

STATE PROPERTIES COMMITTEE

SPECIAL MEETING

WEDNESDAY, JANUARY 17, 2007

A special meeting of the State Properties Committee was called to order at 9:06 a.m. by Chairman Kevin M. Flynn. Other members present were Mr. Robert Griffith, representing the Rhode Island Department of Administration, Attorney Genevieve Allaire Johnson representing the Rhode Island Department of Attorney General and Robert W. Kay, Public Member. Also in attendance were Attorney Cheryl Asquino from the Rhode Island Department of Administration; Attorney Mary Ellen McQueeney-Lally from the Rhode Island Department of Labor and Training; and Robert C. Bromley from the Rhode Island Senate Fiscal Office.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Administration – A request for approval of and signatures on a Subordination, Nondisturbance and Attornment Agreement and a Tenant Estoppel regarding an Indenture of Lease by and between First Reservoir, LLC as the Landlord and the State of Rhode Island and Providence Plantations acting by and through the Department of Labor and Training as the Tenant for the premises known as One Reservoir Avenue, Providence, Rhode Island. Ms. Asquino indicated that late last week the Department of Administration's Legal Office received a request from First Reservoir, LLC, who is the landlord under an Indenture of Lease dated 2002, for the State of Rhode

Island to assign a Subordination, Nondisturbance and Attornment Agreement and a Tenant Estoppel Certificate. Ms. Asquino stated that First Reservoir, LLC is refinancing the property and the State of Rhode Island's assignment of the Subordination, Nondisturbance and Attornment Agreement will place the Indenture of Lease below First Reservoir, LLC's new financing. Therefore, when the new financing is put into place, if there is ever a need for a foreclosure, the lender can obtain a clean title. In return for the Subordination, Nondisturbance and Attornment Agreement, the State of Rhode Island attorns to the new acquiring party and said party is required to maintain its responsibilities under the terms and conditions of the Indenture of Lease. Ms. Asquino indicated that the State of Rhode Island proposed certain revisions relative to the agreement to which the lender has agreed. Ms. Asquino indicated that the requirement for the Subordination, Nondisturbance and Attornment Agreement to be signed in contained in Section 15.14 of the Indenture of Lease. The requirement for the Tenant Esstoppel Certificate is contained in Section 15.17 of the Indenture of Lease. The form of the Subordination, Nondisturbance and Attornment Agreement has been approved by the lender, and the landlord. Ms. Asquino indicated that Schedule A, the property description, may need some modification, however, at this time, the parties believe it is correct. Ms. Asquino indicated that the State Properties Committee will not have to execute the approved Tenant Esstoppel Certificate. Ms. Asquino stated that the lender and the Department of Labor and Training approved the language included in the Tenant Esstoppel Certificate, which mimics language contained in Section 15.17 of the Indenture of Lease. Chairman Flynn asked how long the term of the Indenture of Lease is. Ms. Asquino indicated that the Indenture of Lease commenced in 2003, as the result of a build

out, for a term of ten (10) years. Mr. Griffith asked if the Indenture of Lease contains any options to renew. Ms. McQueeney-Lally indicated the Indenture of Lease provides for one renewal. Ms. Allaire Johnson stated that she has reviewed the Subordination, Nondisturbance and Attornment Agreement and indicated that Ms. Asquino did an excellent job of revising the initial proposed language as the original language was not acceptable. Ms. Allaire Johnson recommended approval of the Subordination, Nondisturbance and Attornment Agreement as to form. The leased property houses the so called One-Stop Center serving the City of Providence. Mr. Griffith believes the center provides a very important service, which is well used by both individuals seeking employment and employers. Mr. Griffith is pleased that there is no threat of any disruption of the center's activities. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

Chairman Flynn thanked Ms. Asquino for her hard work and commended her on her ability to revise the agreement on such short notice. Mr. Griffith commented that the State Properties Committee has a long history of being responsive to these types of short-notice requests. However, Mr. Griffith believes the Lessor was well aware that this agreement would have to be prepared and approved. Therefore, the Lessor should have made its request in a more timely fashion to avoid undue pressure for the legal staff and the necessity of scheduling a special meeting of the State Properties Committee.

Chairman Flynn indicated that he will be happy to communicate that point to the Lessor.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 9:16 a.m. Mr. Griffith made a motion to adjourn, which was seconded by Mr. Kay.

Passed Unanimously

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Holly H. Rhodes, Executive Secretary