

NEWPORT APPRAISAL GROUP, LLC

REAL ESTATE CONSULTANTS & APPRAISERS

CONSULTING REPORT LEASE ANALYSIS / MARKET RENT SURVEY



**NORTH BASIN
PLAT 9, LOTS 355 & 356
CONANICUS AVENUE
JAMESTOWN, RHODE ISLAND 02835**

Requested by

Mr. Andy Nota
Town Administrator
Town of Jamestown
93 Narragansett Avenue
Jamestown, Rhode Island 02835

Conducted by

George F. Valentine
Newport Appraisal Group, LLC
221 Third Street
Newport, Rhode Island 02842

Effective Date

March 8, 2015

LEASE ANALYSIS/MARKET RENT ESTIMATE

PLAT 9, LOTS 355 & 356, FERRY WHARF, JAMESTOWN, RI

This is a Consulting Report that is intended to comply with the ETHICS RULE set forth in the Uniform Standards of Professional Appraisal Practice. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The consultants are not responsible for unauthorized use of this report.

Date of Report: March 10, 2015

TO: Mr. Andy Nota
Town Administrator
Town of Jamestown
93 Narragansett Avenue
Jamestown, Rhode Island 02835

Prepared by: George F. Valentine
NEWPORT APPRAISAL GROUP, LLC
221 Third Street
Newport, Rhode Island 02842

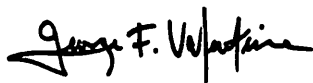
Subject Property
Conanicus Avenue
Assessor's Plat 9, Lots 355 & 356
Jamestown, Rhode Island 02835

As requested, we have conducted a lease analysis for the property captioned above. The extent of our analysis consists of an inspection of the subject property, a review of the existing lease, and the development of an opinion of the appropriate annual rental rate for the proposed lease extension. A summary of our findings is presented in the following pages.

After consider all factors, it is my opinion that the appropriate market rent for the subject property, with annual escalators built into the lease, is:

\$65,000 PER YEAR

Respectfully submitted,



George F. Valentine
Rhode Island Certification No.: CGA.0A00682

LEASE ANALYSIS/MARKET RENT ESTIMATE
PLAT 9, LOTS 355 & 356, FERRY WHARF, JAMESTOWN, RI

Subject Photographs



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PLAT 9, LOTS 355 & 356, FERRY WHARF, JAMESTOWN, RI

Property Identification

The subject property is identified as a Plat 9, Lots 355 & 356 located at an area in the center of town known as East Ferry. The subject lots are both small waterfront parcels that offer access to the existing piers and slips. Lot 355 contains 11,575 square feet and Lot 356 contains 10,300 square feet. The leased premises include the use of a 300' x 10' fixed wood pier located at the south side of the basin, and use of the steel and concrete pier at the north side of the basin. The current lessee owns approximately 1,270 linear feet of floating docks which are rented to boaters on a seasonal and daily basis. Access to the marina is gained by town owned land. The north basin, bracketed by the two fixed piers, is approved for 48 slips and currently configured as such.

Conanicut Marine controls the basin area including the fixed wooden pier at the southerly perimeter of the marina plan, the floating docks, and has full use of the fixed concrete and steel pier bounding the marina to the north. The wooden pier is used primarily for commercial fishing vessels and the rate for commercial vessels is fixed by the Jamestown Harbor Commission. The piers are open to public pedestrian activity.

Lease Analysis

The subject property is currently encumbered by a long term lease which commenced in 1995 and terminated in 2005. A ten year extension of the lease was executed in 2005 and terminates in June of 2015. The Jamestown Town Council approved a one year extension until June of 2016 under the current terms.

The premises are described in the lease agreement as "certain area and water rights bounded by the south face of the Town owned steel pier breakwater, hereinafter called "steel pier", south to the north face of the Town owned wood pier and Town owned property on the East Ferry waterfront in the Town of Jamestown, State Rhode Island, as is more particularly shown on the attached Marina Perimeter Plan dated 12/05/94, which is incorporated by reference herein, for the construction maintenance and operation of marina together with the right of the Lessee to place dockage attachments to the steel pier and the right to use the basin for a marina.

Lessee shall have the right to use the steel pier surface, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by the Lessor. Lessee shall also have the right to keep and maintain the dock mast building and associated equipment in its current location.

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Further, Lessee shall also have the right to use the Town owned wood pier, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by Lessor, and the northern face of the steel pier as it exists as of the date hereof for use as a rental for commercial vessels and pleasure vessels in concert, either on a seasonal rental or on a daily rental basis; provided, however, that the dockage fee rate for the Town wood pier and the northern face of the steel pier shall be set each year by the Jamestown Harbor Management Commission.” A copy of the lease is attached to this report.

The current lease extension has an initial rental rate of \$30,000 per year with annual increases of \$1,000 per year. Rent for 2015 is \$40,000 per year.

Sales History

The subject property has not transferred in the past five years. The current owner is the Town of Jamestown. A legal description is recorded in the Land Evidence Records for the Town of Jamestown. The property is not currently known to be under any purchase and sales agreement or listed for sale.

Purpose and Function of the Assignment

The purpose of this assignment is to derive an opinion of the market rental rate for the premises, as described in the current lease, which is attached to this report.

Client and Intended User of this Assignment

The client and intended user of this assignment is Andy Nota, Town Administrator, and the Town of Jamestown.

Effective Date and Report Date

The effective date of the assignment, as is, is March 8, 2015, consistent with the appraiser's most recent inspection of the subject property. The report date and effective dates are similar and represent the same market conditions. General assumptions and limiting conditions applicable to this evaluation are attached to this report.

Definition of Market Value

Market value means the most probable price which 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

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consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what they consider their own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) 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.¹

Market value also assumes the buyer and seller are knowledgeable about the highest and best use of the property. Highest and best use is that use, from among reasonably probable and legal alternative uses, which is found to be physically feasible and which results in the highest present value of the property.

Scope of the Assignment

In performing this assignment, the valuation process consisted of:

- physical inspection of the property on March 8, 2015, including a neighborhood inspection;
- research of the subject property in Jamestown Town Hall, including the Tax Assessor's Office, Clerk's Office and Land Evidence Records;
- area and neighborhood data were reviewed and analyzed to determine market conditions for this class of property as of the effective date of the assignment;
- researched public records of improved commercial property sales for the period 2000 through the present;
- survey of comparable property types in the subject market for rent or for sale
- evaluated the data, reconciled and estimated values, and provided a Complete Summary report.

Personal Property

Personal property is defined as identifiable portable and tangible objects that are considered by the general public and includes movable items that are not permanently affixed to, and part of, the real estate.² No personal property is included in the final value opinion for the subject property.

¹ The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, 2004

² The Appraisal Institute, The Dictionary of Real Estate Appraisal, (Third Edition, 1993), Page 265.

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Environmental Concerns

A visual inspection of the property revealed no surface evidence of toxic or environmental hazards. However, the appraisers are not experts in the field of environmental hazards, and advise the client that experts in this field should be employed for further information.

There are two 6,250 gallon diesel underground fuel storage tanks and one 6,250 gallon gasoline underground fuel storage tank on town owned abutting land that service the Conanicut Marina. The tanks are mandated by RIDEM to be replaced in 2017. R.I. It is assumed that the tanks have not leaked and the site is clean.

Assessments

The subject lots are assessed to the Town of Jamestown. Real estate tax and assessment data is presented below:

Plat/Lot	Land assessment	Improvements assessment	Total assessment	Real Estate tax rate	Real Estate tax
9/355	\$603,300	\$65,000	\$668,300	\$8.75	\$5,848
9/356	\$590,800	\$1,800	\$592,600	\$8.75	\$5,185
Total:	\$590,800	\$66,800	\$1,260,900		\$11,033

Source: Newport Assessor's Office

The subject lots are town owned and therefore tax exempt. If the parcels were privately owned, the taxes would total \$11,033 as presented in the preceding table. The 2014 real estate tax rate in the Town of Jamestown is \$8.75 per \$1,000 of assessed valuation. Properties in Jamestown are currently assessed at 100 percent of value based on the last revaluation undertaken in fiscal year 2012 effective fiscal year 2013. The state of Rhode Island mandates that there be a tax equalization program once every nine years and a statistical update once every three years.

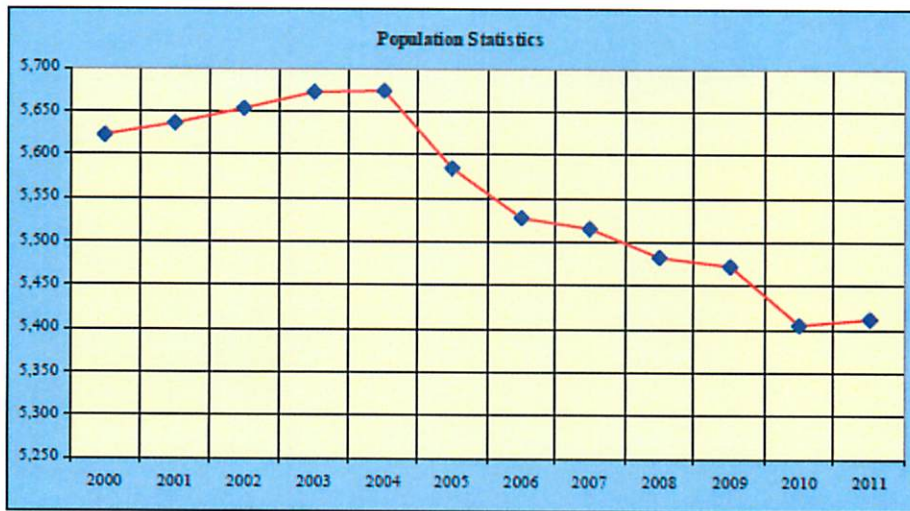
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JAMESTOWN

Jamestown is a suburban island community bounded by Narragansett Bay to the north and east, West Passage to the west and Rhode Island Sound to the south. Aquidneck Island, which includes the city of Newport and Towns of Middletown and Portsmouth, is situated to the east of Jamestown and Washington County including the Towns of North Kingstown, South Kingstown, Narragansett, Charlestown, Exeter and Westerly situated to the west. In 2010, Jamestown ranked 36th in population among Rhode Island's 39 cities and towns with a population density of 558 persons per square mile of land area.

Population

The population estimate for the Town of Jamestown as of July 1, 2011 was 5,425 persons an increase of 0.37% from the 5,405 persons in the 2010 Census. The 2010 Census, Jamestown has 2,998 housing units, an increase of 8.3% from the 2,769 housing units in the 2000 Census. The 2010 Demographic Profile Data indicates that there are 1,846 are owner-occupied housing units, 513 rental properties and 639 are vacant housing units. There are 2,359 households with a household population of 5,405 and an average household size of 2.29 persons. The 2006-2010 American Community Survey 5-Year Estimates Newport indicates a median household income of \$77,813, or 44.4% greater than the Rhode Island average of \$53,887. The median value of an owner-occupied home is \$492,900.



Market Area/Neighborhood

A market area is defined as: “the defined geographic area in which the subject property competes for attentions of market participants; the term broadly defines an area containing diverse land uses. The boundaries of market areas, neighborhoods or district boundaries identify the areas that influence a subject’s property value.

The subject property is located at the terminus of Narragansett Avenue at the easterly side of Jamestown known as East Ferry. The immediate neighborhood boundaries are delineated as Narragansett Bay to the east, North Main Street to the west, Mount Hope Avenue to the north, and Hamilton Avenue to the south.

Narragansett Avenue is the main commercial and residential corridor in town running from the westerly side to the easterly side of the Island. It is bisected by North Main Road and Southwest Avenue about ½ east of the subject. The area to the east of North Main Road is the Commercial Downtown district where most of the commercial activity on the Island is located. This section of Narragansett Avenue is comprised primarily of historic buildings that have been renovated and converted to commercial uses. The buildings are primarily sited on or within a few feet of the front property line. Parking in the downtown area is primarily on street or in small parking areas to the rear of the buildings. Property types include retail, professional offices, mixed-use properties, restaurants, bank branches, municipal buildings, and churches. Available commercial land is scarce.

The area to the west of North Main Road, toward the subject’s location at West Ferry, is an established residential neighborhood dating back to the 1700’s. Recent residential sales and listings range from \$450,000 to \$3,950,000. The limited commercial land sales activity in the Commercial Downtown district has been in the \$40/SF to \$80/SF range.

The subject is located at East Ferry, a well-positioned harbor bracketed by the Newport Bridge to the north and Fort Wetherill to the south. Overall, this is an excellent location for a marina. It has access to Newport, the mouth of Narragansett Bay and the Atlantic Ocean.

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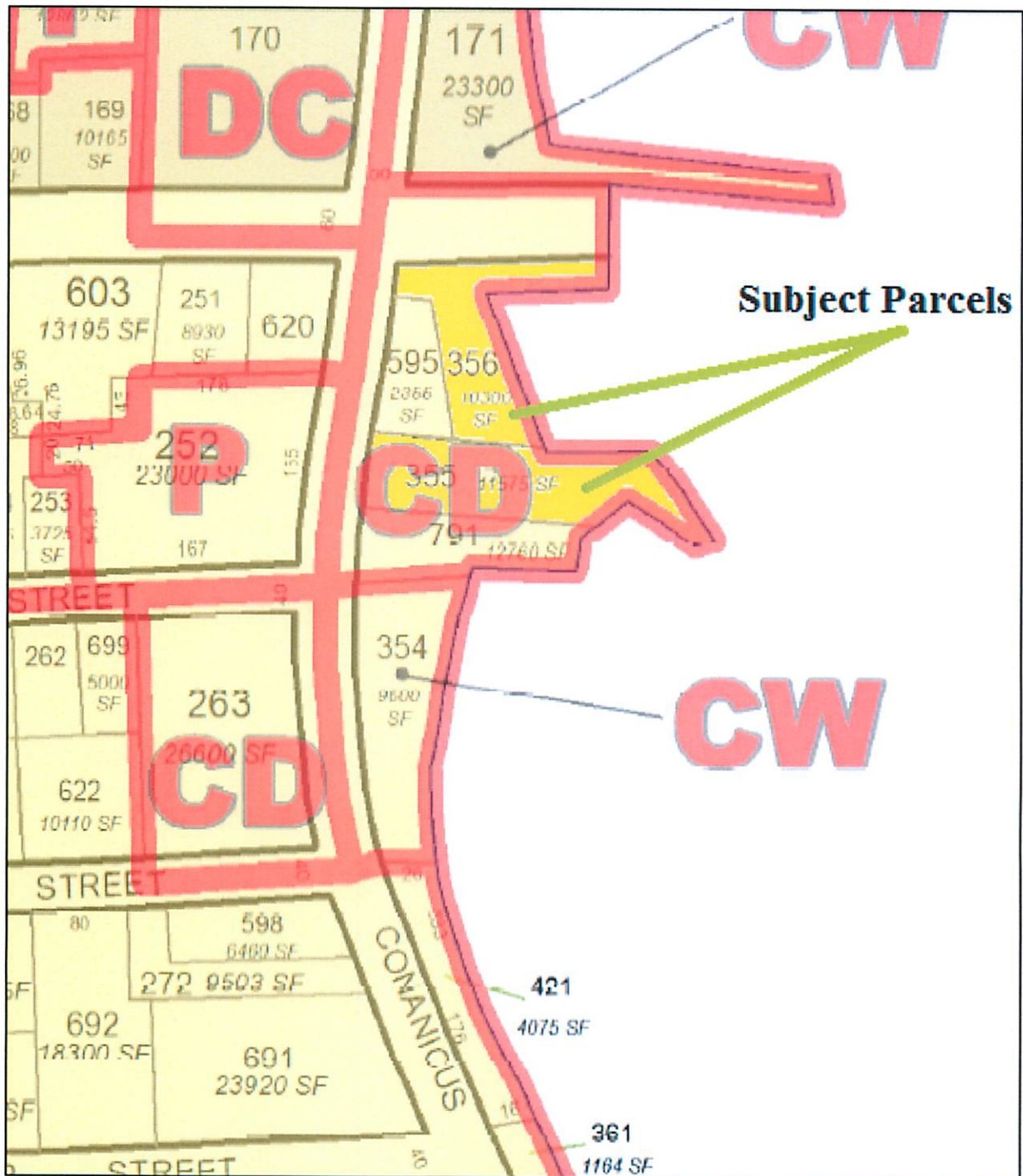
Location Map



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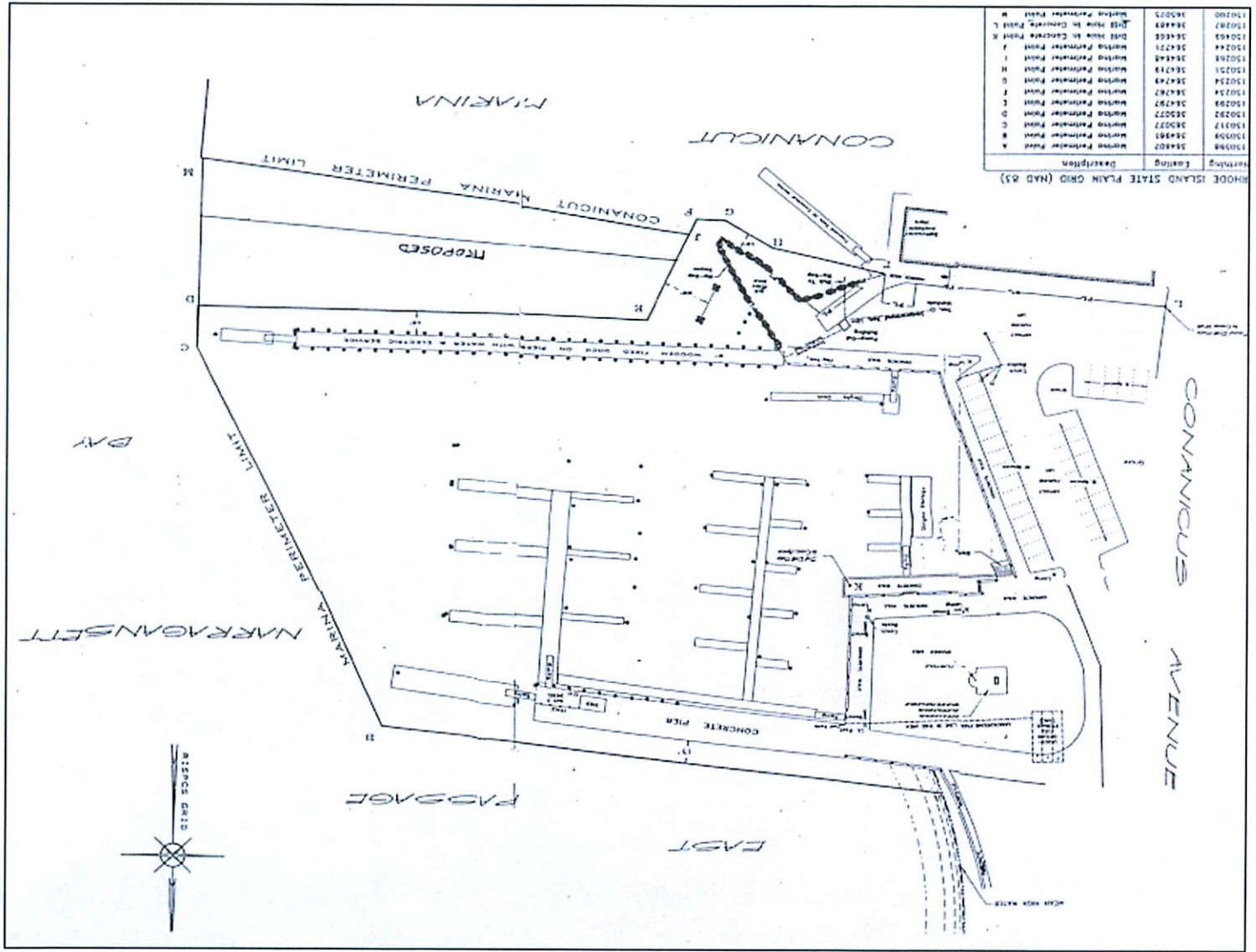
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Plat Map



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Marina Plan



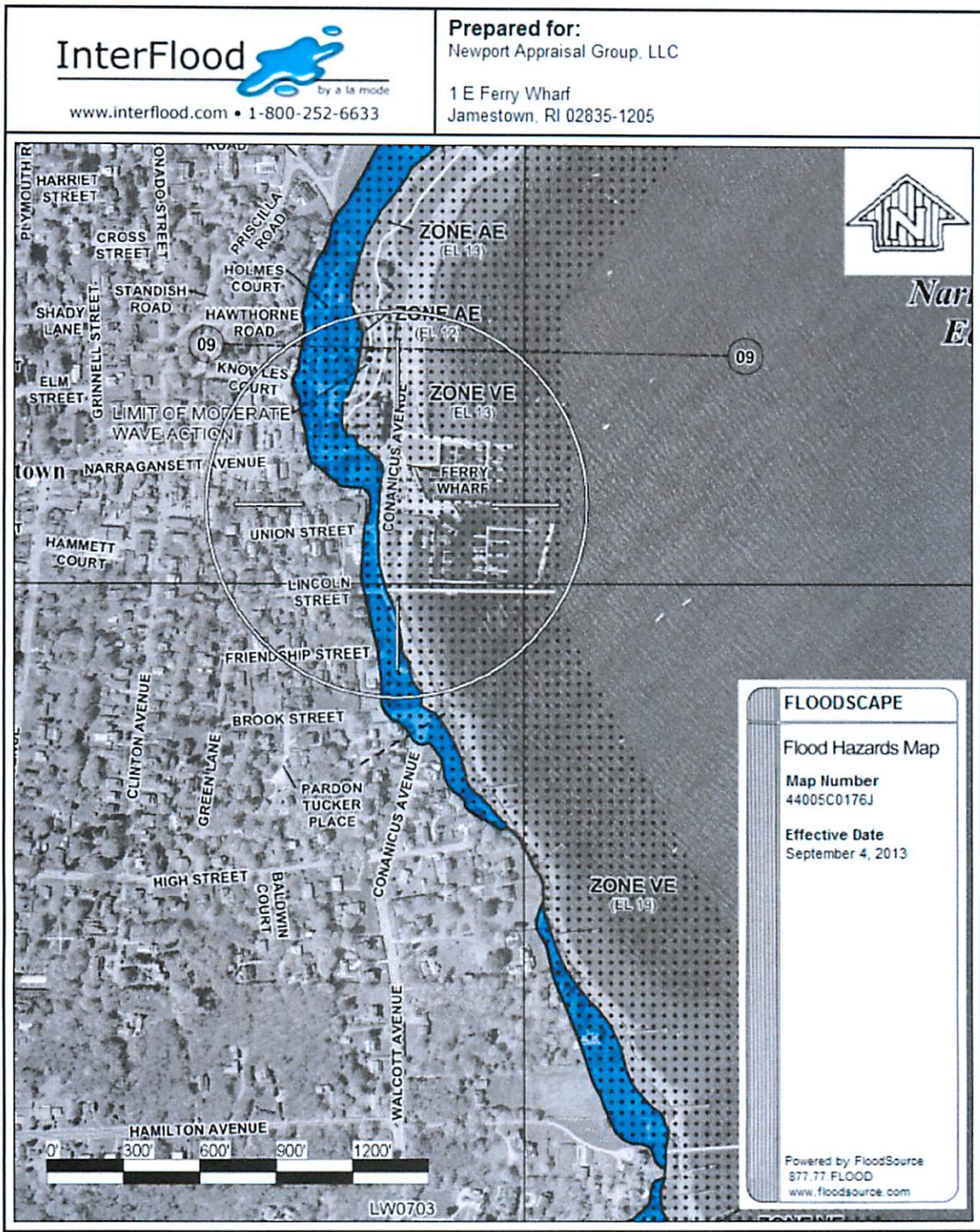
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SUMMARY OF SITE CHARACTERISTICS	
<i>Site Area:</i>	21,875± square feet (0.50± acres) of leased land.
<i>Bulkhead Frontage:</i>	1,170± linear feet of steel and stone bulkhead.
<i>Shape:</i>	Irregular.
<i>Access:</i>	Good.
<i>Ingress/Egress:</i>	Good.
<i>Topography/Soil Conditions:</i>	The topography of the site is level and at street grade with apparently adequate soil/subsoil conditions to support development.
<i>Site Improvements:</i>	Paved parking, fixed concrete and steel pier, fixed wooden pier. Public access allowed.
<i>Utilities:</i>	Municipal water, public sewer, gas, electric and telephone are available.
<i>Easements/Encroachments:</i>	The legal description of the subject parcel was reviewed in addition to the Official Plat Maps of the town of Jamestown and there no easements or encroachments identified. The appraiser assumes no responsibility for the existence of any easements or encroachments that may exist but were not revealed in any documents furnished or by any visual inspection of the site.
<i>Flood Hazard Area:</i>	Zone "V-15" flood hazard areas. Zone "V-15" indicates areas within the 100-year flood zone with velocity wave action. Flood insurance is required.
<i>Adjacent Property Uses:</i>	Marine and retail-related uses.
<i>Detrimental Conditions:</i>	No surface evidence or suspicion of, toxic or environmental hazards is noted. No other detrimental conditions restricting the efficient use or appeal of the property are identified. The appraiser was not provided with an Environmental Site Assessment of the property. In the absence of an Environmental Site Assessment, no responsibility is assumed for the existence of hazardous materials that may or may not be present on the property.
<i>Zoning/Conformity:</i>	Waterfront Commercial "CD" District.
<i>Marketability and Appeal:</i>	The site is located near the mouth of Narragansett Bay with excellent access to Newport and the Atlantic Ocean, making this a desirable marina property to any potential buyer. The marketability and appeal of the subject site is very good.

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Flood Map



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Market Rent Survey

In order to estimate the appropriate market rent for the subject property, we have reviewed current rental rates of comparable water front properties and made adjustments where necessary to account for differences in location and appeal to the market. The Jamestown market for water front property is very strong due to its location near the mouth of Narragansett Bay directly across from the city of Newport.

The market data for water front property rental rates is somewhat limited. We have uncovered existing rents of three properties in the Southern Rhode Island market that would be considered reasonable alternatives for users of waterfront property. A summary of the comparable leases is presented below.

Sampling of Waterfront Ground Rents								
Address	Town/City	Land Area	Slips	LF of Dockage	Rent	Rent/Slip	Rent/LF	Rent/Land SF
Subject	Jamestown	21,875	48	1,270				
Long Wharf	Newport	22,640	40	1,222	\$80,000	\$2,000	\$65.47	\$ 3.53
110 Long Wharf	Newport	35,650	65	2,600	\$50,309	\$774	\$19.35	\$ 1.41
214 Salt Pond Rd.	S. Kingstown	4,800	65	2,100	\$24,628	\$379	\$11.73	\$ 5.13
Average		21,241	55	1,798	\$ 51,646	\$1,051	\$ 32.18	\$ 3.36
Median		22,258	57	1,685	\$ 50,309	\$774	\$ 19.35	\$ 3.53
Minimum		4,800	40	1,222	\$ 24,628	\$379	\$ 11.73	\$ 1.41
Maximum		35,650	65	2,600	\$ 80,000	\$2,000	\$ 65.47	\$ 5.13

The three marina ground rents presented above represent the most similar comparable ground rents in the subject market. Rentals #1 and #2 are located on Newport Harbor along the southerly side of Long Wharf just west of America's Cup Boulevard. Rental #3 is located at the top of Salt Pond in Wakefield.

Rental #1 is an arm's length lease to a marina operator. The property includes a mixed use building which is rented to individual office tenants. The entire rent for the property is \$150,000 per year. After deducting actual office rents, the rent attributable to the marina is approximately \$80,000. The Long Wharf location on Newport Harbor is slightly superior to the subject and requires a negative adjustment. The net rental adjustment for Rental #1 was negative 20%, bringing the adjusted rent down to \$64,000.

Rental #2 is a lease between the City of Newport and the Newport Yacht Club. The yacht club is a non-profit operation with slip rates well below market to its members. The Long Wharf location on Newport Harbor is slightly superior to the subject and requires a negative adjustment. The site is larger than the subject and required a negative adjustment. Rates are significantly lower than the subject and required a positive adjustment to account for the below market rates. The net rental adjustment for Rental #2 was positive 20%, bringing the adjusted rent up to \$60,371.

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Rental #3 is a lease between the Town of South Kingstown and a private marina operator. This property is located at the top (northerly end) of Salt Pond in Wakefield. This location is significantly inferior due to the poor access to deep water. A positive adjustment was required for location. The site is significantly smaller than the subject and therefore required a positive adjustment for site area. The net rental adjustment for Rental #3 was positive 60%, bringing the adjusted rent up to \$39,405.

The adjusted rents are presented below.

Waterfront Ground Rents Adjusted for Location, Site Area, Rates								
Address	Town/City	Land Area	Slips	LF of Dockage	Rent	Rent/Slip	Rent/LF	Rent/Land SF
Subject	Jamestown	21,875	48	1,270				
128 Long Wharf	Newport	22,640	40	1,222	\$64,000	1,600.00	52.37	\$ 2.83
110 Long Wharf	Newport	35,650	65	2,600	\$60,371	928.78	23.22	\$ 1.69
214 Salt Pond Rd.	S. Kingstown	4,800	65	2,100	\$39,405	606.23	18.76	\$ 8.21
Average		21,241	55	1,798	\$ 54,592	\$ 1,045	\$ 31.45	\$ 4.24
Median		22,258	57	1,685	\$ 60,371	\$ 929	\$ 23.22	\$ 2.83
Minimum		4,800	40	1,222	\$ 39,405	\$ 606	\$ 18.76	\$ 1.69
Maximum		35,650	65	2,600	\$ 64,000	\$ 1,600	\$ 52.37	\$ 8.21

The units of comparison include Rent/Slip, Rent/LF of Dockage, Rent/SF of Land Area. Comparable Rental #1 is most similar to the subject and required the fewest adjustments due to its size and location. Relying most heavily on Comparable Rental #1 in our analysis, we have applied the adjusted units of comparison to the subject property. The results are presented below.

Subject Market Rent Indicators								
Address	Town/City	Land Area	Slips	LF of Dockage	Reconciled Market Rent	Based Upon Rent/Slip	Based Upon Rent/LF	Based Upon Rent/Land SF
Subject	Jamestown	21,875	48	1,270	\$65,000	\$76,800	\$66,514	\$61,837

The adjusted indicators range from \$61,837 to \$76,800 with a mean rate of \$68,384 and a median rate of \$66,514. We have reconciled fair market rent at **\$65,000 per year with annual increases.**

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As a test of reasonableness, we have reviewed sales of waterfront land that would have similar highest and best uses as the subject property. A rate that an owner would be willing to accept as a return on this asset is applied to reflect a required return on the value of the property. The reconciled fee simple value of the subject land, based upon the comparable sales, is presented below.

No.	Location	Sale Date	Sale Price	Size in SF	Price/ SF
1.	135 Thames St., Bristol	06/14/2013	\$800,000	19,183	\$41.70
2.	Water Street, Block Island	01/12/2009	\$2,500,000	59,677	\$41.89
3.	Water Street, Block Island	06/07/2010	\$720,000	9,900	\$72.73
4.	Conanicus Ave, Jamestown	12/28/2009	\$325,000	4075	\$79.75

Sale #1 represents a parcel of waterfront land located along the easterly shoreline of Narragansett Bay in Bristol. The parcel was improved with a fixed pier and paved parking area to support the Prudence Island Ferry. The land was purchased by the Town of Bristol. Location is inferior to the subject and would require a positive adjustment.

Sale #2 represents a parcel of waterfront land located on the east side of Water Street along the Old Harbor shoreline in Block Island. The parcel was unimproved and more or less in its natural state. The land was purchased by the Town of New Shoreham. Location is similar to the subject and would not require an adjustment. This sale would require a positive adjustment for site improvements.

Sale #3 represents a parcel of waterfront land located on the east side of Water Street along the Old Harbor shoreline in Block Island. The parcel was unimproved and more or less in its natural state. The land was purchased by the Town of New Shoreham. Location is similar to the subject and would not require an adjustment. This sale would require a positive adjustment for site improvements.

Sale #4 represents a parcel of waterfront land located on the east side of Conanicus Avenue along the westerly shoreline of Narragansett Bay in Jamestown. The parcel is narrow, unbuildable and improved with a rip rap bulkhead/seawall. The land was purchased by the owners of Conanicut Marine Services. Location is similar to the subject and would not require an adjustment. This sale would require a positive adjustment for site improvements.

The mean sale price per square foot for the four waterfront land sales, that would be reasonable alternatives to the subject parcels, is \$59/SF. Applying this unit of comparison to the subject's 21,875 square feet generates a **Fee Simple Value Opinion for the subject land of \$1,290,000.**

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The rate of return an investor/owner would require would be based upon competitive rates of returns for alternative assets. A review of commercial real estate rates of return indicate a range from 4% to 10% depending upon the class of property. Applying a rate at the low end of the range, say 5%, indicates a market rental rate of \$64,531 for the subject property. This supports the estimated market rental rate generated by the comparable marina ground rents previously discussed.

Finally, we attempted to arrive at a market rent estimate by estimating the net operating income of the subject property, in conjunction with the approved 48 slip marina configuration. The owner provided an estimate of gross slip rents for the 2015 of approximately \$220,000 for the season. This does not include transient slip rates, or any other services related to the North Basin. Furthermore, expenses were not provided. The lease provides the Lessee the ability to offer fuel sales, operate a crane for boat launching, and other intangibles that are not quantifiable based upon the information provided. Therefore, this approach was considered to be ineffective in reaching any meaningful conclusions regarding rental rates for the subject.

After consider all factors, it is my opinion that the appropriate market rent for the subject property, with annual escalators built into the lease, is:

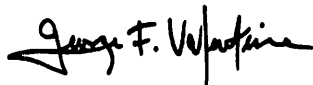
\$65,000 PER YEAR

CERTIFICATION

We certify, to the best of our knowledge and belief:

- Reported statements of fact are true and correct.
- Reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- We have no present or prospective interest in the property that is the subject of this report, and have no professional interest or bias with respect to the parties involved.
- Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This report has been made in conformity with the requirements of the Code of Professional Ethics and the Uniform Standards of Professional Appraisal Practice 2014-2015.
- George F. Valentine inspected subject real estate on March 8, 2015 No one else provided significant professional assistance to the persons signing this report.
- We certify that we are appropriately licensed and certified to appraise the subject property in the State in which it is located.
- Newport Appraisal Group has provided services to the subject as a portion of Conanicut Marine Services in the past three years. John Crimmins appraised Conanicut Marine Services in 2014.

Respectfully submitted,



- George F. Valentine
- Rhode Island Certification No.: CGA.0A00682

QUALIFICATIONS OF GEORGE F. VALENTINE

Office: 221 Third Street, Newport, Rhode Island 02842
Phone (401) 846-1356, Fax (401) 846-8952
E-mail George@NewportAppraisal.com

Position: Senior Appraisal Associate

Experience: Residential and Commercial Property Appraiser, 1992 to present

Certification: Rhode Island General Certified Real Estate Appraiser:
Certification No. CGA.0A00682
Massachusetts General Certified Real Estate Appraiser
License No.: 5581

Education: New England College, Bachelor of Arts, Business Administration

**Appraisal Courses and Seminars
Attended and Successfully Completed:**

Course 101	Introduction to Appraising Real Property
Course 102	Residential Property Valuation
Course 1BA	Capitalization Theory and Techniques
Course 510	Advanced Income Capitalization
Course 520	Highest and Best Use and Market Analysis
Course 550	Advanced Applications
Course SPP	Standards of Professional Practice, Part A
Course SPP	Standards of Professional Practice, Part B

Seminars

Impact of Lead Paint
Condemnation by the State Department of Transportation
Feasibility Analysis & Highest and Best Use Analysis
The Valuation of Industrial Properties
Appraising Apartments
Market Extractions
Residential Appraisal: Confronting Environmental Issues
Argus Training
Report Writing
Land Use Planning and Eminent Domain in Rhode Island
2001 USPAP Update

University of Rhode Island Courses:
Course Res. 048, Law For Real Estate Title Examiners

Member:

Newport Board of Realtors
National Association of Realtors

QUALIFICATIONS OF GEORGE F VALENTINE

Expert testimony: Jamestown, Newport, South Kingstown, Bristol, Tiverton, Portsmouth, Middletown, Lincoln, Charlestown, Richmond, North Kingstown, Glocester, Rhode Island; Zoning Boards of Review;

South Dartmouth, Haverhill, Scituate, Wendell, Concord, Milton, Stow, Cheshire, West Springfield, North Andover, Gloucester & Walpole, Massachusetts Zoning Boards of Appeals;

Putnam Connecticut Zoning Board of Appeals

Significant Clients:

RI Department of Transportation, Centreville Bank, The Washington Trust Company, BankNewport, Newport Federal Savings Bank, Citizens Bank, BankRI, Sovereign Bank, Bank of America, Bank of Southern New Hampshire, Digital Federal Savings Bank, Westerly Community Credit Union, Westerly Savings Bank, First Federal Savings Bank of America, Interbay Funding, First Pioneer Farm Credit, Webster Bank, Bristol County Savings Bank, AT&T, Narragansett Bay Commission, National Grid, RI Department of Environmental Management, The Nature Conservancy, Rhode Island Department of Transportation, Rhode Island Airport Corporation, US Small Business Administration, Bay Colony, Aquidneck Land Trust, Town of New Shoreham, Town of North Kingstown, Town of Jamestown, Town of South Kingstown, South County Hospital, City of Providence, City of Cranston, Town of Burrillville, Verizon Wireless, AT&T, T-Mobile.



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.0A00682

This Certification Expires on 12/15/2016

(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

George F. Valentine

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 12/16/2014 and ending 12/15/2016 unless this license is suspended, revoked or voluntarily returned to the Department during this period.

Richard L. Beckwith

Chairperson, Real Estate Appraisers Board

[Signature]

Director of Business Regulation

LEASE AGREEMENT

COPY

This Lease is made on this 6th day of June, 1995 by and between THE TOWN OF JAMESTOWN, a municipal corporation organized under the laws of the State of Rhode Island, herein called Lessor, and CONANICUT MARINE SERVICES, INC., a Rhode Island Business Corporation, herein called Lessee, upon the following TERMS and CONDITIONS.

LEASE / USE

Lessor does by these presents lease and demise unto the Lessee that certain area and water rights bounded by the south face of the Town owned steel pier breakwater, hereinafter called "steel pier", south to the north face of the Town owned wood pier and Town owned property on the East Ferry waterfront in the Town of Jamestown, State of Rhode Island, as is more particularly shown on the attached Marina Perimeter Plan dated 12/05/94, which is incorporated by reference herein, for the construction, maintenance and operation of a marina together with the right of the Lessee to place dockage attachments to the steel pier and the right to use the basin for a marina.

Lessee shall have the right to use the steel pier surface, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by Lessor. Lessee shall also have the right to keep and maintain the dock master building and associated equipment in its current location.

Further, Lessee shall also have the right to use the Town owned wood pier, subject to the right of the general public to have reasonable use of the same as may be regulated from time to time by Lessor, and the northern face of the steel pier as it exists as of the date hereof for use as a rental for commercial vessels and pleasure vessels in concert, either on a seasonal rental or on a daily rental basis; provided, however, that the dockage fee rate for the Town wood pier and the northern face of the steel pier shall be set each year by the Jamestown Harbor Management Commission.

TERM OF LEASE

The initial term of this Lease shall be Ten (10) Years from the date hereof. The Lessee shall have the right to renew this lease for one (1) Ten Year renewal period; provided that Lessor and Lessee shall mutually agree on the rent and other terms for the

renewal term. Such option to renew shall be exercised by the Lessee by giving written notice to the Lessor not more than six (6) nor less than three (3) months prior to the expiration of the then existing term.

RENT

The Lessee covenants and agrees to pay rent as follows:

(a) To pay an initial fixed rent of Fourteen Thousand Dollars (\$14,000.00) per year for the entire demised premises. This fixed rent shall be subject to increase each year, by February 1 of each year, based upon the percentage increase in Lessee's published or actual seasonal per foot slip rental fees and dockage fees, whichever is higher, with slip rentals being weighted ninety percent (90%) and dockage fees being weighted ten percent (10%), over the rate currently in effect. Rent payable under this Lease shall be payable by February 1 of each year. Lessee shall provide to Lessor a report by February 1 of each year listing the published slip rental and dockage fees.

(b) Lessee shall continue to pay all real estate taxes, personal property taxes and other charges assessed by the Town of Jamestown, the State of Rhode Island and the United States of America and shall maintain proper insurance upon its properties with the Town of Jamestown being named as an additional named insured.

CHANGES TO DEMISED PREMISES

If Lessor changes the Marina Perimeter Plan so as to make available to Lessee more or less linear feet of floating slips from the current amount, which is approximately 1,270 linear feet, the fixed rental shall be adjusted, based upon the percentage increase or decrease in such linear feet, as the case may be. The Lessor reserves the right to change or modify said Marina Perimeter Plan; provided Lessor shall not reduce the number of linear feet of floating slips to below 953 linear feet.

CARE AND MAINTENANCE OF PREMISES

Lessee acknowledges that the premises are in good order and repair, unless otherwise indicated on the attached listing. Lessee, shall, at its own expense and at all times, maintain the premises in good and safe condition, and shall surrender the same at termination hereof, in as good condition as received, normal wear and tear excepted. Lessee shall be responsible for all maintenance and repairs required except for major capital

repairs to the steel pier or the wood pier, as may be approved by the Jamestown Harbor Management Commission in the future. A major capital repair is defined as any single item in excess of \$2,500.00 at Lessee's actual cost for such item, said \$2,500.00 figure shall be in December 1994, dollars and shall be adjusted annually in accordance with the Consumer Price Index published for Boston, Massachusetts. Lessee shall be responsible for all repair, maintenance and, if necessary, removal or replacement of the three (3) fuel tanks presently located under Memorial Square. If Lessor changes the demised premises in such a way as to significantly increase the protection of the basin from wave action, the rent shall be increased by an amount equal to (i) One Thousand Dollars (\$1,000.00) plus (ii) any percentage increase in slip rental rates as determined under that paragraph entitled "Rent", above. Such additional rent shall thereafter be subject to further increase on the basis set forth in said paragraph entitled "Rent", above.

PUMP OUT STATION

Lessee shall continue to have access to the sewage pump-out station at the wood pier, subject to the payment of the same fee charged to the general public, if any.

ALTERATIONS

Lessee shall not, without first obtaining the written consent of Lessor, make any alterations, additions, or improvements, in, to or about the premises.

ORDINANCES AND STATUTES

Lessee shall comply with all statutes, ordinances and requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

ASSIGNMENT AND SUBLETTING

Lessee shall not assign this lease or sublet any portion of the demised premises without the prior written consent of the Lessor. Any such assignment or subletting without consent shall be void and, at the option of the Lessor, may terminate this Lease. Assignment or sublet shall be deemed to include any transfer of stock of CONANICUT MARINE SERVICES, INC. which results in William S. Munger and Marilyn

Munger, and/or their children or grandchildren, owning less than 51% of the issued stock of the corporation.

UTILITIES

All applications and connections for necessary utility services on the demised premises shall be made in the name of the Lessee only, and Lessee shall be solely liable for all utility charges for the demised premises, including both the steel pier and the wood pier, as they become due, including those for water, sewer, gas, and/or electricity as long as electric metering is provided by Lessor.

ENTRY AND INSPECTION

Lessee shall permit Lessor or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessor at any time within sixty (60) days prior to the expiration of this lease, if not renewed, to place upon the premises any usual "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter.

INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, unless any damage or injury occurs as a direct result of an act or omission of Lessor, and Lessee agrees to hold Lessor harmless from any claim for damages, no matter how caused.

PUBLIC LIABILITY INSURANCE

Lessee shall, at its own expense, obtain and maintain, in continuous effect during the term of this lease, a policy or policies of insurance with such company or companies satisfactory to Lessor, insuring against public liability on the demised premises, in amounts of not less than One Million (\$1,000,000.00) Dollars per person, and Two Million (\$2,000,000.00) Dollars per accident, and against property damage in an amount of not less than One Hundred Thousand (\$100,000.00) Dollars. The Lessor shall be named as an insured in such insurance, and the certificate or certificates of such insurance shall be

delivered to the Lessor. Said insurance shall not be cancelable, except upon ten (10) days' written notice to the Lessor.

DESTRUCTION OF PREMISES

In the event of a partial destruction of the premises during the term hereof, from any cause, Lessor may elect to repair the same, provided that such repairs can be made within sixty (60) days under existing governmental laws and regulations, but such partial destruction shall not terminate this Lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. In the event that repairs cannot be made within sixty (60) days, Lessor, may, at its option, either make the repairs within a reasonable time, this Lease continuing in effect with the rent proportionately abated as aforesaid, or terminate the Lease.

LESSOR'S REMEDIES ON DEFAULT

If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give Lessee notice of such default and, if Lessee does not cure any such default within ten (10) days, after the giving of such notice (or if such other default is of such nature that it cannot be completely cured within that period, if Lessee does not commence such curing within such 10 days and thereafter proceed with reasonable diligence and in good faith to cure such default), then Lessor may terminate this lease. On the date specified in such notice the term of this Lease shall terminate, and Lessee shall then quit and surrender the premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects. If the Lessee shall be declared insolvent according to law, or if a receiver or other similar officer shall be appointed to take charge of the Lessee's property, or a substantial part thereof, then, and in each of the said cases, the Lessor lawfully may (notwithstanding any license of any former breach of covenant or waiver of the benefit hereof or consent in a former instance) immediately or at any time thereafter while such default or other situation as aforesaid continues, and without further demand or notice, enter into and upon the demised premises or any part thereof in the name of the whole and repossess the same and expel the Lessee and those claiming through or under the Lessee and remove its effects, at Lessee's expense, without being deemed guilty of any

manner of trespass, and without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenant; and, upon entry as aforesaid, this Lease shall terminate, and the Lessee shall remain obligated for all rental monies due for the remainder of the term. No failure to enforce any term of this Lease shall be deemed a waiver. Lessee agrees that Lessor shall have a security interest in, and a lien upon all docks and personal property of Lessee for any and all monies due to Lessor, which are, from time to time during the time hereof, outstanding, which lien and/or security interest may be enforced by the sale of said property in accordance with the provisions and procedures set forth in Title 6A, Chapter 9 of the General Laws of Rhode Island 1956, as amended.

ATTORNEY'S FEES

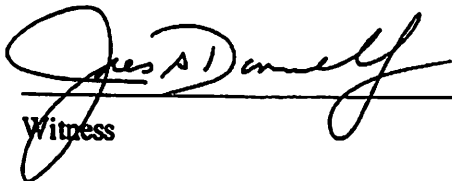
In case suit should be brought for the recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

ENTIRE AGREEMENT

The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS LEASE IN TRIPLICATE ON THE DATE FIRST ABOVE WRITTEN.

TOWN OF JAMESTOWN

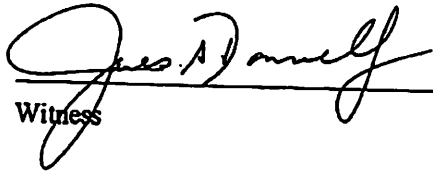


Witness

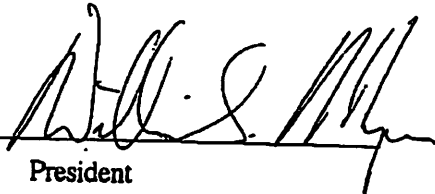
BY: 

President of Town Council

**CONANICUT MARINE
SERVICES, INC.**

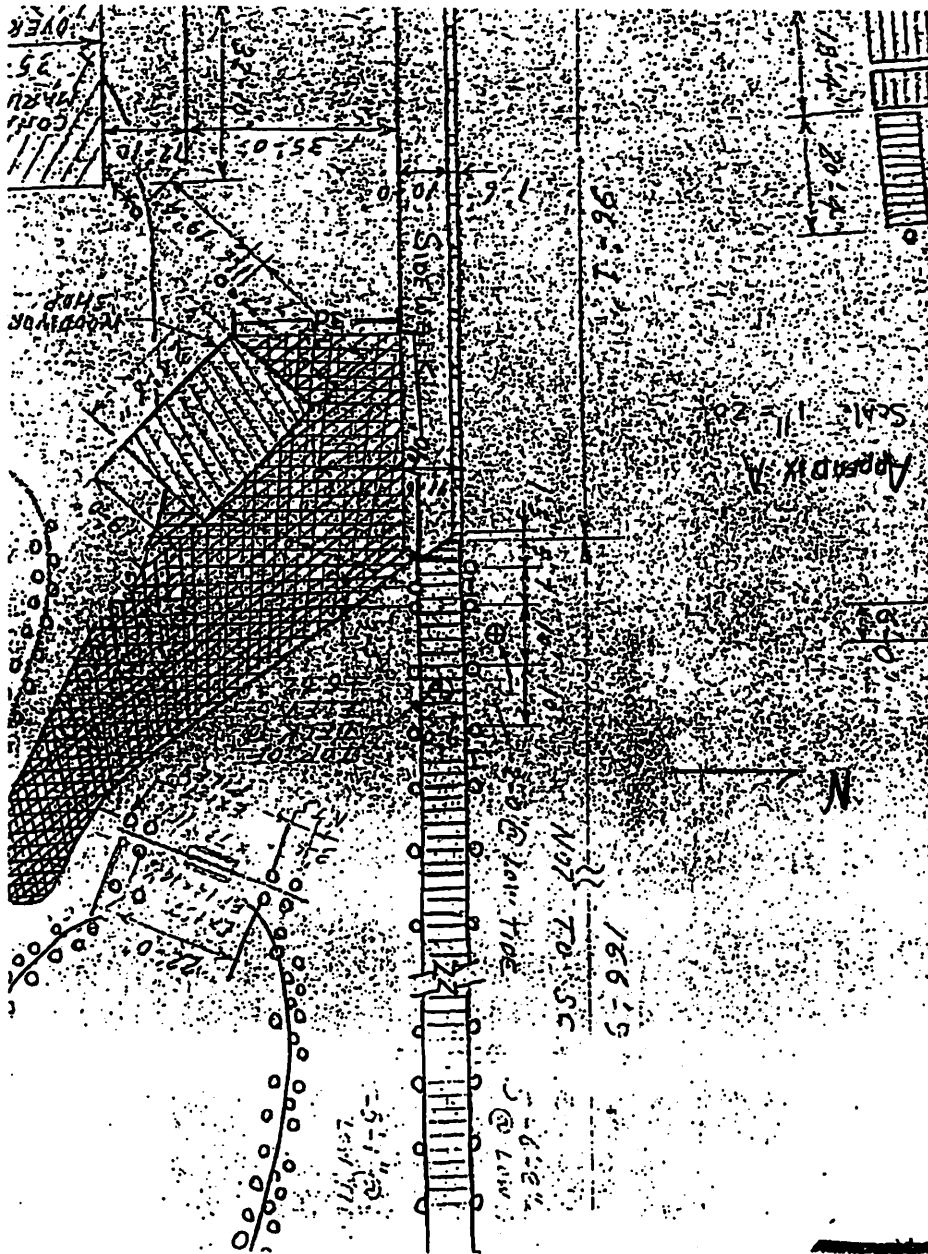


Witness

BY: 

President

Lease Hatch Area Represents Leased Area
East Ferry Freight Shed AND Adjoining Land
October 1983
Town of Jamestown



EXTENSION OF LEASE AGREEMENT

That certain Lease Agreement, dated June 6, 1995, between The Town of Jamestown (Lessor) and Conanicut Marine Services, Inc. (Lessee) shall be and is hereby extended for the one (1) Ten Year renewal term provided for therein , with the renewal term to expire on June 6, 2015, on the same terms and conditions, except that the rent shall be Thirty Thousand Dollars (\$30,000) for the first year of the renewal term and shall be increased by One Thousand Dollars (\$1,000) on June 6, 2006, and again on each succeeding June 6 of the Ten Year renewal term.

Executed in Jamestown, Rhode Island, on this 17TH day of March, 2005:

Witness: CD Collins

Town of Jamestown

Mark W. Hadden
by its duly authorized official

Witness: John A. Murphy

Conanicut Marine Services, Inc.

AD Smith Pres
by its duly authorized official