



SHECHTMAN

HALPERIN

SAVAGE, LLP

*A Limited Liability Partnership***Via first class mail**

December 10, 2013

David R. Ursillo, Esq.
Rodio & Ursillo, Ltd.
86 Weybosset Street
Providence, RI 02903**Re: Limited Recourse Guaranty of the Rhode Island Economic Development Corporation in connection with Gateway Eight Limited Partnership**

Dear Attorney Ursillo,

Please be advised that I am in receipt of your correspondence dated December 9, 2013 to Thomas E. Carlotto, Esq., stating the amount due the Employees' Retirement System of Rhode Island from the Rhode Island Economic Development Corporation ("RIEDC") pursuant to its Limited Recourse Guaranty dated December 1, 1999 (the "Limited Guaranty") in connection with the 5,000,000 loan extended by the Employees' Retirement System of Rhode Island (the "ERSRI") to the Gateway Eight Limited Partnership of even date with the Limited Guaranty. Please be further advised that our office received identical correspondence from Sarah T. Dowling, Esq. of Adler Pollock & Sheehan, P.C. on behalf of ERSRI on or about August 14, 2013 (the "APS Correspondence"). A copy of the APS Correspondence is in enclosed herewith for your reference and records.

I have also enclosing a copy of the certification letter forwarded to the Governor prepared in accordance with the RIEDC's obligations under the Limited Guaranty following the receipt of the APS Correspondence. Accordingly, we advise you that the RIEDC has performed its obligations under Section 10 of the Limited Recourse Guaranty.

Please do not hesitate to contact us if you have any questions regarding the foregoing matter.

Sincerely,


Matthew R. Shechtman

Enclosures

cc: Sarah T. Dowling, Esq.

1080 Main Street
Pawtucket, Rhode Island 02860
p 401.272.1400 f 401.272.1403

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ADLER POLLOCK & SHEEHAN P.C.

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August 14, 2013

VIA E-MAIL (tcarlotto@shslawfirm.com)
AND REGULAR MAIL,

Thomas E. Carlotto, Esquire
Shechtman Halperin Savage, LLP
1080 Main Street
Pawtucket, Rhode Island 02860

**Re: Gateway Eight Limited Partnership - Limited Recourse Guaranty of the Rhode
Island Economic Development Corporation**

Dear Mr. Carlotto:

Please be advised that this office represents the Employees' Retirement System of Rhode Island ("ERS"), acting by and through the State Investment Commission with respect to that certain Limited Recourse Guaranty of the Rhode Island Economic Development Corporation ("RIEDC") dated December 1, 1999 (the "Limited Guaranty"). On or about December 21, 2007, a letter was sent to Brian T. Spero of Partridge Snow & Hahn by Edward D. Pare, Jr. of Brown Rudnick Berlack Israels, LLP evidencing an amount due ERS from RIEDC pursuant to Section 6 of the Guaranty in the amount of \$1,749,148.29, exclusive of interest as calculated on that Exhibit "A" attached thereto and incorporated therein (copy enclosed). Please be advised as of the date of this communication, that amount due remains outstanding and we respectfully request that RIEDC timely perform its obligations under Section 10 of the Limited Guaranty.

As noted in Attorney Pare's December 21, 2007 communication, ERS reserves all rights and remedies available to ERS under the Guaranty and applicable law to collect the outstanding loan obligations and in no event shall any action or omission by ERS serve to limit, restrict, waive or constitute an agreement to forbear in the exercise of any such rights and remedies.

If any questions or concerns should arise, please do not hesitate to contact me at your earliest convenience.

Very truly yours,



SARAH T. DOWLING

STD/rmd
cc: Mark A. Dingley, Esquire



RHODE ISLAND

Economic Development Corporation

315 Iron Horse Way, Suite 101 • Providence, Rhode Island 02908

PHONE: 401-278-9100 • FAX: 401-273-8270 • www.riedc.com

Via first class mail

August 28, 2013

Honorable Lincoln D. Chafee
Governor
Office of the Governor
82 Smith Street
Providence, RI 02903

Re: Gateway Eight Limited Partnership

Dear Governor Chafee:

Please accept this correspondence as the certificate of the Rhode Island Economic Development Corporation ("RIEDC") as required pursuant to the terms of that certain Limited Recourse Guaranty of RIEDC dated December 1, 1999 ("Limited Guaranty") with respect to a \$5,000,000 loan extended by the Employees' Retirement System of Rhode Island (the "ERSRI") to the Gateway Eight Limited Partnership.

In accordance with Paragraph 10 of the Limited Guaranty, RIEDC hereby provides notice that the ERSRI has indicated that the sum necessary to pay the obligation under the Limited Guaranty totals \$1,749,148.29, exclusive of interest that may have accrued (the "Obligation"). RIEDC hereby requests that you include in the next budget to be submitted to the General Assembly an appropriation for the specific purpose of paying the Obligation. Please note that pursuant to the terms of the Limited Guaranty, the Obligation does not constitute a debt, liability or obligation of the State of Rhode Island and RIEDC is only obligated to the extent monies are appropriated for the payment of the Obligations. Enclosed herewith is a copy of the demand of the ERSRI sent to RIEDC detailing the total deficiency owed in the amount of \$1,749,148.29 together with a copy of the Limited Guaranty.

THE RHODE ISLAND ECONOMIC
DEVELOPMENT CORPORATION

By: 
Marcel A. Valois, Executive Director

Enclosure

cc: Thomas E. Carlotto, Esq.

86 WEYBOSSET STREET
PROVIDENCE, RHODE ISLAND 02903
401 331-6400
FAX: 401 331-0436

RODIO & URSILLO, LTD.

Attorneys at Law

December 9, 2013

VIA: EMAIL – tcarlozzo@shslawfirm.com
REGULAR and CERTIFIED MAIL

Thomas E. Carlotto, Esq.
SHECHTMAN, HALPERIN & SAVAGE, LLP
1080 Main Street
Pawtucket, RI 02860

RE: GATEWAY EIGHT LIMITED PARTNERSHIP – LIMITED RECOURSE
GUARANTY OF THE RHODE ISLAND ECONOMIC DEVELOPMENT
CORPORATION

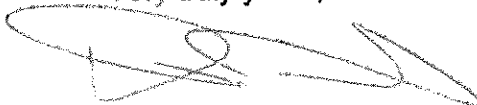
Dear Attorney Carlotto:

Please be advised that this office represents the Employees' Retirement System of Rhode Island ("ERS"), acting by and through the State Investment Commission with respect to that certain Limited Recourse Guaranty of the Rhode Island Economic Development Corporation ("RIEDC") dated December 1, 1999 (the "Limited Guaranty"). On or about December 21, 2007, a letter was sent to Brian T. Spero at Partridge Snow & Hahn by Edward D. Pare, Jr. of Brown Rudnick Berlack Israels, LLP evidencing an amount due ERS from RIEDC pursuant to Section 6 of the Guaranty in the amount of \$1,749,148.29, exclusive of interest as calculated on that Exhibit "A" attached thereto and incorporated therein (copy enclosed). Please be advised as of the date of this communication, that amount due remains outstanding as well as accumulated interest and we respectfully request that RIEDC timely performs its obligations under Section 10 of the Limited Guaranty.

As noted in Attorney Pare's December 21, 2007 communication, ERS reserves all rights and remedies available to ERS under the Guaranty and applicable law to collect the outstanding loan obligations and in no event shall any action or omission by ERS serve to limit, restrict, waive or constitute an agreement to forbear in the exercise of any such rights and remedies.

If any questions or concerns should arise, please do not hesitate to contact me at your earliest convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read 'DRU', with a large, sweeping flourish extending to the right.

DAVID R. URSILLO

DRU:kcl

cc: Mark Dingley, Esq.



EDWARD D. PARE, JR.
direct dial: 401-276-2698
epare@brownrudnick.com

121
South Main
Street
Providence
Rhode Island
02903
tel 401.276.2600
fax 401.276.2601

December 21, 2007

VIA FACSIMILE, CERTIFIED AND FIRST CLASS MAIL

Brian J. Spero, Esq.
Partridge Snow & Hahn
180 South Main Street
Providence, RI 02903

RE: Gateway Eight Limited Partnership - Limited Recourse Guaranty of the Rhode Island Economic Development Corporation

Dear Brian:

As you know, we represent the Employees' Retirement System of Rhode Island ("ERS"), acting by and through the State Investment Commission with respect to that certain Limited Recourse Guaranty of the Rhode Island Economic Development Corporation ("RIEDC") dated December 1, 1999 (the "Limited Guaranty"). As stated in the Notice of Default (the "Notice") to the Rhode Island Economic Development Corporation (the "RIEDC") dated November 15, 2005, pursuant to an effective foreclosure, as of November 7, 2005 Gateway Holdings, LLC ("Holdings") was designated by ERS to take ownership of the property located at One American Express Plaza, 99 Park Row, Providence, Rhode Island (the "Property") securing the Obligations, as defined in the Guaranty. As stated in the Notice, ERS entered a credit bid of \$17,900,000 on September 27, 2005 and as designee of ERS, Holdings obtained title to the Property. Based on the credit bid, the Notice indicated a deficiency balance in excess of \$3,000,000.

As you also know, on August 2, 2006 Holdings completed a sale of the Property for a gross sale price of \$20,000,000. In light of the sale of the Property, ERS notified the RIEDC that the revised amount due from RIEDC to ERS pursuant to Section 6 of the Guaranty was \$2,398,162.29 which did not include ANY accrued interest on the promissory notes from Gateway Eight Limited Partnership.

We are now writing to provide RIEDC notice that in addition to receiving the refund of \$36,000 from the State of Rhode Island, which represented a portion of the real estate conveyance tax paid by Holdings, ERS has recently received a refund of \$44,000 from the City of Providence which represents the remaining amount of real estate conveyance tax paid by Holdings. Additionally, ERS has recently recovered \$569,014 pursuant to the real estate and personal property tax litigation against a former tenant. Accordingly, we are revising the final amount due ERS (the "Amount Due") from RIEDC pursuant to Section 6 of the Guaranty to \$1,749,148.29, as calculated on Exhibit "A" attached hereto and incorporated herein.

Based on the Amount Due, please advise us with respect to RIEDC's timely performance of its obligations under Section 10 of the Guaranty.



In light of the foregoing, please be advised that ERS reserves all rights and remedies available to ERS under the Guaranty and applicable law to collect the outstanding loan obligations and in no event shall any action or omission by ERS serve to limit, restrict, waive or constitute an agreement to forbear in the exercise of any such rights and remedies.

If you have any questions please do not hesitate to contact me at 401-276-2639.

Very truly yours,

BROWN RUDNICK BERLACK ISRAELS LLP

Edward D. Pare (jrd)
Edward D. Pare, Jr.

CC: Mark Dingley, Esq.



Exhibit "A"

Total outstanding Principal Balance of "A" and "B" Notes	\$21,918,333.53
<u>Reduced by:</u>	
- Bankruptcy Recovery from Borrower	(\$1,107,900.00)
- Rent from Fidelity	(\$1,597,825.61)
- Rent from Parking Garage	(\$11,000.00)
- Gross Sale Price of Building	(\$20,000,000.00)
- Recovery from Real Estate Tax Litigation	(569,014.00)
<u>Increased by:</u>	
- Brokerage Commissions (sale and lease)	\$733,228.99
- Legal fees and expenses	\$632,352.54
- Capital Improvements required under fidelity lease	\$460,000.00
- Closing Adjustments (See attached)	\$255,464.92
- Appraisal and Auctioneer	\$43,655.08
- Insurance	\$38,344.90
- Ground Rent	\$180,406.23
- Management Fees	\$100,649.77
- Real Estate Taxes	\$396,253.18
- Repairs, Maintenance & Supplies	\$134,761.00
- Utilities	\$71,656.78
- Security	\$35,905.68
- Engineering	\$26,774.92
- Accounting	\$4,653.00
- Miscellaneous	\$2,447.38
Net Loan Deficiency Balance	\$1,749,148.29