

ECONOMIC DEVELOPMENT AND INDUSTRIAL CORPORATION OF BOSTON

TERM SHEET

Protect The Force, Inc.

August 15, 2013

LANDLORD:

Economic Development and Industrial Corporation of Boston

TENANT:

Protect The Force, Inc.

CONDITION OF PREMISES:

Tenant acknowledges that they have inspected the Leased Premises with all its improvements and fixtures and agree to accept the Leased Premises in "as-is" condition. Landlord makes no representations as to the suitability of the Leased Premises for the uses contemplated within this Letter of Intent.

PERMITTED USES:

The Leased Premises shall be used exclusively for the research and development, prototyping and assembly and manufacture of first responder and peacekeeping apparel and hardware.

Tenant is responsible for obtaining any and all permits and licenses which may be required in order for Tenant's use of the Leased Premises to be in conformance with local, state, and federal laws.

BUILDING HOURS OF OPERATION:

Tenant shall have access to the Leased Premises on a 24 hour, 7-day per week basis.

Tenant shall have access to the common area loading and freight elevators Monday through Friday 6:00 AM to 11:00 PM and Saturday from 6:00 AM to 6:00 PM, excluding Federal and State holidays.

Tenant acknowledges that the freight elevators do not directly service Suite #703 nor the common areas on the 7th Floor. Tenant and Landlord shall coordinate with the other tenants of the 7th Floor to secure freight elevator access.

CONSTRUCTION/IMPROVEMENTS:

Tenant improvements to the Leased Premises shall be at Tenant's sole expense and all plans and specifications must be prepared by a registered Architect or Engineer and must be reviewed and approved by Landlord's designated representative prior to construction. Such approval shall not be unreasonably denied.

Tenant is responsible for obtaining any and all permits and licenses which may be required in order for Tenant's use of the Leased Premises to be in conformance with local, state, and federal laws.

Tenant shall be in full compliance with all local state and federal laws and code throughout the construction phase and thereafter.

Landlord does not issue building permits on behalf of the City of Boston.

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INSURANCE:

Tenant shall maintain coverage of \$2,000,000 for personal injury and property, \$1,000,000 in automobile coverage plus \$3,000,000 for excess liability with Landlord named as additional insured.

Throughout the construction phase, Tenant shall also cause all contractors working on the Leased Premises to name Landlord as additional insured in the forms and amounts of coverage described in this section.

HAZARDOUS MATERIALS:

Tenant shall not use, generate, store, or dispose of, or permit the use, generation, storage or disposal of unauthorized Hazardous Materials on or about the Leased Premises or the Building. With all required permits, certifications and other required documentation, Tenant is permitted to use/store materials involved in performing the Permitted Uses and that may otherwise fall under this section. If Tenant breaches its obligations under this Section, Landlord may immediately take any and all action reasonably appropriate to remedy the same, including taking all appropriate action to clean up or remediate any contamination resulting from Tenant's use, generation, storage or disposal of Hazardous Materials. Tenant shall defend, indemnify, and hold harmless Landlord and its representatives and agents from and against any and all claims, demands, liabilities, causes of action, suits, judgments, damages and expenses (including reasonable attorneys' fees and cost of cleanup and remediation) arising from Tenant's failure to comply with these provisions. The term "**Hazardous Materials**" means any substance, material, or waste which is now or hereafter classified or considered to be hazardous, toxic, or dangerous under any Law relating to pollution or the protection or regulation of human health, natural resources or the environment, or poses or threatens to pose a hazard to the health or safety of persons on the Leased Premises or in the Building. This indemnity provision shall survive termination or expiration of the proposed Lease.

SUBLEASING AND ASSIGNMENT OF THE LEASE:

Tenant may not assign the Lease or enter into additional subleases without Landlord's consent.

TERM COMMENCEMENT DATE: **September 1, 2013**

TERM EXPIRATION DATE: **October 31, 2015**

AIR CONDITIONING SYSTEMS IMPROVEMENTS:

Leased Premises is not currently serviced by Air Conditioning systems and Tenant desires Air Conditioned space.

To facilitate the procurement and careful installation of adequate Air Conditioning system to service Suite #703, the Landlord agrees to pay directly to the vendor the cost

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(not to exceed \$20,000.00) to install an Air Conditioning system to service Suite #703 subject to the following terms:

1. Tenant shall obtain all quotes and work description and product specifications from at least two reputable bonded and insured vendors. Landlord and Tenant shall agree on the vendor selected.
2. The Air Conditioning System quotes must be received no later than September 31, 2013 in order to calculate rent commencing November 1, 2013.
3. All installation plans must be reviewed and approved by Landlord.
4. Landlord agrees to directly pay to the selected vendor for materials and labor relating to the purchase and install of the Air Conditioning Systems up to the contract amount but not to exceed \$20,000.

ANNUAL FIXED RENT FOR RENTABLE AREA (1,500 RSF):

Landlord and Tenant have agreed that the “as-is” rent for the Premises will be \$15.00 per square foot NNN for the first year of the term.

For the purpose of establishing the rent of the improved Premises after air-conditioning installation, Landlord will amortize the actual cost of the air conditioning over 24 months at a 7% interest rate. The annual debt service shall be divided by 1,500 to establish the additional per square foot rent.

By example, were the cost \$17,500, the annual debt service would be \$9,679 or \$6.45 per square foot which would be added to the base \$15.00 per square foot.

	PSF	ANNUAL	MONTHLY
11/1/13 – 10/31/14	\$21.45	\$32,175.00	\$2,681.25
11/1/14 – 10/31/15	\$22.09	\$33,140.25	\$2,761.69

ONE 3-YEAR OPTION TERM:

Provided Tenant is in good standing, with 6 months written advance notice to Landlord Tenant may exercise one 3-Year option Term to commence 11/1/2015 and expire 10/31/18.

OPTION TERM FIXED RENT:

	PSF	ANNUAL	MONTHLY
11/1/15 – 10/31/16	\$22.75	\$34,129.05	\$2,844.09
11/1/16 – 10/31/17	\$23.43	\$35,148.75	\$2,929.06
11/1/17 – 10/31/18	\$24.13	\$36,199.35	\$3,016.61

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ADDITIONAL RENT:

Commencing November 1, 2013, Tenant is responsible, on a monthly basis, for paying its proportionate share, based upon the total RSF (as measured by its percentage of the buildings leasable area) of Landlord's estimated annual cost for **gas heat, trash compactor fees, and general maintenance** plus it shall pay for its use of the trash compactor on a **per use basis**. Tenant shall also pay on a monthly basis, its proportionate share (as measured by its percentage of the Boston Marine Industrial Park's total leasable building area) of the cost to Landlord of providing **general maintenance, snow removal, security, street lighting, landscaping, and other services** provided by the Landlord to the Boston Marine Industrial Park.

Tenant shall make arrangements to separately meter and pay utility provider for **electricity** used in the Leased Premises.

PARKING:

Along with the Leased Premises, EDIC will make available for Tenant's exclusive use one parking space located at a convenient site to be determined by EDIC. Landlord's "in common" visitor short-term metered parking is available for Tenant's invitees only in front of the building. Parking is also available in the public parking garage for tenants, employees, invitees, and the general public at a daily and monthly market rate. The current monthly rate is \$150.00.

SECURITY DEPOSIT:

To equal Four Thousand Dollars (\$4,000.00) to be received by Landlord by September 1, 2013. Interest shall accrue to Landlord.

NON-REFUNDABLE INITIAL DEPOSIT:

The Non-Refundable Initial Deposit shall equal Two Thousand Dollars (\$2,000). The Initial Deposit shall be credited toward Security Deposit herein stipulated. The Initial Deposit will be returned to Tenant only in the event that the Economic Development & Industrial Corporation Board of Directors fails to approve the terms and conditions of a lease as outlined within this Letter of Intent.

EMPLOYMENT OF BOSTON RESIDENTS:

Tenant understands that the Leased Premises are being provided as part of an overall program to provide jobs for the people of the City of Boston. In obtaining employees for new positions and filling vacancies for its operations on the Leased Premises, Tenant agrees to use best efforts to hire at least 50% residents of the City of Boston and to include low and moderate-income persons. Tenant agrees to give best efforts to hire 25% minorities and 10% women.

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BROKERAGE:

Tenant acknowledges that it has had no involvement in this real estate transaction with a real estate brokerage firm. Tenant covenants to pay and hold harmless against any and all loss, cost, expense, or liability incurred by Landlord for any compensation, commissions and charges claimed by any broker or agent with respect to this Lease or any extension thereof.