

MEMORANDUM

JULY 16, 2013

TO: ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION OF BOSTON AND PETER MEADE, DIRECTOR

FROM: LAWRENCE MAMMOLI, DIRECTOR OF ENGINEERING AND FACILITIES MANAGEMENT
DENNIS DAVIS, DEPUTY DIRECTOR, INDUSTRIAL DEVELOPMENT AND COMMERCIAL LEASING
ANTHONY VERANI, PROJECT MANAGER, INDUSTRIAL DEVELOPMENT AND COMMERCIAL LEASING

SUBJECT: REQUEST AUTHORIZATION TO AMEND THE LEASE AGREEMENT BETWEEN THE ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION OF BOSTON AND OPS-CORE INC.

SUMMARY: This Memorandum requests that the Director, on behalf of the Economic Development and Industrial Corporation of Boston, be authorized to execute an amendment to the Lease Agreement between the Economic Development and Industrial Corporation of Boston and Ops-Core Inc. to include Suite #501 into the existing Leased Premises all to be located within 12 Channel Street within the Boston Marine Industrial Park ("BMIP").

BACKGROUND

Ops-Core Inc. ("Ops-Core") is an existing Economic Development and Industrial Corporation of Boston ("EDIC" or "Landlord") tenant involved in the design and manufacture of modular helmets for military and law enforcement applications.

Ops-Core's product line is the only fully modular light weight helmet platform for ground forces with the ability to meet the U.S. Army's protective standards with excellent stability and comfort.

In January 2012, Ops-Core was acquired by Gentex Corporation headquartered in Simpson, Pennsylvania. Gentex Corporation is a privately held manufacturer of personal protection and situation awareness products, systems and platforms. More specifically, the company's line of product encompasses aircrew life support systems, helmet mounted displays, ground soldier protective equipment, high-performance textiles and communications equipment; and has seven (7) U.S. locations – Carbondale,

PA; Rancho Cucamonga, CA; Manchester, NH; Aurora, IL; Millwood, NY; Billerica, MA; and Boston, MA

Ops-Core is a party to a lease agreement with EDIC for the entire 9th floor of 12 Channel Street consisting of approximately 32,500 rentable square feet.

The original lease agreement is for a six (6) year term that commenced May 1, 2012 and was executed pursuant to authorization from the Board of Directors granted at the meeting held April 12, 2012.

The Lease Agreement includes one 6-year option term which if exercised would extend the Lease Term to April 30, 2024.

Due to existing and projected demand for Ops-Core's line of headgear, Ops-Core is requiring additional warehouse space to hold, package and distribute their product.

PROPOSAL:

EDIC proposes an amendment to the Lease Agreement to include Suite #501, containing approximately 4,895 rentable square feet, into the Leased Premises so that Ops-Core shall then control approximately 37,295 rentable square feet of design, manufacturing and warehouse space with ancillary office use to consist of the 9th floor in its entirety and Suite #501 and all located at 12 Channel Street within the BMIP (further described in the attached "Exhibit A").

Inclusion of Suite #501 as part of the Leased Premises shall be effective August 1, 2013 and continue until the scheduled Term Expiration Date of April 30, 2018. While Ops-Core shall continue to benefit from the 6-year option term to extend the Lease for the 9th floor space, Ops-Core will surrender all rights to Suite #501 upon the April 30, 2018 expiration date.

The Security Deposit and gross Fixed Rent payable to EDIC shall increase as is detailed in the attached Term Sheet.

Ops-Core shall continue to honor all terms and conditions of the existing Lease Agreement in addition to those contained in the attached Term Sheet.

FISCAL IMPACT

EDIC shall receive over Three Hundred Nineteen Thousand Dollars (\$319,000) in additional Fixed Rent relating to the inclusion of Suite #501 into Ops-Core's amended Leased Premises.

An appropriate vote follows:

VOTED: That the Director be, and hereby is, authorized on behalf of the Economic Development and Industrial Corporation of Boston ("EDIC") to execute an amendment to the Lease Agreement between the EDIC and Ops-Core Inc. to include Suite #501 into the existing Leased Premises all located at 12 Channel Street within the Boston Marine Industrial Park on terms and conditions substantially consistent with the Board Memorandum and Term Sheet submitted at the Board meeting held July 16, 2013.