

## **EXECUTIVE SUMMARY**

### **Prior Year's Hotel Performance Overview**

The DoubleTree by Hilton of Nashua, Massachusetts achieved an exceptional financial performance in 2018 by outperforming all previous year's revenue results. This record breaking year had a total revenue of \$14,233,115 that exceeded the previous year by \$2,270,862. The average rate improved by \$12.94 versus 2017 and the hotel achieved a \$99.70 RevPAR that was an increase of \$18.50 year over year. The Gross Operating Profit finished at \$5,645,675 that was an increase of \$1,519,478 year over year.

### **Overall Property Position in the Market**

A significant and unexpected demand generator developed late in the third quarter of 2018 with a declaration of state of emergency across the Nashua, North Nashua and Lawrence, Massachusetts communities. This emergency situation involved over-pressurized gas lines causing multiple explosions and simultaneous residential fires across a widespread area. Columbia Gas, a subsidiary of NiSource, was responsible for the gas lines and immediately dispatched hundreds of sub-contracted pipeline crews.

# HARD ROCK , L L C

## LEASE AGREEMENT

Hard Rock, LLC ("LESSOR") hereby leases to \_\_\_\_\_ ("LESSEE"), the following premises: approximately \_\_\_\_\_ square feet (including \_\_\_\_\_ % common area) at \_\_\_\_\_ ("premises"), for an initial term of \_\_\_\_\_, commencing at noon on \_\_\_\_\_ (the "commencement date"), and currently scheduled to terminate at noon on \_\_\_\_\_ unless sooner extended or terminated as herein provided. LESSOR and LESSEE now covenant and agree that the following terms, conditions, covenants, and obligations ("terms") shall govern this Lease Agreement ("lease").

1. LESSEE shall pay LESSOR base rent of \_\_\_\_\_ U.S. dollars per year, in monthly installments of \$ \_\_\_\_\_ on or before the first day of each calendar month, without offset or deduction. One monthly rental payment plus an appropriate fraction of a monthly payment for any portion of a month at the commencement of the lease term shall be made upon LESSEE's execution of this lease. All payments shall be made to LESSOR at 200 West Cummings Park, Woburn, MA 01801. If the "Cost of Living" has increased as shown by the Consumer Price Index (Boston, Massachusetts, all items, all urban consumers), U.S. Bureau of Labor Statistics ("Index"), then base rent due during each calendar year of this lease and any and all extensions and amendments thereof shall be adjusted in proportion to any increase in the Index. The base month from which to determine the amount of each increase shall be January of the year in which this lease was fully executed, which figure shall be compared with the figure for November of that year, and each November thereafter to determine the increase (if any) in base rent to be paid during the following calendar year. All such adjustments shall take place with the rent due each January 1. If the Index is discontinued, LESSOR shall substitute a comparable index then in general use.
2. LESSEE shall pay to LESSOR upon LESSEE's execution of this lease a security deposit in the amount of \$ \_\_\_\_\_ which shall be held as security for LESSEE's performance as herein provided and refunded to LESSEE without interest at the end of this lease, subject to LESSEE's satisfactory compliance with the terms hereof. In the event of any default or breach of this lease by LESSEE, LESSOR may elect to apply the security deposit first to offset any outstanding invoice or other payment due to LESSOR and then to rent. LESSEE may not apply the security deposit to any payment due under this lease. If all or any portion of the security deposit is applied to cure a default or breach during the term of this lease, LESSEE shall fully restore said deposit forthwith.
3. LESSEE shall use the premises only for executive and administrative offices.
4. LESSEE shall pay as additional rent a proportionate share of any increase in the real estate taxes levied against the land and the building(s) of which the premises are a part ("property"). The base from which to determine the amount of any increase in taxes shall be the rate and the assessment in effect as of June 30 of the fiscal year in which this lease is fully executed, net of abatements, if any.
5. LESSOR shall pay all charges for utilities used on the premises, including gas, oil, water, sewer, and/or septic (but not telecommunications), and electricity used during normal business hours for office lighting, building-standard heating and air-conditioning equipment, and typical small office machines such as personal computers, copiers, and facsimile machines (only).
6. LESSEE shall secure and maintain, at its expense, personal property and commercial general liability insurance providing coverage for bodily injury (including death), property damage, and theft arising out of the use, control, condition, or occupancy of the premises (including the common areas as defined below) by LESSEE and/or LESSEE's employees, agents, affiliates, contractors, visitors, callers, occupants, and invitees ("LESSEE parties"), including damage by fire or other casualty. Such policy shall insure LESSEE, LESSOR, and the owner of the property ("OWNER") against any claim up to \$1,000,000 for each occurrence involving personal injuries (including death), and \$1,000,000 for each occurrence involving property damage. LESSOR and OWNER shall be included in each such policy as additional insureds using an endorsement acceptable to LESSOR. This insurance shall be primary to and not contributory with any insurance carried by LESSOR, whose insurance shall be excess. Each such policy shall be issued by a company or companies satisfactory to LESSOR. Prior to occupancy, LESSEE shall deliver to LESSOR a copy of such policy together with the declarations page and all applicable riders and endorsements showing that such insurance is in force, and thereafter will deliver, prior to the expiration of any such policy, notice of renewal of same. In the event any such policy or coverage changes, a copy of the policy, together with the declarations page and all applicable riders and endorsements, shall be delivered to LESSOR within 10 days of such change. If LESSEE fails to deliver or maintain such insurance at any time during the term of this lease, LESSOR may elect to contract for such insurance, whereupon LESSEE shall cooperate with LESSOR's insurer and pay LESSOR a reasonable charge for such insurance, plus LESSOR's administrative expenses. All common areas at the property including, but not limited to, all parking areas, driveways, loading areas, lobbies, atria, communications closets, community conference rooms, outdoor areas, stairs, corridors, roofs, walkways, and elevators (collectively, the "common areas"), shall be considered a part of the premises for liability and insurance purposes when they are used by LESSEE parties.
7. LESSEE shall be solely responsible as among LESSOR, LESSEE parties, and OWNER for death and personal injuries to all persons and/or property damage, including damage by fire or other casualty, occurring in or on the premises (including the common areas) and arising out of the use, control, condition, or occupancy of the premises by LESSEE parties, except for death, personal injuries, and/or property damage directly resulting from the negligence of LESSOR. LESSEE shall indemnify and hold LESSOR and OWNER, as well as their respective successors and assigns, harmless from any and all liability, including but not limited to claims, expenses, damages, costs, judgments, causes of action, proceedings, attorneys' fees, and/or liability caused by or in any way arising out of any of the aforesaid matters. The control of snow and ice on all roadways, walkways, steps, and loading areas serving the premises and all other areas not readily accessible to plows shall be the sole responsibility of \*LESSEE. Notwithstanding the preceding sentence, LESSEE shall hold LESSOR and OWNER harmless from all claims by LESSEE parties for personal injuries and/or property damage resulting in any way

from snow or ice on any area serving the premises.

\*LESSOR

8. The terms on the reverse side of this lease are incorporated herein by reference. LESSEE confirms it has read and understands the terms of this lease, and all parties hereto agree to comply with same. LESSEE cannot assign or transfer this lease or sublease all or any portion of the premises without LESSOR's prior written consent.

9. This lease shall be automatically extended for additional successive periods each equal to the initial term unless LESSOR or LESSEE serves written notice, either party to the other, of either party's option to terminate this section, whereupon it will be of no further force or effect. The time for serving such written notice shall be not more than 12 months or less than six months prior to the expiration of the then-current lease term. Time is of the essence.

10. LESSOR, at LESSOR's cost, shall modify the premises by replacing the existing carpet with LESSOR's standard upgraded "Fortune" carpet and changing all primary lock cylinders on exterior entry doors within 10 days following full execution of this lease and LESSOR's receipt of the first month's rent due for the month of November 2018 and the security deposit provided for above. The parties acknowledge and agree that LESSOR has previously repaired and repainted all drywall partitions and replaced glass and light bulbs as needed.

This lease shall not bind any party in any manner whatsoever until it has been executed by all parties. In witness whereof, LESSOR and LESSEE, intending to be legally bound, have caused this lease to be executed this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

LESSOR: **HARD ROCK, LLC**

LESSEE: **PRODEN TECHNOLOGIES INCORPORATED**

By: \_\_\_\_\_  
Duly authorized

By: \_\_\_\_\_  
Duly authorized

Print name/title: \_\_\_\_\_

**GUARANTY.** In consideration of LESSOR making this lease with LESSEE, GUARANTOR hereby personally and unconditionally guarantees the prompt payment of rent by LESSEE and the performance by LESSEE of all financial and nonfinancial obligations arising out of (i) this lease (and all amendments, extensions, and/or assignments thereof), with respect to the premises herein and any new premises that may become subject to this lease, and (ii) LESSEE's use and/or occupancy of any premises managed by LESSOR. The undersigned promises to pay all expenses, including reasonable legal and administrative fees, incurred by LESSOR in enforcing this guaranty. LESSOR's consent to any assignments, subleases, amendments, and extensions by LESSEE or to any compromise or release of LESSEE's liability under this lease, with or without notice to the undersigned, or LESSOR's failure to notify the undersigned of any default and/or reinstatement of this lease, shall not relieve GUARANTOR from personal liability.

In witness whereof, the undersigned GUARANTOR, intending to be legally bound, has executed this guaranty this day of \_\_\_\_\_ 2018.

Address: \_\_\_\_\_

Signature

REV. 12/2017(incl)

Print name: \_\_\_\_\_

A. **Maintenance; Alterations.** Except as otherwise provided below, LESSOR will, during LESSOR's normal business hours (only), maintain the structure, roof, landscaping, and building standard heating and cooling equipment, sprinklers, doors, plumbing, and electrical wiring at the premises, but specifically excluding damage caused by the careless, malicious, willful, or negligent acts of LESSEE or others, corrosion, and chemical or water damage from any source. LESSEE shall maintain at its expense all other aspects of the premises, including all alterations, additions, improvements and equipment, whether installed by LESSOR, LESSEE, or a prior occupant, that are "non-building standard" or associated with a particular aspect of LESSEE's use, in the same condition as they are when delivered to LESSEE and, whenever necessary, to replace light bulbs and glass, acknowledging that the premises are now in good order. LESSEE shall not cause the area surrounding the premises or any common area to be in anything other than a neat and clean condition, and shall appropriately dispose of all waste. LESSEE shall be solely responsible for all damage to any equipment serving the premises or the building which results from the storage, discharge, or use of any substance by LESSEE. LESSEE shall not permit the premises to be overloaded, damaged, stripped, or defaced, nor to suffer any waste, and will not bring or keep animals, except for service animals, therein. LESSEE shall protect flooring with chair pads under rolling chairs and maintain sufficient heat to prevent freezing of pipes or other damage. LESSEE shall not make any alterations, additions, or improvements of any kind to the premises without LESSOR's prior written consent. LESSOR shall have the right at any time to make additions to the building, to change the arrangement of parking areas, stairs, or walkways, or otherwise alter common areas or the building's exterior.

B. **Default; Remedies.** In the event that any assignment for the benefit of creditors, receivership, or other insolvency proceeding shall be made or instituted with respect to LESSEE or LESSEE's property, or LESSEE defaults in the observance or performance of any term herein, and such default is not corrected within 10 days after written notice thereof, then LESSOR shall have the right thereafter, without demand or further notice, to declare the term of the lease ended, and/or to remove LESSEE's effects, without liability, including for trespass or conversion, and without prejudice to any other remedies. If LESSEE defaults in the payment of any rent, and such default continues for 10 days after written notice thereof, and, because both parties agree that nonpayment of said sums is a substantial breach of the lease, and, because the payment of rent in monthly installments is for the sole benefit and convenience of LESSEE, then, in addition to any other remedies, the net present value of the entire balance of rent due herein as of the date of LESSOR's notice, using the published prime rate then in effect, shall immediately become due and payable as liquidated damages, since both parties agree that such amount is a reasonable estimate of the actual damages likely to result from such breach. No actions taken by LESSOR under this paragraph shall terminate LESSEE's obligation to pay rent under the lease, as liquidated damages or otherwise. Payments received by LESSOR from or on behalf of LESSEE may at any time be applied by LESSOR in its sole discretion first to any unpaid invoice or other payment due to LESSOR, and then to unpaid rent. LESSEE shall pay a one-time late charge for each past-due payment equal to one percent of such overdue amount or \$50 (whichever is greater), and interest at the rate of 18 percent per annum on any past-due payment. LESSEE shall further pay a fee of \$50 for the return of any payment for insufficient funds.

C. **Occupancy.** If LESSEE occupies, controls, or encumbers any part of the premises after the termination of the lease without LESSOR's prior written permission, LESSEE shall be liable for all loss, damages, and/or expenses incurred by LESSOR,

and all terms of the lease shall continue to apply, except that use and occupancy payments shall be due in full monthly installments at a rate equal to two times the monthly rent due under the lease immediately prior to termination, it being agreed that such extended occupancy is a tenancy at sufferance, solely for the benefit and convenience of LESSEE, and of greater rental value. LESSOR's acceptance of any payments shall not alter LESSEE's status as a tenant at sufferance.

D. **Notices.** All notices to LESSEE shall be given in writing and shall be deemed duly served when left at the premises, served by constable, sent by recognized courier service with a receipt therefor, or mailed by certified mail, return receipt requested, postage prepaid to LESSEE at the premises or such other address as LESSEE may designate in writing. All notices from LESSEE to LESSOR under the lease shall be given in writing and shall be deemed duly served only when served by constable or delivered to LESSOR by certified mail, return receipt requested, postage prepaid, or by recognized courier service with a receipt therefor, addressed to: Hard Rock, LLC, 200 West Cummings Park, Woburn, MA 01801. No oral, facsimile, or electronic notice shall have any force or effect. Time is of the essence.

E. **Surrender.** Upon surrender of the premises, LESSEE shall have removed all of its goods and effects, and shall deliver to LESSOR exclusive and unencumbered possession of the premises and all keys and locks thereto, all equipment, all fixtures, all workstations, and all items of any type connected therewith. Prior to surrender, LESSEE shall, at LESSOR's option, remove or label for future use any and all telecommunications and data wiring and cabling installed and/or used by LESSEE. LESSEE shall deliver the premises broom clean, fully sanitized from all chemicals, contaminants, and other materials and in at least the same condition as they were at the commencement of the lease, reasonable wear and tear only excepted. LESSEE shall be deemed to be encumbering the premises until it delivers the premises to LESSOR as, when, and how required herein. All property that remains at the premises upon termination of the lease shall be deemed abandoned and shall be disposed of as LESSOR sees fit, without notice to LESSEE, without LESSOR being liable for any loss or damage thereto, and at the sole risk of LESSEE. Notwithstanding the delivery of any keys to LESSOR, in no case shall the premises be deemed surrendered to LESSOR until the termination date provided herein or such other date as may be specified in a written agreement between the parties, and the premises are restored as provided herein. In no event shall LESSEE parties remove any leasehold improvement(s) from the premises without LESSOR's prior written approval. This paragraph shall survive termination of the lease.

F. **Brokers; Dumpster; Hazardous Material.** LESSEE warrants and represents that it has dealt with no broker, tenant representative, or other third party in connection with the lease, and agrees to indemnify LESSOR against all brokerage claims arising out of the lease and all amendments, extensions, and assignments thereof. LESSOR shall provide a dumpster on a no-charge basis for disposal of LESSEE's normal office trash. No oil, hazardous material, and/or waste shall be used, stored, released, disposed of, or allowed to remain at the premises at any time without LESSOR's prior written approval.

G. **Security Agreement.** LESSEE hereby grants LESSOR a continuing security interest in all existing and hereafter acquired property kept in any of LESSOR's buildings (excluding LESSEE's intellectual property, patents, and accounts receivable) to secure the performance of all of LESSEE's obligations under the lease and/or any subsequent lease between the parties. LESSEE authorizes LESSOR to file a financing agreement or statement and all necessary amendments in connection with this security interest. This paragraph shall survive termination of the lease.

H. **Parking.** LESSEE may during normal business hours (only), without additional charge, use parking spaces provided for the building in common with others. The

number of spaces used by LESSEE parties, which shall be presumed to equal the number of persons present at the premises, shall not at any time exceed LESSEE's proportionate share of the total spaces for the building. LESSEE shall not obstruct any portion of the building or common areas. Unregistered or disabled vehicles or trailers may not be parked at any time. In addition, LESSOR may tow, at LESSEE's sole cost and expense, any misparked vehicles belonging to LESSEE parties.

I. **Miscellaneous.** The invalidity or unenforceability of any term of the lease shall not affect or render invalid or unenforceable any other term hereof. No consent or waiver, express or implied, by LESSOR to or of any breach of any obligation by LESSEE shall be construed as a consent or waiver to or of any other breach of the same or any other obligation. LESSEE shall neither erect nor put up any sign anywhere that is visible from outside the premises. Any action or proceeding arising out of the lease shall be brought by LESSEE within one year after the event giving rise to the claim has occurred. If LESSEE is more than one person, corporation, other legal entity, partnership, or some combination thereof, LESSEE's obligations are joint and several. The lease and these terms shall not be amended except by written agreement signed by both parties. LESSOR, LESSEE, OWNER, and GUARANTOR hereby waive any and all rights to a *jury* trial in any proceeding in any way arising out of the lease or the guaranty. LESSEE shall not be entitled to exercise any option in this lease, or to receive LESSOR's consent as provided herein, if LESSEE is at that time in default of any term hereof. LESSEE shall pay all reasonable legal and administrative fees and expenses that LESSOR incurs in enforcing the terms of the lease. If the lease terminates pursuant to Paragraph E above, LESSEE acknowledges and agrees that the lease may, at LESSOR's election, be reinstated by LESSOR with or without notice to LESSEE, and LESSOR may require one or more conditions prior to reinstatement. LESSEE's covenants under the lease shall be independent of LESSOR's covenants, and LESSOR's failure to perform any of its covenants under the lease, including a covenant constituting a significant inducement to LESSEE to enter into the lease, shall not excuse the payment of rent or any other charges by LESSEE, or allow LESSEE to terminate the lease. The lease is made and delivered in the commonwealth of Massachusetts and shall be interpreted, construed, and enforced in accordance with the laws thereof and only in a court therein. LESSOR may record activities at the building with unmonitored cameras; however, LESSEE agrees that LESSOR is not in any way providing any security services for LESSEE parties, and LESSEE assumes all risks in that regard. LESSEE shall not cause or allow the utilities serving the premises to be terminated. All terms defined in the lease shall have the same meanings herein, and the lease contains all terms to which the parties have agreed. This lease is the result of negotiations between parties of equal bargaining strength, and when executed by both parties shall constitute the entire agreement between the parties, superseding all prior oral and written agreements, representations, and statements, and without any presumption of construction in favor of or against any party.

J. **Fire; Casualty; Eminent Domain, etc.** If a substantial portion of the premises or the property is substantially damaged by fire or other casualty or is taken by eminent domain, LESSOR may terminate the lease. Neither LESSOR nor OWNER shall be liable to anyone for, nor shall LESSEE's obligations be reduced because of, loss or damage caused in any way by any cause beyond LESSOR's immediate control or by any "force majeure" event including without limitation, weather conditions, acts of God, labor difficulties, the making of repairs or alterations, mechanical breakdowns, and

trouble or scarcity in obtaining fuel, electricity, services, or supplies.

K. **Cummings Center, Beverly and 10 and 18 Commerce Way, Woburn (only).**

Residential, school, child care, day care, and children's learning center uses (and associated outside recreational activities and/or associated playground) are only authorized in specific locations at Cummings Center and/or 10 and 18 Commerce Way. Notwithstanding the foregoing, the following activities and uses are otherwise prohibited: residential uses (except for facilities for adult congregate care or assisted living, senior housing, nursing home uses, and other adult residential facilities in certain designated areas of the property); child care, day care, or public or private elementary or secondary schools; a public park, playground or playing field, or other activities involving more than casual contact with the ground; cultivation out-of-doors of fruits and vegetables destined for human consumption; and fishing or swimming in the ponds and other waterways on or adjacent to the property. In addition, implementation of a health and safety plan is required for construction, utilities maintenance, and other intrusive activities which are likely to involve extensive exposure to or contact with subsurface soils at the property. As to Cummings Center, the Notice of Activity and Use Limitation dated April 26, 1996 was recorded at the Essex (South) Registry of Deeds at Book 13533, Page 559, and amended on September 2, 1997 (Book 14299, Page 257), June 19, 2003 (Book 21871, Page 314), March 10, 2005 (Book 24047, Page 1), August 11, 2006 (Book 25994, Page 425), September 17, 2008 (Book 28043, Page 576), and June 20, 2016 (Book 35016, Page 348). As to 10 and 18 Commerce Way, the Notice of Activity and Use Limitation dated December 12, 1996 was recorded at the Middlesex (South) Registry of Deeds at Book 26901, Page 293 and registered with the Middlesex Registry District of the Land Court as Document No. 1231513, and amended on September 24, 2002 (Book 36592, Page 499) and September 19, 2007 (Book 50124, Page 578 and Land Court Document No. 01454912).

L. **South Essex Sewerage District.** With respect to leases at Cummings Center and Dunham Road in Beverly (only), LESSEE shall fully comply with all regulations of the South Essex Sewerage District (SESD) now or hereafter in effect, including prompt filing with LESSOR of any documents required by the SESD. LESSEE agrees to indemnify and hold harmless LESSOR and OWNER from any and all liability arising out of any noncompliance of LESSEE with such regulations.





## **Mission Statement**

Our mission for the Doubletree by Hard Rock for 2018 is to relentlessly pursue the highest levels of employee and guest satisfaction while maximizing the return on the owner's investment.