

Summary of Proposed Terms
August 14, 2020

This Summary of Proposed Terms is provided for discussion purposes only and does not constitute an offer, agreement, or commitment to lend by Massachusetts Development Finance Agency (“MassDevelopment”). The actual terms and conditions upon which MassDevelopment might extend credit to the Borrower are subject to negotiation and agreement by the parties and to the satisfactory completion of due diligence, satisfactory review of documentation and are subject to approval by the MassDevelopment Board of Directors and such other terms and conditions as are determined by the Agency. This Summary of Proposed Terms is confidential (unless otherwise required by law) and is not to be discussed with parties other than authorized personnel of the Borrower without the consent of MassDevelopment.

Borrower:	Standard Holdings, LLC (the “Borrower”)
Guarantor(s):	Tim Telman and Robert Carleton Unlimited, joint and several
Facility:	\$6,000,000 Commercial Real Estate Construction/Perm Mortgage
LTV:	Maximum LTV of 85%
Purpose:	To finance the construction of 53 apartment rental units located at 850 Falmouth Road, Barnstable (Hyannis), MA (the “Property”)
Maturity Date:	Ten Years
Amortization:	25 Years
Repayment:	The loan be interest only for 24 months and shall then require monthly principal and interest payments based on a Twenty Five year amortization schedule.
Commitment Fee:	1% of the Mortgage Loan amount.
Interest Rate:	The initial interest rate shall be fixed at 2.00% above the prevailing five year treasury rate. At the end of Five years the rate shall re-set at the then prevailing five year treasury rate + 2.00%. The rate shall not adjust by more than 2.00% above the initial interest rate with a floor of 4.00%.
Security:	<p>In order to secure the loan, the Borrower shall grant to MassDevelopment the following:</p> <ul style="list-style-type: none">• A 1st Commercial Real Estate Mortgage on the land and improvements therein located at 850 Falmouth Road, Barnstable (Hyannis), MA. An Assignment of Leases and Rents;• A security interest on all business assets presently owned and hereinafter acquired the Borrower.• Collateral Assignments of Permits, Approvals, Occupancy Agreements and Contracts relating to the Building Property.• A perfected UCC filing on the Building Property and Lot Property and

the above items.

- Any additional collateral the Agency deems necessary to secure the Mortgage Loan.

Covenants: Minimum DSCR of 1.20x, tested annually.

Reporting Requirements:

The Borrower will furnish to MassDevelopment (i) annual "audited" or "review" quality financial statements prepared by an accounting firm reasonably acceptable to MassDevelopment within 120 days of each fiscal year end, (ii) unaudited quarterly company prepared financial statements within 45 days of quarter end; (iii) employment data for Borrower's operations in Massachusetts within 30 days after the end of each calendar year and (iv) updated personal financial statements that are dated no more than 12 months from prior submitted statements and (v) other information as MassDevelopment may reasonably request from time to time.

Conditions Precedent:

The closing of the Loan will be subject to approval by MassDevelopment's Board of Directors and conditions precedent, including but not limited to the following:

- The completion of a credit evaluation and satisfactory due diligence as required by MassDevelopment;
- An appraisal of the subject property evidencing sufficient fair market value today in order to provide a maximum 85% LTV;
- An updated Phase 1 Environmental Site Assessment on the subject property prepared by a Licensed Site Professional in Massachusetts;
- No material adverse change in the financial condition of the Borrower/Guarantor;
- Absence of material litigation;
- Applications for Approval and evidence of ZBA Approvals.
- Copies of Applications and evidence of all other Town or Board approvals if required (i.e., site plan review/approval required from Planning Board for residential development of more than 6 units, conversion of commercial/industrial property to residential use).
- Copies of all Building Permits and Applications.
- Acknowledgement by all permitting and approval agencies of the Agency's Assignments of all Contracts and Approvals.
- A copy of the final budget in spreadsheet format set-up for tracking progress of line items for each funding request. (Preferably AIA format and forms) to be reviewed and accepted by an Engineer acceptable to the Agency or the Agency.
- A full set of final stamped plans and drawings in PDF format.
- A final list of all contractors/sub-contractors. (The Agency has received a preliminary list to date and has checked for Debarment).
- Engagement of an independent Owner's Project Manager acceptable to the Agency.
- Completion of documentation acceptable to MassDevelopment and its

legal counsel;

Expenses: The Borrower will pay commercially reasonable documented fees, costs and expenses incurred by MassDevelopment in connection with the preparation and execution of the Facility, whether or not it closes.

As stated above, this Summary of Proposed terms is for informational and discussion purposes only and does not constitute a loan commitment or loan agreement. Any proposal for financing is subject to MassDevelopment's receipt, review, and approval of a completed financing application and such other information as MassDevelopment may require and is subject to approval of MassDevelopment's Board of Directors and fulfillment of any conditions that may be imposed by the Board of Directors.

Thank you for the opportunity to provide this loan financing proposal to your company at this time. We look forward to continuing our conversations and discussions regarding the next steps in the approval and closing process. Please feel free to contact Paul Moran in our Fall River office (857-383-8074) should you have any questions related to the information contained in this term sheet.

Sincerely,

Paul Moran

MassDevelopment



August 13, 2020

Tim Telman
Standard Holdings, LLC
540 Main St. Suite 18
Hyannis, MA 02601

Dear Tim:

Thank you for the opportunity to potentially participate in the 58 unit housing development at 850 Falmouth Rd. Below you will find an outline of terms and conditions under which the financing could be arranged. The Bank will require financial due diligence outlined below on Exhibit A in order to complete the underwriting process.

1. Commercial Real Estate Loan
 - (a) Borrower: Standard Holdings, LLC (the "Borrower")
 - (b) Loan Amount: The lesser of up to \$3,000,000 (the "Loan")
 - (c) Purpose: To be used in conjunction with a \$7,500,000 construction to permanent loan from MassDevelopment and an additional amount of cash equity to be determined to construct and operate a 58 unit residential development to be located at 850 Falmouth Road, Barnstable (Hyannis), MA.
 - (d) Type of Credit: Commercial Real Estate Loan ("the Loan")
 - (e) Loan Term: Up to 10 years from the date of closing, with the initial 18-24 months to be interest only payments
 - (f) Interest Rate: Floating at 0.5% over Wall Street Journal Prime, with a floor of 3.25% or equivalent fixed rate to be determined at the time of closing
 - (g) Payments: Interest monthly for up to two years, followed by a 20 year amortization period
 - (h) Guarantees: Unlimited, joint and several for Tim Telman and Robert Carleton
2. Collateral: First mortgage on property located at 850 Falmouth Road, Barnstable (Hyannis), MA (the "Property") in favor of the Bank. Collateral to be shared with MassDevelopment on a pari passu basis.
3. Prepayment Penalty: To be determined based on rate option chosen.

4. Financial Reporting:
 - (a) Tax returns for the Borrower within 120 days of each fiscal year end.
 - (b) Personal financial statements and income tax returns by April 30th of each calendar year end. If tax return extensions are filed, Borrower shall provide a copy of the extension and the final tax return upon the filing thereof.
5. Insurance: Borrowers shall provide evidence of liability insurance prior to closing, with Lender listed as loss payee.
6. Other:
 - (a) Subject to satisfactory appraisal
 - (b) Subject to satisfactory review of plans and specifications and final budget.
 - (c) One-twelfth of annual property taxes for the Property will be escrowed monthly by the Bank.
 - (d) Any and all member and shareholder debt of the Borrower shall be subordinated to the Bank during the term of the Loan.

Please note that the terms outlined above are for discussion purposes only and additional due diligence, credit approvals, and legal documentation will be required to move forward with this transaction, including but not limited to receipt and satisfactory review and acceptance of an appraisal and environmental property screen on the Property to be ordered by the Bank and paid for by Borrower.

Once you have had a chance to review this outline, please feel free to contact us to discuss any questions or feedback you may have. We sincerely appreciate the opportunity to provide this proposal and look forward to establishing a strong relationship together.

Best regards,



J. Jeffrey Sullivan
President/CEO

Accepted:

By: _____
Timothy T. Telman, as Manager and personally

Date: _____

Accepted:

By: _____
Robert Carleton, as Manager and personally

Date: _____

Exhibit A
DOCUMENTS TO BE PROVIDED

- Appraisal to be ordered by bank or MassDevelopment
- Evidence of final approvals for development of the Property.
- Copy of final budget showing all sources and uses.



June 15, 2020

Tim Telman
Standard Holdings, LLC
540 Main St. Suite 18
Hyannis, MA 02601

Dear Tim:

It is my pleasure to inform you that NEW VALLEY BANK & TRUST (the "Bank") has approved a FIVE HUNDRED AND FIFTY THOUSAND and 00/100 (\$550,000) commercial real estate mortgage (the "Loan") to STANDARD HOLDINGS, LLC (the "Borrower") subject to the following terms and conditions.

1) PURPOSE/ADVANCES

The proceeds of the Loan will be used by the Borrower to purchase 2.98 acres of land for future development located at 850 Falmouth Road, Barnstable (Hyannis), MA and establish a \$50,000 interest reserve for interest payments during the term of the Loan. Total purchase price of the property is \$1,200,000.

2) PAYMENTS AND MATURITY

The Borrower will make payments of interest only monthly until the Loan maturity at which time, the Loan will be due and payable in full. The maturity of the Loan will be 24 months from the date of Loan closing. Interest payments will be based upon the below referenced Interest Rate.

3) INTEREST RATE ON THE LOAN

Interest on the Loan will vary based upon the Wall Street Journal Prime Rate plus .5% subject to a 3.25% floor for the term of the Loan.

4) LATE CHARGE/DEFAULT RATE OF INTEREST/PREPAYMENT PENALTIES

The Borrower will pay a late charge equal to five percent (5%) of any payment associated with the Loan which is not received by the Bank within ten (10) days of the due date thereof. Interest shall, upon the occurrence of an Event of Default, at the option of the Bank, accrue at a rate equal to five percent (5%) above the then applicable Interest Rate until such default shall be cured.

5) PREPAYMENT PENALTY

If the Borrower prepays the loan within the first 12 months of the Loan, Borrower shall pay the Bank a prepayment penalty equal to .5% of the Loan (\$2,750).

6) SECURITY

The Borrower shall provide, and the Bank shall receive the following as security for the Loan:

- a) A first commercial real estate mortgage on the subject property located at 850 Falmouth Road, Barnstable (Hyannis), MA (the "Property") in favor of the Bank.
- b) An assignment of any and all licenses, permits, contracts and approvals associated with the development of the Property into a 48-52 unit multi-family residential facility.

7. GUARANTEES

Timothy Telman and Robert Carleton will each provide an unlimited, joint and several personal guaranty.

8. TITLE CERTIFICATION AND TITLE INSURANCE

The Bank is to be furnished with a Certificate of Title and ALTA loan title insurance policy on the Property furnished by a title insurance company acceptable to the Bank prior to closing. The loan title insurance policy shall not contain any exceptions unless submitted to the Bank for approval prior to the Loan closing and shall contain such endorsements as the Bank may require.

9. SURVEY/SURVEY AFFIDAVIT

The Borrower will furnish to the Bank, at least ten (10) days prior to the closing, a satisfactory ALTA survey prepared by a registered land surveyor.

10. INSURANCE

The Borrower will maintain such insurances (including flood insurance if required) on the Property and in such amounts, against such risks, and with such loss deductible amounts as may be satisfactory to the Bank and provide satisfactory evidence to the Bank that all insurance and endorsements required within the Loan Agreement and Loan Documents are in effect.

11. COSTS

Upon acceptance of this commitment, whether-or-not the transaction herein contemplated is completed, the Borrower agrees to pay all costs incidental to this transaction including, but not limited to, legal review and documentation fees, appraisal fees, environmental assessments, recording fees and other costs.

12. LEGAL OPINIONS

The Borrower shall provide to the Bank an acceptable General Opinion of Counsel with respect to the organization of the Borrower, the validity and enforceability of the Bank's rights under the loan documents as executed by the Borrower and the priority of any security interest lien being granted as security for the Loan **and** the status of any pending litigation against the Borrower (if any). Furthermore, such opinion shall also provide that the Borrower possess all valid license and permits necessary to operate their business.

13. ADVERSE CHANGE

The Bank reserves the right to terminate this commitment if any material adverse change in the condition, financial or otherwise of the Borrower or the Guarantors occurs prior to or on the day of closing.

14. BORROWER'S REPRESENTATIONS

This commitment has been issued to the Borrower on-the-basis-of certain information and materials provided or to be provided by the Borrower and Guarantors, and all representations, information, exhibits, data and other materials submitted with and in support of the Loan application. Any misinformation or withholding of material information incident thereto, shall, at the opinion of the Bank, and without limitation to any other right or remedy of the Bank, void all the Bank's obligations hereunder.

15. ADDITIONAL COVENANTS

The Loan documents will include customary covenants for loans of this nature and, in addition, and not by way of limitation, the Loan documents will contain the following additional covenants:

a) Financial Statements

- i) Within one-hundred twenty (120) days of each fiscal year end, the Borrower shall provide the Bank on an annual basis with:
 - Tax returns for the Borrower. If a tax return extension is filed, Borrower shall provide a copy of the extension and final tax return upon the filing thereof. If an extension is filed, Borrower will also provide an internally prepared financial statement for the most recent prior fiscal year end by December 31th of each year.
 - Personal financial statements and income tax returns for each Guarantor. If tax return extensions are filed, the Guarantors shall provide a copy of the extension and the final tax return upon the filing thereof.
- ii) Upon their completion, the Borrower will provide:
 - Any and all plans and budgets for the proposed project.
 - Proforma operating statements for the new multi-family project during absorption and on a stabilized basis.

During the term of the Loan Borrower will continue to provide such information as it is developed and updated on a periodic basis.

b) Real Estate Tax Escrow

One-twelfth of annual property taxes for the Property will be escrowed monthly by the Bank.

c) Environmental Indemnification

The Borrower shall indemnify and hold the Bank harmless of and from any claims relating to any environmental/hazardous waste claims associated with the Property.

d) Restrictions on Transfer

The Borrower shall neither convey, nor sell, assign, mortgage, pledge, or transfer, in any manner whatsoever, the assets comprising the collateral without the Bank's prior written consent.

e) Restrictions on Transfer of Ownership

The Borrower shall neither convey, nor sell, assign, mortgage, pledge, or transfer, in any manner whatsoever, any and all ownership interests in the Borrower without the Bank's prior written consent.

f) Future Refinancing

The Borrower shall not incur any subsequent financing or grant any junior liens to any third party on the collateral, either by lease or purchase, without first obtaining prior written consent of the Bank.

g) Subordinated Debt

Any and all shareholder or member debts of the Borrower, shall be subordinated to the Bank during the term of the Loan.

16. ADDITIONAL PRECLOSING CONDITIONS

Borrower to provide the following additional information upon acceptance of this letter:

- a) Copy of 2019 tax return for the Borrower (if one has been filed)
- b) Borrower's Taxpayer Identification Number
- c) Signed personal financial statement for Robert Carleton
- d) 2019 Tax return Extension for Robert Carleton
- e) Investment statement for Timothy Telman evidencing \$1.0 million in marketable securities.

17. LICENSES/PERMITS AND OTHER DOCUMENTATION

The Borrower shall, prior to closing, furnish the Bank with certified copies of its Certificate of Organization and Operating Agreement, or certified copies of its Articles of Organization and By-Laws as applicable. The Bank shall also be furnished with copies of all licenses, approvals and permits issued to the Borrower which are relevant to the Borrower's business operations.

18. ADDITIONAL CONDITIONS, INFORMATION AND REQUIREMENTS

The forgoing terms and conditions are predicated upon our present understanding of the proposed financing based upon information you have provided to us. After a more comprehensive application of the mechanics and other details involved, reasonable further assurances and additional terms and/or conditions may be required.

19. ASSIGNABILITY OF COMMITMENT

This commitment is issued solely to the Borrower and is not assignable to any other party without the Bank's prior written consent.

20. COMMITMENT EXPIRATION

This commitment shall be deemed accepted when the enclosed copy has been signed and dated by the Borrower and delivered to the Bank by June 19, 2020.

Thank you for the opportunity to provide you with this proposed financing arrangement. If you have any questions or comments on the terms of this commitment, please do not hesitate to contact me at 413-992-8757. If the foregoing terms and conditions are acceptable to you, please sign, date and return one copy of this letter to the Bank within the above prescribed time.

Best regards,



NEW VALLEY BANK & TRUST
Sharon Wells
Vice President, Commercial Loans

Accepted:

By: _____
Timothy T. Telman, as Manager and personally

Date: _____

Accepted:

By: _____
Robert Carleton, as Manager and personally

Date: _____