

## I-195 REDEVELOPMENT DISTRICT

### RESOLUTION REGARDING SALE OF LOT 2 OF DISTRICT PARCEL 9

November 6, 2024

- WHEREAS:** The I-195 Redevelopment District (the “District”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island under Chapter 64.14 of Title 42 of the General Laws of Rhode Island (the “Act”); and
- WHEREAS:** The Act authorizes the District, acting through its Commission (the “Commission”), to enter into purchase and sale agreements for properties owned by the District for any consideration and upon such terms and conditions as the Commission shall determine; and
- WHEREAS:** The Commission has entered into a Purchase Option Agreement dated May 25, 2021 (the “Purchase Agreement”), with Pennrose LLC (“Purchaser”) pursuant to which the District has agreed to subdivide Parcel 9 (a/k/a Lot 355 on Assessor’s Plat 18) into two parcels and has granted Purchaser the option to purchase, through nominees, those two parcels in separate development phases for a total consideration of \$800,000; and
- WHEREAS:** Pursuant to the Purchase Agreement, the aggregate purchase price for Parcel 9 is \$240,000.00, which purchase price will be allocated between the two phases based upon the proportion of residential units included in each phase; and
- WHEREAS:** Pursuant to the Purchase Agreement, \$25,000 of the purchase price for each parcel will be payable at closing in cash with the balance payable by promissory notes of Purchaser’s nominees bearing interest at 1% per annum (the “Note(s)”), secured by junior mortgages on the parcel, and payable on the earlier of (a) twenty (20) years and (b) sale or refinancing of the project; and
- WHEREAS:** In addition to the purchase price, at each closing, Purchaser’s nominees will agree to pay the District a monitoring fee of \$280,000 for each development phase (the “Fee(s)”), payable at the rate of up to \$10,000 per year from available cash flow, for total Fees of \$560,000.00 and total payments of \$800,000 if both parcels are purchased; and
- WHEREAS:** Parcel 9 has been subdivided and on June 2, 2023, Purchaser’s nominees purchased the first parcel (“Lot 1”) for a purchase price of \$124,724, based on 66 residential units in the first phase and 131 total units, plus the applicable Fee; and
- WHEREAS:** Purchaser has exercised its option to purchase the second parcel (“Lot 2”) for a purchase price of \$115,276.00 on the terms set forth in the Purchase Agreement and will take title in its nominee, Parcel 9 Phase II LLC; and

**WHEREAS:** As a condition of the purchase of Lot 2, Parcel 9 Phase II LLC, will enter into a Development Covenant and Agreement with the District (the “Development Agreement”) pursuant to which Parcel 9 Phase II LLC will agree to develop on Lot 2 a project consisting of approximately 61 residential units, 16 parking spaces and 6 street parking spaces; and

**WHEREAS:** Subject to satisfaction by Purchaser of the conditions to closing contained in the Purchase Agreement, the District is prepared to close the sale of Lot 2 as contemplated by the Purchase Agreement.

NOW, THEREFORE, acting by and through its Commissioners, the District hereby resolves as follows:

**RESOLVED:**

1. That the District be, and it hereby is, authorized to convey Lot 2 to Parcel 9 Phase II LLC for a purchase price of One Hundred Fifteen Thousand Two Hundred Seventy Six and 00/100 Dollars (\$115,276.00), payable \$25,000 in cash and the balance by a Note, plus the Fee of \$280,000 and otherwise on such terms as are set forth in the Purchase Agreement.
2. That, pursuant to the provisions of Section 42.64.14-8(5)(v) of the Act, the District hereby approves the construction schedule contemplated by the Purchase Agreement and the Development Agreement.
3. That each of the Chairperson and Executive Director, acting singly, be and hereby is, authorized to execute and deliver a deed, the Development Agreement, and such other agreements and certificates as are contemplated by the Purchase Agreement on behalf of the District with such modifications and revisions as he or she in his or her discretion deems necessary and appropriate to consummate the sale of Lot 2 as contemplated by the Purchase Agreement, the execution and delivery of such documents being conclusive evidence of satisfaction by Purchaser of its obligations under the Purchase Agreement.