



June 17, 2022

Andrew Stone  
Vice President  
CBRE | Capital Markets  
33 Arch Street, 28th Floor  
Boston, MA 02110

Re: **TERM SHEET** for: 10 State St., 4 Townsend, 55 & 85 Northeastern Blvd., 118 Northeastern Blvd., 486 & 542 Amherst St., Nashua, NH; 5 & 24 Flagstone Dr., 9-11 Hampshire Dr., Hudson, NH; 10 Columbia Dr., Amherst, NH; 18 Hampshire Rd., Salem, NH; 11 Delta Dr., Londonderry, NH; 368 Pepsi Rd., Manchester, NH (the "Properties").

Dear Andrew:

HarborOne ("Agent") is pleased to provide you with an outline of the proposed terms and conditions of the following loan ("Loan"). *Please keep in mind that this letter, if signed by your customer, will be used solely to guide our further discussions and be the basis for our due diligence. This loan proposal does not constitute an offer, agreement or commitment to extend credit. The actual terms and conditions upon which the Lender might extend credit to you will be subject to our internal approval process, completion of our due diligence, and such other terms and conditions as we may determine.*

Borrower: An existing or to be formed special purpose entity or entities, owned and controlled by R.J. Kelly Co., Inc. (the "Sponsor"), whose sole assets will be the Properties.

Loan Amount: \$76,373,000 however, the ("Initial Funding") shall be the lesser of (i) \$60,662,000, (ii) 68% of the purchase price of the Properties or (iii) 68% of the "As Is" MAI appraised value. At closing, \$15,711,000 of the Loan Amount will remain undrawn but reserved to fund (i) \$11,297,000 for capital improvements (the "Capital Improvement Reserve") and (ii) \$4,414,000 for tenant improvements and leasing commissions (the "Leasing Reserve").

The Capital Improvement Reserve and Leasing Reserve (collectively, the "Reserves") will not accrue interest until drawn. As long as there exist no events of default, Borrower may request advances from (i) the Capital Improvement Reserve for improvements to the Property based on a budget reasonably acceptable to Lender and (ii) the Leasing Reserve for lease expenses subject to Leasing Conditions defined below. It is anticipated that funding of the Leasing Reserve will increase the value of the Properties, therefore no testing of loan to value will be necessary to make future advances.

Equity Contribution: The Borrower will be required to contribute at closing, approximately \$32,663,000 in cash equity based on (i) a purchase price of \$90,000,000 and (ii) closing costs of \$3,325,000 as further detailed on Exhibit I.

Guarantee: The Sponsor (the "Guarantor") will provide an industry standard, carve out guarantee for acts including but not limited to filing of voluntary bankruptcy, misapplication of funds and environmental liability.

<u>Term:</u>	5 years or 7 years.
<u>Interest Rate:</u>	<u>Balance Sheet Option:</u> 5 Year: 4.75% 7 Year: 4.95%
The Balance Sheet Option is subject to market fluctuations until Rate Lock.	
<u>Rate Lock:</u>	Lender will lock the Balance Sheet Option Interest Rate for 60 days subject to the following: (i) Borrower's execution of this term sheet. (ii) Lender's receipt of the Good Faith Deposit
<u>Prepayment Penalty:</u>	<u>Fixed Rate Option:</u> 5 Years: 3%, 2%, 1% of the Loan Amount in years 1-3, respectively. Thereafter, Loan may be prepaid without penalty. 7 Year: 3%, 2%, 1%, 1% of the Loan Amount in years 1-5, respectively. Thereafter, Loan may be prepaid without penalty.
If a property is sold to a third party in an arms length transaction, the Prepayment Penalty will reduce by 50% with the first 10% of the Loan Amount exempt from the Prepayment Penalty.	
<u>Amortization:</u>	Interest only for the first thirty-six (36) months, thereafter 30-year amortization.
<u>Leasing Conditions:</u>	Borrower will be able to execute leases and fund leasing expenses with the Leasing Reserve at the Properties without Lender consent subject to the following conditions otherwise Lender consent will be required. i.) Leases no greater than 15,000 sf ii.) Minimum lease term of 4 years iii.) Minimum base rent of \$8.00 NNN iv.) Maximum Leasing Reserve of \$7.50 psf
Upon an existing tenant or new / replacement tenant executing their extension or new lease, if the cost of the tenant improvements and leasing commissions is less than \$7.50 psf, the balance may be applied to future leasing costs of other tenants.	
<u>Collateral:</u>	The Loan will be secured by (i) the Properties comprising 14 industrial/flex buildings containing approximately 751,000 square feet and their respective parking lots and land (ii) an assignment of all leases, rents and contracts and (iii) the Cash Collateral Account (defined below).
<u>Partial Release:</u>	As long as there remain no events of default, the Borrower may release individual Properties from the Collateral subject to the following conditions: <ul style="list-style-type: none"><li>• Remaining Collateral achieves:<ul style="list-style-type: none"><li>• Maximum LTV of no more than 65%.</li><li>• Minimum DSCR of no less than 1.30x.</li></ul></li><li>• Principal payment of 120% of the allocated loan amount subject to the minimum LTV of no less than 55%.</li><li>• If after the first twenty-four months more than 5 properties are released, the Agent reserves the right to reappraise the remaining Collateral.</li><li>• Payment of Prepayment Penalty on the principal repaid, if applicable.</li></ul>

Other Conditions: Usual and customary for transactions of this type including without limitation, the completion of due diligence, satisfactory documentation, representations and warranties, affirmative and negative covenants, and events of default. If a commitment is issued, you will be responsible to pay all reasonable fees and expenses incurred by HarborOne, including, but not limited to, appraisal, environmental, and legal, whether or not the Loan closes.

- HarborOne will require an acceptable environmental study of the Property.
- HarborOne will require an acceptable property condition assessment report.
- HarborOne may require a certificate of occupancy.
- HarborOne will require (x) either (i) tenant estoppels or (ii) proof of rent payment for the last six consecutive months prior to loan closing covering 85% of tenants at the Properties. Notwithstanding anything to the contrary contained herein, Agent will require estoppels from the following; Amazon, Omron, Martin Garabedian, BioSan Laboratories, Centorr Vacuum Industries, Best Fitness, Harris Corp., and Academy for Science and Design Charter School, and (y) SNDA's with a best efforts pre-closing and post-closing of the Loan so long as the leases are not recorded.
- HarborOne will require an appraisal providing an "As Is Value" of the Properties no greater than 68% of the Initial Funding and a year 5 or 7 prospective value of no greater than 65% of the Loan tested at closing of the Loan and thereafter only upon an event of default..
- HarborOne will require the Borrower to maintain a DSCR of no less than 1.25x based on tenants in place and paying rent. The Borrower may cure the DSCR covenant two (2) times by either (i) depositing cash into an account (the "Cash Collateral Account") in an amount equal to the difference between the actual NOI and the required NOI to be in compliance or (ii) pay down the Loan to satisfy the DSCR. This covenant will be calculated based on NOI with a minimum management fee the greater of (i) 3% of revenue or (ii) actual; a capital expenditure reserve of \$0.10 psf and actual debt service. The Cash Collateral Account will be released upon the Properties achieving a minimum DSCR of 1.25x.
- HarborOne will require the Borrower to furnish, within ninety (90) days after the end of each year, a balance sheet, operating statement, rent roll and a statement of changes in financial position in form and substance and in detail satisfactory to Lender. Borrower will also provide, promptly, such other reasonable information, concerning the Borrower or any guarantor, as HarborOne may reasonably request from time to time including but not limited to rent rolls and leasing reports.
- HarborOne will require the Borrower and Guarantors to furnish each year within thirty (30) days after filing, the most recent Federal Tax Return and the Guarantor audited or accountant prepared financial statements within ninety (90) days of year end.
- The Borrower must (i) maintain an operating account for the Properties with the Lender and (ii) deposit all rents and security deposits from the Property into the operating account(s) from which debt service will be auto debited each month.
- HarborOne will require participant(s) to commit and fund at closing, no less than \$30 million.

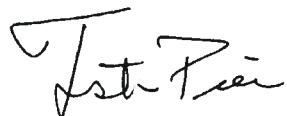
Fees:

The Borrower will pay HarborOne a fee equal to \$290,000 allocated between (i) \$191,000 in origination fees to HarborOne and the participants on a pro rata basis based on final loan commitment and (ii) \$99,000 to HarborOne as an agent fee for arranging and administering the participation and/or syndication of the Loan. Fees are payable to HarborOne upon closing of the Loan. Upon your acceptance of this Term Sheet, the Borrower is required to make a Good Faith Deposit of \$68,359.34 for the

Loan Application process. The Good Faith Deposit will be returned less expenses authorized by Borrower if the Loan is not approved by HarborOne in substance to this Term Sheet; otherwise, it will be credited toward the Fees.

The terms and conditions outlined above are subject to change based on the conclusions of our approval process and changes in market conditions. If you would like to proceed with this proposal and have HarborOne seek approval based on this proposal, please sign this letter where indicated below and return to HarborOne within five (5) days with the Good Faith Deposit.

Very truly yours,



Tristan Pierce  
Vice President  
HarborOne Bank

Accepted and Agreed to this 20<sup>th</sup> day of June 2022.

By: 

Title: SVP of Finance and Investments  
R.J. Kelly Co., Inc.

# EXHIBIT I

Sources	%	\$/sf	Uses		\$/SF
Equity at Closing	35%	43	Purchase Price	90,000,000	120
Initial Loan Funding	65%	81	Closing Costs	3,325,000	4
<b>Total at Closing</b>	<b>100%</b>	<b>124</b>		<b>93,325,000</b>	<b>124</b>
Remaining Loan Funding	21				
Capital Expenditures	10%	15	Capital Expenditures	11,297,000	15
Leasing Reserve	4%	6	Leasing Reserve	4,414,000	6
<b>Total Loan</b>	<b>70%</b>	<b>102</b>			
<b>Total Sources</b>	<b>100%</b>	<b>145</b>	<b>Total Uses</b>	<b>109,036,000</b>	<b>145</b>

