Investors 5200, LLC, as Seller, and the City of Providence Water Supply Board, as Purchaser (the "Agreement"). In the event of a conflict between the terms of this Rider and the terms of the Agreement, the terms of this Rider shall control. Unless otherwise defined in this Rider, each capitalized term used in this Rider shall have the meaning assigned to it in the Agreement. As hereinafter used in this Rider, the terms "the Agreement" or "this Agreement" shall mean the Agreement, as modified by this Rider.

1. Due Diligence:

(A) During the Due Diligence Period, Purchaser or Purchaser's representative shall have the right, at its sole risk and expense, to conduct an inspection and examination of the Property and all matters (including non-invasive environmental and land use matters) relating to the Property as Purchaser shall require, excluding title examination which shall be governed under Section 5 of the Agreement. All inspection fees, appraisal fees, engineering fees, legal costs, and other expenses of any kind incurred by Purchaser relating to such due diligence will be solely Purchaser's expense. Seller shall cooperate with Purchaser in all reasonable respects at no cost or liability to Seller. In conducting any due diligence hereunder, Purchaser will treat, and will require any representative of Purchaser to treat, all information obtained by Purchaser pursuant to the terms of this Agreement as strictly confidential. Although Purchaser may search the applicable public records in connection with the inspections and examinations referred to above, or in order to ascertain or confirm the quality of title to the Property, Purchaser shall not under any circumstances cause the Property to be inspected by any governmental authority other than Purchaser's regulators and lender prior to Closing. Purchaser agrees to indemnify and hold Seller and its tenants, and their respective contractors, agents and employees (collectively, the "Indemnified Parties") harmless from any and all injuries, losses, liens, claims, judgments, liabilities, costs, expenses or damages (including reasonable attorneys' fees and court costs) sustained by or threatened against any of the Indemnified Parties which result from or arise out of any due diligence by Purchaser or its representatives pursuant to this Rider.

(B) In the event Purchaser determines, for any reason or no reason, that it does not desire to proceed with the purchase of the Property, Purchaser, in Purchaser's sole discretion, may elect to terminate the Agreement by delivering to Seller written notice of such termination prior to the expiration of the Due Diligence Period, whereupon the parties shall have no further rights or obligations hereunder, and Escrowee shall return the Deposit to Purchaser. Unless requested by Seller in writing, Purchaser shall not disclose or otherwise release to Seller copies of any reports, test results, inspections or other due diligence materials produced or received by Purchaser as a result of Purchaser's inspection and investigation of the Property.

(C) If Purchaser does not terminate the Agreement as set forth in the immediately preceding subparagraph then Purchaser forever waives and gives up its right to so terminate the Agreement under such subparagraph.

(D) Purchaser acknowledges receipt of Seller's due diligence materials, which include copies of (i) the title insurance commitment obtained when Seller acquired the Property, (ii) Seller's ALTA/ACSM survey of the Property, if any, and (iii) the Phase I environmental assessment of the Property obtained by Seller, if any.

(E) The provisions of this Rider, including, without limitation, the indemnity obligations of Purchaser, shall survive Closing or any termination of the Agreement.

2. Right of Entry:

(A) Seller grants Purchaser the right, at Purchaser's own risk and expense, to enter upon the Property during regular business hours during the Due Diligence Period for the purpose of performing its due diligence, including making surveys, engineering studies, and non-invasive environmental assessments of the Property which Purchaser may deem necessary; provided that, (i) each such inspection or examination of the Property is upon at least one (1) Business Day's prior written notice to Seller, (ii) any entry upon the Property shall be performed in a manner which is not disruptive to any tenants or other occupants of the Property or the normal operation of the Property and shall be subject to the rights of any tenants or other occupants of the Property. Notwithstanding the foregoing, Seller hereby permits Purchaser to conduct soil testing on the Property for the sole purpose of determining the suitability of the soil for future construction on the Property; provided, however, that (x) Purchaser shall provide Seller with written notice of the proposed soil testing no later than two (2) business days prior to the commencement of such testing; (y) Seller shall approve the locations of the proposed soil testing in Seller's reasonable discretion and (z) Seller shall have the right to be present or have a representative of Seller present during the such soil testing.

(B) Purchaser shall cause minimum disturbance to the Property, shall return the Property to the same condition that existed prior to such entry and shall indemnify and save Seller harmless from and against all loss, costs, liability, and expense, including without limitation reasonable attorneys' fees, incurred or suffered by Seller as a result of such entry. Notwithstanding the foregoing, prior to entry upon the Property, Purchaser shall obtain and shall cause its contractors to obtain, public liability and property damage insurance insuring Purchaser against any liability arising out of any entry, studies and assessments of the Property pursuant to the provisions hereof. Purchaser shall promptly and diligently repair any damage to the Property caused by Purchaser, its employees, agents and contractors with respect to such entry, studies and assessments. Purchaser shall deliver evidence of such insurance coverage to Seller prior to the commencement of the first inspection and proof of continued coverage prior to any subsequent inspection.

Schedule 1

Excluded Assets

1. 50-75 Workstations from suite 129/133 and/or 176/180
2. 10 Office Setups
3. All Life Chairs – (all suites except 155,157,192, 150,115 have life chairs).
4. Cafeteria tables & chairs (approx 35 tables; 150 chairs)
5. Freestanding file cabinets and metal shelving
 - a. Suite 185
 - b. Suite 157
 - c. File room between 163-167
 - d. Suite 129/133
 - e. Suite 176/180
 - f. Suite 132/136/145
6. Fitness Center Equipment
7. Cafeteria tables & chairs (approx, 35 tables; 150 chairs)
8. Cafeteria equipment as follows:

Globe Food Equipment co.	3850	386209	Slicer
Beverage AIR	GR48-1AS	N/A	Produce fridge
True Manf Co	TSSU-72-30M-B-ST	14553071	Deli Fridge
	NGCD604253	NGC	Turbo Chef
Carter Hoffmann Corp.	N/A	N/A	Holding Cabinet
Star Max	548TGD	524TGD	Grill
S P Series	sper2	87P1003	Fryer
Garland	SS686	0209RE0154	Stove
Blodgett	N/A	N/A	Oven
Beverage Air	HRZ-IS	N/A	Salad Bar Fridge
Hobart	LXIH	23-1098-418	Dish washer
Con-Temp	KLF7768-CR-26	87100987	Walk -n freezer
Powers Equipment co	GDM-05	1-3160736	Countertop Fridge
Federal Industries	RSSMG78SC	2041016078	Outtake Cooler
True Manf Co	681	A046050	Deli Cooler
American Permanent Ware co	XPRS	0702D02794	Toaster
Manitowoc Ice, Inc	5570	991220816	Ice machine
Sharp	UP700	58035399	Register
Hafco corp	GRCD-2PD	3641490712	Warmer
American permanent ware co	SAA-50-11D	0309D06686	Soup wells

EXHIBIT GG-5

COF SPECIFICATION SHEET

YEAR BUILT 1968

CONVERTED TO OPERATIONS CENTER 1983

BUILDING AREA Ground Floor 146,177 square feet
Second Floor 31,323 Square Feet
Total 177,500 square feet

GROUND COVER RATIO 20.30%

LAND-TO-BUILDING AREA RATIO 4.06:1

PROPERTY ASSESMENT \$8,825,600

PROPERTY TAXES \$324,340.80

SITE SIZE Approximately 16.53 acres, or 719,933 square feet

STREET FRONTAGE 469.46 feet along Dupont Drive

ENVIRONMENTAL PROBLEMS OBSERVED OR KNOWN 2005 Phase I & II Report are available

ACCESS Average

DRAINAGE Appears Adequately Maintained/Catch Basins

ADEQUACY OF UTILITIES Good

TRAFFIC PATTERN Average

STREET Asphalt Paved/City Maintained

CURBS AND GUTTERS Yes/Public

LIGHTING Yes/Public

ELECTRIC Yes/Public

NATURAL GAS Yes/Public

WATER Yes/Public

SEWER Yes/Public

STORM/DRAIN Yes/Public

SIDEWALKS Yes/Public

TOPOGRAPHY Level

UNDERGROUND UTILITIES Water/Sewer/Natural Gas

SOIL/SUBSOIL CONDITIONS Urban Complex - Suitable for Community Development

TOTAL PARKING SPACES 704 (691 Standard and 13 Handicap)

UNDERGROUND FUEL STORAGE TANKS One double-lined 10,000 gal, One 5,000 gal and One 2,500 gal

Mechanicals

SPRINKLER Full - Wet Sprinkler

EMERGENCY LIGHTING SYSTEM Yes

ELEVATORS Two electric passenger

HEATING Natural gas/WhirlPower boiler (circa 1968); Natural gas and oil/Tyclo-Therm (circa 1968)

AIR CONDITIONING 50 roof-top units - 7 to 12 tons; 6 at 60 tons. Predominant Ages - 5 years

ELECTRICAL 23 FV Split Substations; #1 at 2,075 KVA and #2 at 664 KVA

GENERATORS Caterpillar 500 KW (2008); Onan-Detroit 1000 KW (1986); Onan-Cummings 500 KW(1986)

HOT WATER Natural gas - Two at 90 Gallons (2004/ 2005); One at 80 Gallons (2009)

PLUMBING PVC and Copper

Exterior

IMPROVEMENT DESCRIPTION

PROPERTY TYPE Back Office/Clerical Operations
CONSTRUCTION TYPE Predominantly Metal/Concrete Block
NUMBER OF BUILDINGS One
NUMBER OF STORIES One to Two
BUILDING HEIGHT 24.7 Feet

FOUNDATION
EXTERIOR WALLS
ROOF COVERING
WINDOWS
DOORS

Concrete Slab - No Basement
Metal
Flat - Carlisle Rubber Membrane (New)
Very Limited/Fixed-Casement Type
Safety Glass/Aluminum Framed Main Doors; Metal Passage Doors

Finishes

WALLS
CEILINGS
LIGHTING
FLOORING
INSULATION
LAVATORIES

Predominantly Office Areas

Painted Drywall
Dropped Acoustical Tile
Recessed Fluorescent/Parabolic
Commercial Grade Carpeting
Unknown
Four Sets of Men's and Ladies' Lavatories; An additional set having showers

Shipping/Receiving

Three truck-height level docks; Two truck drive-in bays; Three bay ground-level garage

EXHIBIT GG-6

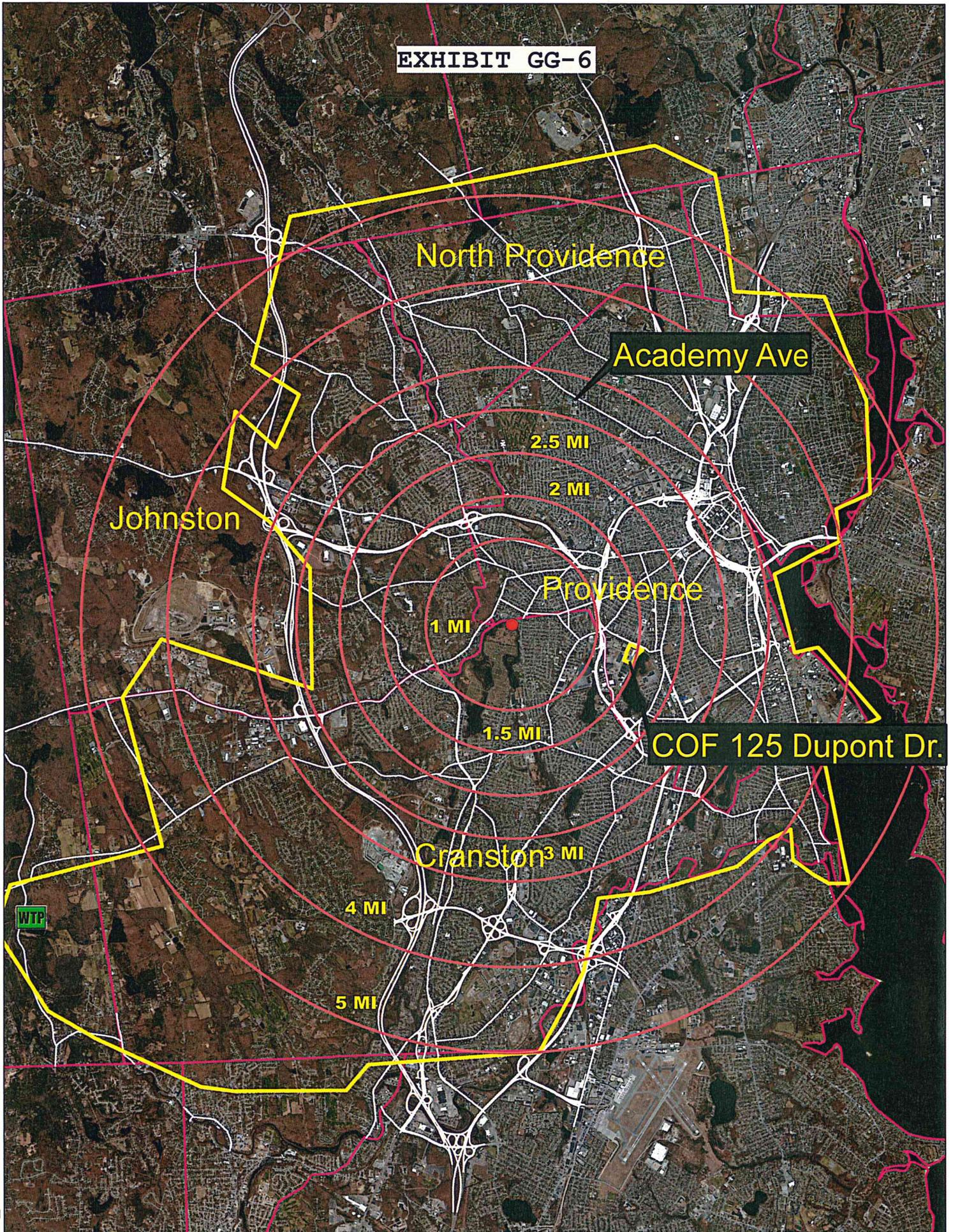


EXHIBIT GG-7

Providence Water Supply

Providence, Rhode Island



March 20, 2015

<i>Order of Magnitude Budget, based on Program Area Layout, Pre-Design.</i>		
01000	General Conditions	\$400,000
02050	Demolition	\$867,750
02100	Sitework	\$669,600
02900	Landscape	\$50,000
03100	Concrete	\$142,200
04200	Masonry	\$156,013
05100	Steel Structure	\$248,000
05500	Misc Metals	\$16,625
06100	Temp Requirements	\$617,350
06200	Millwork	\$251,650
07400	Metal Panel	\$100,000
07500	Roof	\$162,802
07900	Joint Sealants	\$37,000
08100	Doors / Frames / Hardware	\$167,500
08300	OH Coiling Door	\$170,400
08410	Glass & Aluminum	\$291,250
09250	Drywall	\$458,030
09300	Tile	\$83,600
09510	Ceiling Systems	\$179,200
09680	Carpet / Resilient	\$245,627
09900	Paint	\$373,183
10440	Signage	\$40,000
10505	Lockers	\$18,500
10605	Wire Mesh Partitions	\$50,000
11160	Loading Dock Equip	\$23,500
12500	Window Treatments	\$12,500
15300	Fire Protection	\$365,910
15400	Plumbing	\$556,825
15500	HVAC	\$675,314
16000	Electrical	\$1,471,350
Subtotal:		\$8,901,677
<i>Allowance</i>	Fuel Disp AST Storage Tanks	\$300,000
<i>Allowance</i>	Covered Storage	\$420,803
<i>Allowance</i>	Granular Storage	\$346,419
<i>Allowance</i>	Fixtures & Equipment / Security	\$1,000,000
<i>Allowance</i>	Data / Network / Phone	\$500,000
<i>Allowance</i>	Haz Mat Abate Allowance	\$100,000
<i>Allowance</i>	Escalation Factor Excluded	\$0
		\$11,568,899
8.00%	Architectural Fee	\$925,512
		\$12,494,411
\$8.5/\$1000	General Liability	\$106,203
1.20%	Subguard Insurance	\$149,933
		\$12,750,547
LS	Prov Building Permit \$2,200 + \$19/k	\$2,200
\$19/\$1000	Prov Building Permit \$2,200 + \$19/k	\$242,260
LS	Prov FireDept Permit \$3,033 + \$4/k	\$3,033
\$4/\$1000	Prov FireDept Permit \$3,033 + \$4/k	\$51,002
		\$13,049,042
10%	Contingency- Estimate / Design	\$1,304,904
10%	Contingency- Construction	\$1,304,904
		\$15,658,850
3.25%	CM Fee	\$508,913
		\$16,167,763
	Payment & Performance Bond	\$105,090
TOTAL		\$16,272,853