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July 17, 2019

Via e-mail: tevans@cambridgeredevelopment.com

Tom Evans, Executive Director
Cambridge Redevelopment Authority
255 Main Street, 8th FL
Cambridge, MA 02142

Dear Mr. Evans:

I am pleased to inform you that your loan request for the Cambridge Redevelopment Authority has been approved by Cambridge Trust Company (the "Bank"). The basic terms and conditions of the Bank's approval are outlined as follows:

- Borrower:** Cambridge Redevelopment Authority
- Type/Amount:** \$7,000,000.00 term loan,
- Amortization:** 30 Years.
- Interest Rate:** Fixed at the 15 year FHLB Classic Advance Rate plus 1.45% discounted based upon the tax exempt rate. By way of example, as of June 5, 2019, the 15 FHLB Classic Advance Rate was 3.11% plus the Bank spread of 1.45% for an all-in rate of 4.56%. This rate would be further discounted based on the corporate tax rate of 21%. With these indicative rates, the final rate after the tax rate reduction would equal 3.60%.
- Payments:** Payments shall be of principal and interest.
- Term:** 15 years
- Disbursement:** The loan shall be evidenced by a Commercial Real Estate Promissory Note (the "Note") in form and content subject to the approval of the Bank's Counsel. The Bank will permit the funding of the entire loan proceeds at closing conditioned upon the receipt of a satisfactory appraisal of the Property (defined below) in the amount of \$8,750,000.00 or higher.

Guarantors: None.

Prepayment: The Borrower may prepay the principal amount outstanding hereunder at any time without premium or fee unless refinanced with another lender, in which case there shall be a prepayment premium as follows: 3.0% of the principal amount prepaid in year one following closing, 2.0% of the principal amount prepaid in year two following closing, and 1.0% of the principal amount prepaid in year three. In addition, no prepayment fee shall be due (i) if the Borrower makes unscheduled payments of principal (as long as funds are not obtained through refinance with another lender) or (ii) in the event the Borrower sells the Property to a bona-fide third party purchaser for value. There shall be no prepayment premium after year three.

Collateral: The loan shall be secured by the following instruments and such other instruments as Bank's Counsel may deem necessary in transactions of this type and magnitude (the "Loan Documents"):

- A. A first priority Mortgage and Security Agreement, in the amount of \$7,000,000.00, encumbering the property located at 93-99 Bishop Allen Drive, Cambridge, Massachusetts, (the "Property").
- B. A Collateral Assignment of Leases and Rents encumbering the Property with tenant estoppel certificates and SNDA'S as required for any commercial space.
- C. A first Security interest in all assets of Borrower located at the Property; and
- D. The Assignment of licenses and permits.
- E. Borrower shall pledge the amount of \$180,000.00 in liquid assets at the Bank to cover Net Operating Income shortfall of up to \$180,000.00. Upon stabilization of the NOI, the Bank will revisit the issue of maintaining the Pledge.

Use of Funds: Funding in connection with this loan will be used to acquire the property located at 93-99 Bishop Allen Drive, Cambridge, Massachusetts.

Financial Covenant: Maintain a Debt Service Coverage Ratio (DSCR) at 1.15x at all times tested annually. DSC shall be defined as: unrestricted EBITDA minus cash, taxes and distributions divided by total debt service.

Financial Reporting: The Bank's receipt of an "As Is" appraisal report satisfactory to the Bank reflecting a loan to value of at least 80%. The Borrower shall submit annually, by November 30, copies of audited financial statements and the budget for the next fiscal year. Brokerage statements shall also be due quarterly within 30 days of quarter end and Borrower shall also submit for the Property, annually by November 30, Management prepared

statement of income and expenses, certified rent roll and any new leases or lease extensions or amendments.

Operating Accounts:

All accounts relating to the Property shall be maintained at the Bank.

Bond Commitment:

Anything herein contained to the contrary notwithstanding, this loan is expressly contingent upon the approval of the bond commitment from MassDevelopment.

Title Insurance:

Borrower counsel shall arrange for the issuance of a standard ALTA form policy of title insurance from First American Title Insurance Company in an amount not less than the loan, which shall insure the mortgage as a valid first lien on the property. All standard exceptions shall be deleted and there shall be no other exceptions, which in the opinion of the Bank's Counsel, may have an adverse effect upon the use of all or any portion of the Property, or may impair the security of the loan.

Insurance:

The Borrower shall, at its own cost and expense, obtain and keep in force all necessary insurance in limits and with companies satisfactory to Bank covering fire and extended coverage of the buildings and contents at the premises and public liability. The Borrower shall also carry boiler insurance if requested by the Bank. The Bank shall be named as loss payee or additional insured, as appropriate, on all policies. The Bank shall be furnished with evidence that flood insurance is not required for the property under the Federal Flood Disaster Protection Act. In the event that flood insurance is required, flood insurance written by a company satisfactory to the Bank in an amount and form acceptable to the Bank shall be required. The Bank shall also procure such other insurance as the Bank may require from time to time. The loss payee clause should be read as follows: **Cambridge Trust Company, its successors and/or assigns, ATIMA, 1336 Massachusetts Avenue, Cambridge, MA 02138.**

Late Charges:

There will be a late charge assessed for any payment made ten (10) days after the due date thereof of five (5%) percent of such late payment. Interest after maturity (by acceleration or otherwise) shall be payable on demand at a floating rate equal to five (5%) percent above the interest rate in effect if permitted by law.

Funding of Commitment:

The funding of this commitment shall be further conditioned upon:

- A. The property being zoned for all of the uses intended and/or contemplated and the property at the time of funding complying with all applicable environmental (including hazardous waste statutes), use, building, zoning, safety, subdivision and other laws, ordinances, and regulations applicable thereto, the availability and adequacy of all utilities to service the property, and all required permits and approvals being in full force and effect; and Borrower agrees to

furnish a Zoning Solutions or PZR Report acceptable to Bank counsel, sufficient to allow the issuance of a 3.1 zoning endorsement to the title insurance policy.

- B. Borrower shall have furnished all appropriate papers evidencing capacity and good standing and the qualification and authority of persons to execute the Loan Documents and to engage in any transaction or business in connection with which the loan is made.
- C. Borrower shall deliver to the Bank, at the time of funding, an opinion in form and from counsel, acceptable to the Bank confirming such matters as counsel for the Bank shall reasonably request, relative to enforceability of the Loan Documents, including, without limitation, the following:
 - 1. Borrower is duly organized, validly existing, in good standing under the laws of the Commonwealth of Massachusetts, (or the state in which it was created) and has been duly authorized to enter into the transaction contemplated by this commitment.
 - 2. The persons executing the Loan Documents on the Borrower's behalf have been duly authorized to do so. If an LLC, the Manager shall deliver a copy of the operating agreement and a Manager's Certificate that it is legally authorized to enter the within transaction and that nothing contained in said Agreement prohibits the same.
 - 3. The Loan Documents, when executed, will constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their terms, in Massachusetts, subject to qualifications as may be acceptable to the Bank.
 - 4. The execution and delivery of the Loan Documents do not and will not constitute a default under, or conflict with or violate, any provisions of any indenture, mortgage, contract, agreement, or other instruments to which the Borrower may be bound.
 - 5. There is no action, proceeding or investigation at law or in equity, or before or by any court, public board or body, pending or threatened action, proceeding or investigation, which questions the validity of the Loan Documents, or the transaction contemplated therein, which could materially adversely affect the business of the Borrower.
- D. At the time of closing of the loan, no part of the premises or improvements thereon, shall have been taken in any condemnation or other title proceeding, nor shall any such proceeding be pending or threatened.
- E. Receipt and satisfactory review of leases and amendments thereto.

F. Receipt of (i) a satisfactory flood certification and (ii) a satisfactory Phase 1 environmental report.

Closing Documents: All closing documents prepared to close the loan contemplated hereby shall be in form and contain terms and provisions consistent with this letter, and such other terms and provisions are required by Bank's Counsel. It is contemplated that the closing documentation will be consistent with the closing documentation employed by the Bank with other affiliates of the Borrower.

Reporting Requirements: The Borrower shall provide on an annual basis, not later than November 30, copies of signed, dated federal tax returns with all schedules, forms, statements and K-1's attached with a breakout of income and expenses for the Property. Lease amendments shall also be delivered, if any.

Conveyance and Junior Debt: Any sale, conveyance or other transfer of the Premises or any part thereof, or of any equity or beneficial interest in Borrower, including transfers by merger and by action of law made without the prior written consent of Lender shall be an Event of Default hereunder. Lender reserves the right to impose additional terms and conditions on such a transfer, including without limitation, an assumption fee payable by buyer not to exceed one (1%) percent of the then-outstanding principal balance of the Note.

Expenses: Whether or not the loan is closed, all costs and expenses incurred in connection with the transaction, including, but not limited to, the appraisal, attorney's fees, title insurance and endorsement premiums, surveys, recording fees, documentary stamps, any taxes, brokerage commissions, construction inspections and any and all other expenses incurred by the Bank in the ordinary course in connection with the loan shall be paid by the Borrower.

Bank's Counsel: The Bank's Counsel for this transaction will be Bruce Miller, Esq., Pierce Atwood LLP, 100 Summer Street, Boston, MA 02110, 617-488-8116, bmillier@pierceatwood.com. The responsibility of the Bank's Counsel is limited to protecting the interest of the Bank, notwithstanding the fact that the Borrower shall be obligated to pay the legal fees of Bank's Counsel.

Representation: All representations made by the Borrower to the Bank with respect to obtaining the loan shall be deemed to be material and relied upon by the Bank in issuing this commitment and shall survive the closing of the loan.

Governing Law: The Borrower and Bank mutually agree that, to the maximum extent permitted by law, the transactions contemplated by this commitment letter shall be governed by the law of the Commonwealth of Massachusetts, and all documentation incident to completing the transaction contemplated by this commitment letter shall be accepted,

approved or acknowledged, as the case may be, at the offices of the Bank or Bank's counsel.

Current Understanding: The foregoing terms and conditions are predicated upon our present understanding of the contemplated transaction. Our commitment is subject to the execution of legal instruments incident to a real estate loan of this type and magnitude, in compliance with Massachusetts and Federal law, and our receipt of appropriate legal opinions.

Indemnity Agreement: The Borrower shall indemnify, defend, and hold the Lender harmless against any claim brought or threatened against the Lender on account of the Lender's relationship with the Borrower hereof and shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees and reasonable expenses in connection with the protection or enforcement of any of the Lender's rights against the Borrower and against any collateral given the Lender to secure this loan or any other liabilities of the Borrower to the Lender (whether or not suit is instituted by or against the Lender). Further, the Borrower shall promptly reimburse the Lender for the Lender's direct costs and expenses, including reasonable attorney's fees, incurred by the Lender with respect to other litigation in which the Borrower is a party and in which the Lender is required by law to respond by pleadings, discover, subpoenas, or otherwise. The within indemnification shall survive payment of the loan, and/or any termination, release, or discharge executed by the Lender in favor of the Borrower.

Thus, this commitment letter and the basic terms and conditions outlined herein are not meant to be, nor shall they be construed as an attempt to define all the terms and conditions of this financing. Rather, they are intended to set forth in an abbreviated fashion, certain basic points of business understanding about which the legal documentation is to be structured. Further negotiations within the general scope of these major terms shall not be precluded by the issuance of this commitment letter and its acceptance by the Borrower.

We trust the above encompasses the understanding of the parties. If the terms and conditions are acceptable, please acknowledge the same by executing this original commitment letter and keep the copy for your records. This Commitment Letter shall expire if it is not signed and returned to the Bank by July 19, 2019. This Commitment will also expire, if this loan has not closed by July 29, 2019.

We look forward to working with you in this matter.

Sincerely,

PIERCE ATWOOD LLP, counsel
For Cambridge Trust Company

By: 

Bruce Miller, Esq.

THE ABOVE TERMS AND CONDITIONS ARE AGREED TO AND ACCEPTED:

CAMBRIDGE REDEVELOPMENT AUTHORITY

By: 
Tom Evans, Executive Director

cc: Roma Mayur, Vice President, Cambridge Trust Company