AGREEMENT FOR HISTORIC PRESERVATION TAX CREDITS 2013

THIS AGREEMENT (the "Agreement"), is made as of the ____ day of _____, 20___(the "Effective Date"), by and between 1144 Eddy Street, LLC (the "Applicant"), and the Rhode Island Department of Revenue, through its Division of Taxation (the "Tax Division") (collectively the "Parties").

WITNESSETH:

WHEREAS, pursuant to RIGL §44-33.6-4(e), the Tax Division is authorized to enter into contracts of guaranty, on behalf of the State of Rhode Island, with persons, firms, partnerships, trusts, estates, limited liability companies, corporations (whether for profit or non-profit) or other business entities who have incurred, or intend to incur, Qualified Rehabilitation Expenditures for the Substantial Rehabilitation of a Certified Historic Structure, or some identifiable portion thereof, to be Placed in Service after July 3, 2013.

WHEREAS, in accordance with Chapter 33.6 of Title 44 of the Rhode Island General Laws, as amended, and the Regulations adopted by the Rhode Island Historical Preservation and Heritage Commission (the "Commission") and the Tax Division, the Applicant desires to conduct Substantial Rehabilitation of a Certified Historic Structure or, an identifiable portion thereof, located in Rhode Island, and described in Exhibit A attached hereto (the "Project") and, as a consequence thereof, to receive Historic Preservation Tax Credits ("Tax Credits").

WHEREAS, a Determination of Historic Significance (a/k/a Part 1 Certification) and a Certification of a Rehabilitation Plan (a/k/a Part 2 Certification) have been issued by the Commission to the Applicant.

NOW, THEREFORE, the Applicant and the Tax Division agree as follows:

SECTION 1. Definitions. Unless otherwise defined in this Agreement, capitalized terms used herein shall have the meaning ascribed to them pursuant to Chapter 33.6 of Title 44 of the Rhode Island General Laws and the Regulations implementing same.

SECTION 2. Adequate Consideration. The Processing Fee payable by the Applicant, under Section 4(b) hereof and the Regulations, constitutes adequate consideration for the contractual obligation of the Tax Division to provide the Tax Credits described in Section 5(a) hereof in accordance with the terms hereof.

SECTION 3. Effective Date of Rhode Island Law. Unless otherwise indicated herein, all references herein to the Rhode Island General Laws and the Regulations shall refer to such statutes as in effect as of the date of enactment of Public Law 2013, Ch 144, Art. 22 by the Rhode Island General Assembly and to such regulations as promulgated by the Commission and/or the Tax Division to implement Public Law 2013, Ch 144, Art. 22.

SECTION 4. Duties of the Applicant.

(a) The Applicant shall fulfill the requirements for the Substantial Rehabilitation of the Project approved by the Commission and, in addition thereto, the Applicant specifically covenants that:

(1) *Full, Fair and Honest Disclosures Required.* The Applicant has made, and will make, full, fair and honest disclosure of all material facts to both the Commission and the Tax Division during the entire Application process set forth in the Regulations.

(2) *Rehabilitation Will be Consistent with Plan and Standards.* The Applicant shall insure that the Project, when finished, will be consistent with the proposed rehabilitation plan certified by the Commission and that all completed work will meet the criteria set forth in the Regulations and the *Standards of Rehabilitation* incorporated therein.

(3) *Documentation Required to Verify Costs Incurred.* The Applicant will furnish, on demand and in a complete and timely fashion, any additional and detailed documentation to verify that any final costs attributable to the Substantial Rehabilitation of a Certified Historic Structure were actually incurred and furthermore, meet the criteria of Qualified Rehabilitation Expenditures. Said documentation shall include, at the minimum, the items set forth in Tax Division Regulation CR 13-16.

(b) *Processing Fee.* The Applicant agrees to pay, in full, a Processing Fee equal to three percent (3%) of estimated Qualified Rehabilitation Expenditures to the Tax Division before or upon execution of the within Agreement. If full payment is not tendered to the Tax Division along with a proposed Agreement, the Agreement will not be signed and any partial payment remitted shall be returned to the Applicant. The failure to pay the Processing Fee, in full and within thirty (30) days from the Commission's Part 2 certification date, will result in the denial of Tax Credits and the Applicant's loss of place in the Queue for Tax Credits.

SECTION 5. Duties of the Tax Division.

(a) *Tax Credit.* The Tax Division shall allow a Tax Credit, as set forth in Exhibit B, calculated in accordance with RIGL §44-33.6-3(a), and equal to the lesser of: (i) the estimated Qualified Rehabilitation Expenditures as submitted with this Agreement multiplied by either twenty percent (20%) or twenty-five percent (25%), as elected by the Applicant, or (ii) the actual Qualified Rehabilitation Expenditures, incurred by the Applicant and verified by the Tax Division, for the Substantial Rehabilitation multiplied by either twenty percent (20%) or twenty-five percent (25%), as elected by the Applicant. Provided further that:

(1) *25% Tax Credit Requires Trade or Business Use.* If the Applicant elects twenty five percent (25%) of the Qualified Rehabilitation Expenditures as the Tax Credit, the Applicant acknowledges and agrees that: (i) at least twenty five (25%) percent of the total rentable area of the Certified Historic Structure will be made available for a Trade or Business, as defined in RIGL §44-33.6-2(17), or (ii) the entire rentable area located on the first floor of a Certified Historic Structure will be made available for a Trade or Business, as defined in RIGL §44-33.6-2(17).

(2) *Qualified Rehabilitation Expenses Incurred on or after July 3, 2013.* The Applicant acknowledges that the Qualified Rehabilitation Expenses upon which the Tax Credit is claimed must be incurred on or after July 3, 2013. Qualified Rehabilitation Expenses incurred prior to July 3, 2013 cannot be used for calculating Tax Credits under this program.

(3) *Maximum Tax Credit Allowed.* The Applicant acknowledges and agrees that the maximum amount of the Tax Credit allowed for any certified rehabilitation project, under Chapter 33.6 of Title 44 of the General Laws, is Five Million Dollars ($5,000,000) and that this limitation applies regardless if the structure is to be completed in phases or in multiple projects.

(4) *Qualified Rehabilitation Expenditures Allowed by Certification after Audit.* The Applicant acknowledges that the Qualified Rehabilitation Expenditures are allowed only if certified by the Tax Division after audit and further acknowledges that the Tax Division is authorized to conduct said audits and issue such certifications. The within acknowledgement does not abrogate or hinder the Applicant's right to contest the denial, in whole or in part, of a request to certify Qualified Rehabilitation Expenditures.

(b) *Processing Fee is Non-Refundable.* The Applicant acknowledges and agrees that the Processing Fee paid pursuant to Section 4(b) of this Agreement is, pursuant to RIGL §44-33.6-4(d), non-refundable. Processing Fees will not be returned if the Applicant subsequently abandons the Project and no longer desires the Tax Credit nor will Processing Fees be returned, in part, if the Processing Fees paid with this Agreement exceed three percent (3%) of the actual Qualified Rehabilitation Expenditures incurred by the Project as certified by the Tax Division.

SECTION 6. Termination of Agreement

(a) *Grounds for Termination and Sanctions.* If information comes to the attention of either the Commission or the Tax Division, at any time up to and including the last day of the Holding Period, that is materially inconsistent with representations made by the Applicant herein or in an application or supporting documentation filed with the Commission or the Tax Division, the Tax Division may terminate this Agreement and the Commission or the Tax Division may deny requested certifications or rescind certifications previously issued. In either instance, any Processing Fees paid by the Applicant will be forfeited. Upon termination, any Tax Credits issued under this Agreement hereunder shall be null and void and subject to recapture. In addition, any proceeds received from the sale, transfer or assignment of Tax Credits will be subject to taxation. This Section of the Agreement shall be applied in a manner consistent with RIGL §44-33.6-4(h) and RIGL §44-33.6-3(f).

(b) *Holding Period Defined.* The term "Holding Period" as used within this Agreement shall mean twenty-four (24) months after the Commission issues a Certificate of Completed Work. In the case of a rehabilitation which may reasonably expected to be completed in phases, as described in RIGL §44-33.6-2(16), "Holding Period" shall be extended to include a period of time beginning on the date of issuance of a Certificate of Completed Work for the first phase or phases for which a Certificate of Completed Work is issued and continuing until the expiration of twenty-four (24) months after the Certificate of Completed Work issued for the last phase.

SECTION 7. Assignment of Agreement.

(a) *Assignments Allowed and Consents Required.* The Applicant's right to assign this Agreement is limited and shall be governed by RIGL §44-33.6-4(g) with that section allowing such assignment only to:

(1) An Affiliate of the Applicant without the consent of the Tax Division, or

(2) A banking institution, as defined by RIGL §44-14-2(1), or a credit union, as defined by RIGL §44-15-1.1(1), without the consent of the Tax Division, or

(3) A person, firm, partnership, trust, estate, limited liability company, corporation (whether for profit or non-profit) or other business entity that incurs Qualified Rehabilitation Expenditures for the Substantial Rehabilitation of Certified Historic Structures or some identifiable portion thereof to be Placed in Service on or after July 3, 2013, with such assignment to be approved by the Tax Division and which approval shall not be unreasonably withheld, or

(4) A person, firm, partnership, trust, estate, limited liability company, corporation (whether for profit or non-profit) or other business entity that is approved by the Tax Division, and such assignment shall require the consent Tax Division.

(b) *Affiliate Defined.* The term "Affiliate" is defined in RIGL §44-33.6-4(g) as any entity controlling, controlled by or under common control with such person, firm, partnership, estate, trust, limited liability company, corporation (whether for profit or non-profit) or other business entity.

(c) *Notice of Assignments.* Prior written notice of any assignments of the Agreement, including those for which no consent is required, shall be given to the Tax Division pursuant to Section 13. Such notice shall include the name, tax identification number, the address, phone number, and contact person for both the assignor and the assignee and shall indicate the date of assignment.

SECTION 8. Timely Progress of Project Required.

(a) *Project Schedule Must Have Been Filed.* The Applicant covenants that it has submitted to the Commission, along with its Part 2 Application, a reasonably detailed project timeline setting forth a schedule whereby various identifiable aspects of the Project (e.g., rough plumbing & electrical, exterior siding, interior finish work on 1st floor) will be completed and the estimated amount of Qualified Rehabilitation Expenditures that will be expended on each such aspect of the Project (the "Project Schedule"). In the event that the Project is to be completed in phases, the Project Schedule should also reflect when it is anticipated that each phase will be completed and an estimate as to the amount of Qualified Rehabilitation Expenditures that will be incurred in each phase.

(b) *"Substantial Construction" Requirement.* The Applicant acknowledges and agrees that Substantial Construction on the Project must commence within twelve (12) months from the date on which the Applicant's Part 2 Application is approved by the Commission. Furthermore, upon commencing Substantial Construction, the Applicant shall file an affidavit with the Commission

attesting to the commencement of Substantial Construction together with evidence that the requirements of Substantial Construction have been satisfied.

(c) *Substantial Construction Defined.* The term "Substantial Construction" is defined to mean that (i) the owner of a Certified Historic Structure has entered into a contract with the Tax Division and paid the Processing Fee; (ii) the Commission has certified that the Certified Historic Structure's rehabilitation will be consistent with standards set forth in Chapter 33.6 of Title 44; and (iii) the owner has, within five (5) years from the date this Agreement is executed, expended ten percent (10%) of the Qualified Rehabilitation Expenditures estimated in the contract entered into with the Tax Division for the Project or, if a phased project, for the first phase the Project. Substantial Construction does not occur until all three of the above requirements are fulfilled.

(d) *Project Shall Not "Remain Idle".* The Applicant further covenants that within twelve (12) months from the date of Part 2 Certification, construction will commence and the Project shall not Remain Idle for any period of time exceeding six (6) months prior to the completion of the Project.

(e) *Remain Idle Defined.* The term "Remain Idle" is defined to mean that:

(1) Substantial work has ceased at the Project; or

(2) Work crews have been reduced by more than twenty-five percent (25%) for reasons unrelated to (i) scheduled completion of work in accordance with the Project's schedule, (ii) reasonably unanticipated physical conditions, or (iii) an event of force majeure; or

(3) The Project Schedule that was originally submitted to the Applicant to the Commission has been extended for more than twelve (12) months for reasons unrelated to (i) reasonably unanticipated physical conditions or (ii) an event of force majeure.

The Project is deemed to Remain Idle if any one of the above three criteria are met.

(f) *Force Majeure Defined.* To be deemed an event of force majeure, the cause of the event must be (i) reasonably unforeseen, (ii) outside the control of the Applicant and (iii) could not be avoided by the Applicant's exercise of due care. By way of example, and not in limitation, any delays, work stoppages, or work force reductions caused by financial difficulties, labor disputes or violation of the law shall be deemed to cause the Project to Remain Idle.

(g) *Penalties for Non-Compliance.* In the event that Substantial Construction is not commenced within twelve (12) months from the date on which the Applicant's Part 2 Application is approved by the Commission or if the Project Remains Idle for a period of time exceeding six (6) months, the Applicant shall forfeit all Processing Fees paid prior to that date and this Agreement for Tax Credits shall be terminated and deemed null and void without further action or documentation.

(h) *Periodic Reports Required.* In order to demonstrate that the Project does not Remain Idle, the Applicant, or its successor in interest, is to submit quarterly reports, with supporting documentation, to the Tax Division on or before the fifth day of April, the fifth day of July, the fifth day of October and the

fifth day of January. Said reports shall briefly set forth the work or tasks accomplished and the number of individuals employed on the Project during the preceding quarter.

(i) *Reapplication after Forfeiture and Termination.* Upon forfeiture and termination, the Applicant, pursuant to RIGL §44-33.6-7, may re-apply for Tax Credits for the Project but the Applicant acknowledges that it will be placed at the end of queue of prior applicants then awaiting the availability of Tax Credits. To reapply and be placed at the bottom of the Queue, the Applicant must submit a new application for Rhode Island Historic Preservation Tax Credits 2013 (Form HTC-13) to the Tax Division. If and when Tax Credits become available, the Applicant acknowledges that reapplication is expressly conditioned and subject to the following:

(1) The Applicant shall submit to the Commission a new application for Part 2 Certification, an amended Project Schedule as described in Section 8(a), setting the new reasonably detailed project timeline;

(2) The Applicant shall submit evidence, along with its request for reapplication, establishing the reason for the delay in the commencing Substantial Construction of the Project or for the Project Remaining Idle, and shall further provide evidence, reasonably satisfactory to the Commission, that the condition or event, causing the delay in commencing the Project or causing the Project to Remain Idle, has been resolved and will not recur; and

(3) The Applicant will be required to remit a three percent (3%) non-refundable Processing Fee as described in Section 4(b). This Processing Fee shall be calculated in accordance with the re-application submitted to the Commission and the Tax Division.

SECTION 9. Restrictive Covenants Required.

(a) *Material Alterations.* The Applicant acknowledges and agrees that no Tax Credits shall be issued until the owner of the Certified Historic Structure grants to the Commission a restrictive covenant agreeing that, during the Holding Period as defined in Section 6(b), no material alterations will be made to the Certified Historic Structure (i) without the Commission's prior approval, and, if approved, (ii) such material alterations shall be consistent with the standards established by the Secretary of the United States Department of the Interior for the rehabilitation of historic structures.

(b) *Trade or Business Use.* In the event that application has been made for the twenty five percent (25%) Tax Credit under this Agreement, the owner of the Certified Historic Structure shall also grant to the Commission a restrictive covenant agreeing that, for a period of sixty (60) months commencing when the Certified Historic Structure, or an identifiable portion thereof, was Placed into Service, either (i) twenty five percent (25%) of the total rentable area of the Certified Historic Structure or (ii) the entire rentable area located on the first floor of the Certified Historic Structure will be made available for a Trade or Business, as defined below.

(1) *Trade or Business Defined.* Pursuant to RIGL §44-33.6-2(17), a Trade or Business means an activity carried on for the production of income from the sale or manufacture of goods or performance of services, *excluding residential rental activity.*

(2) *Made Available Defined.* For purposes of this Agreement, the rentable area of a Certified Historic Structure is "made available for a Trade or Business" if, during the sixty (60) months after the Certified Historic Structure, or an identifiable portion thereof, was Placed into Service, the owner of the Certified Historic Structure has:

(i) Consistently and repeatedly advertised and marketed the rentable area for immediate occupancy or use by means of electronic media, print media, commercial listings or directories and other channels of communication reasonably designed to reach businesses located throughout the State of Rhode Island and in communities in adjoining states; or

(ii) Has consistently and repeatedly rented or leased the rentable area to a Trade or Business as defined in Section 9(b)(1) above.

(3) *Documentation Required to Demonstrate Compliance.* The Tax Division may require rental agreements and/or sample advertising materials and invoices to document compliance with the provisions of RIGL §44-33.6-4 and RIGL §44-33.6-2(17).

(c) *Participation in Registered Apprenticeship Program.* The Applicant acknowledges and agrees that, under RIGL §44-33.6-8, if the Hard Construction Costs of the Project equal or exceed ten million dollars ($10,000,000), Tax Credits will be allowed only if any contractor and subcontractor working on the Project has an apprenticeship program for all apprenticeable crafts that will be employed on the Project at the time of bid. Said apprenticeship programs must be registered and approved by the United States Dept. of Labor in conformity with federal regulations.

(1) *Hard Construction Costs Defined.* Hard Construction Costs shall mean direct contractor costs for labor, material, equipment, and services associated with the Project, contractors' overhead and profit, and other direct construction costs. By way of example and not in limitation, Hard Construction Costs do not include architectural and engineering fees, the cost of surveying, legal and accounting expenses, insurance premiums or development costs. Hard Construction Costs are not necessarily costs that are allowable as QREs.

(2) *Minimum Employees Required.* The requirement to have a registered and approved apprenticeship program applies to any contractor and subcontractor working on the Project that has five (5) or more employees.

(3) *Review to Ascertain Non-Compliance.* The Applicant acknowledges that there are statutory sanctions for non-compliance with RIGL §44-33.6-8 and that the Department of Labor & Training, in conjunction with the Tax Division and other agencies, may review claims that a contractor or subcontractor was exempt from the apprenticeship program requirement due to insufficient employees.

SECTION 10. Jurisdiction and Venue. This Agreement shall be governed by the laws of the State of Rhode Island. Venue for all legal proceedings arising out of this Agreement, or the breach thereof, shall be located only in a court with competent jurisdiction in the State of Rhode Island.

SECTION 11. Entire Agreement. This Agreement contains the entire understanding between the Parties. For purposes of this Section, the Exhibits attached hereto are integral to the Agreement and made a part of the Agreement. The Agreement may not be changed orally but only by agreement in writing signed by the Parties.

SECTION 12. Severability. If one or more of the provisions of this Agreement should become legally invalid, the validity of the remaining provisions shall not be affected thereby. However, in such case, the Parties shall immediately agree on some other contractual arrangement which secures, as far as possible, the intended economic effect of the invalid provision(s).

SECTION 13. Notices. All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given, if mailed by registered or certified mail, return receipt requested, or, if transmitted by other means, when received by the other Party at the address set forth herein, or such other address as may hereafter be furnished to the other Party by like notice.

(a) It is the responsibility of the Applicant or its successor and assignees to timely notify the Tax Division of any changes in contact information, and in particular, to notify the Tax Division of any change in address to which written notices should be sent.

(b) Notice or communication hereunder shall be deemed to have been received on the date delivered to or received at the premises of the addressee. In the case of receipt by registered or certified mail, notice or communication hereunder shall be deemed to have been received by the date noted on the return receipt. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail or delivered, postage prepaid, to the addresses below:

If to the Applicant:

1144 Eddy Street, LLC
100 Westminster Street
Providence, RI 02903
Attn: Joseph R. Paolino, Jr.

If to the Tax Division:

Tax Administrator
RI Division of Taxation
One Capitol Hill, 1st floor
Providence, RI 02908-5800

SECTION 14. Guarantee, Binding Effect and Enforceability.

(a) *Guarantee of Delivery of Tax Credits.* If this Agreement is not terminated pursuant to Section 6 or Section 8(f) and the Applicant has secured a Certification of Completed Rehabilitation from the Commission, the Tax Division guarantees delivery of one hundred percent (100%) of the amount of the Tax Credit, subject to audit and confirmation, to (i) the Applicant pursuant to RIGL §44-33.6-3(b)(1) as the party that incurred Qualified Rehabilitation Expenditures for the Substantial Rehabilitation

of a Certified Historic Structure or an identifiable portion thereof, as specified in the Agreement, and Placed in Service on or after July 3, 2013, or (ii) to the Assignee(s) of the Applicant pursuant to RIGL §44-33.6-3(f) and the Regulations.

(b) If this Agreement is not terminated pursuant to Section 6 or Section 8(f) and the Applicant has secured a Certification of Completed Rehabilitation from the Commission, the Tax Division guarantees that the Tax Credit, subject to audit and certification, shall be allowed pursuant to RIGL §44-33.6-3(b) and §44-33.6-3(e) for the taxable year in which a Certified Historic Structure or an identifiable portion thereof, as specified in the Agreement, is Placed in Service; Provided that the Substantial Rehabilitation test is met for such taxable year and provided further that the Certified Historic Structure, or an identifiable portion thereof, is Placed into Service on or after August 1, 2013.

(c) "Substantial Rehabilitation" means that the Qualified Rehabilitation Expenditures incurred with respect to the Certified Historic Structure during the twenty-four (24) month period selected by the Applicant ending with or within the taxable year, in which the Certified Historic Structure is Placed in Service, exceed the Adjusted Basis in such building and its structural components as of the beginning of such period. In the case of any Rehabilitation which may reasonably be expected to be completed in phases, the above definition shall be applied by substituting "sixty (60) month period" for "twenty-four (24) month period".

(d) This Agreement constitutes a binding and enforceable agreement between the Applicant and the Tax Division. This Agreement and the rights granted hereunder shall be enforceable by the Parties through all remedies available at law and in equity.

SECTION 15. Limitations.

(a) Applicability of Agreement. This Agreement applies only to a Rehabilitation of a Certified Historic Structure or some identifiable portion thereof, that: (i) is Placed in Service on or after August 1, 2013; (ii) for which an Application for Certification of a Rehabilitation Plan (a/k/a Part 2 Certification) and an Application for Determination as a Historic Structure (a/k/a Part 1 Certification) have been issued by the Commission after August 1, 2013; and (iii) for which Qualified Rehabilitation Expenses have been incurred on or after July 3, 2013.

(b) *Election of Tax Credit Program.* The Applicant and/or its Assignees who elect and qualify for Tax Credits for the Substantial Rehabilitation of a Certified Historic Structure under Chapter 33.6 of Title 44 are ineligible to claim Tax Credits for Rehabilitation of that particular Certified Historic Structure under Chapter 33.1 of Title 44, Chapter 64.7 of Title 42 or Chapter 31 of Title 44. Applicants and/or their assignees must waive, in writing, any claims to tax credits under the aforementioned chapters prior to entering into this Agreement.

SECTION 16. Further Assurances. Each of the Parties hereto shall promptly execute and deliver all such documents, instruments and assurances and do or cause to be done all such acts and things as are necessary or advisable fully to perform and carry out the provisions and intent of this Agreement.

SECTION 17. Captions. Titles or captions of Sections contained in this Agreement are inserted only as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

SECTION 18. No Waiver. The failure of any Party to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Party's right to demand strict compliance in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder. No term or provision of the Agreement may be waived unless such waiver is in writing and signed by the Parties.

SECTION 19. Executed in Counterparts. For the purpose of facilitating proving this Agreement, and for other purposes, this Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

SECTION 20. Warranties.

(a) *Warranty of Legal Existence.* The Applicant warrants that it is duly organized, chartered or formed under the laws of its State of domicile and that it has the lawful power to engage in the business it is presently conducting or will conduct in the future. The Applicant is duly licensed or qualified and in good standing in each jurisdiction, including Rhode Island, wherein the nature of the business it transacts makes such licensing or qualification necessary.

(b) *Warranty of Authority to Execute.* The Applicant and the signatory of this Agreement for the Applicant both warrant that they have the power and authority to negotiate and execute this Agreement and to perform the obligations thereunder and all such acts have been duly authorized by the necessary proceedings.

(c) *Warranty of No Outstanding Delinquencies or Deficiencies.* The Applicant further warrants that it does not have any outstanding delinquencies or deficiencies for taxes or regulatory fees owed to the State of Rhode Island.

SECTION 21. Disclosure and Dissemination of Reported Information. The Applicant acknowledges and agrees that RIGL § 44-33.6-9 imposes certain reporting requirements for the Applicant's participation in this tax credit program and that the information reported shall be specific, definite, and attributable to an identifiable person. In addition, such specific information, including this Agreement and its terms and exhibits, pursuant to RIGL § 44-33.6-9, shall be:

(a) Shared with or disseminated among other instrumentalities of the State, including but not limited to, the Commission, the Economic Development Corporation, designated members of both houses of the General Assembly, the governor, and the Department of Labor and Training; and

(b) A public document made available to the public for inspection by any person and published by the Tax Administrator on the Tax Division website.

This section shall also apply to any contract voided under the provisions of this Program.

IN WITNESS WHEREOF, the parties have caused this contract to be duly executed intending to be bound thereby:

STATE OF RHODE ISLAND
DEPARTMENT OF REVENUE, by
its DIVISION OF TAXATION

By: M Savage

Date: July 10, 2026

APPLICANT NAME

By: [signature]

Joseph R. Paolino, Jr., 1144 Eddy Street, LLC
PRINT NAME

Title: Authorized Member

Date: June 25, 2026

Exhibit A: Determination of Historic Significance

[Attach a copy of the Determination of Historic Significance (Part 1 Certification) issued by the RI Historical Preservation & Heritage Commission]

STATE OF RHODE ISLAND

HISTORICAL PRESERVATION & HERITAGE COMMISSION

Old State House 150 Benefit Street Providence, RI 02903

Telephone 401-222-2678
TTY 401-222-3700

Fax 401-222-2968
www.preservation.ri.gov

HISTORIC PRESERVATION INVESTMENT TAX CREDIT
Part 1 -- Certification of Historical Significance

RI Project Number 13-152

Property Name Federal Products Corporation

Property Address 1144 Eddy St, Providence, RI

This Part 1 evaluation of significance has been reviewed by
who meets Historic Preservation Professional Qualification Standards.

REASON FOR CERTIFICATION OF HISTORICAL SIGNIFICANCE
(See page 2 for a brief description of the property and its significance.)

- ☐ Property is individually listed in the National Register of Historic Places (Or determined to be eligible by the US Department of Interior).
- ☐ Property contributes to the significance of t
- ☑ Property has been designated as a historic property by Ordinance in the City/Town of Providence , in accordance with RIGL 45-24.1 and
  - ☑ it is more than fifty (50) years old, and
  - ☑ it is related to a broad theme of the community's history or is a good example of a type, style, or method of construction, and
  - ☑ it possesses sufficient integrity of location, design, setting, materials, workmanship, feeling and association to convey its historical significance.
- ☑ THIS IS ONLY A PRELIMINARY DETERMINATION. The property appears to meet the criteria indicated, but it has not been formally listed or designated. In order to claim a RI Historic Preservation Investment Tax Credit the property must receive FINAL Certification of Significance before the rehabilitation work is completed and before the building is placed in service.

4.17.24
Date

for Executive Director
Historical Preservation and Heritage Commission

AREAS OF SIGNIFICANCE

Property is a good example of a type, style, method of construction (specify):

Property is associated with one of the broad themes of the community's history (specify):

The building at 1144 Eddy Street is associated with the theme of industry. It is a three-story, five-bays-wide, flat-roof building that was home to the Federal Products Corporation from 1928-1968. Federal Products manufactured precision measuring instruments for industrial applications. The building is included in the City of Providence's Industrial and Commercial Buildings District, a local zoning overlay.

Exhibit B: Certified Rehabilitation Plan

[Attach a copy of the Certification of a Rehabilitation Plan (Part 2 Certification) issued by the RI Historical Preservation & Heritage Commission and a complete copy of the detailed project timeline (including costs and dates of rehabilitation) submitted to the Commission as part of the Applicant's Part 2 Application]

STATE OF RHODE ISLAND

HISTORICAL PRESERVATION & HERITAGE COMMISSION

Old State House 150 Benefit Street Providence, RI 02903

Telephone 401-222-2678
TTY 401-222-3700

Fax 401-222-2968
www.preservation.ri.gov

HISTORIC PRESERVATION INVESTMENT TAX CREDIT

Certification -- Part 2: Certification of Proposed Rehabilitation

Project Number: 13-152 _____

Property Name: Federal Products Corporation
Property Address: 1144 Eddy Street, Providence, RI

Certified Historic Structure? _____ Yes __X__Pending

Type of Request: __X__Part 2
_____Amended Part 2

CERTIFICATION

This application was reviewed by Virginia Hesse who meets Historic Preservation Professional Qualification Standards.

The project:

_____meets the Standards for Historic Preservation Projects and is approved.

__X__meets the Standards only if the conditions stated on page 2 are met. Approval is conditional.

_____does not meet Standard number(s) _____ for the reasons stated on page 2. The project is not approved.

_____does not provide sufficient information The project is not approved.

June 23, 2026 Virginia Hesse (for)
Date

Executive Director
Historical Preservation & Heritage Commission

ISSUES:

_____Additions, including rooftop additions.
_____Alteration of significant exterior features or surfaces.
_____Alteration, removal, or covering of significant interior features or finishes.
_____Adjacent new construction, extensive site work, or demolition of related strucutres.
_____Changes to significant interior spaces or interior plan.
_____Window replacements on any major elevation that do not match historic.
_____Damaging or inadequately specified masonry treatments.
_____Other (explain)

EVALUATION OF PROJECT AND CONCERNS
(Basis for decision to approve or deny the project.)

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The Federal Products Building at 1144 Eddy Street is a concrete and brick pier and spandrel industrial building from the early-20th century (c. 1928). Its original steel windows have been replaced with a combination of aluminum and glass block-infill that does not replicate the historic configuration. Historic images included in the Part 1 application indicate that original steel industrial sash were mulled three and four across the opening depending on each bay width. Division of window lites also varied by sash size though generally all pane sizes appear to be consistent.

The proprosed rehabilitation in the initial application submittal was for a Charter School. However, since that time a new owner has been negotiating a purchase of the building for use as multi-family apartments. Because the sale has not been completed, drawings of this proposed development are not available, and presumably will be entirely different from the proposed school drawings included with the current application. Without updated drawings, we can only condition this proposed rehabilitation based on typical retrofit of an industrial building for apartments. We believe a rehabilitation of this building for apartments can be achieved while meeting the Secretary of the Interior's Standards for Rehabilitation. Therefore, this conditional approval is based on a strict list of criteria and conditions which must be met to achieve full compliance with the Standards for the purpose of certification. Failure to meet any of these conditions could result in denial of this project for state tax credits.

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CONDITIONS

1. Exterior Masonry: Masonry cleaning and repointing specifications must be provided. Repointing mortar must match the original in color, texture, and joint profile. Samples of the

cleaned masonry, mortar and tooling must be prepared for review and approval prior to construction.

2. Window Replacement: Replacement windows must be based on historical documentation of the original window configuration, and windows must match the appearance, size, design, proportions, and to the extent possible profiles of the existing remaining /surviving sash and must have clear glazing and interior screens. In order to ensure the proposed windows meet the Standards, detailed dimensioned drawings of both the existing and proposed replacement windows, in section and elevation with muntin details, showing them in relationship to the wall assembly, must be submitted for review and approval. (See photos #15 and 23 for historic surviving window sash profiles and Part 1 for historic window configuration). As the original window configuration was very complex, coordination with the SHPO must happen early in the design for replacement windows.

3. Interior Wood and Masonry Paint Removal: Samples of the proposed paint removal from interior wood and masonry surfaces must be prepared for review and approval. Masonry and wood framing (columns, beams and exposed decking) in common areas must remain painted or be repainted after paint removal. Paint removal must not result in erosion of masonry sufaces and joints or raised grain on wood surfaces.

4. Exterior Lighting and Signage: The exterior lighting and signage packages must be submitted for review and approval to ensure conformance with the Secretary of the Interior's Standards.

5. Updated plans, elevations and details must be provided for review and approval prior to the start of construction:

- Existing and Proposed Site Plans including Landscape Plan
- Existing and Proposed Roof Plans

o Proposed Roof Plan must identify rooftop equipment locations including condensers, safety railings, enclosures, etc.,, with heights, and address visibility from public rights-of-way.

- Existing and Proposed Building Elevation Drawings showing treatment of all exterior surfaces, including concrete piers and spandrels, brick panels, proposed door and window treatment.
- Existing and Proposed Reflected Ceiling Plans, identifying where the lowered ceilings will be installed. Dropped ceilings must be held well clear of window heads on all elevations.
- Exterior ADA ramp and canopy detail sheet(s), annotated with materials and dimensions
- Elevation Details of Doors and windows and canopy. Original transom over main entrance door must be retained and preserved.

6. HVAC Design - The location of ductwork must be held well back from windows if it falls below the head of windows. Setback must be a minimum of 3' from interior face of exterior wall. Ductwork within the Executive Office suite on the third floor must be concealed in soffits or be held above the ceiling.

7. Interior Features to retain and preserve - The Executive Office Suite at the west end of the 3rd floor must be retained. Existing spaces can be incorporated within apartment units but must not subdivide paneled rooms or rooms with architectural features. Architect to consult with SHPO prior to finalizing floor plans of this area. Existing staircases must remain. Doors within the stair hall with half-glass divided light windows must be retained and reused within existing openings.

8. Wood floors should be retained and restored/refinished in common areas, and where possible within dwelling units. Proposed new flooring within units must be submitted for review

and approval prior to construction. LVT, if proposed for this project, must resemble the existing wood floors in the building in dimension and color. Samples must be provided for review and approval prior to construction.

9. Glazed brick wall tile in east stair tower must be retained as-is.

10. Intersecting walls at exterior elevation - New walls subdividing the building for apartment units must intersect the exterior wall between window openings at concrete piers or mullions.

ESTIMATED PROJECT TIME-LINE

Project Name Federal Products Corporation **Project Tax Credit Number** 13-152

Project Address 1144 Eddy Street, Providence, RI

ITEM NO.	DESCRIPTION OF WORK	ESTIMATED COST	ESTIMATED COMPLETION DATE
1	Architectural & Engineering completed	$218,000	6/30/2025
2	Construction contract awarded		7/15/2026
3	Contractor Authorized to proceed		8/1/2026
4	Building Permit Application filed	$38,150	9/15/2026
5	Other permitting (CRMC, Zoning, etc.)		n/a
6	Exterior Envelope Rehabilitation Completed Demolition Masonry/carpentry repairs Windows and doors Roof	$1,947,270	6/30/2027
7	Interior Rehabilitation Completed Demolition (all) Rough framing (Floor 1) Plumbing, mechanical, electrical, elevator, sprinklers (all) Interior finishes (Floor 1)	$6,328,139	6/30/2027
8	Phase I completion and Certificate of Occupancy issued for Floor 1		9/30/2027
9	Interior Rehabilitation Completed Rough framing (Floors 2 and 3) Interior finishes (Floors 2 and 3)	$2,248,594	6/30/2029
10	Phase II completion and Certificate of Occupancy issued for Floors 2 and 3		9/30/2029

Exhibit C: Tax Credit Methodology Election and Fee Payment

[Attach Original of Form HTC-V -2013: "Rhode Island Historic Structures-Tax Credit-Processing Fee Form"]

State of Rhode Island and Providence Plantations

Form HTC-V-2013

Historic Structures Tax Credit Processing Fee Form

13130399990101

Name

1144 Eddy Street, LLC

Federal employer identification number

Address

100 Westminster Street, Suite 1400

Address 2

City, town or post office	State	ZIP code
Providence	RI	02903

E-mail address

Part A - Project Information

1 Project name: Federal Products Corporation Building

2 Project location: 1144 Eddy Street, Providence, RI

3 Project number: 13-152

Part B - Processing Fee Calculation

Complete lines 1, 2, 3 and 7. If you wish to revise the amounts from your Form HTC-13, complete lines 1 through 7. NOTE: You cannot receive more Historic Preservation Tax Credits 2013 than what you initially applied for. If line 6 is more than line 3, you must change line 4 or 5, or both.

1	Estimated Qualified Rehabilitation Expenditures from 2013 application - Form HTC-13.....	1	10,000,000 00
2	Credit Percentage Elected - 20% or 25% from 2013 application - Form HTC-13.....	2	20 %
3	Estimated Historic Preservation Tax Credits 2013 from 2013 application - Form HTC-13.....	3	2,000,000 00
4	Revised Estimated Qualified Rehabilitation Expenditures.....	4	
5	Revised Credit Percentage Elected - 20% or 25%.....	5	%
6	Revised Estimated Historic Preservation Tax Credits 2013 amount.. **CANNOT BE MORE THAN LINE 3 CREDIT AMOUNT**	6	
7	Total processing fee due. Multiply line 1 or line 4, whichever is applicable, by 3% (0.0300)..	7	300,000 00

Make cashier's check or money order payable to the RI Division of Taxation. This fee is non-refundable.

Pursuant to R.I.G.L. 44-33.6, Historic Preservation Tax Credits 2013, applicants are required to pay a non-refundable processing fee equal to 3% of Qualified Rehabilitation Expenditures as estimated on their Application for Rhode Island Historic Preservation Tax Credits 2013.

If you are revising the amount of Estimated Qualified Rehabilitation Expenditures for which you initially applied on your Application for Rhode Island Historic Preservation Tax Credits 2013, you acknowledge and agree that you waive all rights, claims and entitlements to Historic Preservation Tax Credits associated with the difference between the amount initially applied for (line 3) and the revised amount noted on line 6 above.

This 3% non-refundable processing fee must be paid prior to entering into a contract with the RI Division of Taxation under this program. Qualified applicants have 30 days from the date of Part 2 certification from the RI Historical Preservation & Heritage Commission to pay this non-refundable fee, and enter into a contract with the RI Division of Taxation.

Under penalties of perjury, I declare that I have examined this form and to the best of my knowledge and belief, it is true, accurate and complete.

Applicant signature	Print name	Date	Telephone number
	Joseph R. Paolino, Jr.	06/25/2026	

Applicant address	City, town or post office	State	ZIP Code
100 Westminster Street	Providence	RI	02903

AGREEMENT ADDENDUM

RHODE ISLAND DEPARTMENT OF REVENUE,
through its DIVISION OF TAXATION

PREVAILING WAGE REQUIREMENTS
(R.I. Gen. Laws § 37-13-1 *et seq.)*

Per R.I. Gen. Laws § 44-33.6-3, Historic Preservation Tax Credits 2013 projects with a budget of direct hard construction costs (as defined in R.I. Gen. Laws § 44-33.6-2) in excess of $25,000,000 are required to pay a prevailing wage to all construction workers and are subject to the prevailing wage requirements for Agreements entered into with the R.I. Division of Taxation on or after July 1, 2025. The prevailing wage requirements are generally set forth in R.I. Gen. Laws § 37-13-1 *et seq*. These requirements refer to the prevailing rate of pay for regular, holiday, and overtime wages to be paid to construction workers as defined in R.I. Gen. Laws § 44-33.6-2(5).

As of the date of this Agreement Addendum, all contractors and subcontractors engaged in a Historic Preservation Tax Credits 2013 project with a budget of direct hard construction costs (as defined in R.I. Gen. Laws § 44-33.6-2) in excess of $25,000,000 are required to:

1. Submit to the Division of Taxation a list of the contractor's subcontractors for any part or all of the prevailing wage work in accordance with R.I. Gen. Laws § 37-13-4;

2. Pay all prevailing wage employees at least once per week and in accordance with R.I. Gen. Laws § 37-13-7;

3. Post the prevailing wage rate scale and the Department of Labor and Training's prevailing wage poster in a prominent and easily accessible place on the work site in accordance with R.I. Gen. Laws § 37-13-11; posters may be downloaded at https://dlt.ri.gov/requiredposters/ or obtained from the Department of Labor and Training, Center General Complex, 1511 Pontiac Avenue, Cranston, Rhode Island;

4. Access the Department of Labor and Training website at https://dlt.ri.gov on or before July 1st of each year, until such time as the project is completed, to ascertain the current prevailing wage rates and the amount of payment or contributions for each covered prevailing wage employee and make any necessary adjustments to the covered employee's prevailing wage rates effective July 1st of each year in compliance with R.I. Gen. Laws § 37-13-8;

5. Attach a copy of this Agreement Addendum and its attachments as a binding obligation to any and all contracts between the contractor and any subcontractors and their assignees for prevailing wage work performed pursuant to this contract;

6. Provide for the payment of overtime for prevailing wage employees who work in excess of eight (8) hours in any one day or forty (40) hours in any one week as provided by R.I. Gen. Laws § 37-13-10;

7. Maintain accurate prevailing wage employee payroll records on a Rhode Island Certified Weekly Payroll form available for download at https://dlt.ri.gov/wrs/prevailingwage/ as required by R.I. Gen. Laws § 37-13-13, and make those records available to the Department of Labor and Training upon request;

8. Furnish the fully executed Rhode Island Certified Weekly Payroll Form to the Division of Taxation on a monthly basis for all work completed in the preceding month.

9. Maintain on the work site a fully executed Rhode Island Certified Prevailing Wage Daily Log listing the employees of each contractor, subcontractor, and their assignees employed each day on the project site; the Rhode Island Certified Prevailing Wage Daily Log shall be available for inspection on the project site at all times. Where applicable, furnish both the Rhode Island Certified Prevailing Wage Daily Log together with the Rhode Island Weekly Certified Payroll to the Division of Taxation.

10. Any violation of the requirements under R.I. Gen. Laws § 37-13-13 for Rhode Island Certified Weekly Payroll Forms and Daily Logs will result in the Department of Labor and Training imposing a penalty on the contractor, subcontractor, and/or assignee of a minimum of one hundred dollars ($100) for each calendar day of noncompliance.

11. Assure that all covered prevailing wage employees on construction projects have an OSHA ten (10) hour construction safety certification in compliance with R.I. Gen. Laws § 37-23-1;

12. Employ apprentices for the performance of the awarded contract and comply with the apprentice to journey-person ratio for each trade approved by the apprenticeship council of the Department of Labor and Training in compliance with R.I. Gen. Laws §37-13-3.1;

13. Assure that all prevailing wage employees who perform work which requires a Rhode Island trade license possess the appropriate Rhode Island trade license in compliance with Rhode Island law; and

14. Comply with all applicable provisions of R.I. Gen. Laws §37-13-1, *et seq.*

Any questions or concerns regarding this Agreement Addendum should be addressed to the attorney of the contractor, subcontractor, or assignee. Additional Prevailing Wage information may be obtained from the Department of Labor and Training at https://dlt.ri.gov/wrs/prevailingwage/.

CERTIFICATION

I hereby certify that I have reviewed this Agreement Addendum and understand my obligations as stated above.

1144 Eddy Street, LLC

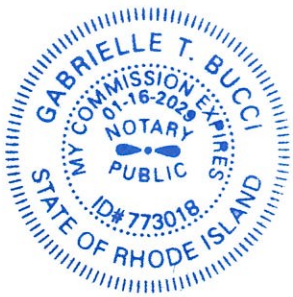
By: _____

Name: Joseph R. Paolino, Jr.

Title: Sole Member

Subscribed and sworn before me this 25th day of JUNE, 2026

_____

Notary Public GABRIELLE T BUCCI

My commission expires: 01/16/2029