

SPECIAL MEETING

STATE PROPERTIES COMMITTEE

Tuesday, April 19, 2005

A Special Meeting of the State Properties Committee was called to order at 9:15 A.M. by Chairman Jerome F. Williams. Other members present were Richard Woolley, Esquire, representing the Department of Attorney General Mr. Robert Griffith, representing the Department of Administration, and Mr. Thomas Barry, Public Member. Also in attendance were Peter Dennehy, Esquire, from the Department of Administration; Paul Carcieri, from the Department of Transportation; Michael Voccola, for PRI XVIII, L.P., Bruce Leach, Esquire, attorney for the Rhode Island Convention Center Authority; and Mr. James McCarvill, for the Rhode Island Convention Center Authority.

This Special Meeting was called for a presentation and request made by the Department of Administration and Department of Transportation for approval and signatures on Consent to Assignment of Perpetual Easements, and/or Lease Amendments, State of Rhode Island, RIDOT, The Rhode Island Convention Center Authority and PRI XVIII, L.P.

At the State Properties Committee held on April 12, 2005, the Department of Administration presented two proposed documents dealing with a Second Amendment to Lease and Agreement and Second Amendment to Sublease Agreement, both of which relate to the operation of the Rhode Island Convention Center Authority property. At the time of the meeting there was a lengthy discussion regarding the fact that these documents were draft and they would be

further amended. The Committee had requested certain language be included in these Agreements. The Chairman, Mr. Williams had asked that certain language be included, specifically relating to the net proceeds of the sale being used to pay down the Authority's outstanding revenue bonds. This is captured in the fifth Whereas paragraph of the Second Amendment to Lease and Agreement, which indicates that the net proceeds would be used to pay down the Authority's outstanding revenue bonds as provided in the Bond Resolution and the Open-end Mortgage Deed dated November 1, 1991. A near final document was distributed to the members of the Committee on April 15, 2005. Since the time of distribution, Mr. Leach on behalf of the Authority, in going through the document discovered several typographical errors. The final documents have been executed by Mr. David Duffy, on behalf of the Rhode Island Convention Center Authority, and Beverly A. Najarian, Director, Department of Administration. Mr. Dennehy proceeded to go through the documents indicating the changes that were made to the final documents.

The first paragraph of the Second Amendment to Sublease Agreement that the Committee members have ended in a colon, but should have been and was changed to a period.

In the third Whereas, reference was made to the adjacent vacant parcel of land, the Committee's document states, "which are part of the Project", that has been changed to read "all of which are part of the Project".

On Page 4, Schedule 1, describing the parcel, there is a reference in

the first paragraph to scale. The Committee’s document reads “50 FT.=1 INCH.” That has been changed to read “1 INCH – 50 FT.” It is the same description, but it mirrors exactly the description of the property that was contained in the original document.

The Notary Clause for Mr. Duffy has been amended to show that Mr. Duffy is the Chairman of the Rhode Island Convention Center Authority and is signing in that capacity.

Mr. Dennehy referred to the Second Amendment to Lease and Agreement. In the Committee’s copy, the Fourth Whereas, referring to the vacant adjacent parcel of land, reads “which form part of the Project” now reads “all of which form part of the Project”.

Also, the Notary Clause for Mr. Duffy has been amended to show that Mr. Duffy is the Chairman of the Rhode Island Convention Center Authority and is signing in that capacity.

On Page 5, Schedule 1, describing the parcel, there is a reference in the first paragraph to scale. The Committee’s document reads “50 FT.=1 INCH.” That has been changed to read “1 INCH – 50 FT.”

Mr. Thomas Barry inquired if all of the financing was in place to purchase the hotel and build the tower. Mr. Voccola responded yes. Mr. Barry made reference to where the agreement defines the facilities which carves out the Convention Center Authority building which the State is going to keep states, 610,000 square feet. Mr. Barry asked if (we) are in agreement as to how the square footage is determined. Attorney Leach stated this is an historical number—that was not changed. He indicated that in the present Lease, that number and that language is the number that has been used. He said that all

the Authority did was take and carve out from the description that portion that referred to the hotel. He reiterated the 610,000 is a historical figure. Mr. Barry then questioned if (we) are sure that the facilities as defined in the document is correct. He asked if (we) are sure that the definition of the facility, which is going to get carved out of this and the State is going to keep, is correct. Discussion took place. Mr. Dennehy commented that Mr. Barry's point was well taken. He stated the Department made certain that the definition of the term "facilities" would be modified so that it would refer to excluding the hotel office building and adjacent vacant parcel in addition to the other technical language contained in the appendix for that reason. The Department made reference to the materials being carved so that there would be no doubt as to exactly what property is being talked about. Mr. Barry also asked what would happen to the parking spaces. Mr. Voccola stated that PRI XVIII, L.P. is just purchasing the hotel—the dome office building and the expansion land. Mr. Voccola went on to state, that PRI XIII has an agreement that the Convention Center Authority for some amount of parking for a specific term, but has no ownership interest in the parking facility or Convention Center Authority, absent the parking agreement that it has. Mr. Barry inquired about the reference under the definition of "Facilities", of the parking facilities-- if that was the whole garage. Mr. Leach stated that there are two garages. One is connected to the Convention Center and there is a free standing garage next to the hotel. He stated both of those garages are being retained by the Convention Center Authority. The only thing being sold is the vacant

parcel, the hotel and the furnishings and equipment in the hotel. The garages are remaining, but there is a twenty (20) year parking agreement where a number of parking spaces are allowed to be used by the buyer, and that agreement is subject to being amended or cancelled at any time if bond counsel is of the opinion that it might affect the future impact upon the Authority's bonds.

A discussion took place about the description contained in the documents. Mr. Leach stated the documents have been read by the title company, bond counsel and by the State. Mr. Leach believes that all are comfortable that what they are selling is properly described. Mr. Barry questioned who checked the legal description. Mr. Leach stated it was read by the surveyors, Vanasse Hangen Brustlin, Inc. They did a sub-division plan that has been approved by the City of Providence. He displayed an early draft. The surveyors came up with the descriptions, so the description that has been annexed has been prepared by Vanasse Hangen Brustlin, Inc., and the reservations, etc. have been approved by the title company. A lengthy discussion took place about the description. Mr. Dennehy stated the description was not redrafted, but cut from the Deed instrument. The Chair, Mr. Williams questioned, as part of the sub-division plan, before it was approved by the City, had the Authority signed off on was being presented to the City? Mr. Leach stated that was correct. Vanasse Hangen Brustlin, Inc. was hired by the Authority. They are the same engineers hired when the Authority purchased the land and they did all the ground work, etc.

Reference was made to easements and further discussion took place.

Those easements are separate documents.

Mr. Barry stated there are numerous references back to the 1991 and asked if someone checked all of the facts.. Mr. Leach stated that he checked them back to the 1991 agreement, the bond counsel was supposed to check them back to the 1991 agreement, copies of the agreements were furnished to the Office of the Attorney General, the State Properties Committee Chairman and to counsel. He stated the Authority, the bond counsel, and the title company signed off. Mr. Dennehy stated that there are two references to the initial agreement and he did, as part of the due diligence in reviewing the amendments, went back to the original sections to confirm what was said was correct.

The time frame for completion was discussed. The rooms are expected to be in service no later than July 1, 2007. Should there be unseen delay, a one time extension can be requested.

The Chairman, Mr. Williams asked if the Office of the Attorney General had reviewed the documents relative to form and if there were any questions. Mr. Richard Woolley stated he discussed the documents at length with Genevieve Allaire Johnson. She reviewed all of the proposed documents, the historic documents, and assured him that she was satisfied and asked that Mr. Woolley look them over independently himself; not the original documents, but the proposed documents for today's signature. They are satisfied that they are in order.

The Chairman stated for the record, that the Committee conducted its due diligence relative to the changes that the Committee was

being asked to approve, and the due diligence had basically been done with the Convention Center Authority. He went on to say, the Committee has to rely on the due diligence that the Authority has done relative to the merits of the deal and the description of the facilities that are being excluded from what the State owns now. So on that premise, the Committee is relying on a lot of the work and activity that has been completed before the matter came for the Committee's approval. The Authority stated it is relying on its experts also. He stated the Authority is only trying to carve out the hotel, the adjacent parcel and the furnishings and equipment.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Second Amendment to Lease Agreement with the Rhode Island Convention Center Authority.

Passed Unanimously

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department of Administration for approval and signatures on Second Amendment to Sub-lease Agreement with the Rhode Island Convention Center Authority.

Passed Unanimously

The Chair, Mr. Williams addressed the Department of Transportation and inquired if there were any changes made to the Consent to Assignment of Perpetual Easements since the meeting of April 12, 2004. These documents had been discussed at that meeting. The Department responded that there were no changes made. The Department has relied on Vanasse Hangen Brustlin, Inc. to accurately

depict the easements and it feels that they are an accurate depiction and the consent has the full approval of the Department.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Consent to Assignment of Perpetual Easement (Subsurface Utility Corridor, Service Road) with Rhode Island Convention Center Authority and PRI XVIII, L.P.

Passed Unanimously

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Consent to Assignment of Perpetual Easement (Service Road) with Rhode Island Convention Center Authority and PRI XVIII, L.P.

Passed Unanimously

A question was raised the regarding approval of licenses and which body should the Authority appear before first. The Chairman stated that it should go to the City first.

There being no further matters to come before the meeting, the meeting adjourned.

Anne L. Lanni, Executive Secretary