

ANDOLFO APPRAISAL ASSOCIATES, INC.

BCWA 1-20 (3)
July 2, 2015

REAL ESTATE APPRAISAL

125 DUPONT DRIVE

PROVIDENCE, RHODE ISLAND

AERIAL VIEW



ANDOLFO APPRAISAL ASSOCIATES, INC.

SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Location: 125 Dupont Drive, Providence, Rhode Island 02907

Assessor's Plat/Lot(s): 50 / 724

Requested By/Prepared For: Mr. Gary Marino
Principal Engineer-Project Manager
Providence Water

Owner of Record: First States Investors 5200, LLC

Land Area: Approximately, 16.53 acres, or 719,933 square feet, located in The Huntington Industrial Park as was developed by the Providence Redevelopment Agency in the early 1960s.

Improvements: An approximate 177,500-square-foot back office/clerical operations building occupied and reportedly leased by Bank of America from First States Investors 5200, LLC, with five years remaining on the lease.

This metal structure was originally constructed as an industrial manufacturing/warehouse building circa 1968 and then was acquired by the former Industrial National Bank (successor to Fleet Bank and now Bank of America) in 1972. Circa 1983, the building was then converted into its current bank operations use.

Per building plans as provided by the client, the building's first floor area or footprint encompasses 146,177 square feet, thereby denoting the building's second floor areas as providing 31,323 square feet. With building height at predominantly 24.7 feet, the first floor ceiling space is typically comprised of hanging acoustical tile grids that provide for finished interior wall heights as ranging from 7 to 9 feet. Notably, the upper areas above the first floor ceiling tiles remain open and expose the steel roof deck above.

Highest and Best Use: Current improved use for back office/clerical operations. However, the subject's overriding character is more of "low-cost" office similar to what industrial-flex buildings bring to the market rather than Class B professional office space that is typically offered by suburban structures conventionally built for such specific use.

Opinion of Property Value - Cost Approach: Not Applicable

Opinion of Property Value - Income Approach: \$9,200,000

Opinion of Property Value - Sales Comparison Approach: \$9,050,000

Final Value Opinion: \$9,200,000

Date of Inspection: March 9, 2015

Appraiser: Thomas S. Andolfo, MAI, SRA, Certified General Appraiser



ANDOLFO APPRAISAL ASSOCIATES, INC.

REAL ESTATE APPRAISERS AND CONSULTANTS
THE BUSH BUILDING
216 WEYBOSSET STREET • PROVIDENCE • RHODE ISLAND 02903
(401) 273-8989 • FAX (401) 273-2510

March 24, 2015

Mr. Gary P. Marino
Principal Engineer-Project Manager
Providence Water
552 Academy Avenue
Providence, Rhode Island 02908

Dear Mr. Marino:

Pursuant to your request, I have inspected the real estate located at 125 Dupont Drive, otherwise designated as Lot 724 on Plat 50 of the Tax Assessor Plat Maps for the City of Providence, State of Rhode Island.

The purpose of my inspection was to develop a real estate appraisal in order to opine the subject's "as is" leased fee interest as of March 9, 2015. Notably, the date of inspection and the effective date of this appraisal are one and the same.

The intended user of this appraisal is *Providence Water* only. No additional intended users are identified by the appraiser. This report contains sufficient information to enable the client to understand the report. Any other party receiving a copy of this report for any reason is not an intended user, nor does receiving a copy of this report result in an appraiser-client relationship. Use of this report by any other party(ies) is not intended by the appraiser.

The intended use of this appraisal is to assist the client in opining the subject's "as is" leased fee interest for possible acquisition and use by the client, subject to the appraiser's stated scope of work, purpose, reporting requirements, contingent and limiting conditions, extraordinary assumptions and/or hypothetical conditions, and the definition of market value as noted herein.

At the request of the client, this appraisal report has been formulated by the appraiser in conformance to the Uniform Standards of Professional Appraisal Practice, the format and guidelines for such appraisal prepared under Standard 1 of the Uniform Standards as promulgated by the Appraisal Foundation and adhered to by Andolfo Appraisal Associates, Inc.

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Mr. Gary P. Marino
Providence Water
Page 2
March 24, 2015

Based on the data gathered, the extraordinary assumptions taken and the analyses thereof, it is my considered opinion that the "as is" leased fee interest of the subject property as of the effective date of appraisal, March 9, 2015, was:

NINE MILLION TWO HUNDRED THOUSAND (\$9,200,000) DOLLARS.

Respectfully Submitted,

ANDOLFO APPRAISAL ASSOCIATES, INC.

Thomas S. Andolfo, MAI, SRA

Thomas S. Andolfo, MAI, SRA
Certified General Real Estate Appraiser
Rhode Island License CGA.0A00121

Sworn and Subscribed to before
me in the City of Providence,
County of Providence, State of
Rhode Island, this 8th day of
April, 2015.

Felice A. Daneault

Felice A. Daneault, Notary Public
My Commission Expires 06/20/2017

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CONTINGENT AND LIMITING CONDITIONS

The certification of Thomas S. Andolfo, MAI, SRA, ("Appraiser") appearing in the appraisal report is subject to the following conditions and to such other specific and limiting conditions as set forth by said Appraiser in the report:

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership and that there are no recorded or unrecorded matters or exceptions that would adversely affect marketability or value.

Insurance against financial loss resulting in claims that may arise out of defects in the subject property's title should be sought from a qualified title company that issues or insures title to real property. The subject property analyzed herein assumes prudent and competent management and ownership.

2. Any sketch in the report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property. All areas and dimensions furnished are presumed to be correct. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable.

3. The Appraiser has reviewed available flood maps and has noted in the appraisal report whether or not the subject property is located in a designated flood zone hazard area. The Appraiser and/or Andolfo Appraisal Associates, Inc., is not qualified to detect such areas and, therefore, do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. The value conclusion is based on the assumption that wetlands are non-existent or minimal.

4. If requested by the client, and as relating to non-restricted use appraisals, the Appraiser will provide post-appraisal services such as testimony for court, arbitration, mediation, or the like; however, any such activities would be subject to the Appraiser's fee schedule typically associated with such services and separate from the appraisal fee negotiated for this portion of the assignment engagement.

5. Any distribution of the valuation in the report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used. Any value estimate provided in the report applies to the entire property, and any proration or division of title into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.

6. No consideration has been given to personal property as located on the premises. In addition, no consideration has been given to the cost of moving or relocating such personal property. The Appraiser has only considered the real property.

7. The date of value to which any of the conclusions and opinions expressed in this report apply as set forth in the Letter of Transmittal and Certification. Further, the dollar amount of any value opinion herein is based upon the purchasing power of the American Dollar on that date.

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CONTINGENT AND LIMITING CONDITIONS (Con't)

8. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. Unless otherwise noted in the report, it is assumed that the existing improvements on the property or properties being appraised are sound and conform to all applicable local, state, and federal codes and ordinances. The Appraiser anticipates no changes in said regulations or codes. The Appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors.

If questions in these areas are critical to the decision process of the client or reader of the report, then the advice of competent engineering consultants should be obtained and relied upon. If retained engineering consultants, i.e., structural, mechanical, electrical, civil, or archaeological consultants, should report negative factors of a material nature after the appraisal report is submitted, such information could have a substantial negative impact on the conclusions reported in this appraisal. Accordingly, the Appraiser reserves the right to amend the appraisal conclusions reported herein.

9. Information, estimations, and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. However, responsibility for such conditions, or for engineering which might be required to discover such factors, is not intended within the scope of this report.

Unless otherwise specifically noted in the appraisal report, the Appraiser has no reason to believe that any of the data furnished contains any material error. Since material error could have a substantial impact on the conclusions reported, the Appraiser reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within thirty (30) days after the date of delivery of this report and should immediately notify the appraisal company of any questions or errors.

10. Disclosure of the contents of the appraisal report is governed by the Bylaws and Regulations of the professional appraisal organizations with which the Appraiser is affiliated. As such, the Appraiser will comply with the Jurisdictional Exception Rule of the Uniform Standards of Professional Appraisal Practice by disclosing factual data obtained from the client or the results of this assignment prepared for the client if authorized to do so by due process of law, or by a duly authorized professional peer review committee of the Appraisal Institute, of which Mr. Thomas S. Andolfo is a designated MAI, SRA, member.

11. Neither all nor any part of the contents of this report, or copy thereof, shall be used for any purpose by any other party(ies) but the client without the previous written consent of the Appraiser and/or the client; nor shall it be conveyed by any but the client to the public through advertising, public relations, news, sales or other media without the written consent and the approval by the author(s), particularly as to valuation conclusions, the identity of the Appraisers or the firm. The Appraiser is not responsible for any unauthorized use of this report.

Further, any party receiving a report copy from the client does not, as a consequence, become a party to the appraiser-client relationship. This report is intended only for the use as stated within the report and not

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CONTINGENT AND LIMITING CONDITIONS (Con't)

intended for any other purpose. Any third party who may possess this report is advised that they should rely on their own independently secured advice for any decision in connection with this property.

12. On all appraisals, subject to satisfactory completion, repairs or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner. It is assumed that there is full compliance of all applicable federal, state, and local environmental regulations and laws unless non-compliance is stated, defined, and considered in the appraisal report.

13. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the Appraiser. The Appraiser has no knowledge of the existence of such materials on or in the property. The Appraiser, however, is not qualified to detect such substances.

The presence of substances such as asbestos, radon gas, urea-formaldehyde foam insulation, lead-based paint, contaminated ground water, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. Please be advised that the value estimated herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto which would cause a loss in value. The client is urged to retain an expert in this field, if desired.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I(we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance to ADA. A brief summary of physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance. However, please be advised that non-conformity to the various detailed requirements of the ADA could have a negative effect upon the value of the property.

15. The estimate of market value which may be defined within this report is subject to change with market fluctuations over time. The stated value estimate considers the productivity and relative attractiveness of the property, both physically and economically, in an open and competitive market as of the effective date of the appraisal.

Any cash flows included in the analysis are forecasts of estimated future operating characteristics that are predicated on the information and assumptions contained within the report. Since real estate markets are imperfect, any projections of income, expenses, and economic conditions utilized in this report should not be construed as predictions of the future. Rather, they are estimates of current market expectations of future income and expenses where their achievement will be affected by and be dependent upon future economic occurrences that cannot truly be assured. Since actual results may vary from the projections/assumptions considered herein and may be

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affected by circumstances beyond current realm of knowledge or control, the Appraiser or Andolfo Appraisal Associates, Inc., does not warrant that these forecasts will occur.

16. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.

17. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the client, or client's designees, to read in full, comprehend, and thus become aware of the aforementioned contingencies and limiting conditions. Neither the Appraiser nor Andolfo Appraisal Associates, Inc., assumes responsibility for any situation arising out of the client's failure to become familiar with and understand the same.

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EXTRAORDINARY ASSUMPTIONS / HYPOTHETICAL CONDITIONS

According to Section 2-1, Part C of the Uniform Standards of Professional Appraisal Practice (USPAP), the appraiser is required to disclose any extraordinary assumptions, hypothetical conditions, and/or limiting conditions that directly affect the opinion of market value. This is a binding requirement. For the client's information, the following definitions are noted:

Extraordinary assumption is defined as, "an assumption directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."¹

The appraiser and client were advised by ownership's Broker representative, Mr. Karl Sherry, that the subject property is encumbered by a lease to Bank of America whereby there are five years remaining on the lease, with the annual contract rent set at \$1,225,000, or \$6.90 per square foot triple net. A copy of the lease was requested by the appraiser, but not provided by the client or broker. As such, this appraisal is based on the extraordinary assumption that the lease information provided to the appraiser is true and accurate. To that end, the appraiser reserves the right to amend his value opinion should future lease information be provided that is contrary to that as assumed herein.

Hypothetical Condition is defined as, "that which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis."²

There were no hypothetical conditions taken in this report.

¹The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 73 / USPAP 2012-2013 edition ©The Appraisal Foundation, Page U-3.

²Ibid, Page 97 / USPAP 2012-2013 edition ©The Appraisal Foundation, Page U-3.

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PURPOSE OF THE APPRAISAL

The purpose of this appraisal was to provide an opinion as to market value of the "as is" leased fee interest of the subject property as of the effective date of the appraisal, March 9, 2015.

DEFINITION OF MARKET VALUE

Market value is defined as, "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars and in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale (12 C.F.R. 34.42[g]; 55 *Federal Register* 34696, August 24, 1990, as amended a 57 *Federal Register* 12202, April 9, 1992; 59 *Federal Register* 29499, June 7, 1994).³

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of leased fee interest. Leased Fee Interest is defined as, "a freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease)."⁴

³The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 123.

⁴Ibid, Page 111.

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EXPOSURE / MARKETING TIME PERIODS

Exposure time may be defined as, "the time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."⁵

Marketing time is defined as "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal."⁶

Based upon information gathered through the appraiser's sales verification and statistical information about days on market for similar types of property, the appraiser opines that for both exposure and marketing, that such time periods would have been 12 months or less based upon the "as is" leased fee interest that has been opined herein.

PRIOR SERVICE / SUBJECT PROPERTY RELATIONSHIP

The appraiser does not have any current or prospective interest in the subject property or the parties involved. Further, the undersigned has not performed any services regarding the subject property within the last three years, as an appraiser or in any other capacity thereto.

However, the appraiser did provide the Solicitor's Office of the City of Providence real estate appraisal consultation relative to a pending tax appeal case that involved the subject property for tax years December 31, 1995, through December 31, 2001, and December 31, 2003, through December 31, 2005. Throughout that time frame, the subject was owned by and assessed to Fleet National Bank, the subject property identified by Fleet Bank as its "Operations Center."

The appraiser's file memorandum indicates that the city's proposed assessed value for the subject relative to the December 31, 2003, through December 31, 2005, time period was \$8,205,600, but that a tax settlement at \$6,500,000 assessed value was eventually agreed upon by the parties in May 2004 for those three respective tax years.

⁵The Dictionary of Real Estate Appraisal, Fifth Edition, Appraisal Institute, 2010, Page 73.

⁶Ibid, Page 121.

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SCOPE OF WORK

The format and scope of this report includes the collecting, confirming, analyzing, and reporting of pertinent market data utilizing traditional appraisal methodology; i.e., the Cost Approach, the Income Approach, and the Sales Comparison Approach. The depth and extent of the scope of this appraisal have been determined by the significance of the appraisal problem at hand.

The conclusions reached in this analysis were based upon my personal inspection of the subject property and the neighborhood area, in addition to my present knowledge with respect to economic growth data, competition and conditions prevalent in the subject's marketplace as of the effective date of the appraisal.

Additionally, in developing the approaches to market value opinion, the data utilized was collected from Andolfo Appraisal Associates, Inc., office files, other appraisers, realtors, persons having knowledge of the type of property under appraisal, as well as municipal and state offices.

The subject property was personally inspected by the appraiser on March 9, 2015, in the accompaniment of the client, Property Manager Mr. Gerald Gath, Brokers Karl Sherry and Matthew Fair of Cushman Wakefield/Hayes & Sherry Real Estate, and several other consultants enlisted by the client to assist with the subject's overall physical and financial evaluation.

A complete inspection of the property was availed to the appraiser, as well as the allowance in taking interior and exterior photographs. Further, the client provided the appraiser with a set of site and building plans that were developed by International Land Services, Inc., of Norman, Oklahoma, and conducted under the direct supervision of Providence based Commonwealth Engineers and Consultants, Inc. The plans were date stamped August 13, 2004, and February 1, 2005.

There are three traditional valuation approaches available to an appraiser in arriving at an opinion of market value for a subject property. Those three approaches are the Cost Approach, the Income Approach, and the Sales Comparison Approach. For this assignment, the Cost Approach was deemed as not being applicable given the subject's chronological age of 47 years and the inherent difficulty in estimating total accrued depreciation. Non-use of the Cost Approach for the subject would be considered as typical practice by appraisal peers and its omission did not jeopardize the client's financial interest.

Per Broker Sherry, the subject property is currently encumbered by a lease between Bank of America and the property owner, First States Investors 5200, LLC. As has been noted, while a copy of the lease was requested by the appraiser, such was not provided for purposes of this appraisal.

However, the client requested that the appraiser take into account the verbal annual rent and lease term figures that were attested to by Broker Sherry. Namely, that the subject's annual contract rent for the five years remaining on the Bank of America lease is \$1,225,000 triple net. To that end, the appraiser employed the Income Approach, vis-a-vis a seven year Discounted Cash Flow Analysis in deriving an indication as to the subject's leased fee interest. Notably, years six and seven were representative of the subject's respective turnover/interior retrofit and market repositioning years in arriving at a projected stabilized occupancy at the end of reversion year eight, or three years after Bank of America vacates the property.

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SCOPE OF WORK (Con't)

Also, the appraiser employed the Sales Comparison Approach as a "test of reasonableness" to the Income Approach. The appraiser surveyed, analyzed, and adjusted the best available sales (six) in arriving at an opinion as to the subject's "as is" market value. The unadjusted sales ranged from \$4,500,000 for an operations center type property to \$13,575,000 in sale price for a true Class B modern office building. Five of the adjusted sales were located in Rhode Island and one sale was located in nearby Foxborough, Massachusetts. Application of this approach provided good support to the leased fee value that was derived via the Income Approach.

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TAX AND ASSESSMENT DATA

As of December 31, 2014, the subject property was assessed to First States Investors 5200, LLC, c/o PO Box 167129, Irving, Texas 75016. Assessments were as follows:

Land	\$3,029,800
Building/Improvements	<u>5,795,800</u>
Total Assessment	\$8,825,600
Taxes	\$324,340.80

The current tax rate in the City of Providence for commercial/industrial properties is \$36.75 per \$1,000 of assessed value. The City of Providence completed its last full revaluation on December 31, 2009, with a statistical tax update completed as of December 31, 2012, and of which the above assessments represent. The next statistical tax update will occur on December 31, 2015.

It is the appraiser's opinion that the subject's assessed value is fair and equitable as based upon the sales evidence provided by the market from the January 1, 2010, to December 31, 2012, time period. For the December 31, 2015, revaluation, the appraiser would anticipate an increase in the subject's assessed value based on the "as is" value as will be opined herein.

SALES HISTORY

The subject property was developed circa 1968 by the American Can Company and was then acquired by the Industrial National Bank of Rhode Island from a successor to merger, the Livermore & Knight Company, on June 23, 1972. Tax stamps on the deed as recorded in the land evidence records for the City of Providence in Deed Book 1168, Pages 521-523, indicated a purchase price of \$1,525,000.

It appears that while the bank retained ownership of the subject property, the building was not converted into a Fleet Bank operations center until around May 1983. At that time, the Rhode Island Industrial Facilities Corporation provided Fleet with a \$1,000,000 construction loan in order to assist with the building's conversion. A Quit Claim deed for a \$1.00 consideration, along with a Master Lease was recorded on May 26, 1983, in Deed Book 1244, Page 818, in favor of the Rhode Island Industrial Facilities Corporation.

The appraiser's review of the subject's chain of title also uncovered that on October 1, 2004, Fleet National Bank conveyed its ownership interest in what appears to be a "sale-leaseback" to First States Investors 5200, LLC, a Real Estate Investment Trust (REIT). A Quit Claim deed was recorded in Deed Book 6868, Pages 187 - 190, the deed noting a \$10.00 monetary consideration. Then on November 28, 2011, First States Investors 5200, LLC, entered into a "Corporate Assignment of Mortgage Agreement" with Mortgage Electronic Registrations Systems, Inc. The agreement not only secured the subject, but also other numerous properties nationwide. No monetary consideration, mortgage loan amount, or collateral value was identified for the subject property in that recorded document.

To the appraiser's knowledge, the subject property has not been publically offered for sale. Per Broker Sherry, Providence Water's interest in purchasing the subject property was unsolicited and discussions between the parties will be treated as "soft" until such time that Providence Water tenders property ownership with a serious offer to purchase.

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ZONING DATA

The subject property is situated in an M-1 Industrial zoning district. This district is intended for general industrial uses that accommodate a variety of manufacturing, assembly, storage of durable goods and related activities providing that they do not pose toxic, explosive, or environmental hazards to the city.

Uses permitted by right in an M1 zone include the following: educational institutions; health care institutions; medical/dental office; government office; police/fire station; day care; service organization; public uses such as library/museum; and movie theater. Other permitted uses include adult entertainment; eating/drinking establishments; auto retail/repair; as well as most general service type uses. Additionally, the zone permits limited manufacturing processes; wholesale trade; general warehouse; contract construction business; most transportation uses; communication uses; as well as outdoor entertainment regarding parks, playgrounds, and open spaces.

Dimensional regulations are as follows: Minimum Lot Area - None; Maximum Structure Height - 75 feet or 6 stories; Minimum Front Setback - None; Minimum Side Setback - None; and Minimum Rear Setback - None.

Based upon the above zoning requirements, the subject would be considered as a legal and conforming use. A copy of the Zoning Map is as follows:



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FLOOD ZONE DATA

The subject property is not located in a designated flood zone hazard area as depicted on the FEMA National Flood Insurance Rate Map entitled Community Panel #44007C0316G and dated March 2, 2009. According to the flood hazard map, the subject property is situated within a Zone "X" non-flood hazard area. A copy of the flood map follows:



EARTHQUAKE HAZARD DATA

Although the New England region may lie on or near a fault line, geologists indicate that the potential of an earthquake affecting the region has very little probability. Despite the fact that in 2011 a 5.8 magnitude earthquake in Virginia was felt as far north as New England, earthquakes of this strength are rare on the East Coast. As a result, insurance coverage for earthquake damage is not a factor in appraising real property located within the state of Rhode Island and does not enter into the purchase or renting decisions of prospective buyers/tenants, thereby rendering such a hazard potentially irrelevant for this market area.

PERSONAL PROPERTY

Personal property was not included as a basis for valuation in the formulation of the subject's "as is" leased fee interest.

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TOXIC / ENVIRONMENTAL HAZARDS

No evidence or suspicion of toxic or environmental hazards were noted by the appraiser and no known toxic hazards are publicly associated with the subject property.

However, Property Manager Mr. Gerald Gath did note that the subject possesses four underground fuel storage tanks that were installed circa 1997. Two of these reportedly doubled-lined tanks have 10,000-gallon capacities, with the other two tanks having 5,000- and 2,500-gallon fuel capacities.

Mr. Gath also noted that some asbestos wrapped piping may exist above finished ceiling areas and that regularly scheduled indoor air quality tests are taken by an environmental company ("no issues found").

Since this appraiser is not qualified to detect toxic hazards, the client is urged to retain the appropriate expert in this field for inspection and/or detection. To that end, the appraiser reserves the right to amend the final value opinion should toxic or environmental hazards be found and the remediation costs documented.

EASEMENTS / ENCROACHMENTS / RIGHTS-OF-WAY

There were no apparent adverse easements, encroachments, or rights-of-way observed by the appraiser which would negatively affect the marketability and/or use of the subject property. This statement takes into account the fact that site easements were prior taken by the Providence Redevelopment Agency (PRA), the former Narragansett Electric Company (now National Grid), and the Narragansett Bay Commission (NBC).

The National Grid and NBC easements run along the southeasterly and northeasterly perimeter of the site, the easement areas ranging from 30 feet to 40 feet in width. The electric easement is for overhead wires which extend to electric transformers, which the provided site plan notes, are located at the rear of the building at its northwest and northeast corners, while the NBC easement is for an underground sanitary sewer line. Lastly, the PRA easement areas run along the site's far southerly and westerly sides.

Additionally, the existence of the Mashapaug Pond as located near the subject's easterly side yard is also deemed as not adverse to the subject's use and/or marketability.

SPECIAL SIGNIFICANCE

No natural, cultural, recreational, historical, or scientific value is indicated for the subject property.

SPECIFIC GEOGRAPHIC DATA

U.S. Census Tract -15.00
MSA Code - 39300

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AREA ANALYSIS

New England: The State of Rhode Island is part of the six state New England region of the Country, which includes Massachusetts, Connecticut, Maine, New Hampshire, and Vermont. This region has gone through marked change, the most significant being the shift from a manufacturing economy to one that is more service driven.

This transition from a manufacturing-oriented economy to one based instead in information and services was marked in 1987 with the surpassing of manufacturing employment by service employment. This change is very much still felt now as service employment far exceeds manufacturing employment.

The catalyst behind New England's employment shift was a result of its high technology infrastructure, the region capturing a large share of the Nation's federal research and development ("R&D") funding. This led to a relatively high concentration of durable goods employment in industries such as instrumentation, electronics, and industrial machinery.

Major service employers now include health care, business services, engineering and management, and education. Computer and data processing, including software, and suppliers of personal services also accounted for a large number of jobs in the business service sector.

The region's concentration of jobs in finance, insurance, and real estate has grown to levels comparable to the Nation. Given the fact that the fastest growing segments of the New England economy have high proportions of professional, technical, and managerial occupations, demand for highly skilled and well-educated workers has been high. Historically, this need has been beneficial to the region, given the high concentration of colleges and universities located within.

The New England labor market had continued to add jobs across all states and most industries from 2004 to 2007. However, New England's joblessness began to steadily increase during 2008, and by year's end, New England had recorded its highest rate of joblessness since 1993 with an unemployment rate of 6.4% but better than the national average of 7.2%. It would continue to rise to an average of 8.3% for 2009 and 8.7% for 2010, but decrease to 7.8% for 2011, 7.2% for 2012, 7.0% for 2013, and 6.0% for 2014.

Notably, New England's economic performance started to become mixed during 2007, as much of the economic growth experienced by the region started to slow and its real estate markets began to show signs of weakening, a direct result of the subprime mortgage problem as relating to delinquencies and foreclosures which affected all homes regionwide. Median home prices generally fell across New England metropolitan areas during 2008 and 2009, but 2010 was a better year with increases across all areas except for two, which saw decreases of less than 1%. However, 2011 saw across the board decreases again, and so did 2012 except for in four areas, though 2013 saw increases in all areas except one, and 2014 in all areas except four. The average value of construction contracts (residential, non-residential, and non-building) fell by 17.7% from 2008 to 2009 but rebounded 15.1% from 2009 to 2010, decreased less than 1% from 2010 to 2011, and from 2011 to 2012. Moreover, 2013 saw an increase of 21.6% from 2012, though 2014 saw a subsequent decrease of 9.0%. The Federal Housing Finance Agency (FHFA) home price index indicated an annual average drop of 4.1% in regional home price between 2008 and 2009, a 2.3% drop between 2009 and 2010, a 2.1% drop between 2010 and 2011, and a 0.9% drop between 2011 and 2012. However, 2013 saw an increase of 1.2%, surpassing 2011 levels, and 2014 is on the same pace.

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AREA ANALYSIS (Con't)

Also, demand for new housing in 2009 weakened. The average number of housing permits issued in New England fell by 27.8% to its lowest level since 2002, but was less than the decline seen nationally. Every New England state sustained a double-digit decline. In 2010, there was a 21.1% increase, but 2011 saw the number of building permits return to 2009 levels. However, 2012 surpassed 2010 levels by 11.7% and 2013 increased 20.26% over 2012 levels. There was a very slight decrease in 2014 of 0.4%.

Lastly, the region's economic prospects have also recently been affected by a lagging population and employment growth compared with the nation as a whole - such factors requiring immediate attention to ensure a strong future for the New England economy. Noteworthy of the regional forecast is that New England is currently experiencing a decline in "attractiveness" to young adults and businesses expanding employment.

The leading sectors in New England's employment recovery are forecasted to be health and education services, followed by professional and business services, leisure and hospitality, trade, transportation, utilities, and high technology. However, economic expansion will depend on existing businesses securing sales and profitability thereby enabling them to hire and reinvest.

Rhode Island: Rhode Island is the smallest state in the Union, having only 1,045 square miles of land area. The State is divided into 39 municipalities ranging in size from 1.3 to 64.8 square miles. The municipalities are organized into five counties - Bristol, Kent, Newport, Providence, and Washington.



Rhode Island ranks thirty-ninth in population nationally, with a population of 1,052,567, a 0.4% increase over the 2000 U.S. Census. However, the state's 0.4% increase in population is the lowest in the country, with only Michigan and Puerto Rico seeing decreases in population. Local economic experts attribute the slow growth in population to negative factors such as

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AREA ANALYSIS (Con't)

high housing and energy costs, slow job growth, and a non-competitive tax policy that makes it difficult to attract highly skilled workers and high-tech companies from moving and expanding there.

Also, with approximately 1,007.2 people per square mile, the State is ranked second in population density. Providence, the State's capital, is the second largest city in all of New England, after Boston.

Rhode Island is located in the heart of the New England marketplace, and in a national perspective, the population within 75 miles of Providence is greater than those of the largest metropolitan areas west of New York City, including Chicago and Los Angeles. Within this 75-mile radius live 65% of the New England population, or about 8.5 million people. Boston, Massachusetts, is located 45 miles away; while Worcester, Massachusetts, is 40 miles; Hartford, Connecticut, is 75 miles; and Route 128, the Massachusetts technology highway, is 30 miles away.

Demographic characteristics of the State, as taken from the United States Census Bureau's 2010 census, portray Rhode Island at this time as follows:

Resident Population	- 1,052,567
Population % Change, 2000-2010	- 0.4%
Percent Under 18 Years of Age	- 21.3%
Percent 65 Years of Age or Older	- 14.4%
Median Household Income	- \$52,254
Percent Below Poverty	- 14.0%
Home Ownership Rates	- 60.7%
Total Number of Households	- 413,600
Percent Male	- 48.3%
Percent Female	- 51.7%
Persons Per Household	- 2.44
Percent Age 25+ that Completed College	- 30.2%
Percent Age 25+ with High School Diploma	- 83.5%

The Rhode Island labor force in December 2014 approximated 552,500 people. The State is now considered more of a white collar state than a blue collar one because the State economy, though it had previously relied on manufacturing, is now making strides to become more of a service oriented one.

The main industry of the economy of Rhode Island is health care and social assistance. This industry comprises nearly 20% of the State's private sector employment. The State features a world-class medical school and research facilities at Brown University, as well as some of the best teaching hospitals in the country. In addition, there are many new biotech start-up companies, as well as The Slater Center for Biomedical Technology, which takes to the commercial market the innovations developed by Brown University researchers.

The Rhode Island Association of Realtors reported that the median price of a single-family home sold through a realtor rose by 5.32% to \$210,000 from 2009 to 2010. Home sales, though, dropped by 11.63% for the same time period. For 2011, home sales were down 2.08% as compared to 2010, and median price was down 7.14% to \$195,000. For 2012, the median home price was down 2.56% to \$190,000 as compared to 2011, but home sales were up 19.50%. For 2013, both sales and median home price were up compared to 2012, by 10.15% and 7.89%, respectively. Further, 2014 saw an increase in price of 4.88% over 2013 and

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AREA ANALYSIS (Con't)

an increase in sales of 0.25%. In addition, according to HousingWorksRI, foreclosure deeds decreased by 4.71% in third quarter 2014 as compared to third quarter 2013.

The State's average annual unemployment rate for 2010 was 12.0%, 10.8% for 2011, 10.4% for 2012, 9.1% for 2013, and 8.0% for 2014. The unemployment rate of 6.8% for December 2014 is 2.5% lower than the rate from December 2013, though it is still the fourth highest in the Nation and much higher than the national rate of 5.6%. New England as a whole saw a rate of 6.0% for 2014, with Vermont having the lowest rate with 3.9%, New Hampshire with 4.4%, Maine with 5.8%, Massachusetts with 6.0%, and Connecticut with 6.7%.

The Rhode Island Public Expenditure Council, in its second "How Rhode Island Measures Up" study, has concluded that the state's climate is not welcoming enough to start or grow a business. The study looks at the state's business ranking from the Tax Foundation, the Small Business and Entrepreneurship Council, the Beacon Hill Institute, Forbes, and CNBC. Rhode Island ranked in the bottom 10 states for all but the Beacon Hill Institute. Beacon Hill's 2010 report ranked Rhode Island 20th in the country, an improvement from its 2009 rank of 29. Massachusetts, New Hampshire, and Vermont ranked higher at 3, 10, and 19, respectively, while Connecticut and Maine ranked lower at 28 and 32, respectively. Notably, the Beacon Hill study is the only one that looks at the long-term outlook and not just the current condition for the state.

Also, Rhode Island's total personal income and wage and salary disbursements were on the weaker end of the spectrum compared to the region. As Rhode Island experienced a declining economy from 2007 through 2009, the State has had to wrestle with annual budget deficits. Rhode Island faced a budget shortfall of \$450 million for fiscal year 2009 and the fiscal year 2010 budget saw government spending increasing by 13% and relying on federal stimulus dollars to combat the mounting deficit which was forecasted to approach \$600 million. The deficit for fiscal year 2011 was estimated at \$295 million. However, fiscal years 2012, 2013, and 2014 all saw a surplus, and the Rhode Island Public Expenditure Council (RIPEC) is projecting fiscal year 2015 to have a surplus as well.

While deficits are generally attributed to declines in the largest revenue streams (income and sales taxes), a weak housing market and diminished consumer spending, in fact, the Rhode Island Public Expenditure Council recently released a report that stated that the amount of revenue collected by state and local governments in fiscal year 2011 had increased 14.3% over fiscal year 2007 levels as examined in the report. During the same period, national government revenues increased 8.5%. In addition, the report also states that Rhode Island's tax burden remains high, ranking 13th highest in the nation.

Per Rhode Island Economist Leonard Lardaro, of the University of Rhode Island, the way the State balances its budgets will be a major determinant to its future economic growth - state leaders must comprehend and make difficult but important changes to the State's economy in order for it to consistently approximate national rates of growth. Lardaro writes a monthly report on the State's economy entitled the Current Conditions Index whereby scores or values higher than 50 points indicate that the state is growing (while lower scores indicate it is shrinking). The CCI hit its worst point ever with the months of June and August 2008 seeing an index of zero, surpassing the previous all-time low of 8. The index sat at 67 for December 2014.

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AREA ANALYSIS (Con't)

The index is based on 12 key economic indicators relating to housing, retail sales, employment and the labor supply. The index reached its previous all-time low of 8 points in April 1991 amid a nationwide recession and the Rhode Island banking crisis, and the index attained its maximum value of 100 points during several months of 1984 and 1986.

Going forward, Lardaro wrote, "'The' question of the fourth quarter is whether the pace of Rhode Island's recovery will keep pace with the accelerating national economy. Gauging this has not been as easy as one might think, since there have been a few data difficulties and several atypical 'comps' along the way. So, while it remains uncertain whether the pace of our recovery will eventually accelerate, it is at least safe to say that Rhode Island's recovery is continuing, albeit less broadly based than we would like. The improving national economy and declining energy prices can only benefit our state's recovery, hopefully causing its pace to move more in line with the national economy."

Providence: Providence ranks number one in population among Rhode Island's 39 cities and towns. It is the financial/commercial center of the state of Rhode Island, as well as Southeastern Massachusetts and Northeastern Connecticut. The city is in the Providence-Warwick-Pawtucket Standard Metropolitan Statistical Area, which had a population estimate of 960,000 people in 2000. The city's 12,100 acres has been 92% built-up for several decades, and Providence is truly a city with a broad mix of uses within all categories of land use.

Greater Providence is the economic focal point of Rhode Island. More than 8.5 million - 65% of New England's population - live within 75 miles of the city. The proportion of industry is even greater. Two-thirds or more of New England's plastics, hi-tech and electrical industries are located within that 75 mile radius. Route 128, America's technology highway, is roughly midway between Boston and Providence. New York City is a mere three hour drive away from the city.

Rhode Island, with its concentrated population of approximately one million people, has more income per square mile than any New England state. Within 300 miles of Providence (the range of the overnight trucking market) live 50 million people with a combined annual income in excess of \$1 trillion.

As of the 2010 United States Census, the total population for the city of Providence was 178,042, an increase of 2.50% over the 2000 population. Given the city's total land area of 18.47 square miles, population density is approximately 9,640 people per square mile.

The unemployment rate for Providence is currently 7.5% for December 2014, which is higher than the 6.4% rate for Providence County and the 6.3% rate for Rhode Island as a whole. The Providence rate decreased from the November 2014 rate of 8.4% and decreased from the December 2013 rate of 10.5%. As of February 2015, the current unemployment rate for Rhode Island as a whole was 7.00%

Over the last 15 years, the Providence economy has been transformed from a predominately manufacturing oriented base into a major financial and service economy, with most of its growth having been developed from banks, insurance companies, and professional firms. As a result, local employment in the city has grown from a local to regional, national, and even international market. This is the main reason why the city continues to be viewed as the economic

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AREA ANALYSIS (Con't)

focal point of the state, as it is number one in population; total employment; and employment in manufacturing, wholesale and retail trade, finance, insurance and real estate, government, education, health, law, accounting, and advertising.

Feeding directly into the city are Interstate Routes 95 and 195, as well as a well-maintained, multi-million dollar highway system. Interstate Route 95, the major north/south route on the East Coast, provides easy access via the Civic Center Interchange to Route 6, which links the greater Providence area with Hartford, Connecticut, and Interstate Route 295, which circles the city connecting Northern and Southern Rhode Island and providing a link to Southeastern Massachusetts.

The downtown Providence area has seen significant events take place within the past fifteen years in the form of new construction, as well as existing building rehabilitation. In addition to these projects, the Capital Center project area, which approximates nearly 72 acres of land area adjacent to the State House and downtown Providence, has been under development.

Most notable construction has been exemplified by the Providence Train Station; the former American Express Building; One Citizens Plaza; apartment complexes; the headquarters for Blue Cross/Blue Shield of Rhode Island and G-Tech; Waterplace Park, an outdoor amphitheater; the 1,200,000 square foot Providence Place Mall; and the newly constructed Providence Renaissance Hotel and the earlier Marriott Courtyard.

As noted by the Greater Providence Chamber of Commerce, within 300 miles of Providence live 50 million people with a combined annual income in excess of \$1 trillion. The advantages of locating a business in the Providence metropolitan area are well-defined: the highest number of skilled workers per square mile of any state; a superior telecommunications infrastructure; a thriving cluster of workers adept in the creative and graphic arts; Ivy League-affiliated health care facilities that top the nation in cost effectiveness; and prime development sites, many just minutes from the central business district. Further, Providence is located in the middle of the highest concentration of colleges and universities in the United States.

More recently though, Providence's \$828-million unfunded pension liability and its \$1.5-billion unfunded retiree health-care liability "are among the most significant challenges we face in our efforts to put the capital city back on firm financial footing," Mayor Angel Taveras said. Mayor Taveras, along with nine other mayors and town managers, had urged Governor Chafee to add local pension plans to the Governor's proposed overhaul of the state retirement system, lest the municipalities face harsh budget cuts or, in a worst case scenario, bankruptcy like the city of Central Falls.

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PROVIDENCE, RHODE ISLAND GENERAL INFORMATION

CITY: Providence

COUNTY: Providence

LOCATION: At the head of Narragansett Bay on the Providence River, 43 miles south of Boston and 175 miles northeast of New York. Bounded partly by the city of Pawtucket and partly by the town of North Providence on the north, by the town of Johnston on the west, by the city of Cranston on the south and by the city of East Providence (across the Providence and Seekonk Rivers) on the east.

POPULATION: 2010 U.S. Census - 178,042
2000 U.S. Census - 173,618
1990 U.S. Census - 160,728
1980 U.S. Census - 156,804
Ranked 1st out of 39 cities and towns

AREA: Total - 20.53 square miles
Land Area - 18.47 square miles
Inland Water - 2.06 square miles

DENSITY: 9,640 inhabitants per square mile of land area in 2010

TOTAL HOUSING UNITS: 2010 - 71,530
2000 - 67,915
1990 - 66,794
1980 - 67,535

CLIMATE: Mean Temperature in January - 29.9 degrees
Mean Temperature in July - 72.8 degrees
Mean Annual Precipitation - 39.41 inches

U.S. GEOLOGICAL SURVEY QUADRANGLES: Providence

AERIAL SURVEY PHOTOS: On file at Rhode Island Statewide Planning Program Office and the Providence City Planning Commission

ESTABLISHED: 1636

INCORPORATED AS A CITY: 1832

TYPE OF GOVERNMENT: Mayor and 26 member Council (Home Rule Charter took affect in 1983 - Council was changed to 15 members)

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SUBJECT MARKET ANALYSIS

The appraiser considered the physical, functional, and external characteristics of the subject's market area. The subject can be immediately accessed off of the northbound travel lane of Rhode Island Route 10 or from Niantic Avenue as accessed off of Cranston Street and Huntington Avenue at the north or from the south off of Reservoir Avenue, Cranston, via an access connector way off of Route 10.

The subject's location is within the Huntington Industrial Park, which was developed in the early 1960s by the Providence Redevelopment Agency in its goal of creating a centrally located park intended for larger scale manufacturing plants. The park represents the city's largest industrial redevelopment project, this 117-acre area formerly consisting of approximately 525 residential properties that were initially acquired by eminent domain. As developed, Niantic Avenue and Dupont Drive form a circular roadway network for the park, with some spur roads branching off such as Magnan Road and Park Lane.

The park's more immediate neighborhood boundaries are considered to be Cranston Street to the north, Mashapaug Pond to the east, Route 10 to the west, and Reservoir Avenue to the south. The north and south boundaries essentially represent both the Providence and Cranston city lines. Given this siting, the subject property is afforded ready access to Interstate Routes 95 and 195, as well as Interstate Route 295 from Routes 10 and 6. Further, centrally located within Metropolitan Providence, the park benefits from a readily available labor pool and work force. Downtown Providence is a short drive away.

Since the 1990s, the park's manufacturing sector has been in contraction mode so that many of the larger and former single-user manufacturing facilities have been subdivided into smaller light industrial types that cater to product assembly, warehouse/distribution, wholesale sales, flex-office, and service provider uses. Intermixed are non-industrial uses such as Lang's Bowlarama at 225 Niantic Avenue, Cranston; the Rhode Island Food Bank at 200 Niantic Avenue, Providence (as converted from a former Edward's Grocery); and the Rhode Island Channel 36 Public Television Station at 50 Park Lane.

The subject neighborhood is availed a full array of public utilities such as street lighting, water, sewer, electric, natural gas, telephone, fiberoptic cable, concrete sidewalks, granite curbing and storm drains.

Neighborhood Summary

LOCATION	Urban
DEVELOPMENT TREND	Fully Developed
VALUE TREND	Stable
VACANCY TREND	Stable
POPULATION TREND	Stable
EMPLOYMENT	Stable
CHANGE IN LAND USE	Unlikely
MAINTENANCE/CONDITION	Average/Good
PROPERTY COMPATIBILITY	Average/Good
APPEAL/APPEARANCE	Average/Good
PROTECTION/ADVERSE INFLUENCE	Average/Good
DEVELOPMENT POTENTIAL	Average
RENTAL DEMAND	Average
TRANSPORTATION/ACCESS	Average/Good
POLICE/FIRE PROTECTION	Average/Good

SUBJECT MARKET ANALYSIS (Con't)



ANDOLFO APPRAISAL ASSOCIATES, INC.

SITE DESCRIPTION

SITE SIZE	Approximately 16.53 acres, or 719,933 square feet
SITE DIMENSIONS	Irregular - 1,056.95 feet x 744.14 feet x 1,093.79 feet x 617.96 feet
STREET FRONTAGE	469.46 feet along Dupont Drive
ENVIRONMENTAL PROBLEMS OBSERVED OR KNOWN TO THE APPRAISER	None
ACCESS	Average
SHAPE	Good
FUNCTIONAL UTILITY	Good
VISIBILITY	Average
LANDSCAPING	N/A
DRAINAGE	Appears Adequately Maintained/Catch Basins
ADEQUACY OF UTILITIES	Good
TRAFFIC PATTERN	Average
STREET	Asphalt Paved/City Maintained
CURBS AND GUTTERS	Yes/Public
LIGHTING	Yes/Public
ELECTRIC	Yes/Public
NATURAL GAS	Yes/Public
WATER	Yes/Public
SEWER	Yes/Public
STORM/DRAIN	Yes/Public
SIDEWALKS	Yes/Public
TOPOGRAPHY	Level
CORNER LOT	No
UNDERGROUND UTILITIES	Water/Sewer/Natural Gas
RAILROAD ACCESS	No
SOIL/SUBSOIL CONDITIONS	Urban Complex - Suitable for Community Development

ANALYSIS/COMMENT

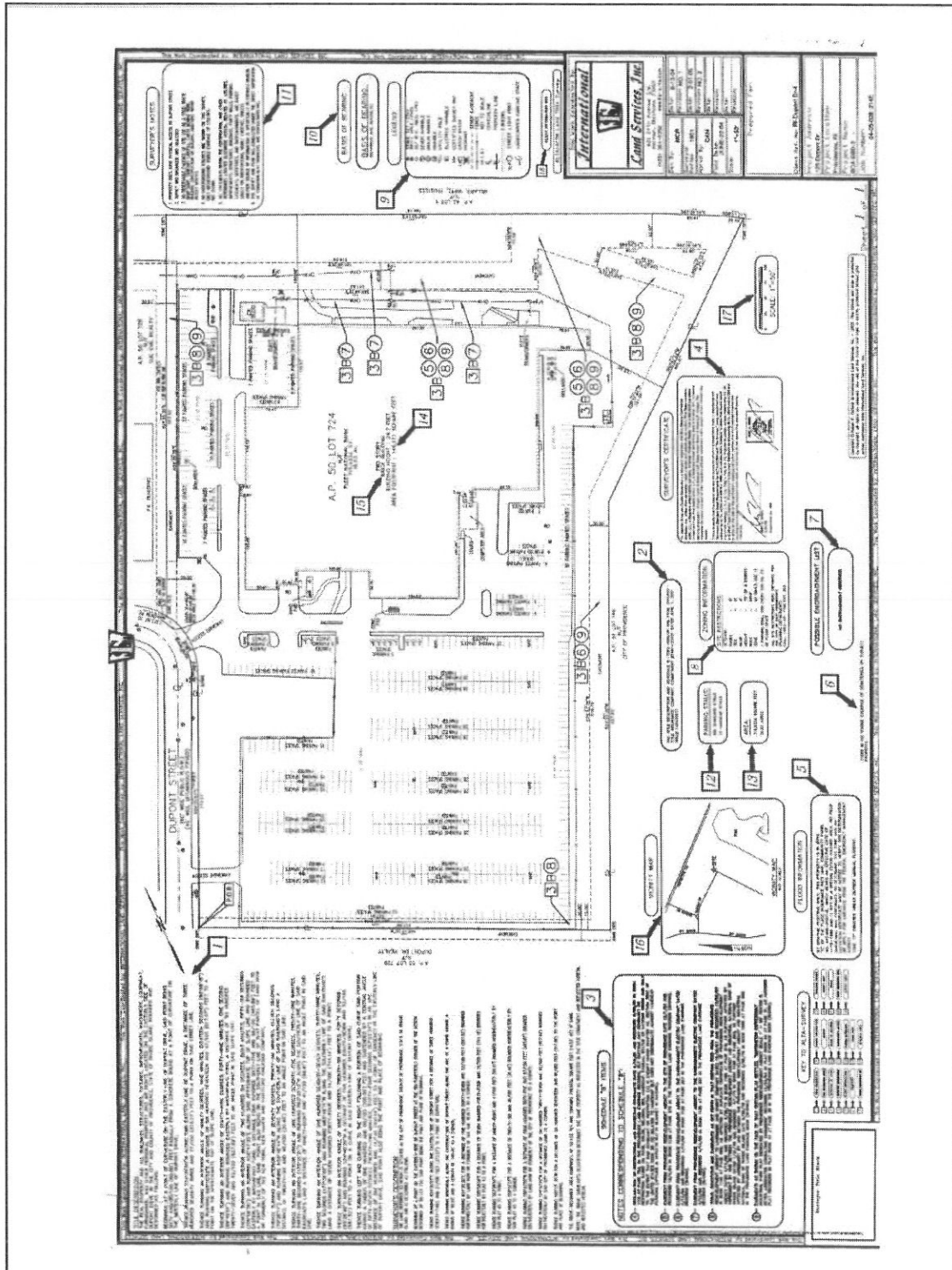
The site is located on the easterly side of Dupont Drive. Access to the site is provided via one curb cut off of Dupont Drive at the curve of the street as Dupont Drive turns westward to intersect with Niantic Avenue. The subject's access drive is 96.19 feet wide, the curb cut representing a portion of the site's 469.46 feet of frontage along Dupont Drive. Dupont Drive is a two-lane roadway that has its 40-foot width asphalt paved. Sidewalk rights-of-way area along Dupont Drive approximate for an additional 10 feet on each side.

The provided International Land Services, Inc., site plan (2004/2005) notes 691 standard parking spaces and 13 handicap parking spaces for a total of 704 spaces. In contrast, Property Manager Gath identified that the subject site currently provides for 890 parking spaces.

The predominant portion of the parking is located in front of the building (southward), is illuminated by several light stanchions, and is protected by exterior building-mounted surveillance cameras. Notably, Mr. Gath stated that at 100% building capacity, i.e., office personnel working, the building can accommodate 888 seats. At present, per Mr. Gath, Bank of America has 650 office personnel working at this facility.

Overall, the appraiser rates the subject site as having an average location, but an overall good rating with respect to its shape and function. The following reduced site plan was provided by the client:

SITE DESCRIPTION (Con't)



ANDOLFO APPRAISAL ASSOCIATES, INC.

IMPROVEMENT DESCRIPTION

Exterior

PROPERTY TYPE	Back Office/Clerical Operations
CONSTRUCTION TYPE	Predominantly Metal/Concrete Block
NUMBER OF BUILDINGS	One
NUMBER OF STORIES	One to Two
BUILDING HEIGHT	24.7 Feet
FOUNDATION	Concrete Slab - No Basement
EXTERIOR WALLS	Metal
ROOF COVERING	Flat - Carlisle Rubber Membrane (New)
WINDOWS	Very Limited/Fixed-Casement Type
DOORS	Safety Glass/Aluminum Framed Main Doors; Metal Passage Doors

Age/Building Area Information

YEAR BUILT	1968
CHRONOLOGICAL AGE	47 years
CONVERTED TO OPERATIONS CENTER	1983
EFFECTIVE AGE	25 years
ECONOMIC LIFE	40 years
BUILDING AREA	Ground Floor - 146,177 square feet Second Floor - <u>31,323</u> Square Feet Total - 177,500 square feet
GROUND COVER RATIO	20.30%
LAND-TO-BUILDING AREA RATIO	4.06:1

Finishes

WALLS
CEILINGS
LIGHTING
FLOORING
INSULATION
LAVATORIES

Predominantly Office Areas

Painted Drywall
Dropped Acoustical Tile
Recessed Fluorescent/Parabolic
Commercial Grade Carpeting
Unknown
Four Sets of Men's and Ladies' Lavatories;
An additional set having showers (adjacent
to Employee Fitness Center - Suite 164)
Unknown, but columns observed

COLUMN SPACING

Shipping/Receiving

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

Mechanicals (Per Property Manager)

HEATING	Natural gas/WhirlPower boiler (circa 1968); Natural gas and oil/Tyclo-Therm (circa 1968)
AIR CONDITIONING	50 roof-top units - 7 to 12 tons; 6 at 60 tons. Predominant Ages - 5 years
ELECTRICAL	23 FV Split Substations; #1 at 2,075 KVA and #2 at 664 KVA
GENERATORS	Caterpillar 500 KW (2008); Onan-Detroit 1000 KW (1986); Onan-Cummings 500 KW (1986)
HOT WATER	Natural gas - Two at 90 Gallons (2004/ 2005); One at 80 Gallons (2009)
PLUMBING	PVC and Copper

ANDOLFO APPRAISAL ASSOCIATES, INC.

IMPROVEMENT DESCRIPTION (Con't)

Mechanicals (Per Property Manager) [Con't]

SPRINKLER	Full - Wet Sprinkler
EMERGENCY LIGHTING SYSTEM	Yes
ELEVATORS	Two electric passenger with service Penthouses - also, used for freight.

Overall Improvement Rating

APPEAL/APPEARANCE	Average - Industrial Conversion
FLOOR PLAN/DESIGN	Fair/Average (Low finished ceiling heights and very few windows for light/fresh air)
CONSTRUCTION/QUALITY	Average
EXTERIOR CONDITION	Average
INTERIOR CONDITION	Average
ROOF COVER	Good (\$2 Million cost per Mr. Gath)
PLUMBING	Fair (Limited number of lavatories)
HEATING	Average - Original forced warm air boilers - second floor located
AIR-CONDITIONING	Good (based on number of units and ages)
ELECTRICAL	Good (three generator rooms)
PARKING AREA	Good
INSULATION	Unknown
SPRINKLER	Good - 100% coverage per Mr. Gath
LANDSCAPING	Very limited/main entrance area

ANALYSIS/COMMENTS

In addition to the above information that has been noted for the subject, the appraiser provides the following narrative:

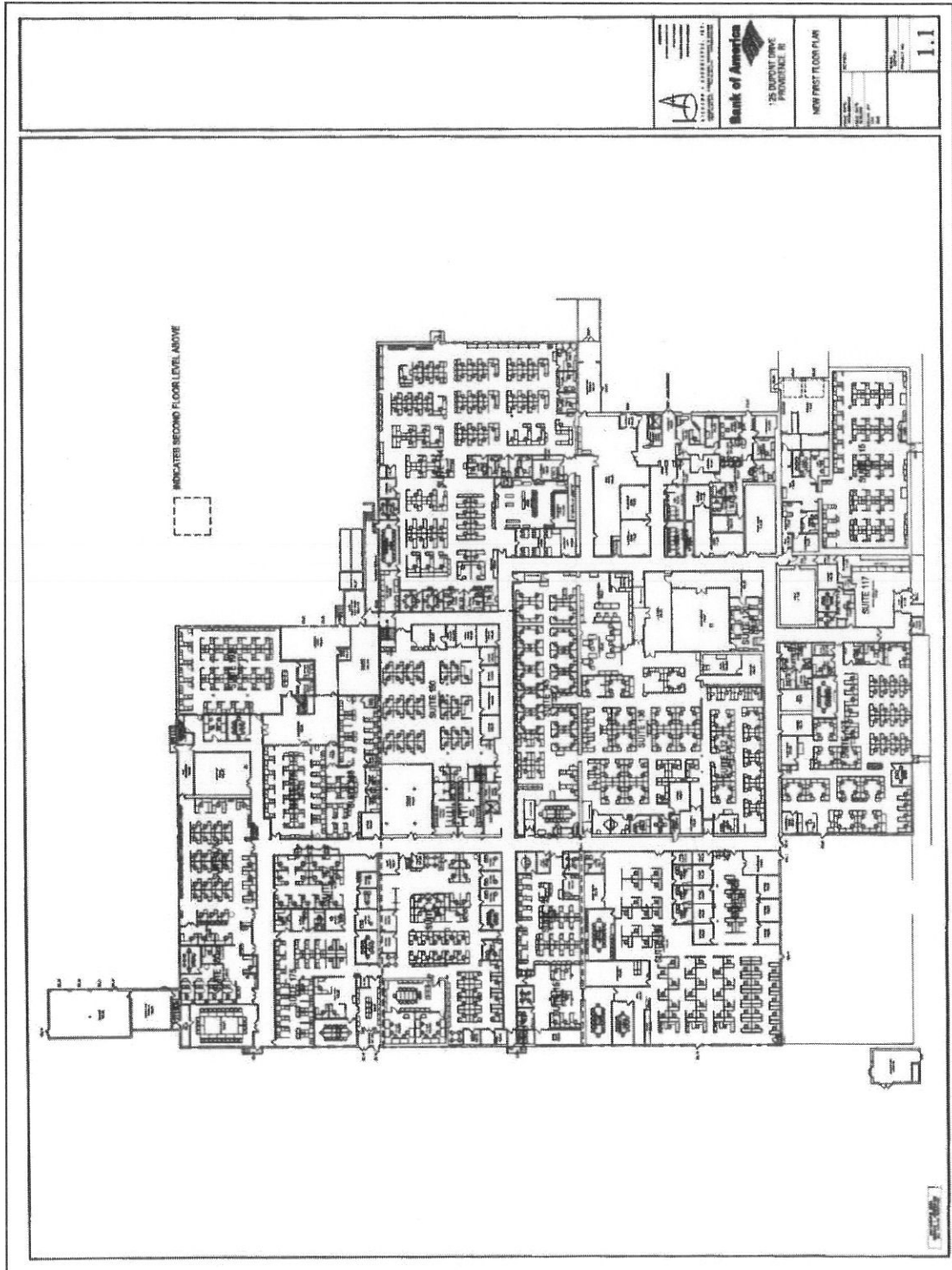
While first floor space is used primarily for offices, the area also provides function for the earlier noted truck bays, garage, generator rooms, etc., as well as warehouse, storage rooms, trash compactor room, two walk-in (room sized, concrete encased, and steel doors) bank vaults, a former retail bank branch with teller stations, an in-operation drive-up ATM, and a data center with raised flooring, dedicated Liebert HVAC, and Dupont FM-200 fire suppression. Also, the first floor area provides for three conference rooms, a break room, and the earlier noted fitness center.

The building's second floor area provides an employee cafeteria and commercial kitchen, offices that had been used for retail bank and teller training, three conference rooms, open office spaces, and several private offices. For the most part, the second floor office areas appeared to the appraiser to be of old finish (1983 vintage), whereas the first floor office areas appear to have been upgraded over the years.

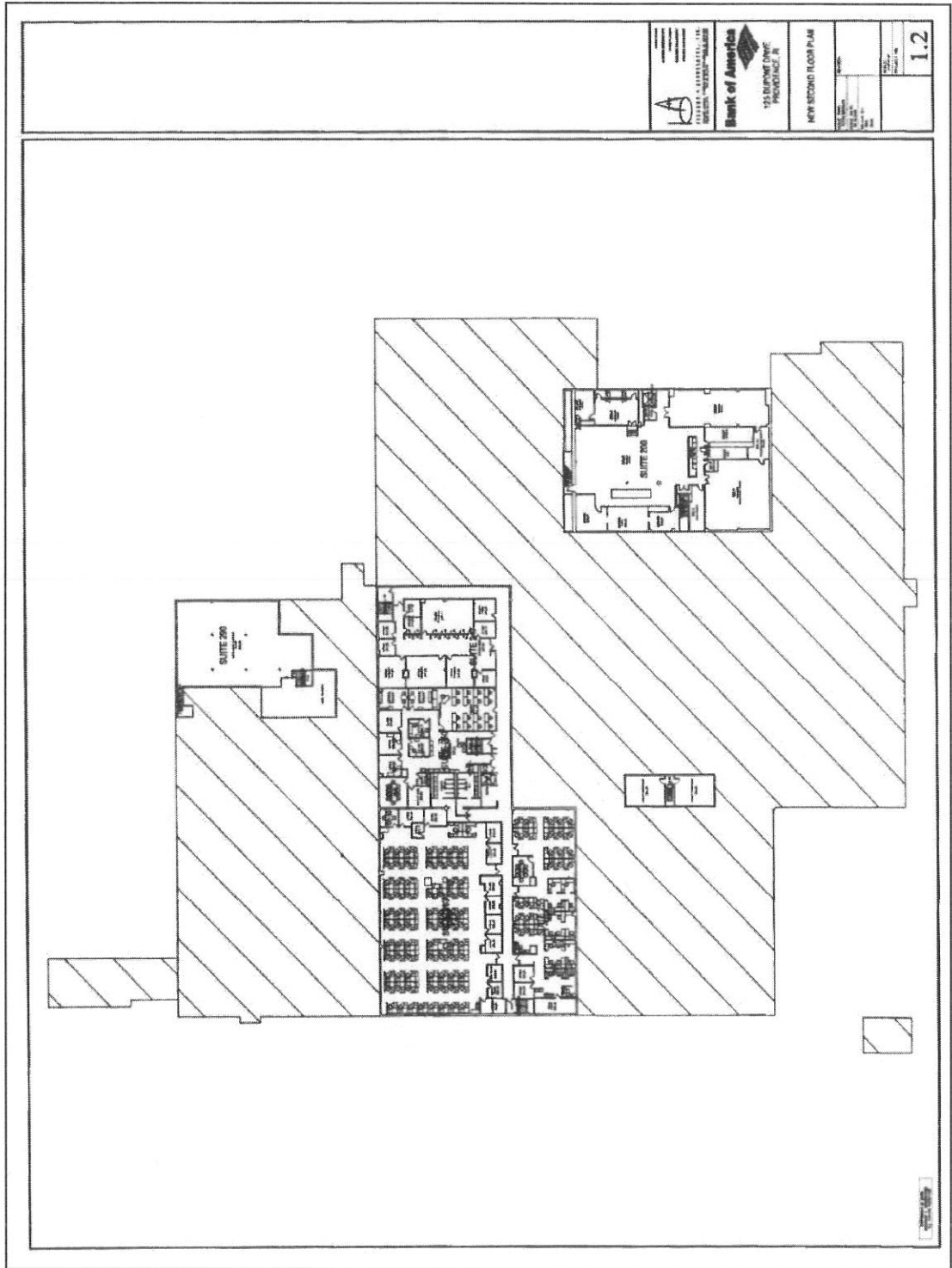
Overall, the appraiser rates the subject's interior building improvements as being of average quality and condition, but well maintained.

The following reduced plans depict the building's interior layout:

IMPROVEMENT DESCRIPTION (Con't)



IMPROVEMENT DESCRIPTION (Con't)



ANDOLFO APPRAISAL ASSOCIATES, INC.

HIGHEST AND BEST USE

Highest and best use is the basis for assignments requiring market value opinions. The essential components of the analysis of highest and best use can be termed as the reasonably probable use of property that results in the highest value. To be reasonably probable, a use must meet certain conditions:

- The use must be *physically possible* (or reasonably probable to render it so);
- The use must be *legally permissible* (or it is reasonably probable to render it so); and
- The use must be *financially feasible*.

Uses that meet the three criteria of reasonably probable uses are then tested for economic *productivity*, and the reasonably probable use with the highest value is a subject's highest and best use.

As noted in The Dictionary of Real Estate Appraisal (Fifth Edition, Appraisal Institute, 2010, Page 93), highest and best use is defined as:

"The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property - specific with respect to the user and timing of the use - that is adequately supported and results in the highest present value."

The Appraisal of Real Estate (Fourteenth Edition, Appraisal Institute, 2013, Pages 331 - 358) notes that in addition to the four tests of highest and best use, the definition of the term implicitly includes the notion that highest and best use analysis is typically viewed from two perspectives:

- 1) the use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements; and
- 2) the use that should be made of a property as it exists (i.e., considering the current improvements).

The highest and best use of land as vacant and the highest and best use of the property as improved are connected but distinctly different concepts. The analysis of land as though vacant focuses on alternative uses, with the appraiser testing each reasonably probable use for legal permissibility, physical possibility, financial feasibility, and maximum productivity. If the appraiser concludes that constructing a building improvement is appropriate for the highest and best use of a parcel of vacant land, then the appraiser should determine and describe the type and characteristics of the ideal improvement to be constructed.

In contrast, when the appraiser applies the four tests in the analysis of the property as improved, the focus on alternative uses considers three possible actions related to the current improvements:

1. Retain the improvements.
2. Modify the improvements in some way, i.e., conversion, renovation, or alteration.
3. Demolish the improvements and redevelop the land.

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HIGHEST AND BEST USE (Con't)

Implicit within this analysis is the principle of consistent use which holds that land cannot be valued on the basis of one use while improvements are valued based on another use. Existing improvements that do not conform with the ideal improvement may be an *interim use* (i.e., not the highest and best use) that contributes some value or no value or even reduces value if the costs to remove the improvements are substantial.

Against this backdrop, the subject's highest and best use was analyzed as follows:

Highest and Best Use of Land As Though Vacant

Legally Permissible - The subject site is situated in an M-1 Industrial zone which prohibits residential uses, but allows for varied commercial and industrial uses. Examples of permissible uses include educational/special needs; health care institutions; professional office; medical or dental office; day care; non-profit library, museum, or art gallery; adult entertainment; service provider uses; wholesale and retail trade; eating and/or drinking establishments with entertainment; mini-cinema; general warehousing; and light manufacturing (heavy manufacturing not permitted).

Physically Possible - Physical characteristics of a site can impose constraints on a site's possible use. Notably, site size, shape, topography, and soil content are key determinants of value.

The subject site is large at 16.53 acres and it provides a good shape, level topography, and a soil content that would allow for urban community development activity. From its physical perspective, and as coupled with the uses permissible by zoning, the subject site could accommodate a variety of commercial and/or light industrial uses.

Financially Feasible - The subject is located in the 117-acre Huntington Industrial Park as located immediately off of Rhode Island Route 10. While originally designed and developed by the Providence Redevelopment Agency for larger-scale industrial usage in the 1960s, since the 1990s, a transition/contraction in general usage has taken place to a variety of commercial, industrial/office-flex, and light industrial use types. Notably, several former single-user buildings have been subdivided into smaller sections offering space for small light industrial, product assembly, warehouse/distribution, service provider, and office-flex users.

Given the fact that the subject site is located within an industrial park setting, uses within the park do not rely on impulse customers such as conventional retail uses do and site visibility is not an important business consideration, the site's financial feasibility is considered to be limited mainly towards light industrial or limiting-type (non-retail) commercial uses such as industrial/office-flex, wholesaling, or service provider use types.

To that end, as the real estate market would not equate a different land value for one use over another, the site's financial feasibility would not be limited to one specific use over another. Based on the appraiser's knowledge of the metropolitan Providence market, the subject site would be opined at the \$4.25 to \$4.50 per square foot, or \$185,000 to \$200,000 per acre value level.

Maximum Productivity - The subject's highest and best use as if a vacant site would be for any of the varied non-retail commercial and/or light industrial uses allowable via its underlying M-1 zone designation.

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HIGHEST AND BEST USE (Con't)

Highest and Best Use of Property As Improved

Legally Permissible - The subject property as improved is a legal and conforming use per the zoning dictates of the Industrial M-1 zone.

Physically Possible - The subject structure and associated required parking is appropriately supported via its 16.53-acre site area.

Financially Feasible - The subject property's use for back office/clerical operations is a financially feasible one, as such use has been in existence within the subject structure since 1983. Other than the present use, alternative financially feasible re-uses would most likely be in the form of light industrial such as flex-space, warehouse/distribution, or subdivision of the building space into multiple uses inclusive of secondary office.

Maximum Productivity - It has been demonstrated that light industrial, industrial/office-flex, commercial (non-retail), wholesale, and warehouse/distribution would be financially feasible uses for the subject site as if vacant. From the subject's improved perspective, its current use as back office/clerical operations (retrofit monies not required) is its most productive use. Notably, the subject's improved use is neither speculative nor conjectural and conforms to the economic character of the Huntington Industrial Park. Thus, the subject's highest and best use is its present improved use.

Most Probable Buyer

The most probable buyer for the subject property would be slanted to local or regional end-users, although investors (probably at a sale price discount) could also have buyer interest with respect to subdividing the structure and repositioning it within the market as a rental offering to multiple tenants. The timing to achieve a sale would be within the current market or as earlier noted at 12 months or less as based on the opinion of market value as will be developed herein.

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THE VALUATION PROCESS

The valuation process is employed to develop a well-supported opinion of a defined value, which is based on consideration of all pertinent general and specific data. Toward this goal, an appraiser analyzes a property by applying three distinct methods for analyzing data: the Sales Comparison Approach, the Income Approach (if a residential property, the Gross Rental Multiplier Analysis), and the Cost Approach.

All three approaches are applicable to the solution of many appraisal problems. However, depending on the type of property, the use of the appraisal, and the quality and quantity of data available for analysis, one or more of the approaches may have greater significance.

The Sales Comparison Approach is a method of estimating market value whereby a subject property is compared with comparable properties that have sold recently. It is applicable to all property types for which there is a sufficient number of recent, reliable transactions to create value patterns in a market. That is, the appraiser must adjust each comparable to the subject property to impute an indicated value to the subject property. The appraiser then reconciles the multiple value indications that result from the comparables into a single value indication.

The Income Approach is based on the premise that there is a relationship between the income a property can earn and the property's value. For residential properties, the Gross Rent Multiplier Analysis is regarded as the Income Approach, because it is based upon the capacity of the residence to produce rental income. Monthly or annual rental income is translated into an estimate of capitalized value by the use of rent multipliers, which reflect the probable quality and duration of the amenity returns in future years. In utilizing the Income Approach for commercial properties, the valuation process may take the form of Direct Capitalization or a Discounted Cash Flow Analysis.

Direct capitalization is the process by which net operating income is capitalized at an overall rate to arrive at an indicated market value. The capitalization rate utilized may be envisioned as the rate of return on and of capital.

The Discounted Cash Flow Analysis is a process of identifying differences in timing of the projection of cash flows and related expenses attributed to real estate, annually or over some assumed term of ownership. The indicated net operating income for each period is then capitalized to present value and is added to the estimated value of the property at the end of the holding period (reversion value) in order to arrive at an indication of value. Uncertainty or risk is usually reflected in the discount rate employed.

The Cost Approach is based on the principle of substitution in that the value of a property can be indicated by the current cost to construct a reproduction or replacement for the improvements minus any loss of value (depreciation) from all causes -- physical, functional and external -- plus the value of the site as though vacant and available for its most profitable use. This approach to value is particularly useful for appraising new or nearly new improvements.

Normally, from these three approaches, the appraiser derives separate indications of value for the property being appraised. To conclude the valuation process, these separate value indications are typically reconciled into a final value opinion.

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THE VALUATION PROCESS (Con't)

As such, the subject property has been studied from each of the applicable viewpoints reflected in the approaches as follows:

COST APPROACH

The subject structure was constructed circa 1968 and then converted to its present use circa 1983. The subject's chronological age is 47 years and its effective age as opined by the appraiser was estimated at 25 years. Given the structure's years, the estimation of total accrued depreciation would be inherently difficult and very subjective.

Hence, given these circumstances, the probable buyer for the subject would not place any weight whatsoever on the Cost Approach. Notably, the probable buyer would evaluate the subject's purchase on net operating income expectancy or on sale examples offered within the subject's marketplace of similar use and similar quality (condition) properties.

Thus, non-use of the Cost Approach was deemed by the appraiser to reflect typical practice by appraisal peers, its omission not jeopardizing the client's financial interest.

INCOME APPROACH

As earlier noted, the client and appraiser have been advised by Broker Sherry that the subject property is currently encumbered with a lease between the property owner/landlord, First States Investors 5200, LLC, and the tenant/lessee, Bank of America, formerly known as Fleet National Bank. While a copy of the lease was not provided, the appraiser has opined that a sale/leaseback of the property resulted from the subject's October 1, 2004, conveyance from Fleet Bank to First States Investors 5200, LLC. Broker Sherry indicated that the remaining term of the lease is five years and that triple net rent is fixed over this time period at \$1,225,000 per year.

Given the lease, the subject's "as is" leased fee interest was derived via the Income Approach by the appraiser applying a Discounted Cash Flow Analysis. A seven-year analysis was developed under the prospect that upon Bank of America vacating the property after year five, the property owner would be faced with either repositioning and re-leasing the property, or selling it outright. Notably, in dealing with a vacant property, the current owner or a new owner, i.e., *Providence Water*, would be faced with repositioning a large single-user facility within the market. As will be seen, the appraiser forecasted that property occupancy stabilization would not be achieved until three years after Bank of America vacated the property and after building retrofit was accomplished.

With the Bank's purported contract rent at \$1,225,000 per year, or \$6.90 per square foot triple net, the appraiser accounted for nominal deductions over the first five years of the Discounted Cash Flow Analysis. Namely, the appraiser accounted for nominal vacancy/credit loss at 1.5%; management at 1.5%; structural repairs at 1.0%; and replacement reserves at \$0.20 per square foot based on the total 177,500-square-foot building area. Thus, anticipated annual net operating income was held constant over the remaining five year lease term at \$1,140,959.

In contrast, and resulting from the appraiser's observations of rental rates achieved for such property types, the appraiser forecasted the subject's market rent potential at \$6.00 per square foot triple net upon repositioning the subject in year six, such repositioning (and retrofitting) accounting for

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THE VALUATION PROCESS (Con't)

an envisioned subdivision of the interior space into multiple rental units suitable for industrial and/or office-flex use. To that end, occupancy stabilization of 90% was forecasted by the appraiser to occur at the end of year eight on the reversion year of the cash flow.

In support of his \$6.00 per square foot rental opinion, the appraiser points to the property located at 100 Dupont Drive, which is diagonally across the street from the subject. This approximate 161,000-square-foot industrial building was subdivided into varied rental sections, the most recent rentals of an approximate 23,000-square-foot end unit (with parking lot area) to Blue Cross/Blue Shield of Rhode Island on March 1, 2011, and a 19,800-square-foot unit to Restaurant City on February 1, 2013. Via triple net leases, the current Blue Cross/Blue Shield rent is \$5.27 per square foot, the rental rate increasing to \$5.50 per square foot in 2016, while the Restaurant City rent is for five years at \$4.50 per square foot.

Additionally, 100 Dupont Drive has had available for lease a 10,200-square-foot section of finished office space at an asking rent of \$10.00 per square foot on a modified net basis. Per Broker Michael Guittari, of MG Commercial Real Estate, there has not been any rental interest for this space at this price, Mr. Guittari opining that the Huntington Industrial Park is not sought after by the conventional professional office user, the building's market rent potential more akin to the rental rates achieved within this park for the more typical light industrial/office-flex type space such as the Blue Cross/Blue Shield and Restaurant City spaces reflect.



100 Dupont Drive, Providence

Other rent examples are provided by the property at 100 Niantic Avenue. This 81,300-square-foot, light industrial building has also been subdivided for multi-use (light industrial/office/church/senior day care) with the average rent generated here to be \$6.91 per square foot modified gross. The largest sized units in the building are represented by the Plastic Services Enterprise space of 25,500 square feet, where rent as of October 1, 2014, was \$5.24 per square foot on a modified gross lease basis, and the New Dimension Church (16,610 square feet), whereby contract rent through March 31, 2017, is set at \$6.78 per square foot modified gross.

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100 Niantic Avenue, Providence

With nominal deductions taken from the Bank of America potential gross annual income for the first five years of the Discounted Cash Flow Analysis (DCF), the appraiser's forecasted deductions for the last three years of the DCF were much different, as were the appraiser's opined discount rates. For the sixth, seventh, and eighth years, the appraiser projected vacancy and credit loss at 50%, 30%, and 10%, respectively. Relative to operating expenses, the appraiser forecasted management at 5.0% per year; structural repairs at 1.5% per year; and replacement reserves at \$0.20 per square foot building area per year.

Also, the appraiser accounted for interior build-out costs, or retrofitting the interior space for multiple users/tenants, in addition to accounting for the prospect of having to hire a commercial real estate broker in advertising and leasing the building space. The appraiser opined a \$10.00 per square foot build-out cost as spread out over the last three years, as well as projected leasing commissions at 3.0% of the space annually leased.

Lastly, based on the appraiser's review of national investor surveys such as PricewaterhouseCoopers (PwC), the Real Estate Research Corporation (RERC), and RealtyRates for third and fourth quarters 2014 (as pertaining to institutional grade property types for the first five years and non-institutional grade property types for the last three years), the discount rate applied to the first five years of the net operating income stream was 7.0%, while the discount rate applied to the last three years was 8.5%.

The terminal capitalization rate as applied to the net operating income in the eighth year was 8.0%, the appraiser also accounting for a 4.0% selling expense prior to discounting at the 8.50% rate. The appraiser's projected rates were at the low end of the rates reflected by the investor surveys as now portrayed:

PricewaterhouseCoopers - Institutional Grade Flex/R&D/Suburban Office

Discount Rate Range: 6.25% - 12.00%
Average Discount Rate: 8.40%

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PricewaterhouseCoopers - Non-Institutional Grade R&D/Suburban Office

Discount Rate Range: 7.50% - 17.00%
Average Discount Rate: 10.79%

Real Estate Research Corporation - First Tier Suburban Office/R&D/Flex

Discount Rate Range: 6.80% - 12.50%
Average Discount Rate: 9.10%

Terminal Cap Rate Range: 6.00% - 11.00%
Average Terminal Cap Rate: 8.27%

Real Estate Research Corporation - Second Tier Suburban Office/R&D/Flex

Discount Rate Range: 7.00% - 13.00%
Average Discount Rate: 9.60%

Terminal Cap Range: 8.80% - 9.00%
Average Terminal Cap Rate: 8.90%

RealtyRates: National Class A&B Suburban Office/R&D/Flex - Acquisitions

Discount Rate Range: 5.74% - 13.21%
Average Discount Rate: 9.98%

Therefore, based upon these explanations, the following Discounted Cash Flow Analysis was constructed by the appraiser for the subject property:

	Area (SF)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
<u>Income</u>									
Potential Gross Income	177,500	\$1,225,000	\$1,225,000	\$1,225,000	\$1,225,000	\$1,225,000	\$1,065,000	\$1,065,000	\$1,065,000
Less Vacancy & Credit Loss*		18,375	18,375	18,375	18,375	18,375	532,500	319,500	106,500
Effective Gross Income		\$1,206,625	\$1,206,625	\$1,206,625	\$1,206,625	\$1,206,625	\$532,500	\$745,500	\$958,500
*Vacancy & Credit Loss - Years 1-5 @ 1.5%; Year 6 @ 50%; Year 7 @ 30%; and Year 8 @ 10%									
<u>Expenses</u>									
Management - Years 1-5 @ 1.5%; Years 6-8 @ 5.0%		\$18,099	\$18,099	\$18,099	\$18,099	\$18,099	\$26,625	\$37,275	\$47,925
Structural Repairs - Years 1-5 @ 1.0%; Years 6-8 @ 1.5%		12,066	12,066	12,066	12,066	12,066	7,988	11,183	14,378
Replacement Reserves - Gross Living Area @ \$0.20		35,500	35,500	35,500	35,500	35,500	35,500	35,500	35,500
Tenant Improvements Per Square Foot Space Occupied @ 10.0%		0	0	0	0	0	710,000	958,500	106,500
Leasing Commission @ 3.0%		0	0	0	0	0	31,950	31,950	31,950
Total Expenses		\$65,666	\$65,666	\$65,666	\$65,666	\$65,666	\$812,063	\$1,074,408	\$236,253
Net Operating Income		\$1,140,959	\$1,140,959	\$1,140,959	\$1,140,959	\$1,140,959	-\$279,563	-\$328,908	\$722,248
Discount Rate - Years 1 - 5	7.00%	\$1,066,317	\$996,558	\$931,363	\$870,432	\$813,488	-\$171,356	-\$185,809	
Discount Rate - Years 6 - 8	8.50%								
Reversion Rate	8.00%								
Selling Commission	4.00%								
PV NOI		\$4,320,994							
PV Reversion		4,896,200							
Indicated Value		\$9,217,193 rounded to \$9,200,000							

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THE VALUATION PROCESS (Con't)

SALES COMPARISON APPROACH

In employing the Sales Comparison Approach, the appraiser develops an opinion of value by analyzing closed sales and pending sales of properties deemed similar to the subject. Options to purchase, listings and bonafide offers to purchase may also be collected by the appraiser and evaluated.

A major premise of the Sales Comparison Approach, as based on the principle of substitution, is that an opinion of market value can be supported by studying market participants' reactions to comparable and competitive properties that offer a similar quality of construction, use, location, amenities, and other considerations characteristic of the subject. When there are sufficient numbers of comparable properties in the current market, the resulting pattern as derived via the analysis of those properties is usually the best indication as to the subject's market value.

As noted in The Appraisal of Real Estate (Fourteenth Edition, Appraisal Institute, 2013, Page 379), "the principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time". The appraiser's comparative analysis of transactions and their respective property characteristics, i.e., elements of comparison, focuses on similarities and differences that affect market value.

For this assignment, an extensive search was made by the appraiser to secure comparable sales and supporting evidence for which pertinent data was available. To the best extent when and where possible, the appraiser made efforts to confirm and verify sales data, as well as conduct an exterior drive-by inspection of each comparable property in order to generate a credible comparative analysis of the subject property under appraisal.

Notably, properties that were sold and/or considered similar to the subject were then compared to the subject for the purpose of identifying and measuring differences (if applicable) of:

- *real property rights conveyed*
- *financing terms*
- *conditions of sale*
- *expenditures made immediately after purchase*
- *market conditions (time of sale)*
- *location*
- *physical characteristics*
- *legal characteristics*
- *economic characteristics*
- *non-realty components of value*

The first five elements of comparison in the list are termed as *transactional* adjustments, while the later five are termed as *property* adjustments. The transactional adjustments are first *quantified* by the appraiser in specific sequence while the *quantified* property adjustments are made in no particular order. Dollar or percentage adjustments can be extracted from the market by use of paired sales, statistical analysis, graphic analysis, cost less depreciation analysis, capitalization of income differences, or based upon the appraiser's knowledge and judgement as to market reactions of the varied transactional and/or property differentials taken and the mathematical adjustments thereto.

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In cases where inefficiencies exist within the real estate market and there is inherent difficulty in expressing mathematical adjustments, a *qualitative analysis* can be applied by the appraiser, whereby market data is logically analyzed via subjective or descriptive measures. Qualitative analysis techniques can be exemplified by trend, ranking, or relative comparison analyses.

Whether a quantitative or qualitative analysis is performed, most property types are typically adjusted on a *unit price* basis, the appraiser identifying the proper unit of comparison to be used in opining market value via the Sales Comparison Approach.

Specific to this analysis, a unit price of \$51.00 per square foot of building area was derived by the appraiser. As such, \$51.00 per square foot x 177,500 square feet = \$9,052,500 rounded to \$9,050,000 indicated "as is" fee simple market value of the subject property via the Sales Comparison Approach. The comparable sales, adjustment grid analysis, and the appraiser's explanation of adjustments now follow:

Sale #1

ADDRESS: 200 Narragansett Park Drive, East Providence

MAPS/BLOCKS/PARCELS: 501 / 2 / 3
601 / 2 / 4

LAND AREA: 22.86 acres, or 995,782 square feet

ZONING: I-3

BUILDING AREA: 117,360 square feet

YEAR BUILT: 1986

GRANTOR: Conhas I, LLC, and Conhas II, LLC

GRANTEE: 200 Narragansett Park, LLC

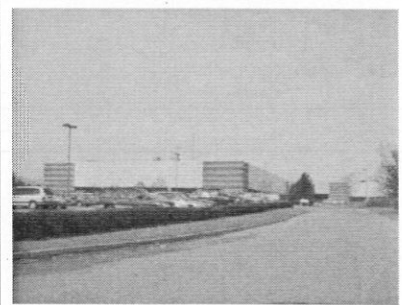
BOOK/PAGES: 3628 / 265 and 295

ASSESSMENT: \$89,943,700

SALE DATE: December 17, 2014

SALE PRICE: \$10,500,000

SALE PRICE PER SQUARE FOOT: \$89.47 unadjusted



COMMENT: Class B Hasbro Office Headquarters sold via a sale/leaseback. Space used for research, administration, and data in support of 400 employees.

Sale #2

ADDRESS: 10 New Road, East Providence, and
Pawtucket Avenue, Pawtucket

East Providence - MAP/BLOCK/PARCEL: 301 / 4 / 8

Pawtucket - PLAT/LOT: 40 / 534

LAND AREA: 37.09 acres, or 1,615,640 square feet

ZONING: East Providence - PA; Pawtucket - MO

BUILDING AREA: 340,356 square feet

YEAR BUILT: 1958

GRANTOR: Ten New Road, LLC

GRANTEE: EIP New Road, LLC

BOOKS/PAGES: East Providence - 3611 / 142
Pawtucket - 3767 / 132

ASSESSMENT: \$10,498,400

SALE DATE: October 10, 2014

SALE PRICE: \$12,400,000

SALE PRICE PER SQUARE FOOT: \$36.43 unadjusted



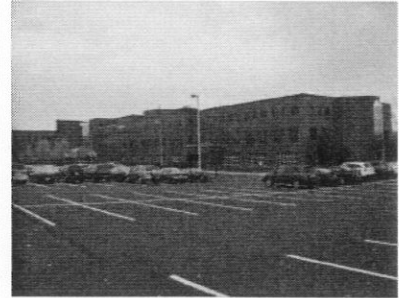
COMMENT: Former vacant industrial/office-flex (Class B/C) building. A 150,000-square-foot portion was improved with a \$5,000,000 retrofit circa 2010/2011 via a U.S. Economic Development low interest loan to accommodate Eaton Corp., which was displaced by Warwick flooding. The city of East Providence acted as Lessee, the city then subleasing the space to Eaton.

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Sale #3

ADDRESS: 475 Kilvert Street, Warwick
PLAT/LOT: 278 / 130
LAND AREA: 13.09 acres, or 570,200 square feet
ZONING: GB
BUILDING AREA: 139,636 square feet
YEAR BUILT: 1985
GRANTOR: Metro Park Associates
GRANTEE: Albany Road Warwick, LLC
BOOK/PAGE: 7858 / 9
ASSESSMENT: \$20,626,700
SALE DATE: December 24, 2012
SALE PRICE: \$13,575,000
SALE PRICE PER SQUARE FOOT: \$97.22 unadjusted



COMMENT: Three-story, Class B, multi-tenanted brick office building located in Metro-Center as overlooking Interstate Route 95. Gross income at time of sale was \$2,787,881. Leases based on modified gross terms/conditions.

Sale #4

ADDRESS: One Constitution Way, Foxborough, MA
PLAT/LOT: 146 / 3631
LAND AREA: 25.95 acres, or 1,130,382 square feet
ZONING: LI
BUILDING AREA: 203,852 square feet
YEAR BUILT: 1988
GRANTOR: Hub Properties Trust
GRANTEE: Medical Information Technology, Inc.
BOOK/PAGE: 30477 / 200
ASSESSMENT: \$19,958,700
SALE DATE: September 25, 2012
SALE PRICE: \$9,900,000
SALE PRICE PER SQUARE FOOT: \$48.56 unadjusted



COMMENT: Four-story, Class B, single-user office building located in Foxborough Business Park. Formerly occupied by One Beacon and acquired by Meditech, a medical technology company. Building space to support 500 employees with full service cafeteria, raised-floor computer room, and attractive open atrium lobby. Well landscaped grounds in a suburban setting.

Sale #5

ADDRESS: 2000 South County Trail, East Greenwich
PLAT/LOT: 11 / 586
LAND AREA: 20.63 acres; 6 acres usable
ZONING: M / LI
BUILDING AREA: 140,000 square feet
YEAR BUILT: 1960; 2007
GRANTOR: Patriot Commons HH, LLC
GRANTEE: ICRS, LLC, a/k/a Yardney Technical Products
BOOK/PAGE: 1078 / 241
ASSESSMENT: \$6,545,200
SALE DATE: December 29, 2010
SALE PRICE: \$5,200,000
SALE PRICE PER SQUARE FOOT: \$37.14 unadjusted



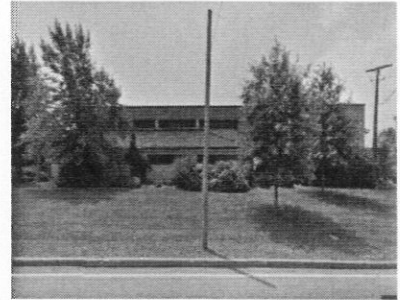
COMMENT: Class B Industrial-flex building formerly owned/occupied by Cherry Semiconductor and then Yardney Technical Products. In 2007, the property was sold to an investor, the building exterior renovated, with interior space transformed into ready to be built-out industrial/office-flex space for lease.

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THE VALUATION PROCESS (Con't)

Sale #6

ADDRESS: 50 Service Road, Warwick
PLAT/LOT: 279 / 30
LAND AREA: 5.63 acres, or 245,242 square feet
ZONING: GI
BUILDING AREA: 68,710 square feet
YEAR BUILT: 1978 / 2003
GRANTOR: P.J.C. Realty Co., Inc.
GRANTEE: State of Rhode Island
BOOK/PAGE: 7227 / 77
ASSESSMENT: \$8,312,050
SALE DATE: February 17, 2010
SALE PRICE: \$4,500,000
SALE PRICE PER SQUARE FOOT: \$65.49 unadjusted



COMMENT: Originally, a 33,000-square-foot, Class B operations center that was constructed and owned/occupied by Old Stone Bank just off of Jefferson Boulevard. In 1994, the property was sold to Douglas Maxi Drug (Brooks Drug) and enlarged via a new second story addition for use as a corporate headquarters/network center. The property became surplus when the Brooks chain was acquired by Rite Aid Pharmacy. The property was purchased by the State for use as a computer/data operations center after the property was vacated and on the market for sale for two years with no private investor or owner/user interest, even with the interior space being well-maintained and featuring open work station space with perimeter private offices, high voltage electric, and strong telecommunications capacity.

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ITEM	Subject	Sale #1		Sale #2		Sale #3		Sale #4		Sale #5		Sale #6	
		Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.	Adi.
Sale Price	N/A	\$10,500,000	\$12,400,000	\$13,575,000	\$9,900,000	\$5,200,000	\$4,500,000						
Sale Price P/Square Foot	N/A	\$89.47	\$36.43	\$97.22	\$48.56	\$37.14	\$65.49						
Property Rights	Fee Simple	Sale/Leaseback	Leased Fee	Leased Fee	Fee Simple	Fee Simple	Fee Simple						
Financing	Conventional		Conventional	Conventional	Conventional	Conventional	Conventional						
Conditions of Sale	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length						
Time of Sale	03/09/15	12/17/14	10/10/14	12/24/12	09/25/12	12/29/10	02/17/10						
Adjusted Sale Price	N/A	\$76.05	\$30.97	\$82.63	\$48.56	\$37.14	\$65.49						
Location	Average	Average	Average	Good	Average	Average	Average						
Land Area (Acres)	16.53	22.86	37.09	13.09	25.95	20.63; 6 Usable	5.63						
Building Area (Square Feet)	177,500	117,360	340,356	139,636	203,852	140,000	68,710						
Land-to-Building Area Ratio	4.06:1	8.48:1	4.75:1	4.08:1	5.54:1	1.86:1	3.57:1						
Year Built	1969; 1983	1986	1958; 2012	1985	1988	1960; 2007	1978 / 2003						
Quality/Condition	Average	Good	Fair	Good	Average	Fair	Above Average						
Zoning	M-1	I-3	PA / MO	GB	LI	M / LI	GI						
Overall Net Adjustment	N/A	-30.00%	50.00%	-40.00%	0.00%	40.00%	-15.00%						
Indicated Value of Subject	\$51.00	\$53.23	\$46.45	\$49.58	\$48.56	\$52.00	\$55.67						

ANDOLFO APPRAISAL ASSOCIATES, INC.

THE VALUATION PROCESS (Con't)

Explanation of Adjustments

Transactional Adjustments

Property Rights - For the purposes of the Sales Comparison Approach, the subject was viewed by the appraiser via its fee simple property rights, or as if the subject had been vacated by Bank of America as of the effective date of appraisal. In contrast, while Sales #4, #5, and #6 were also acquired for their respective fee simple property rights, Sales #1, #2, and #3 were leased fee acquisitions, or were generating income at the time of sale.

The appraiser considered the leased fee property rights of Sales #1, #2, and #3 to be superior to the subject and the other three sales, as rental income was being generated, the three properties not faced with costly re-occupancy issues. The magnitude of the adjustment was based on the appraiser's observations of buyers/investors within the market as relating to large-scale commercial and industrial-flex properties where stabilized occupancy and/or net operating income is an important factor of investment.

Financing - No adjustments were warranted for financing, as the comparable sales were all conventionally financed.

Conditions of Sale - Adjustments made for conditions of sale usually reflect atypical motivations of the buyer and seller at the time of conveyance. All sales portrayed arm's length transactions.

Time of Sale/Market Conditions - No downward or upward adjustments for time of sale were warranted, as the Rhode Island commercial/light industrial market (sales and rentals) has been fairly stable since 2010.

Property Adjustments

Location - The appraiser rated the subject's location as average, as he so rated Sales #1, #2, #4, #5, and #6. Sale #3 was rated as having a good location (Metro-Center/interstate highway visibility) and was thus adjusted downward by 15%. The magnitude of the adjustment was based upon a matched pairing to the other sales.

Land Area/Building Area Ratio - The appraiser evaluated the subject property and the comparable sales within the context of land provided and building area supported. Typically, the greater the site area, the potential exists for future building expansion, greater on-site parking, or outdoor space for employee activities. Based on a matched pairing of the sales, a downward adjustment of 5% was made for Sale #1 and a downward adjustment of 15% was made for Sale #5.

Year Built - The appraiser did not consider adjustments for these line items of comparison to be necessary, as there was overall effective age compatibility between the sales and subject.

Quality/Condition Factors - While the subject was rated as being of average quality and average condition, as was Sale #4 so rated, there did exist dissimilarities between the subject and the other sales. As noted, Sales #1 and #3 were deemed as superior (good) as compared to the subject, Sales #2 and #5 deemed inferior (fair), and Sale #6 was deemed slightly better or above average. Adjustments were made to these sales based on a matched pairing of Sale #4 to the five other sales, as well as Sale #6 to the other five sales.

ANDOLFO APPRAISAL ASSOCIATES, INC.

THE VALUATION PROCESS (Con't)

Zoning - No adjustments were warranted for zoning differentials. Notably, similar zoning characteristics were reflected for the sales, the GB zone classification of Sale #3 accounted for within its 15% downward adjustment for superior location.

Value Conclusion

The overall adjusted value range of the sales was from \$46.45 to \$55.67 per square foot. The adjusted mean indicated value was \$51.10 per square foot and the median value indicated was \$50.92 per square foot. Therefore, the appraiser reconciled the "as is" fee simple market value of the subject property via the Sales Comparison Approach at \$51.00 per square foot, or \$9,052,500 rounded to \$9,050,000.

ANDOLFO APPRAISAL ASSOCIATES, INC.

RECONCILIATION AND FINAL VALUE OPINION

The valuation indications derived via the three approaches were as follows:

<i>COST APPROACH</i>	<i>N/A</i>
<i>INCOME APPROACH</i>	<i>\$9,200,000</i>
<i>SALES COMPARISON APPROACH</i>	<i>\$9,050,000</i>

All three market value approaches were considered by the appraiser, but in the final analysis the Cost Approach was dismissed as being non-relevant based on the subject's chronological and effective ages and the inherent and subjective difficulty in estimating total accrued depreciation.

For the subject property, while the appraiser placed primary emphasis on the Income Approach, the Sales Comparison Approach provided very good support. The subject's "as is" leased fee interest was derived via the Income Approach, while the Sales Comparison Approach depicted the subject's "as is" fee simple market value, the two approaches resulting in a very narrow range of market value.

In employing the Income Approach, the appraiser applied a seven-year discounted cash flow analysis, the analysis accounting for the existing Bank of America lease and then projecting outward the reality of having to reposition, retrofit, and re-lease the structure's 177,500 square feet of building area back into the marketplace. In the appraiser's opinion, the subject property as based on its physical and functional characteristics would be viewed by the market as one requiring the subdivision of building space upon the bank's lease expiration as opposed to being retained as a single-user property type in the Huntington Industrial Park.

For the Sales Comparison Approach, the appraiser analyzed and reasonably adjusted six pertinent local market sales in deriving a per square foot unit value for the subject property. The unadjusted sales ranged from \$4,500,000 to \$13,575,000, the mean unadjusted sale price of the six sales noted at \$9,345,833 prior to property adjustments and the mean transactionally adjusted sale price was noted at \$56.81 per square foot and prior to further adjustments for overall property considerations.

Based on the data gathered, the extraordinary assumptions taken and the analyses thereof, it is my considered opinion that the "as is" leased fee interest of the subject property as of the effective date of appraisal, March 9, 2015, was:

NINE MILLION TWO HUNDRED THOUSAND (\$9,200,000) DOLLARS.

ANDOLFO APPRAISAL ASSOCIATES, INC.

CERTIFICATION

I, Thomas S. Andolfo, MAI, SRA, certify that to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. I have performed no services, as appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. I have no bias with respect to the subject matter of the report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have made a personal inspection of the property that is the subject of this report.
10. No one provided significant real estate property appraisal assistance to the person signing this certification.
11. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, I, Thomas S. Andolfo, MAI, SRA, have completed the continuing education program for Designated Members of the Appraisal Institute.

ANDOLFO APPRAISAL ASSOCIATES, INC.

CERTIFICATION (Con't)

Based on the data gathered, the extraordinary assumptions taken, and the analyses thereof, it is my considered opinion that the "as is" leased fee interest of the subject property as of the effective date of appraisal, March 9, 2015, was:

NINE MILLION TWO HUNDRED THOUSAND (\$9,200,000) DOLLARS.

Respectfully submitted,

ANDOLFO APPRAISAL ASSOCIATES, INC.

Thomas S. Andolfo, MAI, SRA

Thomas S. Andolfo, MAI, SRA
Certified General Real Estate Appraiser
Rhode Island License CGA.0A00121

Personally Inspected the
Subject Property:

Yes No

Sworn and Subscribed to before
me in the City of Providence,
County of Providence, State of
Rhode Island, this 8th day of
April, 2015.

Felice A. Daneault

Felice A. Daneault, Notary Public
My Commission Expires 06/20/2017

ANDOLFO APPRAISAL ASSOCIATES, INC.

QUALIFICATIONS OF THOMAS S. ANDOLFO, MAI, SRA
REAL ESTATE APPRAISER AND CONSULTANT
ASSOCIATED WITH ANDOLFO APPRAISAL ASSOCIATES, INC.

Engaged in the Real Estate Business for 35 years

President, ANDOLFO APPRAISAL ASSOCIATES, INC.

Member of the Appraisal Institute, MAI Designation #10266

Certified General Appraiser, State of Rhode Island #CGA.0A00121

Certified General Appraiser, Commonwealth of Massachusetts #2789

Certified General Appraiser, State of Connecticut #RCG.0001283

Licensed Real Estate Broker, State of Rhode Island #B09263

Graduate of La Salle Academy, Providence, Rhode Island (1969)

Graduate of The College of Holy Cross College, Worcester, Massachusetts (1973)

Certificate in Real Estate, University of Rhode Island (1979)

Affiliations:

Greater Providence Chamber of Commerce
Rhode Island Builder's Association
Ocean State Business Development Authority, Inc.

Authorship:

VALUATION, as published by the Appraisal Institute, Third Quarter 2013, "The 'Mall' in 'Small'"

New England Real Estate Journal, October and November 2004, "Rhode Island Suburban Medical and Biotech Overview"

New England Real Estate Journal, November 2003, "A Look at the Valuation of a Telecommunication Facility"

The Appraisal Journal, July 2001, "Telecommunications: The Wireless Personal Communications Services (PCS) Industry"

Directorships:

Rhode Island Real Estate Appraisers Board - Board Member - 2003 - 2004
Board Chairman - 2005 - 2009
Board Member - 2010 - 2013

Chair of the Rhode Island Branch of the Massachusetts and Rhode Island Chapter of the Appraisal Institute - December 2012 - December 2013

Board of Directors of the Massachusetts and Rhode Island Chapter of the Appraisal Institute - January 2014 - December 2016

Past President of the Holy Cross Club of Rhode Island

Past President of the Rhode Island Chapter, Appraisal Institute (1993, 2007, and 2008)

First Night Providence - Second Vice President and Fund Raising Chairman

Trustee of the North Providence Land Trust - 2003 - 2004

ANDOLFO APPRAISAL ASSOCIATES, INC.

Educational Activities:

Member of the National Experience Review Committee for MAI Experience Credits
Past Instructor of Real Estate Appraisal - University of Rhode Island, College of Continuing Education, and the Rhode Island Board of Realtors

Qualified Expert Witness:

United States Federal Court
Superior Court of Rhode Island
Rhode Island Bankruptcy and Probate Courts
Worcester County Bankruptcy Court
Court Appointed Arbitrator

City of Attleboro, MA, Zoning Board of Appeals
City of Cranston, Zoning Board of Review
City of East Providence, Zoning Board of Review
City of Fall River, MA, Zoning Board of Appeals
City of Pawtucket, Zoning Board of Review
City of Providence, Zoning Board of Review
City of Warwick, Zoning Board of Review
City of Warwick, City Council
City of Woonsocket, Zoning Board of Review

Town of Barrington, Zoning Board of Review
Town of Bristol, Town Council
Town of Bristol, Zoning Board of Review
Town of Burrillville, Zoning Board of Review
Town of Coventry, Zoning Board of Review
Town of Cumberland, Town Council
Town of Cumberland, Zoning Board of Review
Town of East Greenwich, Town Council
Town of Exeter, Zoning Board of Review
Town of Glocester, Zoning Board of Review
Town of Hopkinton, Zoning Board of Review
Town of Johnston, Town Council
Town of Johnston, Zoning Board of Review
Town of Lincoln, Zoning Board of Review
Town of Mansfield, MA, Zoning Board of Appeals
Town of Medway, MA, Zoning Board of Appeals
Town of Middletown, Zoning Board of Review
Town of Millbury, MA, Planning Board
Town of Narragansett, Zoning Board of Review
Town of North Attleborough, MA, Zoning Board of Appeals
Town of North Kingstown, Zoning Board of Review
Town of North Providence, Town Council
Town of North Providence, Zoning Board of Review
Town of North Smithfield, Zoning Board of Review
Town of Portsmouth, Zoning Board of Review
Town of Richmond, Zoning Board of Review
Town of Seekonk, MA, Zoning Board of Review
Town of Smithfield, Town Council
Town of Smithfield, Zoning Board of Review
Town of South Kingstown, Zoning Board of Review
Town of Sutton, MA, Zoning Board of Appeals
Town of Tewksbury, MA, Planning Board
Town of Tewksbury, MA, Board of Selectmen
Town of Tiverton, Zoning Board of Review
Town of West Greenwich, Town Council

ANDOLFO APPRAISAL ASSOCIATES, INC.

Qualified Expert Witness: (Con't)

Town of West Greenwich, Zoning Board of Review
Town of West Warwick, Town Council
Town of Westerly, Zoning Board of Review

Appraisals for numerous Attorneys and Property Owners

Appraisals for Banks/Financial Institutions:

Admiral Bank
American Bank of Texas, N.A.
Aurora Bank, FSB
Bank of America
Bank Rhode Island
Bank Newport
Bristol County Savings Bank
Brookline Bank
Business Development Company of Rhode Island
Capital Crossing Bank
Central Rhode Island Development Corporation
Citizens Bank
Coastway Community Bank, f/k/a Coastway Credit Union
Domestic Bank
Enterprise Capital, Inc.
Federal Deposit Indemnity Corporation (FDIC)
Federal National Mortgage Corporation (FannieMae)
First Federal Savings Bank of America (FIRSTFED)
First International Bank
First National Bank of New England
First Pioneer Farm Credit
First Trade Union Bank
Flagstar Bank
Freedom National Bank
GE Capital Mortgage Corporation
Greenwood Credit Union
Homecomings Financial Network
HomeSteps Asset Services
Lehman Brothers Bank, FSB
Mansfield Bank
Minority Investment Development Corporation
Navigant Credit Union, f/k/a Credit Union Central Falls
Newport Federal Savings Bank
Ocean State Business Development Authority, Inc.
Pace Realty Advisors
Pawtucket Credit Union
Peoples Savings Bank
Peoples United Bank
Randolph Savings Bank
Republic Bank
Resolution Trust Corporation (RTC)
Rhode Island Housing (formerly RIHMFC)
Rockland Trust Company
Salem Five Cents Savings Bank
Savings Institute Bank and Trust Company
Sovereign Bank New England
State Street Bank
TD Bank, N.A.
The Washington Trust Company
United States Department of Housing and Urban Development (HUD)
United States Small Business Administration

ANDOLFO APPRAISAL ASSOCIATES, INC.

Appraisals for Banks/Financial Institutions: (Con't)

Wachovia Small Business Capital
Wells Fargo Financial
Westerly Savings Bank

Appraisals For:

76 Westminster Street, LLC
A.T. Cross Company
AAA of Southern New England
American Insulated Wire Corporation/Leviton Manufacturing
American Power Conversion
American Shipyard Corporation
Ann & Hope, Inc.
Ballard Exploration Company, Inc.
Beacon Mutual Insurance Company
Blue Cross/Blue Shield of Rhode Island
Brown University
Burrillville Planning Department
Burrillville Sewer Commission
Catholic Family Life Insurance
Chelsea Industries, Inc.
City of Central Falls
City of Cranston
City of East Providence
City of Newport
City of Providence
City of Warwick
City of Woonsocket
Colliers International
Community College of Rhode Island
Cookson America
Cornish Associates
Cranston Housing Authority
Cranston Print Works
Department of the Army
General Dynamics - Electric Boat Division
Glocester Land Trust
Granoff Realty II, LP
Greater Providence YMCA
Johnson & Wales University
Koch Eye Associates
Landmark Medical Center
Lifespan Corporation
Narragansett Bay Commission
National Grid, f/k/a Narragansett Electric Company
National Marine Fisheries Service
National Railroad Passenger Corporation (AMTRAK)
Nationwide Insurance
O.R. Colan Associates, Inc.
OSRAM SYLVANIA, INC.
Pawtucket Redevelopment Agency
Pawtucket Water Supply Board
Providence Public Building Authority
Providence Public Library
Providence Redevelopment Agency
Providence School Department
Providence Tax Assessment Review Board
Providence Water Supply Board
Providence and Worcester Railroad

ANDOLFO APPRAISAL ASSOCIATES, INC.

Appraisals For: (Con't)

Radiation Oncology
Raytheon
Rhode Island Airport Corporation
Rhode Island Attorney General
Rhode Island Department of Administration
Rhode Island Department of Labor and Training
Rhode Island Department of Children, Youth, and Families (DCYF)
Rhode Island Depositors Economic Protection Corporation (RI DEPCO)
Rhode Island Economic Development Corporation
Rhode Island Hospital
Rhode Island Industrial/Recreational Building Authority
Rhode Island Public Radio
Rhode Island State Police Rhode Island Solid Waste Management Corp.
Rhode Island Water Resources Board
RI Neurological Institute
Roger Williams University
Roman Catholic Diocese of Providence
Salvation Army of Rhode Island
South County Hospital
Sprint Spectrum, LP
State of Rhode Island, Department of Transportation
State of Rhode Island, Department of Environmental Management
Steere House Nursing and Rehabilitation
Tenent Health Care
The Episcopal Diocese of Rhode Island
The Flatley Company
The Koffler Group
The Nature Conservancy
The Trust for Public Land
Tiverton Power - Caithness Corporation
Town of Bristol
Town of Burrillville
Town of Cumberland
Town of East Greenwich
Town of Johnston
Town of Lincoln
Town of North Providence
Town of Portsmouth
Town of South Kingstown
Trinity Repertory Theatre
United Parcel Service
United States Department of the Interior
United States Fish and Wildlife Services
United States Marshal Service, District of Rhode Island
United States Postal Service
University Gastroenterology
University of Rhode Island
Village Retirement Centers
Westerly Hospital
Women & Infants Hospital

Affiliated Companies:

President, Andolfo Real Estate, Inc.

Web Site / E-Mail:

www.realestateappraisersri.com / tom.andolfo@verizon.net

(Revised 08-15-14)

APPRAISER'S LICENSE



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF COMMERCIAL LICENSING AND RACING AND ATHLETICS
REAL ESTATE APPRAISERS SECTION
JOHN O. PASTORE CENTER, BLDG. 69-1
1511 PONTIAC AVENUE
CRANSTON, RI 02920-0942

CERTIFIED GENERAL APPRAISER

Certification No. CGA.0A00121 This Certification Expires on 12/31/2015

(In accordance with Title V, Chapter 20.7 of the General Laws of Rhode Island relating to Real Estate Appraisers) Pursuant to vested authority and having received full payment of the required fee, the Director of the Department of Business Regulation has licensed/certified

Thomas S. Andolfo

The person named herein may engage in the business of appraisal practice, provided he shall in all respects conform to the Provisions of Title V, Chapter 20.7 of the General Laws of Rhode Island 1987, as amended, and the rules and regulations issued under authority thereof, beginning 01/01/2014 and ending 12/31/2015 unless this license is suspended, revoked or voluntarily returned to the Department during this period.

Beaman P. Cole
Chairman, Real Estate Appraisers Board

[Signature]
Director of Business Regulation

SUBJECT PHOTOGRAPHS / ADDENDA

ANDOLFO APPRAISAL ASSOCIATES, INC.

FRONT VIEW OF SUBJECT'S MAIN ENTRANCE



ADDITIONAL FRONT VIEW OF MAIN ENTRANCE



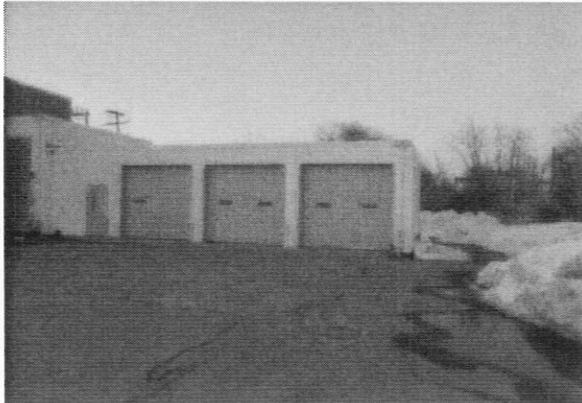
WESTERLY SIDE VIEW; ATM DRIVE-UP WINDOW AT REAR



EASTERLY SIDE VIEW; GARAGE AT REAR LOOKING NORTH



CLOSE-UP VIEW OF GARAGE AND ATTACHED GENERATOR ROOM



REAR VIEW OF SUBJECT, OR NORTHERLY PROPERTY LINE

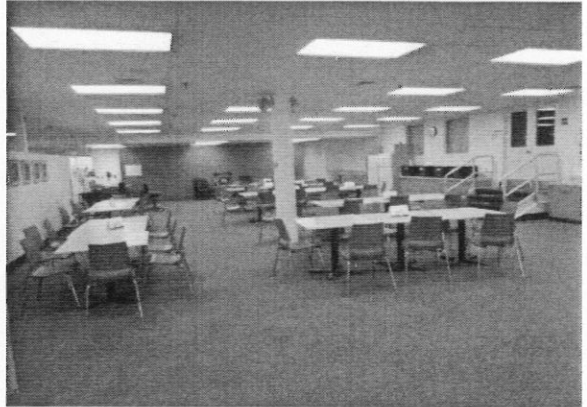


ANDOLFO APPRAISAL ASSOCIATES, INC.

INTERIOR VIEW OF OFFICE AREA ABOVE DATA CENTER RAISED FLOOR; NOTE LOW CEILING HEIGHT AT APPROXIMATELY 7 FEET



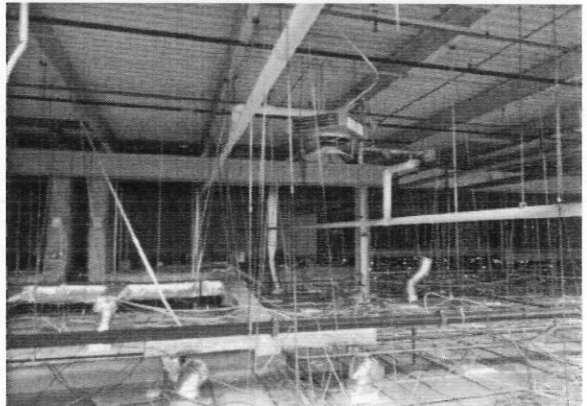
VIEW OF SECOND FLOOR EMPLOYEE CAFETERIA



VIEW OF FORMER VAULT ROOM



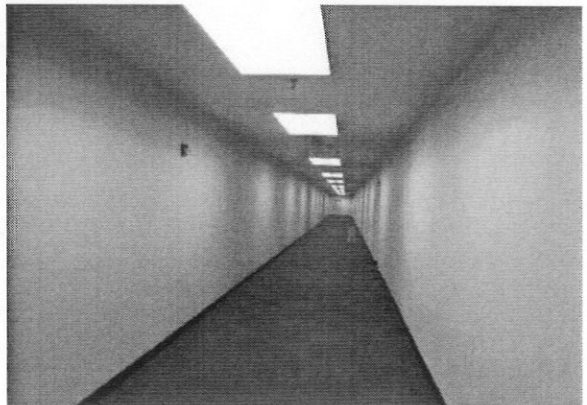
VIEW OF "DEAD SPACE" BETWEEN ROOF AND ACOUSTICAL TILE CEILING HEIGHT



VIEW OF FORMER BANK BRANCH AREA



VIEW OF TYPICAL INTERCONNECTING HALLS

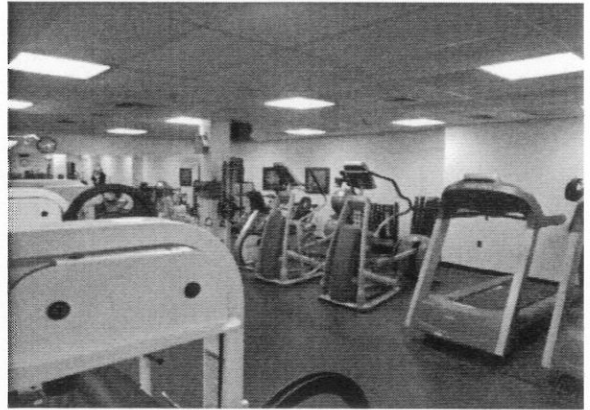


ANDOLFO APPRAISAL ASSOCIATES, INC.

ADDITIONAL VIEW OF HALL AREA



VIEW OF FITNESS CENTER



VIEW OF STORAGE MEZZANINE SPACE OVER FRONT GARAGE FOR FORMER ARMORED TRUCKS



TYPICAL MEN'S LAVATORY



ANDOLFO APPRAISAL ASSOCIATES, INC.

GENERAL PRIVACY NOTICE

As directed by the Gramm-Leach-Bliley Act of 1999, Andolfo Appraisal Associates, Inc., is committed to protecting our client's personal and financial information. In the course of providing you with appraisal services, we may need to collect and maintain certain nonpublic information about you.

What information we collect. We collect and use information we believe is necessary to provide you with our appraisal services. We may collect and maintain several types of personal information needed for this purpose, such as:

- Information we receive from you on applications, letters of engagement, e-mail or letter correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, bank records, salary information, the income and expenses associated with the subject property, the sale of the subject property, and the details of any financing on the subject property.
- Information about your transactions with us, our affiliates or others, including, but not limited to, payment history, parties to transactions, and other financial information.
- Information we receive from a consumer reporting agency such as a credit history, or any information collected through the Internet.

What information we may disclose and/or share. We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We will not rent, sell, trade, or otherwise release or disclose any personal information about you. We will not disclose consumer information to any third party for use in telemarketing, direct mail, or other marketing purposes.

- We limit the sharing of nonpublic personal information about you with financial or nonfinancial companies, including companies affiliated with us and other third parties to the following:
 - (i) We may share information when it is necessary or required to process a loan or other financial transaction on behalf of financial service providers, such as banks and lending institutions, or nonfinancial companies especially in the performance of residential appraisals;
 - (ii) We may share information when it is required or permitted by law, such as to protect you against fraud or in response to a subpoena;
 - (iii) We may share information derived from public sources such as property tax records, deeds, easements, or other encumbrances that are recorded on land records or from previous comparable sales.

You may limit information shared about you. If you prefer that we do not disclose nonpublic personal information about you to third parties, you may opt-out of those disclosures. That is, you may direct us not to make those disclosures (other than those permitted by law). If you wish to opt-out, you may contact us by mail, telephone, fax, or on-line at the address/numbers provided herein.