

**AGREEMENT FOR HISTORIC PRESERVATION TAX CREDITS 2013**

THIS AGREEMENT (the "Agreement"), is made as of the 1st day of June, 2016 (the "Effective Date"), by and between 30 Kennedy Partners Holding Company, 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 be 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 1<sup>st</sup> 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:

30 Kennedy Partners Holding Company, LLC  
 100 Westminster Street  
 Suite 1700  
 Providence RI 02903

If to the Tax Division:

Tax Administrator  
 RI Division of Taxation  
 One Capitol Hill, 1<sup>st</sup> 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: *[Signature]*

Date: *July 8, 2016*

*30 Kennedy Partners Holdings Co, LLC*

**APPLICANT NAME**

By: *[Signature]*

**Joseph R. Paolino, Jr.**

**PRINT NAME**

Title: **Member**

Date: *June 24, 2016*

**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 AND PROVIDENCE PLANTATIONS  
HISTORICAL PRESERVATION & HERITAGE COMMISSION  
Old State House • 150 Benefit Street • Providence, R.I. 02903-1209  
TEL (401) 222-2678 FAX (401) 222-2968  
TTY / Relay 711 Website [www.preservation.ri.gov](http://www.preservation.ri.gov)

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

RI Project Number 13-77

Property Name Exchange Bank - National Exchange Building

Property Address 28-32 Kennedy Plaza, Providence, Rhode Island

This Part 1 evaluation of significance has been reviewed by Mercedes Monterio 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 the Downtown Providence Historic District
- Property has been designated as a historic property by Ordinance in the City/Town of \_\_\_\_\_, 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.

5/27/2016

Date

Executive Director  
Historical Preservation and Heritage Commission

**HISTORIC PRESERVATION INVESTMENT TAX CREDIT**

**Part 1 -- Certification of Historical Significance**

**Page 2**

AREAS OF SIGNIFICANCE

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

Greek Revival and Queen Anne style, commercial block.

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

Excellent example of a commercial block from the mid-to-late 19th century, in the heart of the Downtown financial district.

**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 AND PROVIDENCE PLANTATIONS  
HISTORICAL PRESERVATION & HERITAGE COMMISSION  
Old State House • 150 Benefit Street • Providence, R.I. 02903-1209  
TEL (401) 222-2678 FAX (401) 222-2968  
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**HISTORIC PRESERVATION INVESTMENT TAX CREDIT  
Certification -- Part 2**

RI Project Number 13-77

Property Name Exchange Bank - National Exchange Building  
Property Address 28-32 Kennedy Plaza, Providence, Rhode Island  
Certified Historic Structure?  yes  pending  
Type of Request  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.
- meets the Standards only if the conditions stated on page 2 are met.  
Approval is
- 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.

5/27/2016

Date

Ann Sanderson

Executive Director  
Historic Preservation and Heritage Commission



## HISTORIC PRESERVATION INVESTMENT TAX CREDIT

### Certification -- Part 2

Page 2

#### ISSUES

- Additions, including rooftop additions.
- Alteration of significant exterior features or surfaces.
- Alteration, removal, or covering of significant interior finishes or features.
- Adjacent new construction, extensive site work, or demolition of related structures.
- Changes to significant interior spaces or 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.)

See attached review, recommendation and conditions for approval.

#### CONDITIONS THAT MUST BE MET FOR APPROVAL

See attached condtions.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
HISTORICAL PRESERVATION & HERITAGE COMMISSION  
Old State House • 150 Benefit Street • Providence, R.I. 02903-1209  
TEL (401) 222-2678 FAX (401) 222-2968  
TTY / Relay 711 Website [www.preservation.ri.gov](http://www.preservation.ri.gov)

May 16, 2016

**National - Exchange Bank Building Summary Report**  
**28-32 Kennedy Plaza - 59-63 Westminster Street, Providence, RI**

Exchange Bank Building, built in 1845, is a four story brick commercial block with a granite base, granite lintels, and a decorative frieze and a deep overhanging cornice. The building was originally three stories tall and occupied the full depth of the block from Kennedy Plaza to Westminster Street. In 1888, the south half of the building was reconstructed in a Queen Anne Style, and renamed the National Exchange Bank. The new, modern façade was undoubtedly intended to address the heart of the financial district – on Westminster Street – with a more imposing presence. The fourth floor was added to the northern half of the building at this time. The combined buildings have remained in continued use as a bank on the ground floor, with offices above. The building has a Kennedy Plaza address as well as a Westminster Street address and is listed in both places on the NR nomination. Despite the two addresses, different names, and very different facades, the building has remained in single ownership, on a single lot, since its original construction. The proposed rehabilitation will convert the upper floors to a hotel use, with half of the ground floor being changed to a restaurant serving the hotel. The remaining ground floor will continue in use as a bank.

The building has undergone some modifications in the early 1980's, including a mid-twentieth century storefront and the elimination of the Kennedy Plaza entrance. The building to the immediate west of the Exchange Bank was replaced with a new 20 story office building which was connected by a glass atrium to the Bank Building. The atrium roof is connected to the historic building above the third floor. The majority of the west façade of the building is consequently an interior wall. The exterior brick, granite lintels and windows remain exposed inside the atrium. All windows above the storefront are wood 1/1 insulated double-hung.

This rehabilitation involves very few changes to the exterior. An original corner entrance facing Kennedy Plaza was eliminated in a previous rehab, and there is presently no entrance on this side of the building. The proposed scope calls for a center entrance door on this façade, which would require cutting through an original granite base. The corner location does not have original fabric at the base, and therefore would be a less damaging and more historically appropriate location for a new entrance. An egress door is proposed to be added mid-way along the east façade where there are presently no doors. However historic photos show that there were storefront entrances along this façade at one time. The egress door will be recessed and three storefront windows immediately south of the new door will be fitted with spandrel glass to conceal the back-of-house for the restaurant. Polished granite piers at the storefront on three sides of the building date from one of the previous storefront rehabs. The piers are chipped in numerous places. The exterior repair includes patching the chipped granite, as well as cleaning

and spot repointing of the brick masonry. Copper trim details will be repaired, and where damaged will be replaced in kind. The red slate roof on the south half of the building will be repaired, and poorly matching slate patches will be replaced with new slates that match the existing color.

The interior of the Exchange Bank building has been completely gutted and modernized during previous renovations, and there are no historic features or spaces remaining. The interior of the National Exchange Bank building also has been extensively remodeled over time and there is little historic fabric remaining except wood trim around and windows and some wainscot paneling in isolated locations. The building originally had a series of 8 bearing walls which spanned the building from east to west. Some of those partitions appear to be extant as seen in floor plans, though it is not apparent from the existing wall finishes. Original stairs have been removed, and new stairs and elevators were added in 1983. The proposed hotel use will subdivide the office floors with new partitions for the hotel guest rooms along a single loaded corridor. The elevator and egress stairs will be retained. Existing ceilings have been lowered to accommodate the mechanical system which currently sets the ceiling height below the head of most windows. A new mechanical system will be installed, and the ceilings will be raised above the window heads along the perimeter walls, and lowered ceilings – if necessary - will be held back from the windows a minimum of 4 feet.

The rehabilitation proposed for the Exchange Bank Building will meet the Standards if the attached conditions are met.

#### RECOMMENDATION

- 1) Kennedy Plaza Storefront: We recommend that the new entrance proposed for this façade be relocated to the original northeast corner location.

*Conditions listed on next page*

## CONDITIONS

- 1) Mechanical System Configuration/Ceiling Heights: Ductwork must be concealed. Lowered ceilings or soffits must not drop below the head of the window within four feet of an outside wall.
- 2) Storefront Changes: Elevations of the proposed new exit door on Exchange Street with adjacent storefronts, and the proposed entrance facing Kennedy Plaza must be submitted to this office for further review. A sample of the spandrel glass proposed for the Exchange Street storefront windows, showing the proposed color, must be provided for review and on-site review and approval by RIHPHC staff.
- 3) Interior Architectural Wood Trim: All existing wood trim which dates to the original period of construction, and the later trim which repaired the original trim, must be retained wherever found in the National Exchange Bank.
- 4) New Masonry Openings at West Elevation (Atrium): The existing masonry openings in the 1845 building appear to be original, evidenced by their stone lintels. These openings must not be expanded. There is evidence of several window openings at the south end of the atrium which have been bricked in, likely as part of the Atrium connector project. The proposed 29' wide new opening at the restaurant is not approved. It would be acceptable to reopen the bricked in windows to provide a visual connection between the atrium and the restaurant, and a much narrower masonry opening would be considered as a walk through, but its head must be no higher than the head of adjacent windows, and the elevation and floor plan of the revised opening must be reviewed and approved in advance of any demolition of this wall.
- 5) Flooring: The "engineered wood" flooring that is proposed for the building interior must be a narrow board which looks close to what a natural wood floor of the 1845 to 1888 period would look like. Preferably, removal of the existing carpeting throughout the building will uncover original wood floors which can be restored or matched in overall appearance.
- 6) Masonry Cleaning, Patching, and Repointing: Samples of masonry and stone cleaning, granite pier patching, and masonry repointing as described in the Part 2 application, must be prepared for review and approval by RIHPHC staff prior to construction.



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## **2013 Rhode Island Historic Preservation Tax Credit ESTIMATED PROJECT TIME-LINE**

### Instructions

The regulations for the 2013 Rhode Island Historic Preservation Tax Credit require that applications include a reasonably detailed project time-line with the Part 2 Application: Proposed Historic Rehabilitation. The time-line must provide sufficient detail to establish dates when various project elements are estimated to be completed and to set project cost projections associated with those dates. The information included in the time-line will be based on the Applicant's best estimates; actual dates when project elements are completed and actual project costs associated with those dates may vary from the Part 2 estimates. In accordance with the 2013 Rhode Island Historic Preservation Tax Credit regulations, Applicants will be asked to report to the Division of Taxation and the Historical Preservation & Heritage Commission on the actual progress of the project.

The Estimated Project Time-line should show project costs, not only projected Qualified Rehabilitation Expenses associated with major construction targets and projected dates that these work items will be completed. Include work items and major milestones such as: architectural & engineering drawings/construction document completion; application for permits, bidding/construction award; construction start date; major work items through certificate of occupancy. Provide additional information as appropriate.

A simple bar graph without associated costs is not sufficient, nor is an estimated project budget without estimated dates for work benchmarks with the associated project costs.

Complete the attached form and return it to the Rhode Island Historical Preservation & Heritage Commission.

## ESTIMATED PROJECT TIME-LINE

Project Name 30 Kennedy Plaza Project Tax Credit Number 13-77

Project Address 59 Westminster Street Providence RI 02903

ITEM NO.	DESCRIPTION OF WORK	ESTIMATED COST	ESTIMATED COMPLETION DATE
1	Architectural & Engineering completed	\$300,000	09/30/16
2	Construction contract awarded	See below	10/31/16
3	Contractor Authorized to proceed	See below	10/01/16
4	Building Permit Application filed		10/01/16
5	Other permitting (CRMC, Zoning, etc.)		10/01/16
6	Exterior Envelope Rehabilitation Completed		
	Demolition	\$50,000	11/30/16
	Separate utilities from 100 Westminster	\$530,000	03/31/17
	Re-mortar and waterproofing	\$1,000,000	06/30/17
	Masonry/carpentry repairs	\$50,000	08/31/17
	Windows and doors	\$300,000	08/30/17
	Roof	\$175,000	10/31/17
	Painting	\$75,000	10/31/17
7	Interior Rehabilitation Completed - 4 floors done in sequence		
	Demolition - all four floors	\$200,000	12/31/17
	Upgrade Elevators	\$400,000	03/31/18
	Rough framing floor 2	\$100,000	06/30/18
	Plumbing, mechanical, electrical, sprinklers floor 2	\$500,000	08/31/18
	Interior finishes floor 2	\$2,500,000	10/31/18
	Rough framing floor 3	\$100,000	12/31/18

8	Plumbing, mechanical, electrical, sprinklers floor 3 Interior finishes floor 3	\$500,000 \$2,500,000	02/28/19 04/30/19
9	Rough framing floor 4 Plumbing, mechanical, electrical, sprinklers floor 4 Interior finishes floor	\$100,000 \$500,000 \$2,500,000	06/30/19 08/31/19 10/31/19
10	Site work and landscaping completed New construction/additions completed Project completion and Certificate of Occupancy issued	N/A N/A N/A	12/31/19

**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"]



**Form HTC-V-2013**

Historic Structures Tax Credit Processing Fee Form



13130399990101

Name		Federal employer identification number	
30 Kennedy Partners Holding Company, LLC			
Address			
100 Westminister Street			
Address 2			
Suite 1700			
City, town or post office	State	ZIP code	E-mail address
Providence	RI	02903	

**Part A - Project Information**

1 Project name: 30 Kennedy Plaza

2 Project location: 59 Westminister Street, Providence, RI

3 Project number: 13-77

**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	5,000,000
2	Credit Percentage Elected - 20% or 25% from 2013 application - Form HTC-13.....	2	25 %
3	Estimated Historic Preservation Tax Credits 2013 from 2013 application - Form HTC-13.....	3	1,250,000
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.. <b>CANNOT BE MORE THAN LINE 3 CREDIT AMOUNT</b>	6	
7	Total processing fee due. Multiply line 1 or line 4, whichever is applicable, by 3% (0.0300)..	7	150,000

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. Paulino, Jr.	6/1/16	
Applicant address	City, town or post office	State	ZIP Code
100 Westminister Street	Providence	RI	02903