

6  
Becker

December 20, 2017

His Excellency Governor Christopher T. Sununu  
and the Honorable Council

Dear Governor and Councilors:

### REQUESTED ACTION

Holding a public hearing and passage of a Resolution entitled: "A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE ISSUANCE OF UP TO \$3,625,000 REVENUE BONDS BY THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE TO FINANCE AN INDUSTRIAL FACILITY FOR METZ REALTY, INC. IN SALEM, NEW HAMPSHIRE". (For the text of the requested resolution see Tab No. 1 below this letter of transmittal).

The Business Finance Authority of the State of New Hampshire (the "Authority") respectfully requests that you hold a hearing and, if you consider such action appropriate, make the statutory findings under RSA 162-I:9 with respect to the proposed issuance of up to \$3,625,000 aggregate amount of Revenue Bonds (the "Bonds") by the Authority and the loan of the proceeds of the Bonds to Metz Realty, Inc., a New Hampshire corporation (the "Borrower") for the following purposes: (i) to refinance and finance the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Property") to be owned by the Borrower; and (ii) to pay related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (the "Project"). The Project will be owned by the Borrower in the Town of Salem and occupied and operated by the Borrower's related entity, Scott Electronics, Inc., a New Hampshire corporation, to be used in connection with their business of assembling light electronic equipment, including cable harnesses, control box's and fiber optic assemblies, for OEM's, in the homeland security, medical, industrial, military and recreational industries.

The Authority recommends your favorable action and submits in support thereof the following materials (with item numbers the same as the tab numbers for the attached materials):


1. A suggested form of resolution for adoption by the Governor and Council;
2. A letter from Devine, Millimet & Branch, Professional Association, bond counsel, explaining this transaction;

3. Materials with respect to Metz Realty, Inc. and the Project consisting of Form BFA-1 submitted by Scott Electronics, Inc. and the financial statements of Metz Realty, Inc. and Scott Electronics, Inc.;
4. Salem Five Cents Savings Bank loan approval materials, which shall be supplemented with a Commitment Letter;
5. Information from the New Hampshire Department of Employment Security regarding unemployment in the greater Salem area;
6. Drafts of the financing and security documents for the proposed issuance of the Bonds as follows: Loan and Security Agreement, Escrow Agreement, Mortgage, Security Agreement and Financing Statement, Collateral Assignment of Leases and Rents, Continuing Covenants Agreement, Security Agreement, Guaranty Agreements, Environmental Compliance and Indemnity Agreement, Collateral Assignment of Contracts, Plans and Permits and related documentation;
7. The resolutions adopted on November 20, 2017 by the Authority with respect to the issuance of the Bonds; and
8. A summary of the findings required to be made under RSA 162-I:9 (including references to materials supporting each finding).

The Authority will be glad to furnish any additional documentation and information which you may request.

Respectfully Submitted,

BUSINESS FINANCE AUTHORITY OF THE  
STATE OF NEW HAMPSHIRE

By:  \_\_\_\_\_  
James Key-Wallace, Executive Director

**A RESOLUTION UNDER RSA 162-I:9 WITH RESPECT TO THE ISSUANCE OF UP TO \$3,625,000 REVENUE BONDS BY THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE TO FINANCE AN INDUSTRIAL FACILITY FOR METZ REALTY, INC. IN SALEM, NEW HAMPSHIRE**

WHEREAS, the Governor and Council have received from the Business Finance Authority of the State of New Hampshire (the "Authority") its written recommendation that the Governor and Council make certain findings and a determination under RSA 162-I:9 with respect to the financing of an industrial facility for Metz Realty, Inc. (the "Borrower") in Salem, New Hampshire, by the Authority's issuance of up to \$3,625,000 aggregate amount of revenue bonds (the "Bonds") under RSA 162-I:1 et seq. (the "Act"); and

WHEREAS, the Governor and Council have received all of the documentation and information with respect to the proposed transaction that they have requested; and

WHEREAS, further action by the Authority with respect to the proposed transaction is subject to, and cannot be taken until passage of, this Resolution;

NOW, THEREFORE, in consideration of the foregoing, IT IS HEREBY RESOLVED THAT:

Section 1.     Findings. On the basis of the Authority's recommendation and the documentation and information received by the Governor and Council, and after a public hearing, the Governor and Council find:

(a)     Special Findings.

- (1)     The project to be financed with the proceeds of the Bonds consists of the following: (i) refinancing and financing the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Property") to be owned by the Borrower; and (ii) paying related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (collectively the "Facility" or the "Project"). The Facility is within the definition of "Industrial Facility" in RSA 162-I:2 and may be financed under the Act.
- (2)     The establishment and operation of the Facility will create or preserve employment opportunities directly or indirectly within the State of New Hampshire (the "State") and will likely be of general benefit to the community as a whole.

(b) General Findings.

- (1) The Project and the proposed financing of the Project are feasible.
- (2) The Borrower and its related entity, Scott Electronics, Inc., have the skills and financial resources necessary to operate the Facility successfully.
- (3) The Loan and Security Agreement, the Escrow Agreement, the Mortgage, Security Agreement and Financing Statement, the Collateral Assignment of Leases and Rents, the Continuing Covenants Agreement, the Security Agreement, the Guaranty Agreements, the Environmental Compliance and Indemnity Agreement, the Collateral Assignment of Contracts, Plans and Permits and the other documents to be executed in connection with the issuance of the Bonds (collectively, the "Financing Documents"), contain provisions so that under no circumstances will the Authority be obligated, directly or indirectly, to pay Project costs, debt service or expenses of operation, maintenance and upkeep of the Facility except from proceeds of the Bonds or from funds received under the Financing Documents, exclusive of funds received under the Financing Documents by the Authority for its own use.
- (4) The Financing Documents do not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act.
- (5) The proposed financing of the Project by the Authority and the proposed operation and use of the Facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the State and one or more of its political subdivisions and will promote the general welfare of the State's citizens.

Section 2. Ultimate Finding and Determination. The Governor and Council find that the proposed financing, operation and use of the Facility will serve a public use and provide a public benefit and determine that the Authority's financing of the Project will be within the policy of, and the authority conferred by, the Act.

Section 3. Approval. The Governor and Council hereby approve the Authority's taking such further action under the Act with respect to the transaction involving the Facility, the Project and the Bonds as may be required.

Section 4. Effective Date. This Resolution shall take effect upon its passage.

Passed and Agreed to: December 20, 2017

---

Governor Christopher T. Sununu

---

Councilor Joseph D. Kenney

---

Councilor Andru Volinsky

---

Councilor Russell E. Prescott

---

Councilor Christopher C. Pappas

---

Councilor David K. Wheeler



1111 STATE STREET, SUITE 200, PORTSMOUTH, NH 03801

December 20, 2017

RENELLE L. L'HUILLIER  
603.410.1709  
RLHUILLIER@DEVINEMILLIMET.COM

His Excellency Governor Christopher T. Sununu  
and The Honorable Council

**Re: \$3,625,000 Business Finance Authority Revenue Bonds (the "Bonds") –  
Metz Realty, Inc. Issue, Series 2017**

Dear Governor and Councilors:

In this transaction, Salem Five Cents Savings Bank (the "Lender") will lend up to \$3,625,000 via the Business Finance Authority of the State of New Hampshire (the "Authority") to Metz Realty, Inc. a New Hampshire corporation (the "Borrower") for the purposes of: (i) refinancing and financing the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Property") to be owned by the Borrower; and (ii) paying related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (collectively the "Project"). The Project will be owned by the Borrower and will be operated and occupied by the Borrower's related entity, Scott Electronics, Inc., in connection with their business of assembling light electronic equipment, including cable harnesses, control box's and fiber optic assemblies, for OEM's, in the homeland security, medical, industrial, military and recreational industries.

The Bonds will be issued and the loan will be made and secured pursuant to a Loan and Security Agreement, an Escrow Agreement, a Mortgage Security Agreement and Financing Statement, a Collateral Assignment of Leases and Rents, a Security Agreement, a Collateral Assignment of Contracts, Plans and Permits, Guaranty Agreements, an Environmental Compliance and Indemnity Agreement and related documents (collectively, the "Financing Documents"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan and Security Agreement.

The Bonds financing the Project will be issued in one (1) series in an aggregate amount of up to \$3,625,000. The Bonds will have a twenty-one (21) year term, with payments of interest only for the first six (6) months and principal and interest due monthly for the remainder of the term. The principal amount of the Bonds and the Loan outstanding from time to time shall bear interest (computed on the basis of actual number of days elapsed in a 360 day banking year) at a tax-exempt per annum rate initially equal to a fixed per annum rate equal to 80% of the sum of the current (as of the date of closing) 5-Year Classic Advance Rate of the Federal Home Loan Bank of Boston plus 250 basis points, which rate shall be adjusted and fixed as of July 1, 2023, July 1,

December 20, 2017

Page 2

2028 and July 1, 2033 for each subsequent five-year period to a fixed rate equal to 80% of the sum of the then current 5-Year Classic Advance Rate of the Federal Home Loan Bank of Boston plus 250 basis points, and subject to adjustment as provided in the Loan and Security Agreement. In the unlikely and unexpected event that the interest on the Bonds is included in the gross income of the holders hereof, the Bonds shall bear interest at a taxable rate more specifically set forth in the Loan and Security Agreement.

The Authority's obligations to make payment on the Bonds are actually to be performed by the Borrower, which is unconditionally responsible for that performance. The Borrower's obligations to make such debt service payments are secured by (i) a first priority mortgage on the Property and the Borrower's property at 33 Northwestern Avenue, Salem, New Hampshire (the "Northwestern Avenue Property" and together with the Property, the "Properties"); (ii) a collateral assignment of leases and rents relating to the Properties; (iii) an environmental compliance and indemnity agreement relating to the Properties; (iv) a first priority security interest in all business assets of Scott Electronics, Inc.; (v) guaranty agreements provided by Scott Electronics, Inc., John A. Metzemaekers and Jacqueline R. Metzemaekers, directors and shareholders of the Borrower; and (vi) a collateral assignment of contracts, plans and permits. The Bonds will be cross-collateralized, cross-guaranteed and cross-defaulted with any other existing or future obligations or liabilities of the Borrower to the Lender. As in all transactions under RSA 162-I, neither the Authority's funds nor other public funds will or can be used to pay the Bonds. Provisions appropriate for achieving this result, as required by RSA 162-I, are contained in the Loan and Security Agreement.

Very truly yours,

DEVINE, MILLIMET & BRANCH  
PROFESSIONAL ASSOCIATION

By:   
Renelle L. L'Huillier

RLL:sam

**Name of Applicant:** Scott Electronics Inc

**Address:** 33 Northwestern Drive, Salem, NH 03079 USA

**Contact:** Pat French

**Title:** [Patf@scottelec.com](mailto:Patf@scottelec.com)

**Phone:** 603-893-2845 X14

**Name and Address of Owner of Project (if different):**

**Name and Address of Lessees of Project (if any):**

**Amount of Bond Issue:** 3.625M

**Address of Project Site:** 5 Industrial Way Salem NH 03079

**Briefly Describe the Project:** We are acquiring the lower floor of 5 Industrial way in July 2017 which consists of 36K sq ft and we will have roughly 28K sq ft used for light manufacturing and the remaining space will be office or may be converted to more light manufacturing. The remaining 36K sq ft which is the upper level will be purchased within 12-18 months of the initial purchase but will not be part of the bond this portion will be purchased through a conventional loan with our bank.

**Land Acquisition Est. Cost:** \$0

**Acquisition Size (acres):** \$0

**Building Acquisition Est. Cost:** 2.625M

**Acquisition Size (sq ft):** 36K

**Building Construction Est. Cost:** \$0

**Construction Size (sq ft):** 0

**Building Renovation Est. Cost:** 1.1M

**Renovation Size (sq ft):** 36K

**Equipment Acquisition Est. Cost:** 100K



**Other (describe):**

**You anticipate acquiring used equipment:** No

**Describe the effect the project has on the environment:** There should be no affect on the environment. The project renovations are removal of inner walls and ceilings to make a wide open space. The outer shell of the building will have minimal work done to it.

**Project Start Date:** Estimated September 2017

**Project Completion Date:** Estimated March or April of 2018

**Jobs Created by Facility:** This facility will carry over 117 employees with our estimate of adding 30-40 new direct labor positions over the next 3-5 years.

**Jobs Preserved:** All employees will transfer to the new location.

**Describe the types of jobs created or preserved, their wage and salary levels, and, if applicable, when the jobs will be created:** We are a contract Manufacturer that has 60 direct first shift employees and 35 second shift direct employees all of which will move to the new facility. The wage and salaries vary from 11.50 per hour to 17.00 per hour.

**Names and Addresses of contractors and subcontractors of the project:** This has not been determined yet. We have had three contractors review this project and are submitting quotes.

**Describe the Applicant (and if applicable the owner and the lessees). Include a brief history of the Applicant, its principal products and its consumers:** We are a family owned and operated Contract Manufacturer that builds cable, harness, fiber optics, panel assemblies and box builds for Medical, Industrial, Home land security, Semi conductor, Aerospace and Military markets. Our products are installed in MRI, Bomb detection and blood analyzing equipment around the world.

**Briefly describe the Applicant (and if applicable the owner and the lessees) key management personnel:** The key personnel is made up of 6 staff members that Manage the companies operation from a top level.

**Applicant is equal opportunity employer:** Yes

**Owner is equal opportunity employer:** Yes

**Lessee is equal opportunity employer:** Yes

**Please provide any other information of which you believe the BFA should be aware in considering this application:**

**Date:** 6/15/2017


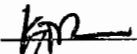
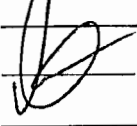
**Authorized E-Signature of Applicant:** Scott Metzemaekers

(Sent via NH Business Finance Authority)

Metz Realty, Inc.  
Loan Amount: \$3,625,000.00


SALEM FIVE CENTS SAVINGS BANK  
COMMERCIAL LOAN FACILITY REPORT

LOAN COMMITTEE ACTION

	<u>APPROVE</u>	<u>DECLINE</u>	<u>ACKNOWLEDGE</u>
PYC		_____	_____
KSK	_____	_____	_____
BPP	_____	_____	_____
DRK	DRK	_____	_____
KTR		_____	_____
MHL		_____	_____
CA Gaffney	_____	_____	_____

Dated: November 30, 2017

EXECUTIVE COMMITTEE ACTION

	<u>APPROVE</u>	<u>DECLINE</u>	<u>ACKNOWLEDGE</u>
PYC		_____	_____
JMG	_____	_____	_____
WHM	_____	_____	_____
DSG	_____	_____	_____
WJL	_____	_____	_____
DAS	_____	_____	_____
JAS	_____	_____	_____

Dated: December 7, 2017

***Modification***

***To***

***Existing Loan***

TO: CREDIT COMMITTEE

FROM: CAG

RE: Metz Realty, Inc. - Loan 7500007017

DATE: 11/30/17

**BACKGROUND:**

Salem Five has had a very positive longstanding relationship with Scott Electronics, Inc. (SEI), Metz Realty, Inc. (MRI), the related real estate entity and the Metzemaeker family. The relationship includes lines of credit and equipment loans to SEI and real estate loans to MRI with total relationship exposure totaling \$4,789M. The combined entities also carry average deposits of \$800M+. As of 10/31/17, the company has performed very well reporting a net profit of \$1,586M on revenues of \$13,637M, with stockholder equity of \$3,390M.

In July, 2017 the Bank approved and closed on a \$3,625M CREM for the RE entity as an 18-month interest only acquisition and construction loan to purchase and re-fit property at 5 industrial Way in Salem NH. The property is a 36,000 sq. ft. 1st floor condo unit in a 2 unit building with a similar size unit on the floor. Upon completion of the re-fit the property will be occupied by the operating entity SEI. At the time of closing the long term plan was for Metz Realty Inc. (MRI) to take advantage of a tax exempt program in NH through the New Hampshire Business Finance Authority and convert this loan to a tax exempt bond. The bond would serve as the long term financing for this acquisition. The intention was to undertake the conversion at the point the space was complete and occupied by SEI in 2018. It is further contemplated that MRI will eventually exercise an option by 12/31/18 to purchase the second unit of this 2 unit condo and thereby own and control the entire 72,000 s/f property which sits on 6.6 acres. The second unit purchase will be an investment real estate play and be financed conventionally subject to an approximately \$1,500,000 cash input which will derive from the sale of SEI's current location at 33 Northwestern Dr. in Salem NH. The value of the entire building will support both the bond at \$3,625,000 and the potential conventional loan of \$1,125,000 (based on a PP of \$2,625,000) with an all in LTV not to exceed 75% and a required DSCR of 1.25x

Due to timing constraints caused by pending actions in Congress, Metz has requested that Salem Five approve the conversion to a tax exempt bond to close by year end in order to ensure the availability to tax exempt financing.

Terms and conditions of the Bond are proposed as follows:

<b>Borrower Name(s):</b>	Metz Realty, Inc.	<b>Date of Write-up:</b>	11-30-17
<b>Address:</b>	33 Northwestern Ave Salem, NH 03079	<b>Account Officer:</b>	C. Gaffney
		<b>Underwriter:</b>	C.Gaffney
<b>Guarantor(s):</b>	Jacqueline Metzemaekers, John Metzemaekers, Scott Electronics, Inc.	<b>Proposed Risk Rating:</b>	5 – Moderate
<b>Business:</b>	EMS Manufacturer	<b>NAICS Code:</b>	334419
		<b>Revenues (2016):</b>	\$14,370M

- I. **PROPOSAL:** The purpose of the subject memo is to serve as a modification to the original CREM approval document from 7/28/17 (attached). The impetus for the modification is to allow the borrower to issue a "tax exempt bond" via the New Hampshire Business Finance Authority by year-end 2017, as it is uncertain moving forward with new legislation/tax bill whether a "tax exempt bond" would be an option for the borrower in 2018. A summary of terms and conditions is demonstrated below, with all changes italicized below:

<b>Borrower(s):</b>	Metz Realty, Inc.
<b>Amount/Type:</b>	Up to \$3,625,000 Commercial real estate mortgage via the purchase of a tax exempt Bond
<b>Purpose:</b>	To fund the purchase of the lower level condominium located at 5 Industrial Way in Salem N.H. in the amount of \$2,525,000 and provide up to \$1,100,000 in construction costs to fit up the acquired property.
<b>Term/Rate:</b>	<i>Bond term up to 21 years /At the time of closing the rate will be fixed for the first five years to a rate equal to of the sum of the current FHLB 5 year classic advance rate plus 250 basis points. (Discounted to reflect the bank tax savings). The indicative all in rate as of today would be 3.20% . The rate will be adjusted and fixed every 5 years to a rate equal to the sum of the then current FHLBB 5 year classic advance rate plus 250 basis points based on the above formula and adjusted for the prevailing tax rate.</i>
<b>Guarantors:</b>	Jacqueline Metzemaekers, John Metzemaekers, Scott Electronics, Inc.
<b>Fees:</b>	None
<b>Repayment Terms:</b>	<i>Interest only for the first year, followed by a monthly P&amp;I payment sufficient to fully amortize the loan over a 20 year period.</i>
<b>Repayment Source:</b>	Cash flow from operations / NOI of real estate
<b>Collateral:</b>	FREM on 5 Industrial Avenue Property / Second lien position on ABA of Scott Electronics, Inc. / 2 <sup>nd</sup> CREM on the 33 Northwestern Avenue property.
<b>Subordination:</b>	Subordination of all owner debt
<b>Prepayment</b>	<i>In the event that the bond is refinanced with another lending institution, the</i>

<b>Penalty:</b>	<i>Following prepayment penalty will apply: Years 1-5: 3% Years 6-10: 2% Years 11-16: 1% Years 17-21: 0%</i>
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• <i>Minimum debt service coverage ratio of 1.25X; tested on an annual basis, beginning in at the end of year 2. Debt Service Coverage is defined the Net Operating Income of the mortgaged property, divided by the principal and interest payments.</i></li> <li>• "As Complete" LTV is not to exceed 80% at any time.</li> </ul>
<b>Financial Reporting:</b>	<ul style="list-style-type: none"> <li>• Quarterly internal produced financial statements within 45 days from quarter end.</li> <li>• Annual CPA reviewed and consolidated financial statements within 120 days of FYE.</li> <li>• Personal financial statements and personal federal income tax returns of the personal guarantors required annually.</li> <li>• Other information as may be reasonably requested.</li> </ul>
<b>Other Conditions:</b>	<ul style="list-style-type: none"> <li>• All obligations to be cross-guaranteed and cross-defaulted.</li> <li>• If Northwestern Avenue property is sold, proceeds must be appropriately directed to Bank to ensure compliance with above.</li> <li>• Operating accounts to continue to be maintained at Salem Five.</li> <li>• Loan approval is subject to satisfactory receipt and review of appraisal, providing a LTV not to exceed 80%.</li> <li>• Bank to be provided with landlord waiver prior to loan closing.</li> <li>• Satisfactory receipt and review of construction budget.</li> <li>• Remaining funds (~\$959M) on proposed bond to be held in escrow.</li> </ul>
<b>Credit Policy Exceptions:</b>	None.

<b>Total Existing Scott Exposure:</b>	<b>\$824,535</b>
<b>Total Existing Metz Exposure:</b>	<b>\$308,084</b>
<b>Total Proposed Metz Exposure:</b>	<b><u>\$3,625,000</u></b>
<b>Total Combined Exposure:</b>	<b>\$4,757,619</b>

\*Attached for reference find the original approval document and YTD statement for SCI through October. As can be seen the company continues to do very well with YTD revenues of \$13,637M and Net Income of \$1,586M. The balance sheet continues to be strong with Equity of \$3,390M and total debt of \$1,526M for a D/TNW ratio of .45.

**Scott Electronics**  
**Consolidated Balance Sheet**  
**Year To Date Through: October, 2017**

**ASSETS**

CASH	\$1,154,828
ACCOUNTS RECEIVABLE	\$1,943,928
RESERVE FOR BAD DEBTS	(\$9,950)
PREPAID INSURANCE	\$2,541
PREPAID EXPENSE	\$5,042
DUE FROM METZ REALTY	\$1,085
INVENTORY	\$1,389,957
DEPOSITS	\$18,750

<b>CURRENT ASSETS</b>	<b>\$4,506,180</b>
-----------------------	--------------------

MOTOR VEHICLE	\$94,606
LEASEHOLD IMPROVEMENTS	\$73,912
MACHINERY & EQUIPMENT	\$950,738
OFFICE EQUIPMENT	\$180,450
FURNITURE & FIXTURES	\$179,658
ACCUMULATED DEPRECIATION	(\$1,069,837)
<b>NET FIXED ASSETS</b>	<b>\$409,527</b>
<b>TOTAL ASSETS</b>	<b>\$4,915,707</b>

**LIABILITIES AND SHAREHOLDERS EQUITY**

ACCOUNTS PAYABLE	\$1,228,471
NOTES PAYABLE - STOCKHOLDERS	\$70,589
GL 2008 NOTE	\$77,374
GL 2009 NOTE	
GL 2015 LINE	\$67,000
GL 2017 NOTE	
401K PLAN	\$54,813
ACCRUED MEDICAL INSURANCE	\$10,500
ACCRUED PAYROLL	\$78,937
ACCRUED PROFESSIONAL FEES	\$675
ACCRUED INTEREST	
ACCRUED TAXES	(\$62,768)
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$1,525,592</b>

COMMON STOCK	\$46,100
ADDITIONAL PD IN CAPITAL	\$424,087
NET INCOME CURRENT YEAR	\$1,586,241
RETAINED EARNINGS - PRIOR	\$2,209,958
DISTRIBUTIONS	(\$876,272)
<b>SHAREHOLDERS' EQUITY</b>	<b>\$3,390,115</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$4,915,707</b>

**Scott Electronics, Inc.**  
**Consolidated Income Statement**  
**Year To Date Through: October, 2017**

	<u>Period To Date</u>	<u>Year To Date</u>
<b>REVENUE</b>		
SALES	1,435,353	13,638,195
SALES-MISC TOOL SALES		
SALES-OTHER	10,003	53,110
SALES-DISCOUNT EARNED	(5,132)	(45,823)
SALES RETURNS & ALLOWANCES	-	(7,628)
FREIGHT CHARGES - A/R SALES	(110)	(940)
<b>NET SALES</b>	<b>1,440,114</b>	<b>13,636,915</b>
<b>COST OF GOODS SOLD</b>		
COST OF GOODS SOLD	675,706	6,656,754
COGS-MISC PRODUCT	2,047	35,327
COGS-RAW MATERIAL	6,466	73,115
COGS-OTHER	356	2,694
SCRAP	3,867	10,322
FREIGHT OUT	6,303	83,819
CUSTOM BROKER	3,896	50,676
FREIGHT IN - GOODS IN	6,188	75,404
SHIPPING SUPPLIES	2,638	20,746
RENT - EQUIPMENT	486	7,287
REPAIR-EQUIPMENT	334	12,956
SALARIES - DIRECT	183,819	1,763,430
CONTRACT LABOR	4,312	27,440
SALARIES-INDIRECT	54,554	503,234
EMPLOYEE CAFETERIA MEALS	2,655	21,164
FLOOR SUPPLIES	6,328	43,554
SMALL TOOLS	6,908	71,921
OUTSIDE SERVICES-DIRECT	160	9,858
HARDWARE	-27	438
HS, LABELS, HOOK-UP	1,501	(8,591)
DEPRECIATION EXPESE - CGS	4,250	42,500
<b>TOTAL COST OF GOODS SOLD</b>	<b>972,746</b>	<b>9,504,048</b>
<b>GROSS MARGIN</b>	<b>467,368</b>	<b>4,132,867</b>



<b>OPERATING EXPENSES</b>	<b>Period To Date</b>	<b>Year To Date</b>
SALARIES - ADMINISTRATION	129,575	1,322,956
FICA TAX EXPENSE	18,919	201,242
UNEMPLOYMENT TAX	580	15,563
401K EXPENSE	5,625	56,250
EMPLOYEE BENEFITS	944	13,204
GROUP INSURANCE	10,705	119,859
CONTRACT LABOR		24,597
RENT - BUILDING	45,375	283,750
BUILDING EXP. (REPAIRS & MAIN)	2,486	30,014
JANITORIAL SUPPLIES	1,717	13,663
ELECTRIC	4,034	35,776
HEAT	79	5,807
WATER - TOWN	1,211	6,477
COMMISSION - F. ALFONSO	4,264	45,284
COMMISSION - DELTA SALES	6,000	12,000
COMMISSION - G. TARALLO	512	4,172
COMMISSION-SCOTT ELECTRONICS	9,284	89,718
COMMISSION-SCOTT ELECTRONICS	-9,284	(89,718)
OFFICE SUPPLIES & EXPENSE	2,668	31,981
COMPUTER & DATA PROCESSING	1,098	41,099
POSTAGE	474	2,829
OUTSIDE SERVICE	6,654	28,683
TELEPHONE	849	9,304
BANK CHARGES & PAYROLL	1,011	10,523
ADVERTISING EXPENSE	1,810	17,543
SALES PROMOTION	9	21,104
AUTO LEASE	2,349	24,438
AUTO EXPENSES	4,828	24,694
TRAVEL		15,983
TRAVEL-MEX	177	1,718
SEMINARS, CONVENTIONS	6,000	20,002
DEPRECIATION EXPENSE-OPERATING	2,680	26,800
GENERAL INSURANCE	2,822	34,156
PROFESSIONAL SERVICES	1,551	34,823
FEES & LICENSES	160	6,617
DUES & SUBSCRIPTIONS		1,122
MISCELLANEOUS EXPENSE	50	50
<b>TOTAL OPERATING EXPENSES</b>	<b>267,214</b>	<b>2,544,083</b>
<b>INCOME FROM OPERATIONS</b>	<b>200,154</b>	<b>1,588,784</b>
<b>OTHER INCOME AND EXPENSE</b>		
INTEREST INCOME	88	812
DIVIDEND INCOME		
MANAGEMENT FEE		
UNREALIZED GAIN/LOSS ON STOCK		
GAINS OR LOSS ON SALES OF ASST		(148)
STATE INCOME TAX EXPENSE		
INTEREST EXPENSE	-267	(3,206)
<b>TOTAL OTHER INCOME AND EXPENSE</b>	<b>-179</b>	<b>-2,543</b>
<b>NET INCOME</b>	<b>199,975</b>	<b>1,586,242</b>

Salem Five Cents Savings Bank  
Borrowing Base Certificate

Scott Electronic, Inc.

*Accounts Receivable:*

Gross Amount of Accounts Receivable:	\$ 1,943,927
Less:	
Accounts receivable in excess of 90 days past due:	\$ 4,308
Inter-company Receivables:	\$ 5,941
A/P Contra Receivables:	\$
Net Eligible Accounts Receivable:	\$ 1,933,678
Multiply by Advance Rate (80%)	\$ 1,546,942
Accounts Receivable Availability	\$ 1,546,942

*Inventory:*

Eligible Inventory	\$
Multiply by Advance Rate (50%)	\$

*Real Estate Availability:*

Permanent availability of up to \$500,000 (1<sup>st</sup> Mtg. and \$500M must not exceed 75% LTV) \$

Less:

Principal Balance of Revolving Line of Credit	\$ 67,000
Outstanding Letters of Credit:	\$ 133,000

NET AVAILABILITY (not to exceed \$750,000)

\$ 550,000

The undersigned hereby certifies that the foregoing statement accurately depicts, as of 10/31/17, that the total, gross, amount of accounts receivable owned by Scott Electronics, Inc. are not outstanding more than 90 days, less borrower's reserves for bad debts relative thereto. And, that the existing indebtedness, direct or contingent, of the borrower to Salem Five Cents Savings Bank is stated above.

Annexed hereto as Schedule A is a true, accurate and aged list of all accounts receivable reflected in this certification.

The undersigned further certifies that no event has occurred, which, by itself or upon the giving of notice or the expiration of any period of grace, would constitute an event of default under any agreement between the borrower and Salem Five Cents Savings Bank.

Executed this 2nd day of November, 2017


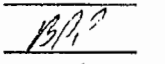
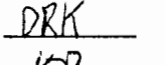
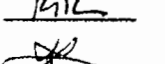
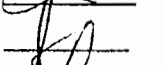
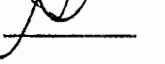

BY: Patricia French  
NAME: Patricia French TITLE: Controller

Loan 13

Scott Electronics, Inc.  
Metz Realty, Inc.  
Loan Amount A: \$250,000.00 is \$750,000  
Loan Amount B: \$3,625,000.00

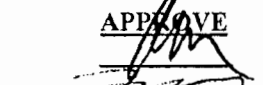


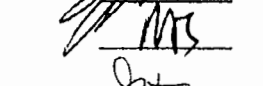
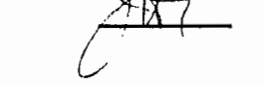


SALEM FIVE CENTS SAVINGS BANK  
COMMERCIAL LOAN FACILITY REPORT

LOAN COMMITTEE ACTION

	<u>APPROVE</u>	<u>DECLINE</u>	<u>ACKNOWLEDGE</u>
PYC		_____	_____
KSK		_____	_____
BPP		_____	_____
DRK		_____	_____
KTR		_____	_____
MHL		_____	_____
CA Gaffney		_____	_____

Dated: July 13, 2017

EXECUTIVE COMMITTEE ACTION

	<u>APPROVE</u>	<u>DECLINE</u>	<u>ACKNOWLEDGE</u>
PYC		_____	_____
JMG		_____	_____
WHM		_____	_____
DSG		_____	_____
WJL		_____	_____
DAS		_____	_____
JAS		_____	_____

Dated: July 20, 2017

**Salem Five Cents Savings Bank  
Commercial Loan  
Credit Facility Report**

<b>Borrower Name(s):</b>	1) Scott Electronics, Inc. 2) Metz Realty, Inc.	<b>Date of Write-up:</b>	7-10-17
<b>Address:</b>	1) 33 Northwestern Ave. 2) 33 Northwestern Ave	<b>Account Officer:</b>	C. Gaffney
	1) Salem, NH 03079 2) Salem, NH 03079	<b>Underwriter:</b>	R. Kelly
<b>Guarantor(s):</b>	1) Jacqueline Metzemaekers, John Metzemaekers, Metz Realty, Inc. 2) Jacqueline Metzemaekers, John Metzemaekers, Scott Electronics, Inc.	<b>Proposed Risk Rating:</b>	5 – Moderate
<b>Business:</b>	EMS Manufacturer	<b>NAICS Code:</b>	334419
		<b>Revenues (2016):</b>	\$14,370M

**I. PROPOSAL:**

<b>Borrower(s):</b>	1) Scott Electronics, Inc. 2) Metz Realty, Inc.
<b>Amount/Type:</b>	1) \$750,000 working capital line of credit (LOC) 2) Up to \$3,625,000 Commercial real estate mortgage
<b>Purpose:</b>	1) To renew existing SFCSB working capital line of credit 2) To fund the purchase of the lower level condominium located at 5 Industrial Way in Salem N.H. in the amount of \$2,525,000 and provide up to \$1,100,000 in construction costs to fit up the acquired property.
<b>Term/Maturity:</b>	1) Next review 8/1/19 2) 17 months from date of closing- However, it is anticipated that the above loan will be refinanced with a tax exempt bond arranged through the New Hampshire Business Finance Authority. (Maturity 12/31/18)
<b>Interest Rate:</b>	1&2) Floating at the Wall Street Journal Prime Rate (Currently 4.25%)
<b>Advance Rate:</b>	1) Advances limited to 80% of accounts receivable within 90 days from invoice 2) None
<b>Guarantors:</b>	1) Jacqueline Metzemaekers, John Metzemaekers, Metz Realty, Inc. 2) Jacqueline Metzemaekers, John Metzemaekers, Scott Electronics, Inc.
<b>Fees:</b>	None
<b>Repayment Terms:</b>	1) Interest only monthly 2) Interest only monthly
<b>Repayment Source:</b>	1) Conversion of current assets 2) Cash flow from operations / NOI of real estate
<b>Collateral:</b>	1) First lien position on all business assets of Scott Electronics, Inc.

	2) FREM on the property to be acquired / Second lien position on ABA of Scott Electronics, Inc. / 2 <sup>nd</sup> CREM on the 33 Northwestern Avenue property.
<b>Subordination:</b>	Subordination of all owner debt
<b>Prepayment Penalty:</b>	None
<b>Covenants:</b>	<ul style="list-style-type: none"> <li>• Fixed Charge coverage ratio of 1.25X; tested on an annual basis.</li> <li>• "As Complete" LTV is not to exceed 80% at any time.</li> </ul>
<b>Financial Reporting:</b>	<ul style="list-style-type: none"> <li>• Monthly Borrowing Base certificates complete with A/R aging report within 20 days of month end when in loan.</li> <li>• Quarterly internal produced financial statements within 45 days from quarter end.</li> <li>• Annual CPA reviewed and consolidated financial statements within 120 days of FYE.</li> <li>• Personal financial statements and personal federal income tax returns of the personal guarantors required annually.</li> <li>• Other information as may be reasonably requested.</li> </ul>
<b>Other Conditions:</b>	<ul style="list-style-type: none"> <li>• All obligations to be cross-guaranteed and cross-defaulted.</li> <li>• If Northwestern Avenue property is sold, proceeds must be appropriately directed to Bank to ensure compliance with above.</li> <li>• Operating accounts to continue to be maintained at Salem Five.</li> <li>• Loan approval is subject to satisfactory receipt and review of appraisal, providing a LTV not to exceed 80%.</li> <li>• <del>Bank to be provided with landlord waiver prior to loan closing.</del></li> <li>• Satisfactory receipt and review of construction budget.</li> </ul>
<b>Credit Policy Exceptions:</b>	None.

Total Existing Scott Exposure: \$841,444  
 Total Existing Metz Exposure: \$323,000  
 Total Proposed Metz Exposure: \$3,625,000  
 Total Combined Exposure: \$4,789,444

ACH Origination Daily Exposure: N/A  
 ACH Purpose: N/A

## II. EXECUTIVE SUMMARY:

### Transaction Summary:

Scott Electronics, and its related real estate entity Metz Realty, are excellent, long-term customers of Salem Five with a relationship that includes loans, deposits and cash management. The company is well known to Salem Five management.

#### 1) Scott Electronics, Inc.

The Company is seeking to renew it's existing \$750,000 working capital line of credit. Note: there is a \$133,000 carve-out for a Standby Letter of Credit. The company has shown minimal line usage over the last

in the latter half of this year, as Scott is currently working with a number of potential new clients that will require establishing new vendor relationships. It is expected that the new vendors will require tighter payment terms and therefore an additional need for line availability. In addition, the letter of credit is expected to increase next year as it represents funds that would be used by the Mexican Government to provide severance money to employees of the Mexican plant, in the event the company closed. As the company payroll increases, the LC is increased. Lastly, the new building acquisition in Salem, may create working capital needs in 2017-2018.

**2) Metz Realty, Inc.**

Metz Realty Inc.(MRI) is single asset entity that owns the building at 33 Northwestern Ave. Salem NH where Scott Electronics Inc. (SEI) currently operates. MRI and SEI are both 100 % owned by Jack and Jacqueline Metzemaekers- SEI occupies 100% of the building. MRI has entered into a 2 stage P&S to purchase a ~70,000 sf 2 unit commercial condominium (5 Industrial Way, Salem, NH) – with each unit comprised of approximately ~36,000. For stage 1 Metz will purchase the lower level or first floor for \$2,625,000. They plan to invest an additional \$1,100,000 to create 31,000 sf of open manufacturing space that will be 100% occupied by SEI with 5,000 SF initially designated as rental space. This stage of the transaction will initially be financed by a 18 month interest only facility priced at prime. Subsequently this facility will be refinanced with 20 year tax exempt bond financing facilitated by the New Hampshire Business Finance Authority which is a New Hampshire state agency whose mission is to support manufacturing growth in New Hampshire. In 2018, MRI intends to purchase the 2<sup>nd</sup> floor of 5 Industrial Way, Salem, NH. The purpose will be as investment real estate and MRI will look to SFCSB for conventional financing at such time.



<u>Sources</u>	<u>in \$000's</u>	<u>Uses</u>	<u>in \$000's</u>
SF Bank - CREM	2,525	CREM- Property Acquisition	2,525
SF Construction Loan	1,100	Construction @ 5 Industrial Way	1,100
Borrower Equity			-
	3,625		3,625

- Salem Five will be financing nearly 100% of the proposed transaction, as the property is being purchased for \$2,525M. The Borrower will be putting \$250M in escrow with the Seller to reserve their option for the 2<sup>nd</sup> floor unit, as well as a deposit towards fit-up on the 2<sup>nd</sup> floor unit.

The SEI/MRI rationale for the proposed transaction is best expressed by a letter attached hereto as an exhibit but to summarize it is a matter of space to accommodate the equipment and additional employees needed to service the growing needs of their existing and potential customer base. In their current 20,000 sf space they are

unable to quote certain mechanical opportunities as well as other opportunities that have been offered to them in molding and potting assemblies for which there is insufficient space. In addition, SEI plans to expand its capabilities to include electromechanical and control box builds which also requires additional space. The added space to be acquired in this transaction will provide SEI the ability to continue to meet the needs of its very high quality customer base, attract new customers and meet their 5 year goal of reaching the \$25,000,000 revenue mark.

The proposed transaction anticipates that SEI will occupy 30,000 sf of the acquired property and lease out the remaining 5,000 sf. It also anticipates that, once it moves into the new building, it will lease out(or potentially sell) its existing 20,000 sf which continues to be subject to a Salem Five mortgage. In a lease scenario, Metz Realty Inc. will own both the existing and newly acquired buildings and be the lessor to SEI and the potential 3<sup>rd</sup> parties. However, SEI's operations, on a standalone basis are sufficient to service the debt simultaneously (Amortizing) at both the existing and proposed properties at 1.84X for 2016.. Any additional rent received at the properties would constitute purely upside potential.

**Credit Profile:**

Scott Electronics has demonstrated excellent historical/current operating success, with ample free cash flow to service both existing and proposed debt service on an amortizing basis. A summary of projected/historical operating performance is demonstrated below:

(\$000's)				
Year	2018 Projections	2017 Projections	2016	2015
Total Revenue	19,500	16,500	13,773	13,203
Gross Profit	4,875/25%	4,125/25%	3,569/25%	3,207/24%
Operating Expenses	3,705/19%	3,135/19%	2,613/19%	2,496/19%
Operating Profit	1,170/6%	990/6%	956/7%	711/5%
Other Income/Expenses	0	0	(5)	(3)
Taxes	(93)	(79)	(77)	(49)
Net Income	1,076	910	874	659

**Strengths:**

- Strong current/historical financial performance, with supportive capital position.
- Experienced management team, with strong succession plan in place.
- Long term relationships with a significant number of national and international companies, in diversified economic sectors.
- Strong guarantor support
- Strong deposit relationship with current balances of \$718M.

**Weaknesses:**

- Customer concentration with the top 5 customers accounting for an estimated 75% to 80% of revenues. This is mitigated by the fact that they are all long-term relationships with national/international companies, operating in diverse industries. It is further mitigated by the addition of 2 new customers: AMETEK and Implant Sciences.
- Construction risk associated with building fit-up. Partially mitigated by Bank hired construction inspector and Bank construction requisition process.

**Risk Rating Justification: 5 - Moderate (Acceptable Risk)**

Based on the above strengths and weaknesses a loan risk rating of 5 – Moderate/Acceptable Risk is recommended. The construction risk associated with the proposed financing, precludes what would otherwise be a “4-Rating”.

### **III. BUSINESS:**

#### **Background:**

Scott Electronics (SEI) and Metz Realty have been customers of SSB for 10 years, when we refinanced their debt with Citizens. Established in 1986 by the current owners, Jackie and Jack Metzemaekers, SEI is a leading EMS provider supporting customers in the automotive, industrial, renewable energy, semiconductor, medical, telecommunications, military and homeland security. The company assembles and manufactures cables, wiring harnesses and electro mechanical assemblies on a contract basis. Their work with its customers is integrated into an array of products that span between medical devices in local hospitals to Homeland Security products in local airports. The company has 100 Employees working 2-shifts in a 20,000 square foot facility in Salem NH. The company is ISO 9001:2008 UL and CSA Certified.

Scott Electronics established an operation in Nogales, Mexico (a maquila-production sharing concept) several years ago in response to requests from its customers, which has evolved into a competitive advantage. They have enjoyed good success as the company can protect its margins, primarily on labor expenses. With close proximity to the border it allows them the use of the FAST lane that eliminate delays and that reduces cross border time, product is delivered in 2 days from Mexico to Salem. Working closely with the team in Mexico, they have been able to establish new assembly startups in less than 4 weeks. They have a dedicated supply chain that offers consigned inventory, freight free delivery and a value added materials management that allow it to stay focused on the customer's requirements.

Currently the facility is manufacturing, Medical, Semi-conductor, Industrial Equipment, Automotive and Test Equipment. The facility has been working within a Lean environment for more than 7 years now and continues to find ways to improve their efficiencies with employee empowerment and a management team that continues to challenge the team. In August, 2012, Scott Electronics achieved ITAR Certification Approved by the U.S. Department of State for Defense, Military, and Sensitive Contract Manufacturing Assembly projects.

#### **Ownership/Management:**

**Metz Realty Inc.(MRI)** is single asset entity that owns the building at 33 Northwestern Ave. Salem NH where Scott Electronics Inc. (SEI) currently operates. MRI and SEI are both 100 % owned by Jack and Jacqueline Metzemaekers.

**Scott Electronics** is owned 94% by Jackie and 6% by Jack. Metz Realty is owned equally by Jack and Jackie Metzemaekers The operating company is a Certified Women Owned Business. They are very involved in running the business, but their two sons, David and Scott, are in charge of day to day operations. The sons, David and Scott, have succeeded in taking the business to the next level from where the parents had grown it. David and Scott are both in their 40s and have been at the company for more than 15 years each.

#### **Customer Concentrations:**

Management has described the following customers as representing 70% of the company's sales; generally these customers have been with the Scott for 10 years or longer. However they have been able to attract 2 major new customers over the past year – AMETEK and Implant Sciences. Therefore any risk of concentration continues to be mitigated by the addition of new customers, the underlying financial strength of the these customers and the diverse industries in which they operate.

**Implant Sciences**, Implant Sciences Corp. (OTCQB:IMSC) designs, manufactures and sells explosive trace detection (ETD) and drugs trace detection solutions for multiple security applications including aviation, transportation, customs, air cargo, critical infrastructure protection, ports and borders, force protection, public safety, and emergency responders. With over 5,000 units sold to over 70 countries, including to high profile customers such as the US TSA, the Canadian Transport Security Authority and some of the busiest airports in the EU, Implant Sciences ETDs have been selected over and over again in operational trials and competitive tenders.



Gerber Scientific, through its subsidiaries develops, manufactures, distributes and services automated equipment and software in two industries worldwide. In June 2011, it was announced Vector, a global private equity firm specializing in the technology sector, would take over Gerber Scientific. Gerber Scientific remains a very strong customer of Scott Electronics.

AMETEK, is a leading global manufacturer of electronic instruments and electromechanical devices with 2015 sales of \$4.0 billion. AMETEK has over 15,000 colleagues at 150 manufacturing locations around the world. Supporting those operations are more than 100 sales and service locations across the United States and in 30 countries around the world. AMETEK has been publically traded on the NYSE since 1930 and is a component of the S&P 500

Instrumentation Laboratory, founded in 1959, is headquartered in Bedford MA, with operations worldwide. As part of the Werfen Group, a global healthcare corporation delivering in vitro diagnostic products, medical devices and scientific instruments, Instrumentation Laboratory has global reach. With scientific resources and through industry alliances and strategic acquisitions, Werfen Group helps medical professionals improve the quality of care. Instrumentation Laboratory remains a strong customer of Scott's.

MKS Instruments is a leading worldwide provider of instruments, subsystems, and process control solutions that measure, control, power, monitor, and analyze critical parameters of advanced manufacturing processes to improve process performance and productivity. Their primary markets are manufacturers of capital equipment for semiconductor devices and other thin film applications, including flat panel displays, solar cells, data storage media and other advanced coatings. Their technology is also in markets with advanced manufacturing applications, including medical equipment, pharmaceutical manufacturing, and energy generation and environmental monitoring. MKS is the company that first pressed Scott to start operating a facility in Mexico. MKS is also a solid Scott customer.

Hypertherm is a New Hampshire based company that designs and manufactures advanced plasma and fiber laser cutting systems and related products for use in a variety of industries such as shipbuilding, oil and gas, heavy equipment, structural steel, and manufacturing. Though predominantly manufactured in the United States, their products are shipped around the globe. The company is an ESOP owned company, started in 1968, and now employing over 1,200 people in 60 different countries. Hypertherm remains a strong customer of Scott's.

Brooks Automation (Nasdaq: BRKS), headquartered in Chelmsford, is a public company and global leader in the development and application of innovative solutions in the field of vacuum technology. The products provide a broad range of components and subsystems that are key to the manufacture of semiconductors, flat panel displays and data storage devices. In addition, their highly regarded Global Support activity provides critical ongoing operational support services to semiconductor device producers throughout the world.

#### IV. DUE DILIGENCE:

The borrower and the owner is well-known to the account officer, having banked them previously at T.D. Bank. And for the last 10 years at SFCSB/SSB. All loans have performed as agreed during this time period.

#### V. BANKING RELATIONSHIP:

Facility Type	Account #	Risk Rating	Orig. Commit.	Loan Balance	Date Origin.	Maturity	Interest Rate	Monthly Payment
<b>Scott Electronics</b>								
WC - LOC proposed	80100609-101	4	750,000	-----	2/23/04	8/24/17	Prime Rate	Int. only
Equipment	80100609-102	4	105,298	91,444	12-20-16	12-20-19	3.99	\$3,105
<b>Metz Realty</b>								
CREM	80501068-101	4	524,000	323,00	4/3/09	4/3/19	4.00%	4,054 P&I
<b>Totals</b>			<b>1,379,298</b>	<b>414,444</b>				

**Scott Electronics**

- The working capital Line of Credit has seen minimal usage over the last twelve months. It has been used on several occasions to facilitate equipment purchases in anticipation of a term loan. Note: \$133,000 is however allocated to a Standby Letter of Credit in favor of Maquila International Incorporated.
- In the past year, the company paid off one of their equipment loans and continued to pay interest and principle towards all of their other loans outstanding.

**Deposit Relationship:**

Name	Account #	Type	Balances as of 6/26/17	
			Balance	ACB
Scott Electronics	52810527	DDA	205,698	273,997
Scott Electronics	886700230	MMA	513,133	479,399
<b>TOTALS</b>			<b>718,813</b>	<b>753,396</b>

**VI. BORROWER FINANCIAL ANALYSIS:**

Review level financial statements through 2016 were prepared by Saba, Colman & Hunt P.C., CPAs, of Tewksbury, MA.

**Historical Balance Sheet**

In \$ 000s	Reviewed 12/31/16	Reviewed 12/31/15	Reviewed 12/31/14
Cash	894	555	521
A/R	1,664	1,283	1,292
Inventory	1,108	1,025	998
<b>Current Assets</b>	<b>3,666</b>	<b>2,895</b>	<b>2,870</b>
Net Fixed Assets	317	365	292
Prepaid Expenses	0	19	19
<b>Total Assets</b>	<b>3,983</b>	<b>3,314</b>	<b>3,181</b>
N/P Banks	72	105	0
A/P	918	775	927
CMLTD	44	54	53
Accruals	146	122	150
<b>Current Liabilities</b>	<b>1,109</b>	<b>1,056</b>	<b>1,130</b>
LTD	72	11	64
Other Liabilities			
Subordinated Debt	71	71	71
<b>Total Liabilities</b>	<b>1,252</b>	<b>1,138</b>	<b>1,264</b>
<b>Net Worth</b>	<b>2,732</b>	<b>2,176</b>	<b>1,917</b>
<b>TL and TNW</b>	<b>3,984</b>	<b>3,314</b>	<b>3,181</b>

**Key Financial Metrics:**

	12/31/16	12/31/15	12/31/14
Current Ratio	3.29	2.74	2.49
Working Capital	2,557	1,839	1,740
AR Days	43	35	40
AP Days	33	28	37
Inventory Days	40	38	41
TL/NW	.46	.52	0.66
TL/TCB	.42	.49	0.62

- Balance sheet is in a strong position with little leverage and history of retained earnings.
- While there is some concentration risk within A/R, collection is excellent as demonstrated by the 43 A/R days in 2016. Most customer relationships are long-term in nature and well established.
- Inventory consists of mostly work in process (\$734M @ 12/31/16). Inventory turns are deemed reasonable by industry standards. The LOC is tied to a Borrowing base formula that does not include an inventory reliance.

### Operating Summary:

Scott Electronics, Inc. July 10, 2017 Statement in Thousands	Company Prepared Jun. 30 2017 (6)		Company Prepared Jun. 30 2016 (6)		Review Dec. 31 2016		Review Dec. 31 2015		Review Dec. 31 2014	
	USD	%	USD	%	USD	%	USD	%	USD	%
<b>REVENUE Common Size</b>										
Sales #1	8,163	100.0	8,804	100.0	13,773	100.0	13,203	100.0	11,806	100.0
Cost of Goods Sold #1	5,698	69.8	4,999	73.6	10,141	73.8	9,942	76.3	8,723	75.2
Depreciation	28	0.3	28	0.4	83	0.6	64	0.4	43	0.4
Gross Profit	2,439	29.8	1,777	26.1	3,669	26.9	3,207	24.3	2,839	24.5
<b>OPERATION EXPENSES Common Size</b>										
Lease/Rent Expense	126	1.5	118	1.7	223	1.6	233	1.8	233	2.0
Other Operating Expenses	1,351	16.6	1,126	16.6	2,332	16.9	2,206	16.7	1,970	17.0
Depreciation	18	0.2	30	0.4	52	0.4	68	0.4	69	0.5
Bad Debt Expense	0	0.0	0	0.0	6	0.0	0	0.0	0	0.0
Operating Expenses	1,493	18.3	1,271	18.7	2,812	19.0	2,496	18.9	2,262	19.5
Operating Profit	946	11.6	508	7.4	957	6.9	711	5.4	677	5.0
<b>OTHER R &amp; E. (NET INCOME) Common Size</b>										
Interest Income	0	0.0	0	0.0	8	0.1	6	0.0	0	0.0
Gain on Sale of Assets	0	0.0	0	0.0	(5)	(0.0)	(1)	(0.0)	1	0.0
Total Other Income	0	0.0	0	0.0	3	0.0	5	0.0	1	0.0
Interest Expense	2	0.0	3	0.0	8	0.1	8	0.1	7	0.1
Profit Before Tax	944	11.6	503	7.4	962	6.9	708	5.4	671	4.9
Current Taxes (-)	0	0.0	0	0.0	(78)	(0.6)	(49)	(0.4)	(41)	(0.4)
Profit Before Extraord. Items	944	11.6	503	7.4	874	6.3	659	5.0	630	4.6
<b>NET INCOME</b>	<b>944</b>	<b>11.6</b>	<b>503</b>	<b>7.4</b>	<b>874</b>	<b>6.3</b>	<b>659</b>	<b>5.0</b>	<b>630</b>	<b>4.6</b>

- Revenues/GPM were relatively flat from 2016-2015, as customer/product mix has remained the same.
- Growth potential was highlighted previously by SEI management, as several new customers and additional production space will allow for increased production and new market opportunities.
- Notably, SEI has created a strong historical recurring base of revenues/Income within their product segment.
- YTD interim results reflect a strong year through June. Revenues have increased significantly and margins have improved resulting in significant Net Income improvement, further supporting aforementioned prospects of growth.

**Metz Realty:**

Historical financial information for Metz Realty Inc. consists of Review level FS prepared by Saba, Colman and Hunt CPAs.

In \$ 000s	2016 Review	2015 Review	2014 Review
Rental Revenue	130	130	130
Total Expenses	48	49	51
Net Operating Income	82	81	79

- NOI generated by Metz Realty above, will be added to the operating cash flow of SEI, in an effort to capture global cash flow available to service the proposed debt request. Notably, the underwriter will focus solely on SEI/Metz in their current operating/occupancy state, without consideration of any future rental income from a foreign party, in an attempt to be conservative.

**VII. CASH FLOW ANALYSIS:**

In \$ 000s	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12
Scott Electronics					
Net Income	874	659	530	376	23
Depreciation	114	58	103	102	104
Interest Expense	8	8	7	5	6
EBITDA	996	725	640	483	133
Metz Realty NOI	82	81	79	74	78
EBITDAR	1,078	806	719	557	211
Less: Distributions	329	395	285	57	(216)
Adjusted EBITDAR	749	411	434	500	(5)

**Proforma Debt Service:**

Loan Type	Amount	Term	Interest Rate	Mo. Pay	Annual DS
Scott Electronics					
WC Line of Credit	750,000	One year	Bank's Prime with a floor of 4.50%	Interest only	33,750
Equip. Term Loans	91,000	3 years	3.99%	3,105 P&I	37,260
Sub Total	841,000				71,010
Metz Realty					
CREM-Salem Existing	323,000	4-3-19	4.00%	4,054 P&I	48,600
CREM/Const.-Salem Proposed	3,625,000	17 months	4.25%	12,838 I.O.	154,062
Sub-Total	3,948,000				202,662
Combined Totals	4,789,000				273,672

Pro-Forma Debt Service Coverage 2016: 2.73X (\$749M/\$274M)

- Under a fully amortizing scenario for the proposed CREM, Assuming principal and interest payments on the proposed \$3,625M @ 5.00%, amortized over 20 years (\$287M Annually), SEI would demonstrate pro-forma DSCR of 1.84, for year 2016.

## VIII. GUARANTOR ANALYSIS

### John and Jacqueline Metzmaekers

Guarantor	PFS Date	\$000						
		Liquid Assets	Retire. Accounts	*Total Assets	Total Liabilities	Stated N.W.	2016 AGI	June 2017 Cr. Score
Jacqueline/John Metz.	12/31/16	828M	1,223M	10.7MM	0M	10.7MM	\$1,331M	797/781

- A PFS dated December 31, 2016 showed total liabilities of \$0 and a PNW of \$10,702M centered in investments in Scott Electronics and Metz Realty. Other assets included cash and marketables of \$828M, pension accounts \$1,224MM, and personal residences in NC of \$850MM with no mortgage.
- A 2016 joint tax return shows AGI of \$1,331M, comprised of wages of \$222M, Schedule E income of \$971M, pension distributions \$59M and Social Security benefits of \$60M..
- An EquiFax Credit reports dated 6-7-17 showed that John had an Excellent Beacon score of 781 and Jaqueline had a score of 797.

## IX. COLLATERAL ANALYSIS:

### Line of Credit:

Salem Five's collateral consists of an All Business Asset Lien on Scott Electronics. (As presently structured, the LOC is also collateralized with a 2<sup>nd</sup> mortgage on the Northwestern Ave. Property. This 2<sup>nd</sup> mortgage will be reassigned to collateralize the proposed transaction).

### Collateral Grid:

Facility Type	Total Commit	O/S Balance	Collateral Type	Valuation Date	Book/App. Value	Eligible Value	Advance Rate	Discounted Value
Scott Elect.				Book				
WC LOC	750	133*	A/R	6-1-17	1,678	1,678	80%	1,342
			Inventory	6-1-17	1,252	1,252	25%	313
Equip. Loans	105	91	Equip.	6-1-17	308	308	50%	154
<b>Sub-Total LOCs</b>	<b>855</b>	<b>224</b>			<b>3,238</b>	<b>3,238</b>		<b>1,809</b>
Metz Realty								
First CREM	323	323	1 <sup>st</sup> REM	2017 Appr.	1,480	1,480		
<b>Sub-total REMs</b>	<b>323</b>	<b>323</b>			<b>1,480</b>	<b>1,480</b>		
<b>Grand Totals</b>	<b>1,178</b>	<b>582</b>			<b>4,438</b>	<b>4,438</b>		

\*\$133M is margined against the line to secure an LC – there is no active balance on the line at this time

### Accounts Receivable

Accounts Receivable are in excellent condition with 99% under 30 days from invoice. There is only \$1M in over 60 day AR. Overall bad debt history has been minimal. The top five customers, which represent 70% of total AR, are well known financially solid companies.

### AR Aging and Concentrations

In \$000s	June-1-17	%	AR Concentrations	June -1- 17	%
0 - 30 Days	1,664	99%	Instrumentation Labs	411	24%
31 - 60 Days	14	1%	Brooks Automation	353	21%
61 - 90 Days			L3	170	10%

> 90 Days			Analog	135	8%
			Gerber Scientific	117	7%
Totals	1,678	100%	Total	1,186	70%

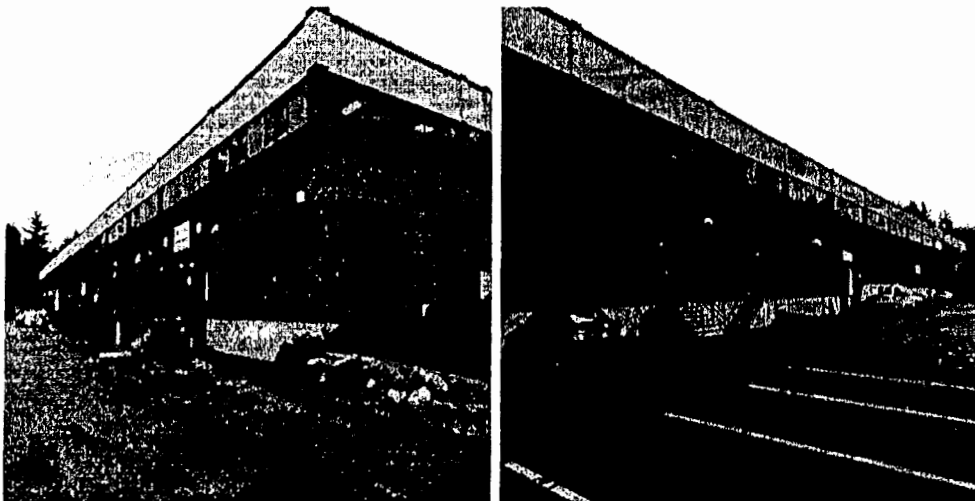
Total Committed LOCs to Eligible Value: 45% (\$750M/\$1,678M)  
Total Committed LOCs to Discounted Value: 56% (\$750M/\$1,342M)

**Proposed CREM (Metz Realty):**

The proposed acquisition CREM/construction loan will be secured with: FREM on the property to be acquired / Second lien position on ABA of Scott Electronics, Inc. / 2nd CREM on the 33 Northwestern Avenue property. (The property was appraised by Mark De Lisio & Associates for \$1,840M on 6/27/17. After the first mortgage balance of \$323,000, considerable equity in the property exists.)

**5 Industrial Way Salem, NH:**

The subject property being acquired consists of ~36,000 square feet of unit area (Which represents the first floor of the condominium). The building itself is a two story steel and masonry structure that was constructed in 1990, with a total of ~70,000 square feet (floors 1&2).



The property was appraised by Mark De Lisio & Associates on 6/27/17 providing the following set of values:

"As Is" \$2,645,000  
"As Complete" \$3,570,000  
"As Stabilized" \$3,570,000

\* As previously mentioned, the subject loan will be conditioned not to exceed 80% LTV, on an "As Complete" basis, at any time. If the Borrower sells the "Northwestern property," they will be required to apply the appropriate proceeds to the subject loan to ensure said covenant compliance.

\*\*As is LTV w/ Northwestern property equity of \$1,157M = 66% (\$2,525M / \$3,802M)

\*\*\* As complete LTV w/ Northwestern Property equity of \$861M= 78% (\$3,625M / \$4,727M)

\*Lastly, all construction advances will be managed/reviewed by a Bank hired construction inspector to assist in mitigating construction risk.

**Environmental:**

Satisfactory receipt and review of proper environmental due-diligence will be a condition of loan closing.

**Attachments:**

Financial Spreads  
Compliance Form

Scott Electronics, Inc.  
July 10, 2017  
Statement In Thousands

	Company Prepared Jun. 30 2017 (6)		Company Prepared Jun. 30 2016 (6)		Review Dec. 31 2016		Review Dec. 31 2015		Review Dec. 31 2014	
ASSETS Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Cash	999	24.6	751	20.6	482	12.1	304	9.2	521	16.4
Marketable Securities	0	0.0	0	0.0	391	9.8	251	7.6	0	0.0
Trade Accounts Receivable	1,525	37.5	1,506	41.3	1,649	41.4	1,283	38.7	1,297	40.8
Reserve for Bad Debts (-)	(10)	(0.2)	(5)	(0.1)	(10)	(0.3)	(5)	(0.2)	(5)	(0.2)
Net Accounts Receivable	1,515	37.3	1,501	41.1	1,639	41.2	1,278	38.6	1,292	40.6
Raw Materials	0	0.0	0	0.0	192	4.8	129	3.9	219	6.9
Work in Progress	0	0.0	0	0.0	735	18.5	731	22.1	645	20.3
Finished Goods	0	0.0	0	0.0	180	4.5	165	5.0	134	4.2
Other Inventory	1,183	29.1	951	26.1	0	0.0	0	0.0	0	0.0
Total Inventory	1,183	29.1	951	26.1	1,107	27.8	1,025	30.9	998	31.4
Prepaid Expenses	8	0.2	1	0.0	8	0.2	12	0.4	8	0.3
Other Current Assets	0	0.0	0	0.0	13	0.3	25	0.8	0	0.0
<b>Total Current Assets</b>	<b>3,705</b>	<b>91.1</b>	<b>3,204</b>	<b>87.8</b>	<b>3,640</b>	<b>91.4</b>	<b>2,895</b>	<b>87.4</b>	<b>2,819</b>	<b>88.6</b>
Due from Affiliates	10	0.2	17	0.5	25	0.6	35	1.1	51	1.6
Machinery & Equipment	1,036	25.5	966	26.5	1,039	26.1	962	29.0	814	25.6
Other Equipment -Vehicles	95	2.3	147	4.0	95	2.4	147	4.4	147	4.8
Furniture & Fixtures	169	4.2	188	5.2	165	4.1	165	5.0	141	4.4
Leasehold Improvements	74	1.8	74	2.0	0	0.0	0	0.0	0	0.0
Gross Fixed Assets	1,374	33.8	1,375	37.7	1,299	32.6	1,274	38.4	1,102	34.6
Accumulated Depreciation (-)	(1,042)	(25.6)	(967)	(26.5)	(1,001)	(25.1)	(909)	(27.4)	(809)	(25.4)
Net Fixed Assets	332	8.2	408	11.2	298	7.5	365	11.0	293	9.2
Prepaid Expenses - Non current	19	0.5	19	0.5	19	0.5	19	0.6	19	0.6
<b>TOTAL ASSETS</b>	<b>4,066</b>	<b>100.0</b>	<b>3,648</b>	<b>100.0</b>	<b>3,982</b>	<b>100.0</b>	<b>3,314</b>	<b>100.0</b>	<b>3,182</b>	<b>100.0</b>
LIABILITIES Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Notes Payable - Banks	0	0.0	105	2.9	0	0.0	105	3.2	0	0.0
Current Portion Long Term Debt	0	0.0	0	0.0	44	1.1	54	1.6	52	1.6
Trade Accounts Payable	954	23.5	952	26.1	918	23.1	775	23.4	927	29.1
Other Accruals	76	1.9	36	1.0	146	3.7	122	3.7	151	4.7
<b>Total Current Liabilities</b>	<b>1,030</b>	<b>25.3</b>	<b>1,093</b>	<b>30.0</b>	<b>1,108</b>	<b>27.8</b>	<b>1,056</b>	<b>31.9</b>	<b>1,130</b>	<b>35.5</b>
Long Term Debt	89	2.2	37	1.0	72	1.8	11	0.3	64	2.0
Subordinated Debt- shareholders	71	1.7	71	1.9	71	1.8	71	2.1	71	2.2
<b>Total Liabilities</b>	<b>1,190</b>	<b>29.3</b>	<b>1,201</b>	<b>32.9</b>	<b>1,251</b>	<b>31.4</b>	<b>1,138</b>	<b>34.3</b>	<b>1,265</b>	<b>39.8</b>
NET WORTH Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Common Stock	46	1.1	46	1.3	46	1.2	46	1.4	46	1.4
Additional Paid-in Capital	424	10.4	424	11.8	424	10.8	424	12.8	424	13.3
Accumulated other loss	0	0.0	0	0.0	1	0.0	(5)	(0.2)	0	0.0
Retained Earnings	2,406	59.2	1,977	54.2	2,260	56.8	1,711	51.6	1,447	45.5
<b>Total Net Worth</b>	<b>2,876</b>	<b>70.7</b>	<b>2,447</b>	<b>67.1</b>	<b>2,731</b>	<b>68.6</b>	<b>2,176</b>	<b>65.7</b>	<b>1,917</b>	<b>60.2</b>
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>4,066</b>	<b>100.0</b>	<b>3,648</b>	<b>100.0</b>	<b>3,982</b>	<b>100.0</b>	<b>3,314</b>	<b>100.0</b>	<b>3,182</b>	<b>100.0</b>



Scott Electronics, Inc.  
July 10, 2017  
Statement in Thousands

	Company Prepared Jun. 30 2017 (6)		Company Prepared Jun. 30 2016 (6)		Review Dec. 31 2016		Review Dec. 31 2015		Review Dec. 31 2014	
REVENUE Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Sales #1	8,183	100.0	6,804	100.0	13,773	100.0	13,203	100.0	11,806	100.0
Cost of Goods Sold #1	5,698	69.8	4,999	73.5	10,141	73.6	9,942	75.3	8,723	75.2
Depreciation	26	0.3	28	0.4	63	0.5	54	0.4	43	0.4
Gross Profit	2,439	29.9	1,777	26.1	3,569	25.9	3,207	24.3	2,839	24.5
OPERATION EXPENSES Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Lease/Rent Expense	126	1.5	116	1.7	223	1.6	233	1.8	233	2.0
Other Operating Expenses	1,351	16.6	1,125	16.5	2,332	16.9	2,205	16.7	1,970	17.0
Depreciation	16	0.2	30	0.4	52	0.4	68	0.4	59	0.5
Bad Debt Expense	0	0.0	0	0.0	5	0.0	0	0.0	0	0.0
Operating Expenses	1,493	18.3	1,271	18.7	2,612	19.0	2,496	18.9	2,262	19.5
Operating Profit	946	11.6	506	7.4	957	6.9	711	5.4	577	5.0
OTHER R. & E. (NET INCOME) Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Interest Income	0	0.0	0	0.0	8	0.1	6	0.0	0	0.0
Gain on Sale of Assets	0	0.0	0	0.0	(5)	(0.0)	(1)	(0.0)	1	0.0
Total Other Income	0	0.0	0	0.0	3	0.0	5	0.0	1	0.0
Interest Expense	2	0.0	3	0.0	8	0.1	8	0.1	7	0.1
Profit Before Tax	944	11.6	503	7.4	952	6.9	708	5.4	671	4.9
Current Taxes (-)	0	0.0	0	0.0	(78)	(0.6)	(49)	(0.4)	(41)	(0.4)
Profit Before Extraord. Items	944	11.6	503	7.4	874	6.3	659	5.0	530	4.6
<b>NET INCOME</b>	<b>944</b>	<b>11.6</b>	<b>503</b>	<b>7.4</b>	<b>874</b>	<b>6.3</b>	<b>659</b>	<b>5.0</b>	<b>530</b>	<b>4.6</b>

**Scott Electronics, Inc.**  
July 10, 2017  
Statement in Thousands

	Company Prepared Jun. 30 2017 (6)		Company Prepared Jun. 30 2016 (6)		Review Dec. 31 2016		Review Dec. 31 2015		Review Dec. 31 2014	
CHANGES IN RETAINED EARNINGS Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Beginning Net Worth	2,731	95.0	2,176	88.9	2,176	79.7	1,917	88.1	1,872	87.2
Changes in Retained Earnings:										
Net Income (Loss)	944	32.8	503	20.6	874	32.0	659	30.3	530	27.6
Cash Dividends	748	26.0	232	9.5	326	11.9	395	18.2	285	14.9
Other Incr(Decr) to RE	(50)	(1.7)	(5)	(0.2)	1	0.0	0	0.0	0	0.0
<b>Total Change in RE</b>	<b>146</b>	<b>5.1</b>	<b>266</b>	<b>10.9</b>	<b>549</b>	<b>20.1</b>	<b>264</b>	<b>12.1</b>	<b>245</b>	<b>12.8</b>
CHANGES IN NET WORTH Common Size	USD	%	USD	%	USD	%	USD	%	USD	%
Change in unrealized gain	(1)	(0.0)	5	0.2	6	0.2	(5)	(0.2)	0	0.0
<b>Change in Net Worth</b>	<b>145</b>	<b>5.0</b>	<b>271</b>	<b>11.1</b>	<b>555</b>	<b>20.3</b>	<b>259</b>	<b>11.9</b>	<b>245</b>	<b>12.8</b>
<b>Ending Total Net Worth</b>	<b>2,876</b>	<b>100.0</b>	<b>2,447</b>	<b>100.0</b>	<b>2,731</b>	<b>100.0</b>	<b>2,176</b>	<b>100.0</b>	<b>1,917</b>	<b>100.0</b>

<b>Scott Electronics, Inc.</b>	Company Prepared Jun. 30 2017 (6)	Company Prepared Jun. 30 2016 (6)	Review Dec. 31 2016	Review Dec. 31 2015	Review Dec. 31 2014
July 10, 2017 Statement in Thousands					
Ratios	USD	USD	USD	USD	USD
<b>Operating Ratios:</b>					
<b>Sales Growth</b>	<b>18.54%</b>	<b>3.07%</b>	<b>4.32%</b>	<b>13.77%</b>	
Pre-Tax Profit Margin	11.56%	7.39%	8.91%	5.36%	4.92%
Profit Margin	11.56%	7.39%	6.35%	4.99%	4.57%
Return on Assets (ROA)	46.43%	27.58%	21.95%	19.89%	16.86%
Return on Equity (ROE)	65.65%	41.11%	32.00%	30.28%	27.65%
Asset Turnover	4.02	3.73	3.46	3.98	3.65
<b>Current Position:</b>					
<b>Current Ratio</b>	<b>3.60</b>	<b>2.93</b>	<b>3.29</b>	<b>2.74</b>	<b>2.49</b>
Quick Ratio	2.44	2.06	2.27	1.74	1.60
Working Capital	2,675	2,111	2,532	1,839	1,689
Working Capital/Assets	65.79%	57.87%	63.59%	55.49%	53.08%
Working Capital Turnover	6.10	6.45	5.44	7.18	6.87
Receivable Turnover	10.78	9.07	8.40	10.33	8.98
Age of Receivables	34	40	43	35	41
Inventory Turnover	9.63	10.51	9.16	9.70	8.74
Days Supply in Inventory	38	35	40	38	42
Payable Turnover	11.95	10.50	11.05	12.83	9.41
Age of Payables	31	35	33	28	39
<b>Equity Position:</b>					
Owner Equity/Assets	70.73%	67.08%	68.58%	65.66%	60.25%
Creditor Equity/Assets	29.27%	32.92%	31.42%	34.34%	39.75%
<b>Debt/Tangible Net Worth</b>	<b>0.41</b>	<b>0.49</b>	<b>0.46</b>	<b>0.52</b>	<b>0.66</b>
Fixed Assets/Long Term Debt	207.50%	377.78%	208.39%	445.12%	217.04%
Fixed Assets/Tangible Net Worth	11.54%	16.67%	10.91%	16.77%	15.28%
Plant Turnover	49.17	33.35	46.22	36.17	39.61
<b>Other:</b>					
Interest Coverage (NPBT)	473.00	168.67	120.00	89.50	82.57
Prin & Interest Coverage (NPBT)	39.42	18.87	15.48	11.93	
Interest Coverage (Operating Cash)	507.50	180.67	92.12	69.50	
<b>Prin &amp; Interest Coverage (OC)</b>	<b>42.28</b>	<b>18.07</b>	<b>11.89</b>	<b>9.27</b>	
Sustainable Growth Rate	65.67%	46.26%	25.10%	13.81%	14.65%
Breakeven Sales - Cash Basis	4,989	4,903	10,979	11,088	
Actual Sales/Breakeven Sales	1.64	1.39	1.25	1.19	
Basic Defense Interval	38	34	41	24	23
Bankruptcy Ratio: Z value	7.44	6.31	6.05	6.29	5.61
Z < 1.23 Weak: > 2.90 Strong					

Scott Electronics, Inc. July 10, 2017 Statement in Thousands	Company Prepared Jun. 30 2017 (6)	Company Prepared Jun. 30 2016 (6)	Review Dec. 31 2016	Review Dec. 31 2015
UCA Cash Flow	USD	USD	USD	USD
Net Sales	8,163	6,804	13,773	13,203
Change in Current Receivables	124	(223)	(366)	14
Cash from Sales	8,287	6,581	13,407	13,217
Cost of Goods Sold (Less Depr.)	(5,698)	(4,999)	(10,141)	(9,942)
Change in Inventories	(76)	74	(82)	(27)
Change in Accounts Payable	36	177	143	(152)
Cash Production Costs	(5,738)	(4,748)	(10,080)	(10,121)
<b>CASH FROM TRADING</b>	<b>2,549</b>	<b>1,833</b>	<b>3,327</b>	<b>3,096</b>
Selling, General & Admin. Exp.	0	0	0	0
Other Operating Expenses	(1,477)	(1,241)	(2,555)	(2,438)
Change in Prepaids	0	11	4	(4)
Change in Accrued Expenses	(70)	(86)	24	(29)
Chg in Oth. Curr. Assets/Liab.	13	25	12	(25)
Cash Operating Costs	(1,534)	(1,291)	(2,515)	(2,496)
<b>CASH AFTER OPERATIONS</b>	<b>1,015</b>	<b>542</b>	<b>812</b>	<b>600</b>
Other Income (Expense)	0	0	3	5
Change in Other Liabilities	0	0	0	0
Income Tax Expense	0	0	(78)	(49)
Change in Deferred Income Taxes	0	0	0	0
Change in Income Taxes Payable	0	0	0	0
Taxes Paid & Other Inc (Exp)	0	0	(75)	(44)
<b>NET CASH AFTER OPERATIONS</b>	<b>1,015</b>	<b>542</b>	<b>737</b>	<b>558</b>
Dividends or Owners Withdrawals	(748)	(232)	(326)	(395)
Change in Dividends Payable	0	0	0	0
Interest Expense	(2)	(3)	(8)	(8)
Change in Interest Payable	0	0	0	0
Cash Financing Costs	(750)	(235)	(334)	(403)
<b>CASH AFTER FINANCING COSTS</b>	<b>265</b>	<b>307</b>	<b>403</b>	<b>153</b>
Current Portion Long Term Debt	(22)	(27)	(54)	(52)
<b>CASH AFTER DEBT AMORTIZATION</b>	<b>243</b>	<b>280</b>	<b>349</b>	<b>101</b>
Capital Expenditures	(76)	(101)	(48)	(184)
Change in Long Term Investments	0	0	0	0
Change in Intang/Other Assets	15	18	10	16
Cash Used for Plant/Invest	(61)	(83)	(38)	(168)
<b>FINANCING SURPLUS/REQUIREMENT</b>	<b>182</b>	<b>197</b>	<b>311</b>	<b>(67)</b>
Change in Short Term Debt	0	0	(105)	105
Change in Long Term Debt	(5)	(1)	105	1
Change in Contributed Capital	(1)	5	6	(5)
Oth. Chgs in Retained Earnings	(50)	(5)	1	0
Total External Financing	(56)	(1)	7	101
<b>FINANCING SURPLUS (REQUIREMENT) + TOTAL EXTERNAL FINANCING</b>	<b>126</b>	<b>196</b>	<b>318</b>	<b>34</b>
Change in Cash & Equivalents	126	196	318	34

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>New Hampshire</b>													
Labor Force	748,980	749,220	750,460	747,730	748,100	760,050	764,160	757,360	743,350	742,910			
Employment	725,320	723,990	726,590	726,990	727,630	739,820	744,710	737,940	723,900	724,990			
Unemployment	23,660	25,230	23,870	20,740	20,470	20,230	19,450	19,420	19,450	17,920			
Rate	3.2%	3.4%	3.2%	2.8%	2.7%	2.7%	2.5%	2.6%	2.6%	2.4%			
<b>Belknap County</b>													
Labor Force	30,370	30,330	30,290	30,050	30,770	32,400	33,360	33,070	31,210	30,590			
Employment	29,330	29,230	29,300	29,200	29,970	31,620	32,620	32,330	30,420	29,900			
Unemployment	1,040	1,100	990	850	800	780	740	740	790	690			
Rate	3.4%	3.6%	3.3%	2.8%	2.6%	2.4%	2.2%	2.2%	2.5%	2.3%			
<b>Carroll County</b>													
Labor Force	23,030	23,140	22,810	21,820	22,440	24,050	25,720	25,660	23,710	23,090			
Employment	22,250	22,320	22,020	21,140	21,800	23,440	25,140	25,060	23,070	22,530			
Unemployment	780	820	790	680	640	610	580	600	640	560			
Rate	3.4%	3.5%	3.4%	3.1%	2.9%	2.6%	2.2%	2.3%	2.7%	2.4%			
<b>Cheshire County</b>													
Labor Force	40,880	41,010	41,100	40,810	40,460	40,580	41,040	40,330	39,790	39,870			
Employment	39,640	39,640	39,800	39,710	39,360	39,490	39,980	39,300	38,750	38,950			
Unemployment	1,240	1,370	1,300	1,100	1,100	1,090	1,060	1,030	1,040	920			
Rate	3.0%	3.3%	3.2%	2.7%	2.7%	2.7%	2.6%	2.6%	2.6%	2.3%			
<b>Coos County</b>													
Labor Force	14,410	14,480	14,350	14,100	14,200	14,790	15,040	15,020	14,530	14,320			
Employment	13,730	13,790	13,690	13,450	13,650	14,300	14,580	14,550	14,070	13,910			
Unemployment	680	690	660	650	550	490	460	470	460	410			
Rate	4.7%	4.7%	4.6%	4.6%	3.9%	3.3%	3.1%	3.1%	3.1%	2.8%			
<b>Grafton County</b>													
Labor Force	48,420	49,370	49,160	47,620	47,610	48,750	50,040	49,760	48,480	48,000			
Employment	47,140	47,940	47,830	46,460	46,400	47,640	48,950	48,690	47,360	47,020			
Unemployment	1,280	1,430	1,330	1,160	1,210	1,110	1,090	1,070	1,120	980			
Rate	2.7%	2.9%	2.7%	2.4%	2.5%	2.3%	2.2%	2.1%	2.3%	2.0%			
<b>Hillsborough County</b>													
Labor Force	234,360	232,860	233,760	233,970	233,230	236,280	234,660	232,770	230,420	231,200			
Employment	226,650	224,750	226,080	227,170	226,550	229,640	228,270	226,350	224,090	225,270			
Unemployment	7,710	8,110	7,680	6,800	6,680	6,640	6,390	6,420	6,330	5,930			
Rate	3.3%	3.5%	3.3%	2.9%	2.9%	2.8%	2.7%	2.8%	2.7%	2.6%			
<b>Merrimack County</b>													
Labor Force	81,930	81,940	81,910	81,250	81,210	82,160	82,800	81,900	80,670	80,370			
Employment	79,100	79,440	79,580	79,360	79,250	80,250	80,930	80,060	78,790	78,700			
Unemployment	2,290	2,500	2,330	1,890	1,960	1,910	1,870	1,840	1,880	1,670			
Rate	2.8%	3.0%	2.8%	2.3%	2.4%	2.3%	2.3%	2.2%	2.3%	2.1%			
<b>Rockingham County</b>													
Labor Force	181,220	179,670	180,450	181,060	181,350	184,710	184,370	182,930	179,970	180,300			
Employment	175,080	173,250	174,260	175,650	176,100	179,380	179,350	177,820	174,990	175,540			
Unemployment	6,140	6,420	6,190	5,410	5,250	5,330	5,020	5,110	4,980	4,760			
Rate	3.4%	3.6%	3.4%	3.0%	2.9%	2.9%	2.7%	2.8%	2.8%	2.6%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Strafford County</b>													
Labor Force	71,480	72,940	73,090	73,680	73,430	72,540	73,110	72,360	71,550	72,230	70,710	72,230	
Employment	69,580	70,800	71,120	72,020	71,690	70,800	71,390	70,710	69,860	70,710	69,860	70,710	
Unemployment	1,900	2,140	1,970	1,660	1,740	1,740	1,720	1,650	1,690	1,520	1,520	1,520	
Rate	2.7%	2.9%	2.7%	2.2%	2.4%	2.4%	2.3%	2.3%	2.4%	2.1%	2.1%	2.1%	
<b>Sullivan County</b>													
Labor Force	23,440	23,500	23,560	23,400	23,410	23,780	24,020	23,570	23,040	22,950	22,950	22,950	
Employment	22,840	22,840	22,920	22,840	22,860	23,250	23,500	23,070	22,500	22,460	22,460	22,460	
Unemployment	600	660	640	560	550	530	520	500	540	490	490	490	
Rate	2.6%	2.8%	2.7%	2.4%	2.3%	2.2%	2.2%	2.1%	2.3%	2.1%	2.1%	2.1%	
<b>Belmont NH LMA</b>													
Labor Force	10,750	10,800	10,850	10,790	11,040	11,550	11,960	11,800	11,170	11,000	11,000	11,000	
Employment	10,370	10,410	10,480	10,490	10,760	11,280	11,710	11,550	10,900	10,760	10,760	10,760	
Unemployment	380	390	370	300	280	270	250	250	270	240	240	240	
Rate	3.6%	3.6%	3.4%	2.8%	2.5%	2.3%	2.1%	2.1%	2.4%	2.2%	2.2%	2.2%	
<b>Berlin NH MicroNECTA</b>													
Labor Force	6,400	6,390	6,380	6,360	6,390	6,680	6,690	6,610	6,460	6,390	6,390	6,390	
Employment	6,080	6,060	6,060	6,060	6,120	6,430	6,460	6,380	6,230	6,180	6,180	6,180	
Unemployment	320	330	320	300	270	250	230	230	230	210	210	210	
Rate	5.1%	5.2%	5.0%	4.8%	4.2%	3.8%	3.4%	3.5%	3.5%	3.2%	3.2%	3.2%	
<b>Charlestown NH LMA</b>													
Labor Force	7,260	7,200	7,200	7,150	7,150	7,180	7,250	7,180	7,000	7,020	7,020	7,020	
Employment	7,080	7,000	7,010	6,990	6,990	7,030	7,100	7,040	6,840	6,870	6,870	6,870	
Unemployment	180	200	190	160	160	150	150	140	160	150	150	150	
Rate	2.5%	2.8%	2.6%	2.3%	2.3%	2.1%	2.0%	2.0%	2.3%	2.1%	2.1%	2.1%	
<b>Claremont, NH Metropolitan NECTA</b>													
Labor Force	7,470	7,480	7,520	7,500	7,520	7,680	7,760	7,540	7,360	7,330	7,330	7,330	
Employment	7,280	7,270	7,320	7,330	7,350	7,500	7,580	7,370	7,180	7,160	7,160	7,160	
Unemployment	190	210	200	170	170	180	180	170	180	170	170	170	
Rate	2.5%	2.7%	2.7%	2.3%	2.3%	2.4%	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	
<b>Colebrook NH-VT LMA, NH Portion</b>													
Labor Force	2,420	2,480	2,450	2,390	2,390	2,480	2,530	2,580	2,510	2,460	2,460	2,460	
Employment	2,300	2,350	2,330	2,240	2,280	2,390	2,440	2,480	2,420	2,390	2,390	2,390	
Unemployment	120	130	120	150	110	90	90	100	90	70	70	70	
Rate	5.1%	5.1%	4.9%	6.1%	4.5%	3.7%	3.4%	3.8%	3.6%	2.9%	2.9%	2.9%	
<b>Colebrook NH-VT LMA (NH &amp; VT)</b>													
Labor Force	2,950	3,020	2,980	2,910	2,920	3,030	3,080	3,140	3,050	3,000	3,000	3,000	
Employment	2,790	2,860	2,830	2,730	2,780	2,910	2,960	3,010	2,930	2,900	2,900	2,900	
Unemployment	160	160	150	180	140	120	120	130	120	100	100	100	
Rate	5.4%	5.3%	5.1%	6.2%	4.7%	4.1%	3.8%	4.0%	3.9%	3.3%	3.3%	3.3%	
<b>Concord NH MicroNECTA</b>													
Labor Force	46,560	46,890	46,990	46,840	46,880	47,230	47,630	46,870	46,320	46,130	46,130	46,130	
Employment	45,350	45,550	45,760	45,810	45,820	46,170	46,610	45,850	45,290	45,210	45,210	45,210	
Unemployment	1,210	1,340	1,230	1,030	1,060	1,060	1,020	1,020	1,030	920	920	920	
Rate	2.6%	2.9%	2.6%	2.2%	2.3%	2.2%	2.1%	2.2%	2.2%	2.0%	2.0%	2.0%	

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Conway NH-ME LMA, NH Portion</b>													
Labor Force	12,210	12,260	12,000	11,120	11,410	12,390	13,270	13,260	12,290	11,940			
Employment	11,830	11,860	11,610	10,760	11,090	12,080	12,990	12,960	11,980	11,670			
Unemployment	380	400	390	360	320	310	280	300	310	270			
Rate	3.1%	3.2%	3.2%	3.2%	2.8%	2.5%	2.1%	2.2%	2.6%	2.2%			
<b>Conway NH-ME LMA (NH &amp; ME)</b>													
Labor Force	15,980	16,050	15,740	14,780	15,180	16,440	17,640	17,680	16,370	16,170			
Employment	15,480	15,530	15,230	14,310	14,730	15,990	17,220	17,260	15,960	15,810			
Unemployment	500	520	510	470	450	450	420	420	410	360			
Rate	3.1%	3.2%	3.2%	3.2%	3.0%	2.7%	2.4%	2.4%	2.5%	2.2%			
<b>Dover-Durham NH-ME MetroNECTA, NH Portion</b>													
Labor Force	71,480	72,940	73,090	73,680	73,430	72,540	73,110	72,360	71,550	72,230			
Employment	69,580	70,800	71,120	72,020	71,690	70,800	71,390	70,710	69,860	70,710			
Unemployment	1,900	2,140	1,970	1,660	1,740	1,740	1,720	1,650	1,690	1,520			
Rate	2.7%	2.9%	2.7%	2.2%	2.4%	2.4%	2.3%	2.3%	2.4%	2.1%			
<b>Dover-Durham NH-ME MetroNECTA (NH &amp; ME)</b>													
Labor Force	83,200	84,950	85,160	85,800	85,400	84,350	85,020	84,260	83,370	84,210			
Employment	80,900	82,430	82,850	83,850	83,330	82,240	82,950	82,290	81,390	82,390			
Unemployment	2,300	2,520	2,310	1,950	2,070	2,110	2,070	1,970	1,980	1,820			
Rate	2.8%	3.0%	2.7%	2.3%	2.4%	2.5%	2.4%	2.3%	2.4%	2.2%			
<b>Expanded Claremont, NH estimating area (previously known as the Claremont-Newport NH LMA)</b>													
Labor Force	13,930	13,930	14,010	13,970	14,020	14,310	14,430	14,020	13,700	13,650			
Employment	13,580	13,550	13,630	13,640	13,690	13,980	14,100	13,710	13,370	13,340			
Unemployment	350	380	380	330	330	330	330	310	330	310			
Rate	2.5%	2.8%	2.7%	2.4%	2.3%	2.3%	2.3%	2.2%	2.4%	2.2%			
<b>Franklin NH LMA</b>													
Labor Force	10,370	10,360	10,370	10,310	10,380	10,590	10,680	10,610	10,320	10,250			
Employment	10,000	9,950	9,980	10,020	10,100	10,320	10,420	10,360	10,050	10,020			
Unemployment	370	410	390	290	280	270	260	250	270	230			
Rate	3.6%	4.0%	3.7%	2.8%	2.7%	2.5%	2.4%	2.4%	2.6%	2.2%			
<b>Haverhill NH LMA</b>													
Labor Force	3,380	3,410	3,400	3,350	3,370	3,490	3,560	3,560	3,460	3,440			
Employment	3,250	3,280	3,280	3,260	3,280	3,400	3,470	3,470	3,370	3,360			
Unemployment	130	130	120	90	90	90	90	90	90	80			
Rate	4.0%	3.8%	3.4%	2.6%	2.5%	2.5%	2.6%	2.5%	2.6%	2.3%			
<b>Hillsborough NH LMA</b>													
Labor Force	8,140	8,260	8,210	8,110	7,910	7,920	8,010	7,920	7,860	7,850			
Employment	7,900	8,010	7,960	7,910	7,700	7,730	7,820	7,740	7,660	7,670			
Unemployment	240	250	250	200	210	190	190	180	200	180			
Rate	3.0%	3.0%	3.0%	2.5%	2.6%	2.3%	2.3%	2.3%	2.5%	2.3%			
<b>Hinsdale Town, NH Portion, Brattleboro VT-NH LMA</b>													
Labor Force	2,130	2,140	2,140	2,080	2,050	2,060	2,050	2,020	2,000	2,000			
Employment	2,040	2,040	2,050	2,010	1,990	2,000	1,990	1,960	1,940	1,950			
Unemployment	90	100	90	70	60	60	60	60	60	50			
Rate	4.1%	4.5%	4.0%	3.2%	3.1%	2.8%	2.7%	2.8%	2.9%	2.7%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Keene NH MicroneCTA</b>													
Labor Force	26,790	26,930	27,040	26,940	26,630	26,550	26,870	26,210	25,970	26,050			
Employment	26,010	26,060	26,220	26,240	25,910	25,820	26,150	25,520	25,300	25,460			
Unemployment	780	870	820	700	720	730	720	690	670	590			
Rate	2.9%	3.2%	3.0%	2.6%	2.7%	2.8%	2.7%	2.6%	2.6%	2.3%			
<b>Laconia NH MicroneCTA</b>													
Labor Force	11,270	11,180	11,120	10,960	11,220	11,840	12,120	12,020	11,350	11,070			
Employment	10,860	10,750	10,760	10,640	10,900	11,540	11,820	11,740	11,060	10,810			
Unemployment	410	430	360	320	320	300	300	280	290	260			
Rate	3.6%	3.8%	3.3%	2.9%	2.8%	2.5%	2.4%	2.4%	2.6%	2.3%			
<b>Lebanon NH-VT MicroneCTA, NH Portion</b>													
Labor Force	25,180	25,440	25,560	25,240	25,240	25,450	25,700	25,510	25,020	24,870			
Employment	24,630	24,800	24,940	24,700	24,660	24,920	25,170	24,990	24,470	24,390			
Unemployment	550	640	620	540	580	530	530	520	550	480			
Rate	2.2%	2.5%	2.4%	2.1%	2.3%	2.1%	2.1%	2.0%	2.2%	1.9%			
<b>Lebanon NH-VT MicroneCTA (NH &amp; VT)</b>													
Labor Force	45,030	45,370	45,640	44,970	45,120	45,600	46,160	46,050	44,900	44,660			
Employment	43,970	44,240	44,500	43,960	44,090	44,610	45,150	45,030	43,880	43,820			
Unemployment	1,060	1,130	1,140	1,010	1,030	990	1,010	1,020	1,020	840			
Rate	2.4%	2.5%	2.5%	2.2%	2.3%	2.2%	2.2%	2.2%	2.3%	1.9%			
<b>Littleton NH-VT LMA, NH Portion</b>													
Labor Force	12,460	12,490	12,300	11,900	12,100	12,590	13,000	12,980	12,420	12,250			
Employment	12,040	12,030	11,870	11,500	11,740	12,270	12,690	12,680	12,110	11,970			
Unemployment	420	460	430	400	360	320	310	300	310	280			
Rate	3.4%	3.7%	3.5%	3.3%	3.0%	2.5%	2.4%	2.3%	2.5%	2.3%			
<b>Littleton NH-VT LMA (NH &amp; VT)</b>													
Labor Force	13,290	13,330	13,130	12,710	12,920	13,420	13,820	13,810	13,260	13,070			
Employment	12,820	12,820	12,660	12,270	12,530	13,070	13,480	13,480	12,910	12,760			
Unemployment	470	510	470	440	390	350	340	330	350	310			
Rate	3.5%	3.8%	3.6%	3.5%	3.0%	2.6%	2.5%	2.4%	2.6%	2.3%			
<b>Manchester NH MetroneCTA</b>													
Labor Force	117,590	117,590	118,090	118,270	117,780	119,150	118,190	117,100	115,980	115,900			
Employment	114,020	113,830	114,560	115,130	114,600	115,960	115,200	114,090	112,970	113,120			
Unemployment	3,570	3,760	3,530	3,140	3,180	3,190	2,990	3,010	3,010	2,780			
Rate	3.0%	3.2%	3.0%	2.7%	2.7%	2.7%	2.5%	2.6%	2.6%	2.4%			
<b>Meredith NH LMA</b>													
Labor Force	6,940	6,930	6,880	6,860	7,140	7,700	8,050	8,030	7,380	7,180			
Employment	6,710	6,690	6,660	6,660	6,960	7,520	7,890	7,860	7,190	7,020			
Unemployment	230	240	220	200	180	180	160	170	190	160			
Rate	3.3%	3.4%	3.2%	2.9%	2.5%	2.3%	2.0%	2.2%	2.6%	2.2%			
<b>Nashua NH-MA NECTA Division, NH Portion</b>													
Labor Force	163,780	161,720	162,450	162,800	162,470	164,740	163,220	161,950	160,550	161,680			
Employment	158,120	155,760	156,760	157,790	157,630	159,920	158,530	157,240	155,980	157,300			
Unemployment	5,660	5,960	5,690	5,010	4,840	4,820	4,690	4,710	4,570	4,380			
Rate	3.5%	3.7%	3.5%	3.1%	3.0%	2.9%	2.9%	2.9%	2.8%	2.7%			



# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Nashua NH-MA NECTA Division (NH & MA)													
Labor Force	172,740	170,690	171,520	171,910	171,570	173,960	172,370	171,090	169,590	170,660			
Employment	166,800	164,440	165,540	166,620	166,420	168,790	167,310	166,060	164,740	166,030			
Unemployment	5,940	6,250	5,980	5,290	5,150	5,170	5,060	5,030	4,850	4,630			
Rate	3.4%	3.7%	3.5%	3.1%	3.0%	3.0%	2.9%	2.9%	2.9%	2.7%			
New London NH LMA													
Labor Force	8,730	8,930	8,740	8,280	8,270	8,570	8,840	8,960	8,640	8,590			
Employment	8,490	8,670	8,470	8,070	8,030	8,360	8,630	8,760	8,410	8,400			
Unemployment	240	260	270	210	240	210	210	200	230	190			
Rate	2.7%	2.9%	3.1%	2.5%	2.9%	2.4%	2.3%	2.3%	2.6%	2.2%			
Newport, NH LMA													
Labor Force	6,470	6,460	6,500	6,470	6,490	6,630	6,670	6,480	6,340	6,320			
Employment	6,300	6,280	6,320	6,310	6,340	6,480	6,520	6,340	6,190	6,180			
Unemployment	170	180	180	160	150	150	150	140	150	140			
Rate	2.6%	2.8%	2.7%	2.5%	2.4%	2.2%	2.2%	2.2%	2.4%	2.2%			
Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division													
Labor Force	7,600	7,530	7,560	7,510	7,510	7,610	7,650	7,590	7,440	7,500			
Employment	7,260	7,190	7,240	7,230	7,240	7,330	7,370	7,310	7,170	7,240			
Unemployment	340	340	320	280	270	280	280	280	270	260			
Rate	4.4%	4.5%	4.3%	3.7%	3.6%	3.7%	3.6%	3.7%	3.6%	3.4%			
Peterborough NH LMA													
Labor Force	18,410	18,420	18,380	18,110	18,150	18,600	18,910	18,970	18,490	18,500			
Employment	17,830	17,800	17,770	17,610	17,660	18,130	18,430	18,480	18,000	18,060			
Unemployment	580	620	610	500	490	470	480	490	490	440			
Rate	3.1%	3.3%	3.3%	2.8%	2.7%	2.5%	2.5%	2.6%	2.6%	2.4%			
Plymouth NH LMA													
Labor Force	17,410	18,130	17,930	16,940	16,770	17,350	18,170	18,080	17,580	17,340			
Employment	16,910	17,590	17,440	16,500	16,320	16,940	17,770	17,690	17,190	16,990			
Unemployment	500	540	490	440	450	410	400	390	390	350			
Rate	2.9%	3.0%	2.7%	2.6%	2.7%	2.4%	2.2%	2.1%	2.2%	2.0%			
Portsmouth NH-ME MetroneCTA, NH Portion													
Labor Force	57,790	57,220	57,290	57,540	57,920	59,120	59,350	58,830	57,740	57,580			
Employment	56,190	55,550	55,670	56,160	56,510	57,710	57,990	57,460	56,310	56,270			
Unemployment	1,600	1,670	1,620	1,380	1,410	1,410	1,360	1,370	1,430	1,310			
Rate	2.8%	2.9%	2.8%	2.4%	2.4%	2.4%	2.3%	2.3%	2.5%	2.3%			
Portsmouth NH-ME MetroneCTA (NH & ME)													
Labor Force	74,830	74,210	74,320	74,670	74,980	76,470	76,770	76,240	74,930	74,760			
Employment	72,740	72,090	72,310	72,920	73,150	74,590	74,970	74,460	73,090	73,060			
Unemployment	2,090	2,120	2,010	1,750	1,830	1,880	1,800	1,780	1,840	1,700			
Rate	2.8%	2.9%	2.7%	2.3%	2.4%	2.5%	2.3%	2.3%	2.5%	2.3%			
Raymond NH LMA													
Labor Force	14,180	14,170	14,200	14,250	14,270	14,660	14,720	14,750	14,420	14,330			
Employment	13,750	13,710	13,780	13,880	13,910	14,290	14,360	14,380	14,060	14,000			
Unemployment	430	460	420	370	360	370	360	370	360	330			
Rate	3.1%	3.2%	3.0%	2.6%	2.5%	2.5%	2.4%	2.5%	2.5%	2.3%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avē
<b>Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division</b>													
Labor Force	17,850	17,730	17,870	17,880	17,860	18,060	18,100	17,930	17,550	17,710			
Employment	17,120	16,970	17,140	17,210	17,220	17,390	17,490	17,310	16,970	17,140			
Unemployment	730	760	730	670	640	670	610	620	580	570			
Rate	4.1%	4.3%	4.1%	3.7%	3.6%	3.7%	3.3%	3.5%	3.3%	3.2%			
<b>Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division</b>													
Labor Force	39,210	38,930	39,210	39,420	39,440	40,250	40,080	39,630	38,950	39,030			
Employment	37,600	37,250	37,600	38,030	38,160	38,960	38,900	38,430	37,820	37,930			
Unemployment	1,610	1,680	1,610	1,390	1,280	1,290	1,180	1,200	1,130	1,100			
Rate	4.1%	4.3%	4.1%	3.5%	3.3%	3.2%	2.9%	3.0%	2.9%	2.8%			
<b>Wolfeboro NH LMA</b>													
Labor Force	8,790	8,850	8,800	8,730	8,960	9,440	10,100	10,050	9,250	9,040			
Employment	8,450	8,500	8,470	8,450	8,690	9,180	9,850	9,800	8,980	8,800			
Unemployment	340	350	330	280	270	260	250	250	270	240			
Rate	3.8%	3.9%	3.8%	3.2%	3.0%	2.7%	2.5%	2.5%	2.9%	2.7%			
<b>Amherst Town</b>													
Labor Force	6,220	6,160	6,180	6,180	6,180	6,280	6,230	6,210	6,180	6,210			
Employment	6,060	5,980	6,010	6,020	6,020	6,120	6,080	6,060	6,020	6,070			
Unemployment	160	180	170	160	160	160	150	150	160	140			
Rate	2.6%	2.9%	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.6%	2.3%			
<b>Atkinson Town</b>													
Labor Force	3,890	3,850	3,870	3,900	3,910	4,000	3,980	3,950	3,880	3,900			
Employment	3,740	3,700	3,730	3,770	3,780	3,860	3,860	3,820	3,760	3,780			
Unemployment	150	150	140	130	130	140	120	130	120	120			
Rate	3.7%	3.8%	3.6%	3.2%	3.3%	3.5%	2.9%	3.2%	3.1%	3.0%			
<b>Barrington Town</b>													
Labor Force	5,150	5,250	5,270	5,290	5,270	5,240	5,280	5,230	5,180	5,230			
Employment	5,010	5,100	5,120	5,170	5,150	5,100	5,150	5,110	5,050	5,110			
Unemployment	140	150	150	120	120	140	130	120	130	120			
Rate	2.8%	2.9%	2.8%	2.3%	2.4%	2.7%	2.4%	2.3%	2.4%	2.2%			
<b>Bedford Town</b>													
Labor Force	11,790	11,800	11,860	11,880	11,830	12,000	11,890	11,790	11,690	11,680			
Employment	11,500	11,480	11,550	11,600	11,550	11,690	11,610	11,500	11,390	11,410			
Unemployment	290	320	310	280	280	310	280	290	300	270			
Rate	2.4%	2.7%	2.6%	2.4%	2.4%	2.6%	2.4%	2.4%	2.5%	2.3%			
<b>Belmont Town</b>													
Labor Force	3,510	3,530	3,540	3,530	3,600	3,770	3,900	3,830	3,620	3,570			
Employment	3,370	3,380	3,410	3,420	3,510	3,680	3,820	3,750	3,530	3,480			
Unemployment	140	150	130	110	90	90	80	80	90	90			
Rate	4.0%	4.3%	3.8%	3.0%	2.6%	2.4%	2.1%	2.2%	2.5%	2.4%			
<b>Berlin City</b>													
Labor Force	3,700	3,680	3,690	3,680	3,680	3,850	3,840	3,790	3,690	3,660			
Employment	3,510	3,480	3,490	3,490	3,520	3,700	3,710	3,650	3,560	3,540			
Unemployment	190	200	200	190	160	150	130	140	130	120			
Rate	5.2%	5.5%	5.3%	5.1%	4.3%	3.8%	3.5%	3.6%	3.6%	3.3%			

Note: All city and town unemployment rates are available on our web site at [www.nhes.nh.gov/elmi/statistics/candi\\_arch.htm](http://www.nhes.nh.gov/elmi/statistics/candi_arch.htm)

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Bow Town</b>													
Labor Force	4,380	4,410	4,420	4,420	4,430	4,460	4,490	4,400	4,350	4,330			
Employment	4,280	4,300	4,320	4,330	4,330	4,360	4,400	4,310	4,260	4,250			
Unemployment	100	110	100	90	100	100	90	90	90	80			
Rate	2.2%	2.5%	2.3%	1.9%	2.1%	2.1%	2.1%	2.1%	2.2%	1.8%			
<b>Charlestown Town</b>													
Labor Force	2,980	2,950	2,940	2,930	2,930	2,920	2,950	2,920	2,840	2,850			
Employment	2,900	2,860	2,860	2,860	2,860	2,870	2,900	2,870	2,780	2,800			
Unemployment	80	90	80	70	70	50	50	50	60	50			
Rate	2.6%	3.0%	2.8%	2.3%	2.2%	1.8%	1.8%	1.6%	2.0%	1.7%			
<b>Claremont City</b>													
Labor Force	6,580	6,590	6,630	6,620	6,640	6,790	6,860	6,660	6,490	6,460			
Employment	6,420	6,410	6,450	6,470	6,490	6,620	6,690	6,500	6,330	6,310			
Unemployment	160	180	180	150	150	170	170	160	160	150			
Rate	2.5%	2.8%	2.7%	2.3%	2.3%	2.5%	2.4%	2.3%	2.5%	2.3%			
<b>Colebrook Town</b>													
Labor Force	1,090	1,110	1,090	1,050	1,060	1,110	1,130	1,150	1,110	1,110			
Employment	1,040	1,060	1,050	1,010	1,030	1,080	1,100	1,110	1,080	1,080			
Unemployment	50	50	40	40	30	30	30	40	30	30			
Rate	4.5%	4.6%	3.7%	4.0%	2.9%	2.4%	2.9%	3.2%	2.6%	2.5%			
<b>Concord City</b>													
Labor Force	22,390	22,530	22,600	22,550	22,560	22,720	22,890	22,490	22,240	22,160			
Employment	21,820	21,880	22,000	22,040	22,040	22,200	22,380	21,980	21,710	21,680			
Unemployment	570	650	600	510	520	520	510	510	530	480			
Rate	2.6%	2.9%	2.7%	2.2%	2.3%	2.3%	2.2%	2.3%	2.4%	2.1%			
<b>Conway Town</b>													
Labor Force	5,380	5,390	5,280	4,890	5,020	5,470	5,880	5,830	5,370	5,200			
Employment	5,230	5,230	5,120	4,750	4,900	5,340	5,760	5,710	5,240	5,100			
Unemployment	150	160	160	140	120	130	120	120	130	100			
Rate	2.8%	2.9%	3.0%	2.8%	2.5%	2.3%	2.0%	2.0%	2.4%	2.0%			
<b>Derry Town</b>													
Labor Force	20,360	20,080	20,170	20,200	20,170	20,460	20,260	20,120	19,930	20,080			
Employment	19,540	19,250	19,370	19,510	19,490	19,770	19,600	19,440	19,280	19,440			
Unemployment	820	830	800	690	680	690	660	680	650	640			
Rate	4.0%	4.1%	3.9%	3.4%	3.4%	3.4%	3.2%	3.4%	3.3%	3.2%			
<b>Dover City</b>													
Labor Force	17,870	18,220	18,250	18,420	18,370	18,140	18,270	18,120	17,910	18,090			
Employment	17,450	17,740	17,820	18,030	17,950	17,730	17,870	17,710	17,500	17,730			
Unemployment	420	480	430	390	420	410	400	410	410	360			
Rate	2.3%	2.6%	2.4%	2.1%	2.3%	2.3%	2.2%	2.3%	2.3%	2.0%			
<b>Durham Town</b>													
Labor Force	9,140	9,390	9,390	9,440	9,470	9,310	9,380	9,240	9,150	9,250			
Employment	8,910	9,050	9,100	9,220	9,180	9,060	9,130	9,030	8,920	9,040			
Unemployment	230	340	290	220	290	250	250	210	230	210			
Rate	2.5%	3.6%	3.1%	2.4%	3.0%	2.7%	2.7%	2.2%	2.5%	2.3%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Epping Town</b>													
Labor Force	4,100	4,060	4,060	4,070	4,090	4,170	4,190	4,160	4,080	4,070			4,070
Employment	3,960	3,930	3,940	3,980	4,000	4,080	4,110	4,080	3,990	3,980			3,980
Unemployment	140	130	120	90	90	90	80	80	90	90			90
Rate	3.4%	3.3%	3.0%	2.2%	2.3%	2.2%	2.0%	2.0%	2.2%	2.1%			2.1%
<b>Exeter Town</b>													
Labor Force	8,320	8,220	8,230	8,270	8,330	8,510	8,530	8,440	8,260	8,250			8,250
Employment	8,070	7,960	7,980	8,060	8,110	8,270	8,300	8,210	8,040	8,050			8,050
Unemployment	250	260	250	210	220	240	230	230	220	200			200
Rate	3.0%	3.2%	3.0%	2.6%	2.6%	2.8%	2.7%	2.7%	2.7%	2.4%			2.4%
<b>Farmington Town</b>													
Labor Force	3,590	3,680	3,690	3,720	3,690	3,650	3,700	3,650	3,600	3,620			3,620
Employment	3,480	3,560	3,570	3,630	3,600	3,560	3,600	3,570	3,520	3,550			3,550
Unemployment	110	120	120	90	90	90	100	80	80	70			70
Rate	3.2%	3.3%	3.2%	2.5%	2.4%	2.5%	2.6%	2.3%	2.2%	1.9%			1.9%
<b>Franklin City</b>													
Labor Force	3,910	3,900	3,900	3,870	3,900	3,980	4,010	3,990	3,860	3,830			3,830
Employment	3,750	3,730	3,740	3,750	3,790	3,870	3,900	3,880	3,760	3,750			3,750
Unemployment	160	170	160	120	110	110	110	110	100	80			80
Rate	4.1%	4.3%	4.2%	3.1%	2.8%	2.6%	2.7%	2.7%	2.6%	2.2%			2.2%
<b>Gifford Town</b>													
Labor Force	3,640	3,600	3,580	3,530	3,610	3,820	3,900	3,880	3,680	3,580			3,580
Employment	3,500	3,470	3,470	3,430	3,510	3,720	3,810	3,790	3,580	3,500			3,500
Unemployment	140	130	110	100	100	100	90	90	100	80			80
Rate	3.8%	3.7%	3.1%	2.8%	2.7%	2.5%	2.4%	2.3%	2.6%	2.1%			2.1%
<b>Goffstown Town</b>													
Labor Force	10,470	10,480	10,520	10,540	10,500	10,630	10,540	10,430	10,350	10,340			10,340
Employment	10,190	10,170	10,240	10,280	10,240	10,360	10,290	10,190	10,100	10,110			10,110
Unemployment	280	310	280	260	260	270	250	240	250	230			230
Rate	2.7%	2.9%	2.7%	2.4%	2.5%	2.5%	2.4%	2.3%	2.4%	2.2%			2.2%
<b>Hampstead Town</b>													
Labor Force	5,070	5,040	5,070	5,110	5,110	5,220	5,190	5,120	5,030	5,040			5,040
Employment	4,870	4,820	4,870	4,930	4,940	5,040	5,030	4,960	4,880	4,900			4,900
Unemployment	200	220	200	180	170	180	160	160	150	140			140
Rate	4.0%	4.3%	4.0%	3.5%	3.3%	3.4%	3.1%	3.1%	3.0%	2.7%			2.7%
<b>Hampton Town</b>													
Labor Force	8,850	8,760	8,760	8,770	8,820	9,010	9,050	8,970	8,830	8,810			8,810
Employment	8,520	8,420	8,430	8,490	8,550	8,730	8,770	8,700	8,540	8,540			8,540
Unemployment	330	340	330	280	270	280	280	270	290	270			270
Rate	3.7%	3.8%	3.7%	3.2%	3.1%	3.1%	3.0%	3.0%	3.2%	3.1%			3.1%
<b>Hanover Town</b>													
Labor Force	4,950	5,010	5,030	4,960	4,980	5,000	5,050	4,980	4,890	4,860			4,860
Employment	4,820	4,840	4,880	4,840	4,830	4,870	4,910	4,850	4,750	4,740			4,740
Unemployment	130	170	150	120	150	130	140	130	140	120			120
Rate	2.5%	3.5%	3.0%	2.5%	3.1%	2.6%	2.7%	2.5%	2.9%	2.5%			2.5%

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Haverhill Town</b>													
Labor Force	2,340	2,360	2,350	2,320	2,330	2,410	2,470	2,450	2,390	2,370			
Employment	2,260	2,280	2,280	2,270	2,280	2,360	2,410	2,400	2,330	2,320			
Unemployment	80	80	70	50	50	50	60	50	60	50			
Rate	3.5%	3.3%	2.9%	2.3%	2.2%	2.2%	2.2%	2.2%	2.3%	2.1%			
<b>Hillsborough Town</b>													
Labor Force	2,920	2,960	2,950	2,920	2,840	2,850	2,870	2,830	2,800	2,800			
Employment	2,840	2,870	2,860	2,850	2,770	2,780	2,800	2,760	2,730	2,730			
Unemployment	80	90	90	70	70	70	70	70	70	70			
Rate	2.9%	3.2%	3.0%	2.5%	2.4%	2.3%	2.3%	2.4%	2.6%	2.5%			
<b>Hollis Town</b>													
Labor Force	4,140	4,110	4,120	4,100	4,120	4,180	4,170	4,170	4,140	4,160			
Employment	4,020	3,980	3,990	3,990	4,000	4,060	4,040	4,040	4,010	4,040			
Unemployment	120	130	130	110	120	120	130	130	130	120			
Rate	2.8%	3.3%	3.1%	2.7%	2.8%	2.8%	3.0%	3.1%	3.2%	2.8%			
<b>Hooksett Town</b>													
Labor Force	8,800	8,810	8,850	8,850	8,810	8,920	8,870	8,780	8,680	8,680			
Employment	8,550	8,540	8,590	8,630	8,590	8,700	8,640	8,570	8,480	8,490			
Unemployment	250	270	260	220	220	220	230	210	200	190			
Rate	2.8%	3.1%	2.9%	2.5%	2.5%	2.5%	2.5%	2.4%	2.3%	2.2%			
<b>Hudson Town</b>													
Labor Force	14,910	14,690	14,790	14,790	14,730	14,930	14,790	14,640	14,500	14,620			
Employment	14,300	14,080	14,180	14,290	14,270	14,470	14,330	14,190	14,070	14,200			
Unemployment	610	610	610	500	460	460	460	450	430	420			
Rate	4.1%	4.1%	4.1%	3.4%	3.1%	3.1%	3.1%	3.1%	3.0%	2.8%			
<b>Keene City</b>													
Labor Force	12,030	12,060	12,130	12,080	11,980	11,910	12,040	11,690	11,590	11,650			
Employment	11,680	11,670	11,760	11,780	11,630	11,570	11,700	11,380	11,280	11,370			
Unemployment	350	390	370	300	350	340	340	310	310	280			
Rate	2.9%	3.2%	3.0%	2.5%	2.9%	2.8%	2.8%	2.6%	2.7%	2.4%			
<b>Kingston Town</b>													
Labor Force	3,600	3,580	3,600	3,590	3,600	3,700	3,670	3,650	3,580	3,580			
Employment	3,440	3,420	3,440	3,460	3,480	3,560	3,550	3,530	3,480	3,490			
Unemployment	160	160	160	130	120	140	120	120	100	90			
Rate	4.5%	4.5%	4.4%	3.7%	3.3%	3.7%	3.2%	3.2%	2.9%	2.6%			
<b>Laconia City</b>													
Labor Force	7,630	7,580	7,540	7,430	7,610	8,040	8,210	8,150	7,690	7,500			
Employment	7,360	7,290	7,290	7,210	7,390	7,830	8,010	7,950	7,490	7,320			
Unemployment	270	290	250	220	220	210	200	200	200	180			
Rate	3.5%	3.9%	3.3%	2.9%	2.8%	2.6%	2.5%	2.4%	2.6%	2.5%			
<b>Lebanon City</b>													
Labor Force	7,630	7,690	7,730	7,640	7,620	7,690	7,770	7,710	7,570	7,520			
Employment	7,480	7,530	7,570	7,500	7,480	7,560	7,640	7,580	7,430	7,400			
Unemployment	150	160	160	140	140	130	130	130	140	120			
Rate	1.9%	2.1%	2.0%	1.8%	1.9%	1.7%	1.7%	1.6%	1.9%	1.6%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Litchfield Town</b>													
Labor Force	4,750	4,700	4,710	4,700	4,690	4,760	4,720	4,660	4,630	4,660			
Employment	4,570	4,500	4,530	4,560	4,550	4,620	4,580	4,530	4,500	4,540			
Unemployment	180	200	180	140	140	140	140	130	130	120			
Rate	3.8%	4.3%	3.8%	2.9%	3.0%	3.0%	2.9%	2.8%	2.8%	2.5%			
<b>Littleton Town</b>													
Labor Force	3,040	3,060	3,000	2,900	2,970	3,090	3,180	3,180	3,050	3,010			
Employment	2,970	2,960	2,920	2,820	2,890	3,020	3,110	3,110	2,980	2,950			
Unemployment	70	100	80	80	80	70	70	70	70	60			
Rate	2.4%	3.3%	2.8%	2.8%	2.6%	2.4%	2.2%	2.1%	2.2%	2.1%			
<b>Londonderry Town</b>													
Labor Force	15,280	15,120	15,190	15,230	15,200	15,430	15,300	15,180	15,050	15,150			
Employment	14,820	14,610	14,700	14,790	14,780	15,000	14,880	14,770	14,650	14,760			
Unemployment	460	510	490	440	420	430	420	410	400	390			
Rate	3.0%	3.4%	3.2%	2.9%	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%			
<b>Manchester City</b>													
Labor Force	63,030	62,960	63,240	63,350	63,110	63,790	63,180	62,580	61,980	61,960			
Employment	60,910	60,760	61,180	61,500	61,210	61,920	61,480	60,840	60,240	60,340			
Unemployment	2,120	2,200	2,060	1,850	1,900	1,870	1,700	1,740	1,740	1,620			
Rate	3.4%	3.5%	3.3%	2.9%	3.0%	2.9%	2.7%	2.8%	2.8%	2.6%			
<b>Meredith Town</b>													
Labor Force	2,980	2,970	2,960	2,950	3,070	3,310	3,460	3,450	3,160	3,080			
Employment	2,880	2,870	2,860	2,860	2,990	3,230	3,390	3,370	3,080	3,010			
Unemployment	100	100	100	90	80	80	70	80	80	70			
Rate	3.3%	3.5%	3.3%	3.0%	2.6%	2.3%	2.1%	2.2%	2.7%	2.2%			
<b>Merrimack Town</b>													
Labor Force	16,120	15,870	15,950	16,030	16,000	16,190	16,020	15,870	15,750	15,870			
Employment	15,620	15,370	15,480	15,600	15,580	15,790	15,630	15,480	15,350	15,490			
Unemployment	500	500	470	430	420	400	390	390	400	380			
Rate	3.1%	3.1%	2.9%	2.7%	2.6%	2.5%	2.4%	2.4%	2.5%	2.4%			
<b>Milford Town</b>													
Labor Force	9,090	9,020	9,060	9,080	9,080	9,200	9,150	9,080	9,010	9,060			
Employment	8,860	8,750	8,800	8,860	8,850	8,980	8,920	8,850	8,780	8,840			
Unemployment	230	270	260	220	230	220	230	230	230	220			
Rate	2.5%	3.0%	2.8%	2.4%	2.5%	2.4%	2.5%	2.5%	2.5%	2.4%			
<b>Nashua City</b>													
Labor Force	50,530	49,830	50,060	50,240	50,070	50,770	50,250	49,770	49,300	49,670			
Employment	48,620	47,840	48,180	48,550	48,490	49,170	48,700	48,220	47,820	48,250			
Unemployment	1,910	1,990	1,880	1,690	1,580	1,600	1,550	1,550	1,480	1,420			
Rate	3.8%	4.0%	3.8%	3.4%	3.1%	3.2%	3.1%	3.1%	3.0%	2.9%			
<b>New London Town</b>													
Labor Force	1,970	2,030	1,990	1,880	1,890	1,950	2,000	2,030	1,950	1,930			
Employment	1,910	1,950	1,910	1,820	1,810	1,890	1,940	1,970	1,890	1,880			
Unemployment	60	80	80	60	80	60	60	60	60	50			
Rate	2.9%	3.8%	3.8%	3.2%	4.0%	3.0%	3.1%	2.9%	3.1%	2.7%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Newmarket Town</b>													
Labor Force	5,590	5,520	5,530	5,570	5,600	5,710	5,720	5,650	5,550	5,550			
Employment	5,450	5,370	5,390	5,450	5,480	5,590	5,610	5,550	5,430	5,440			
Unemployment	140	150	140	120	120	120	110	100	120	110			
Rate	2.5%	2.8%	2.6%	2.1%	2.1%	2.0%	1.9%	1.8%	2.1%	2.0%			
<b>Newport Town</b>													
Labor Force	3,690	3,680	3,710	3,700	3,710	3,790	3,820	3,700	3,610	3,600			
Employment	3,590	3,580	3,610	3,610	3,620	3,700	3,730	3,620	3,530	3,520			
Unemployment	100	100	100	90	90	90	90	80	80	80			
Rate	2.7%	2.8%	2.6%	2.5%	2.3%	2.3%	2.3%	2.2%	2.3%	2.1%			
<b>Pelham Town</b>													
Labor Force	7,600	7,530	7,560	7,510	7,510	7,610	7,650	7,590	7,440	7,500			
Employment	7,260	7,190	7,240	7,230	7,240	7,330	7,370	7,310	7,170	7,240			
Unemployment	340	340	320	280	270	280	280	280	270	260			
Rate	4.4%	4.5%	4.3%	3.7%	3.6%	3.7%	3.6%	3.7%	3.6%	3.4%			
<b>Pembroke Town</b>													
Labor Force	4,340	4,350	4,350	4,330	4,330	4,370	4,350	4,310	4,280	4,270			
Employment	4,210	4,210	4,230	4,240	4,230	4,280	4,250	4,220	4,180	4,190			
Unemployment	130	140	120	90	100	90	100	90	100	80			
Rate	3.1%	3.1%	2.7%	2.1%	2.3%	2.0%	2.2%	2.1%	2.3%	1.9%			
<b>Peterborough Town</b>													
Labor Force	3,600	3,600	3,600	3,540	3,550	3,640	3,700	3,710	3,630	3,640			
Employment	3,520	3,510	3,500	3,460	3,470	3,570	3,620	3,630	3,540	3,560			
Unemployment	80	90	100	80	80	70	80	80	90	80			
Rate	2.3%	2.6%	2.7%	2.3%	2.3%	1.9%	2.1%	2.1%	2.4%	2.2%			
<b>Plastow Town</b>													
Labor Force	4,180	4,150	4,190	4,210	4,200	4,290	4,270	4,220	4,150	4,170			
Employment	3,990	3,950	3,990	4,040	4,050	4,140	4,130	4,070	4,010	4,020			
Unemployment	190	200	200	170	150	150	140	150	140	150			
Rate	4.5%	4.8%	4.7%	4.1%	3.7%	3.5%	3.3%	3.6%	3.4%	3.5%			
<b>Plymouth Town</b>													
Labor Force	3,660	3,820	3,790	3,570	3,540	3,650	3,820	3,780	3,660	3,630			
Employment	3,560	3,690	3,670	3,480	3,430	3,560	3,730	3,700	3,580	3,540			
Unemployment	100	130	120	90	110	90	90	80	80	90			
Rate	2.7%	3.5%	3.1%	2.5%	3.0%	2.5%	2.5%	2.0%	2.3%	2.4%			
<b>Portsmouth City</b>													
Labor Force	13,640	13,510	13,530	13,620	13,730	14,000	14,070	13,920	13,650	13,610			
Employment	13,330	13,180	13,210	13,350	13,430	13,710	13,780	13,630	13,350	13,340			
Unemployment	310	330	320	270	300	290	290	290	300	270			
Rate	2.3%	2.4%	2.4%	2.0%	2.2%	2.0%	2.0%	2.1%	2.2%	2.0%			
<b>Raymond Town</b>													
Labor Force	6,010	5,970	5,990	6,020	6,020	6,180	6,170	6,170	6,030	6,000			
Employment	5,790	5,740	5,780	5,830	5,840	6,000	6,000	5,990	5,860	5,850			
Unemployment	220	230	210	190	180	180	170	180	170	150			
Rate	3.6%	3.8%	3.5%	3.1%	2.9%	2.8%	2.8%	2.8%	2.8%	2.6%			

# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Rochester City</b>													
Labor Force	16,980	17,280	17,330	17,510	17,420	17,210	17,340	17,130	16,920	17,090			
Employment	16,520	16,790	16,880	17,120	17,040	16,810	16,930	16,730	16,520	16,730			
Unemployment	460	490	450	390	380	400	410	400	400	360			
Rate	2.7%	2.8%	2.6%	2.2%	2.2%	2.3%	2.4%	2.3%	2.4%	2.1%			
<b>Salem Town</b>													
Labor Force	17,850	17,730	17,870	17,880	17,860	18,060	18,100	17,930	17,550	17,710			
Employment	17,120	16,970	17,140	17,210	17,220	17,390	17,490	17,310	16,970	17,140			
Unemployment	730	760	730	670	640	670	610	620	580	570			
Rate	4.1%	4.3%	4.1%	3.7%	3.6%	3.7%	3.3%	3.5%	3.3%	3.2%			
<b>Sandown Town</b>													
Labor Force	4,140	4,110	4,150	4,190	4,190	4,270	4,240	4,180	4,100	4,100			
Employment	3,990	3,940	3,990	4,040	4,050	4,130	4,120	4,060	3,990	4,000			
Unemployment	150	170	160	150	140	140	120	120	110	100			
Rate	3.6%	4.2%	4.0%	3.5%	3.4%	3.3%	2.9%	2.8%	2.6%	2.5%			
<b>Seabrook Town</b>													
Labor Force	5,060	5,040	5,070	5,090	5,070	5,160	5,140	5,100	5,010	5,020			
Employment	4,790	4,760	4,800	4,850	4,870	4,970	4,970	4,920	4,840	4,850			
Unemployment	270	280	270	240	200	190	170	180	170	170			
Rate	5.2%	5.5%	5.3%	4.7%	4.0%	3.6%	3.3%	3.5%	3.5%	3.3%			
<b>Somersworth City</b>													
Labor Force	6,600	6,720	6,750	6,790	6,760	6,660	6,720	6,660	6,580	6,650			
Employment	6,410	6,520	6,550	6,630	6,600	6,510	6,560	6,500	6,420	6,510			
Unemployment	190	200	200	160	160	150	160	160	160	140			
Rate	2.9%	3.0%	2.9%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.1%			
<b>Stratham Town</b>													
Labor Force	4,450	4,400	4,410	4,440	4,460	4,550	4,560	4,510	4,440	4,420			
Employment	4,340	4,280	4,290	4,330	4,350	4,450	4,460	4,420	4,330	4,330			
Unemployment	110	120	120	110	110	100	100	90	110	90			
Rate	2.5%	2.7%	2.8%	2.4%	2.4%	2.3%	2.1%	2.1%	2.4%	2.0%			
<b>Swanzy Town</b>													
Labor Force	4,090	4,100	4,120	4,120	4,060	4,050	4,090	3,980	3,940	3,950			
Employment	3,990	3,980	4,010	4,020	3,970	3,950	3,990	3,880	3,850	3,880			
Unemployment	100	120	110	100	90	100	100	100	90	70			
Rate	2.4%	2.9%	2.7%	2.4%	2.3%	2.5%	2.4%	2.5%	2.3%	1.9%			
<b>Weare Town</b>													
Labor Force	5,800	5,820	5,830	5,850	5,800	5,870	5,850	5,810	5,740	5,730			
Employment	5,650	5,660	5,690	5,720	5,690	5,760	5,730	5,690	5,630	5,630			
Unemployment	150	160	140	130	110	110	120	120	110	100			
Rate	2.5%	2.7%	2.4%	2.2%	2.0%	1.9%	2.1%	2.0%	1.9%	1.7%			
<b>Windham Town</b>													
Labor Force	7,880	7,780	7,830	7,840	7,840	7,970	7,890	7,840	7,780	7,850			
Employment	7,640	7,520	7,570	7,600	7,590	7,710	7,650	7,600	7,550	7,620			
Unemployment	240	260	260	240	250	260	240	240	230	230			
Rate	3.1%	3.4%	3.4%	3.1%	3.2%	3.3%	3.0%	3.0%	2.9%	2.9%			



# 2017 New Hampshire Local Area Unemployment Statistics

Source: New Hampshire Employment Security, Economic & Labor Market Information Bureau, [www.nhes.nh.gov/elmi](http://www.nhes.nh.gov/elmi)

Released: November 22, 2017  
Estimates are Not Seasonally Adjusted

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
<b>Wolfeboro Town</b>													
Labor Force	2,730	2,750	2,720	2,690	2,780	2,920	3,130	3,120	2,880	2,810			
Employment	2,630	2,650	2,630	2,620	2,700	2,850	3,060	3,050	2,800	2,740			
Unemployment	100	100	90	70	80	70	70	70	80	70			
Rate	3.6%	3.5%	3.3%	2.6%	2.8%	2.3%	2.3%	2.2%	2.6%	2.4%			
<b>2017 Unemployment Rates*</b>													
UNITED STATES	5.1%	4.9%	4.6%	4.1%	4.1%	4.5%	4.6%	4.5%	4.1%	3.9%			
<b>NEW ENGLAND</b>													
CONNECTICUT	4.4%	4.4%	4.1%	3.9%	4.0%	4.3%	4.2%	3.8%	3.5%	3.4%			
MAINE	5.4%	5.5%	5.1%	4.7%	4.8%	5.1%	5.0%	4.5%	4.0%	4.3%			
MASSACHUSETTS	4.1%	3.9%	3.6%	3.4%	3.5%	3.6%	3.5%	3.1%	3.0%	3.0%			
NEW HAMPSHIRE	4.0%	4.2%	3.9%	3.8%	4.1%	4.4%	4.4%	3.7%	3.5%	3.3%			
RHODE ISLAND	3.2%	3.4%	3.2%	2.8%	2.7%	2.7%	2.5%	2.6%	2.6%	2.4%			
VERMONT	5.5%	5.1%	4.7%	4.1%	3.7%	4.2%	4.8%	4.2%	3.7%	3.9%			
	3.5%	3.4%	3.5%	3.2%	2.9%	3.1%	3.0%	3.0%	2.9%	2.3%			
<b>*All estimates are by place of residence and are not seasonally adjusted.</b>													
<b>Seasonally Adjusted**</b>													
<b>SEASONALLY ADJUSTED</b>													
<b>NEW HAMPSHIRE</b>													
Labor Force	751,880	752,010	752,160	752,960	753,280	753,500	752,890	751,970	750,030	747,910			
Employment	731,650	731,380	731,150	731,540	731,360	731,830	732,090	731,950	729,970	727,780			
Unemployment	20,230	20,630	21,010	21,420	21,920	21,670	20,800	20,020	20,060	20,130			
Rate	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.8%	2.7%	2.7%	2.7%			
<b>Seasonally Adjusted Unemployment Rates:</b>													
UNITED STATES	4.8%	4.7%	4.5%	4.4%	4.3%	4.4%	4.3%	4.4%	4.2%	4.1%			
<b>NEW ENGLAND</b>													
CONNECTICUT	3.6%	3.7%	3.8%	3.9%	4.1%	4.1%	4.1%	4.0%	3.9%	3.8%			
MAINE	4.5%	4.7%	4.8%	4.9%	4.9%	5.0%	5.0%	4.8%	4.6%	4.5%			
MASSACHUSETTS	3.5%	3.2%	3.0%	3.0%	3.2%	3.5%	3.7%	3.8%	3.7%	3.5%			
NEW HAMPSHIRE	3.2%	3.4%	3.6%	3.9%	4.2%	4.3%	4.3%	4.2%	3.9%	3.7%			
RHODE ISLAND	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.8%	2.7%	2.7%	2.7%			
VERMONT	4.8%	4.5%	4.3%	4.3%	4.1%	4.2%	4.3%	4.3%	4.2%	4.2%			
	3.1%	3.0%	3.0%	3.1%	3.2%	3.2%	3.1%	3.0%	2.9%	2.9%			

\*\*Seasonally adjusted rates are not available for substate areas.

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>New Hampshire</b>			
Labor Force	742,910	743,350	748,220
Employment	724,990	723,900	729,790
Unemployment	17,920	19,450	18,430
Rate	2.4%	2.6%	2.5%
<b>Belknap County</b>			
Labor Force	30,590	31,210	30,950
Employment	29,900	30,420	30,210
Unemployment	690	790	740
Rate	2.3%	2.5%	2.4%
<b>Carroll County</b>			
Labor Force	23,090	23,710	23,210
Employment	22,530	23,070	22,630
Unemployment	560	640	580
Rate	2.4%	2.7%	2.5%
<b>Cheshire County</b>			
Labor Force	39,870	39,790	40,890
Employment	38,950	38,750	39,910
Unemployment	920	1,040	980
Rate	2.3%	2.6%	2.4%
<b>Coos County</b>			
Labor Force	14,320	14,530	14,300
Employment	13,910	14,070	13,880
Unemployment	410	460	420
Rate	2.8%	3.1%	2.9%
<b>Grafton County</b>			
Labor Force	48,000	48,480	48,090
Employment	47,020	47,360	47,030
Unemployment	980	1,120	1,060
Rate	2.0%	2.3%	2.2%
<b>Hillsborough County</b>			
Labor Force	231,200	230,420	231,390
Employment	225,270	224,090	225,320
Unemployment	5,930	6,330	6,070
Rate	2.6%	2.7%	2.6%
<b>Merrimack County</b>			
Labor Force	80,370	80,670	80,990
Employment	78,700	78,790	79,190
Unemployment	1,670	1,880	1,800
Rate	2.1%	2.3%	2.2%
<b>Rockingham County</b>			
Labor Force	180,300	179,970	181,320
Employment	175,540	174,990	176,610
Unemployment	4,760	4,980	4,710
Rate	2.6%	2.8%	2.6%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Strafford County</b>			
Labor Force	72,230	71,550	73,720
Employment	70,710	69,860	72,160
Unemployment	1,520	1,690	1,560
Rate	2.1%	2.4%	2.1%
<b>Sullivan County</b>			
Labor Force	22,950	23,040	23,360
Employment	22,460	22,500	22,850
Unemployment	490	540	510
Rate	2.1%	2.3%	2.2%
<b>Belmont NH LMA</b>			
Labor Force	11,000	11,170	10,990
Employment	10,760	10,900	10,740
Unemployment	240	270	250
Rate	2.2%	2.4%	2.3%
<b>Berlin NH MicroNECTA</b>			
Labor Force	6,390	6,460	6,500
Employment	6,180	6,230	6,300
Unemployment	210	230	200
Rate	3.2%	3.5%	3.1%
<b>Charlestown NH LMA</b>			
Labor Force	7,020	7,000	7,270
Employment	6,870	6,840	7,120
Unemployment	150	160	150
Rate	2.1%	2.3%	2.1%
<b>Claremont, NH Micropolitan NECTA</b>			
Labor Force	7,330	7,360	7,450
Employment	7,160	7,180	7,280
Unemployment	170	180	170
Rate	2.3%	2.4%	2.3%
<b>Colebrook NH-VT LMA, NH Portion</b>			
Labor Force	2,460	2,510	2,400
Employment	2,390	2,420	2,320
Unemployment	70	90	80
Rate	2.9%	3.6%	3.2%
<b>Colebrook NH-VT LMA (NH &amp; VT)</b>			
Labor Force	3,000	3,050	2,940
Employment	2,900	2,930	2,830
Unemployment	100	120	110
Rate	3.3%	3.9%	3.6%
<b>Concord NH MicroNECTA</b>			
Labor Force	46,130	46,320	46,590
Employment	45,210	45,290	45,620
Unemployment	920	1,030	970
Rate	2.0%	2.2%	2.1%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Conway NH-ME LMA, NH Portion</b>			
Labor Force	11,940	12,290	12,010
Employment	11,670	11,980	11,730
Unemployment	270	310	280
Rate	2.2%	2.6%	2.3%
<b>Conway NH-ME LMA (NH &amp; ME)</b>			
Labor Force	16,170	16,370	16,140
Employment	15,810	15,960	15,740
Unemployment	360	410	400
Rate	2.2%	2.5%	2.5%
<b>Dover-Durham NH-ME MetroNECTA, NH Portion</b>			
Labor Force	72,230	71,550	73,720
Employment	70,710	69,860	72,160
Unemployment	1,520	1,690	1,560
Rate	2.1%	2.4%	2.1%
<b>Dover-Durham NH-ME MetroNECTA (NH &amp; ME)</b>			
Labor Force	84,210	83,370	85,720
Employment	82,390	81,390	83,830
Unemployment	1,820	1,980	1,890
Rate	2.2%	2.4%	2.2%
<b>Expanded Claremont, NH estimating area (previously known as the Claremont-Newport NH LMA)</b>			
Labor Force	13,650	13,700	13,920
Employment	13,340	13,370	13,600
Unemployment	310	330	320
Rate	2.2%	2.4%	2.3%
<b>Franklin NH LMA</b>			
Labor Force	10,250	10,320	10,360
Employment	10,020	10,050	10,100
Unemployment	230	270	260
Rate	2.2%	2.6%	2.5%
<b>Haverhill NH LMA</b>			
Labor Force	3,440	3,460	3,360
Employment	3,360	3,370	3,270
Unemployment	80	90	90
Rate	2.3%	2.6%	2.5%
<b>Hillsborough NH LMA</b>			
Labor Force	7,850	7,860	7,950
Employment	7,670	7,660	7,760
Unemployment	180	200	190
Rate	2.3%	2.5%	2.4%
<b>Hinsdale Town, NH Portion, Brattleboro VT-NH LMA</b>			
Labor Force	2,000	2,000	2,100
Employment	1,950	1,940	2,040
Unemployment	50	60	60
Rate	2.7%	2.9%	2.9%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Keene NH MicroNECTA</b>			
Labor Force	26,050	25,970	26,900
Employment	25,460	25,300	26,260
Unemployment	590	670	640
Rate	2.3%	2.6%	2.4%
<b>Laconia NH MicroNECTA</b>			
Labor Force	11,070	11,350	11,350
Employment	10,810	11,060	11,050
Unemployment	260	290	300
Rate	2.3%	2.6%	2.7%
<b>Lebanon NH-VT MicroNECTA, NH Portion</b>			
Labor Force	24,870	25,020	25,060
Employment	24,390	24,470	24,550
Unemployment	480	550	510
Rate	1.9%	2.2%	2.0%
<b>Lebanon NH-VT MicroNECTA (NH &amp; VT)</b>			
Labor Force	44,660	44,900	45,040
Employment	43,820	43,880	44,130
Unemployment	840	1,020	910
Rate	1.9%	2.3%	2.0%
<b>Littleton NH-VT LMA, NH Portion</b>			
Labor Force	12,250	12,420	12,160
Employment	11,970	12,110	11,860
Unemployment	280	310	300
Rate	2.3%	2.5%	2.5%
<b>Littleton NH-VT LMA (NH &amp; VT)</b>			
Labor Force	13,070	13,260	12,990
Employment	12,760	12,910	12,660
Unemployment	310	350	330
Rate	2.3%	2.6%	2.5%
<b>Manchester NH MetroNECTA</b>			
Labor Force	115,900	115,980	116,640
Employment	113,120	112,970	113,800
Unemployment	2,780	3,010	2,840
Rate	2.4%	2.6%	2.4%
<b>Meredith NH LMA</b>			
Labor Force	7,180	7,380	7,260
Employment	7,020	7,190	7,110
Unemployment	160	190	150
Rate	2.2%	2.6%	2.1%
<b>Nashua NH-MA NECTA Division, NH Portion</b>			
Labor Force	161,680	160,550	161,030
Employment	157,300	155,980	156,650
Unemployment	4,380	4,570	4,380
Rate	2.7%	2.8%	2.7%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Nashua NH-MA NECTA Division (NH &amp; MA)</b>			
Labor Force	170,660	169,590	169,860
Employment	166,030	164,740	165,280
Unemployment	4,630	4,850	4,580
Rate	2.7%	2.9%	2.7%
<b>New London NH LMA</b>			
Labor Force	8,590	8,640	8,500
Employment	8,400	8,410	8,300
Unemployment	190	230	200
Rate	2.2%	2.6%	2.4%
<b>Newport, NH LMA</b>			
Labor Force	6,320	6,340	6,460
Employment	6,180	6,190	6,320
Unemployment	140	150	140
Rate	2.2%	2.4%	2.2%
<b>Pelham Town, NH Portion, Lowell-Billerica-Chelmsford MA-NH NECTA Division</b>			
Labor Force	7,500	7,440	7,490
Employment	7,240	7,170	7,230
Unemployment	260	270	260
Rate	3.4%	3.6%	3.5%
<b>Peterborough NH LMA</b>			
Labor Force	18,500	18,490	18,350
Employment	18,060	18,000	17,890
Unemployment	440	490	460
Rate	2.4%	2.6%	2.5%
<b>Plymouth NH LMA</b>			
Labor Force	17,340	17,580	17,350
Employment	16,990	17,190	16,950
Unemployment	350	390	400
Rate	2.0%	2.2%	2.3%
<b>Portsmouth NH-ME MetroNECTA, NH Portion</b>			
Labor Force	57,580	57,740	58,780
Employment	56,270	56,310	57,490
Unemployment	1,310	1,430	1,290
Rate	2.3%	2.5%	2.2%
<b>Portsmouth NH-ME MetroNECTA (NH &amp; ME)</b>			
Labor Force	74,760	74,930	76,010
Employment	73,060	73,090	74,280
Unemployment	1,700	1,840	1,730
Rate	2.3%	2.5%	2.3%
<b>Raymond NH LMA</b>			
Labor Force	14,330	14,420	14,290
Employment	14,000	14,060	13,940
Unemployment	330	360	350
Rate	2.3%	2.5%	2.4%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Salem Town, NH Portion, Lawrence-Methuen-Salem MA-NH NECTA Division</b>			
Labor Force	17,710	17,550	17,790
Employment	17,140	16,970	17,240
Unemployment	570	580	550
Rate	3.2%	3.3%	3.1%
<b>Seabrook-Hampstead Area, NH Portion, Haverhill-Newburyport-Amesbury MA-NH NECTA Division</b>			
Labor Force	39,030	38,950	39,050
Employment	37,930	37,820	37,910
Unemployment	1,100	1,130	1,140
Rate	2.8%	2.9%	2.9%
<b>Wolfeboro NH LMA</b>			
Labor Force	9,040	9,250	9,080
Employment	8,800	8,980	8,820
Unemployment	240	270	260
Rate	2.7%	2.9%	2.8%
<b>Amherst Town</b>			
Labor Force	6,210	6,180	6,190
Employment	6,070	6,020	6,040
Unemployment	140	160	150
Rate	2.3%	2.6%	2.4%
<b>Atkinson Town</b>			
Labor Force	3,900	3,880	3,880
Employment	3,780	3,760	3,770
Unemployment	120	120	110
Rate	3.0%	3.1%	2.9%
<b>Barrington Town</b>			
Labor Force	5,230	5,180	5,310
Employment	5,110	5,050	5,200
Unemployment	120	130	110
Rate	2.2%	2.4%	2.0%
<b>Bedford Town</b>			
Labor Force	11,680	11,690	11,740
Employment	11,410	11,390	11,480
Unemployment	270	300	260
Rate	2.3%	2.5%	2.2%
<b>Belmont Town</b>			
Labor Force	3,570	3,620	3,570
Employment	3,480	3,530	3,480
Unemployment	90	90	90
Rate	2.4%	2.5%	2.4%
<b>Berlin City</b>			
Labor Force	3,660	3,690	3,750
Employment	3,540	3,560	3,630
Unemployment	120	130	120
Rate	3.3%	3.6%	3.3%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Bow Town</b>			
Labor Force	4,330	4,350	4,380
Employment	4,250	4,260	4,300
Unemployment	80	90	80
Rate	1.8%	2.2%	1.9%
<b>Charlestown Town</b>			
Labor Force	2,850	2,840	2,980
Employment	2,800	2,780	2,910
Unemployment	50	60	70
Rate	1.7%	2.0%	2.2%
<b>Claremont City</b>			
Labor Force	6,460	6,490	6,580
Employment	6,310	6,330	6,420
Unemployment	150	160	160
Rate	2.3%	2.5%	2.4%
<b>Colebrook Town</b>			
Labor Force	1,110	1,110	1,080
Employment	1,080	1,080	1,050
Unemployment	30	30	30
Rate	2.5%	2.6%	2.6%
<b>Concord City</b>			
Labor Force	22,160	22,240	22,410
Employment	21,680	21,710	21,920
Unemployment	480	530	490
Rate	2.1%	2.4%	2.2%
<b>Conway Town</b>			
Labor Force	5,200	5,370	5,270
Employment	5,100	5,240	5,150
Unemployment	100	130	120
Rate	2.0%	2.4%	2.3%
<b>Derry Town</b>			
Labor Force	20,080	19,930	19,960
Employment	19,440	19,280	19,350
Unemployment	640	650	610
Rate	3.2%	3.3%	3.1%
<b>Dover City</b>			
Labor Force	18,090	17,910	18,480
Employment	17,730	17,500	18,110
Unemployment	360	410	370
Rate	2.0%	2.3%	2.0%
<b>Durham Town</b>			
Labor Force	9,250	9,150	9,460
Employment	9,040	8,920	9,230
Unemployment	210	230	230
Rate	2.3%	2.5%	2.4%



**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Epping Town</b>			
Labor Force	4,070	4,080	4,150
Employment	3,980	3,990	4,050
Unemployment	90	90	100
Rate	2.1%	2.2%	2.4%
<b>Exeter Town</b>			
Labor Force	8,250	8,260	8,450
Employment	8,050	8,040	8,250
Unemployment	200	220	200
Rate	2.4%	2.7%	2.4%
<b>Farmington Town</b>			
Labor Force	3,620	3,600	3,670
Employment	3,550	3,520	3,600
Unemployment	70	80	70
Rate	1.9%	2.2%	2.0%
<b>Franklin City</b>			
Labor Force	3,830	3,860	3,900
Employment	3,750	3,760	3,790
Unemployment	80	100	110
Rate	2.2%	2.6%	2.7%
<b>Gilford Town</b>			
Labor Force	3,580	3,680	3,660
Employment	3,500	3,580	3,560
Unemployment	80	100	100
Rate	2.1%	2.6%	2.7%
<b>Goffstown Town</b>			
Labor Force	10,340	10,350	10,430
Employment	10,110	10,100	10,180
Unemployment	230	250	250
Rate	2.2%	2.4%	2.4%
<b>Hampstead Town</b>			
Labor Force	5,040	5,030	5,050
Employment	4,900	4,880	4,910
Unemployment	140	150	140
Rate	2.7%	3.0%	2.7%
<b>Hampton Town</b>			
Labor Force	8,810	8,830	8,980
Employment	8,540	8,540	8,730
Unemployment	270	290	250
Rate	3.1%	3.2%	2.7%
<b>Hanover Town</b>			
Labor Force	4,860	4,890	4,910
Employment	4,740	4,750	4,790
Unemployment	120	140	120
Rate	2.5%	2.9%	2.5%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Haverhill Town</b>			
Labor Force	2,370	2,390	2,320
Employment	2,320	2,330	2,270
Unemployment	50	60	50
Rate	2.1%	2.3%	2.3%
<b>Hillsborough Town</b>			
Labor Force	2,800	2,800	2,850
Employment	2,730	2,730	2,780
Unemployment	70	70	70
Rate	2.5%	2.6%	2.3%
<b>Hollis Town</b>			
Labor Force	4,160	4,140	4,110
Employment	4,040	4,010	4,010
Unemployment	120	130	100
Rate	2.8%	3.2%	2.5%
<b>Hooksett Town</b>			
Labor Force	8,680	8,680	8,740
Employment	8,490	8,480	8,540
Unemployment	190	200	200
Rate	2.2%	2.3%	2.3%
<b>Hudson Town</b>			
Labor Force	14,620	14,500	14,580
Employment	14,200	14,070	14,150
Unemployment	420	430	430
Rate	2.8%	3.0%	2.9%
<b>Keene City</b>			
Labor Force	11,650	11,590	12,080
Employment	11,370	11,280	11,780
Unemployment	280	310	300
Rate	2.4%	2.7%	2.5%
<b>Kingston Town</b>			
Labor Force	3,580	3,580	3,600
Employment	3,490	3,480	3,490
Unemployment	90	100	110
Rate	2.6%	2.9%	3.0%
<b>Laconia City</b>			
Labor Force	7,500	7,690	7,700
Employment	7,320	7,490	7,490
Unemployment	180	200	210
Rate	2.5%	2.6%	2.7%
<b>Lebanon City</b>			
Labor Force	7,520	7,570	7,590
Employment	7,400	7,430	7,450
Unemployment	120	140	140
Rate	1.6%	1.9%	1.8%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Litchfield Town</b>			
Labor Force	4,660	4,630	4,650
Employment	4,540	4,500	4,520
Unemployment	120	130	130
Rate	2.5%	2.8%	2.7%
<b>Littleton Town</b>			
Labor Force	3,010	3,050	3,000
Employment	2,950	2,980	2,930
Unemployment	60	70	70
Rate	2.1%	2.2%	2.2%
<b>Londonderry Town</b>			
Labor Force	15,150	15,050	15,050
Employment	14,760	14,650	14,690
Unemployment	390	400	360
Rate	2.6%	2.7%	2.4%
<b>Manchester City</b>			
Labor Force	61,960	61,980	62,380
Employment	60,340	60,240	60,750
Unemployment	1,620	1,740	1,630
Rate	2.6%	2.8%	2.6%
<b>Meredith Town</b>			
Labor Force	3,080	3,160	3,120
Employment	3,010	3,080	3,050
Unemployment	70	80	70
Rate	2.2%	2.7%	2.2%
<b>Merrimack Town</b>			
Labor Force	15,870	15,750	15,880
Employment	15,490	15,350	15,450
Unemployment	380	400	430
Rate	2.4%	2.5%	2.7%
<b>Milford Town</b>			
Labor Force	9,060	9,010	8,990
Employment	8,840	8,780	8,780
Unemployment	220	230	210
Rate	2.4%	2.5%	2.3%
<b>Nashua City</b>			
Labor Force	49,670	49,300	49,550
Employment	48,250	47,820	48,100
Unemployment	1,420	1,480	1,450
Rate	2.9%	3.0%	2.9%
<b>New London Town</b>			
Labor Force	1,930	1,950	1,920
Employment	1,880	1,890	1,860
Unemployment	50	60	60
Rate	2.7%	3.1%	2.9%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Newmarket Town</b>			
Labor Force	5,550	5,550	5,700
Employment	5,440	5,430	5,570
Unemployment	110	120	130
Rate	2.0%	2.1%	2.2%
<b>Newport Town</b>			
Labor Force	3,600	3,610	3,670
Employment	3,520	3,530	3,590
Unemployment	80	80	80
Rate	2.1%	2.3%	2.1%
<b>Pelham Town</b>			
Labor Force	7,500	7,440	7,490
Employment	7,240	7,170	7,230
Unemployment	260	270	260
Rate	3.4%	3.6%	3.5%
<b>Pembroke Town</b>			
Labor Force	4,270	4,280	4,300
Employment	4,190	4,180	4,210
Unemployment	80	100	90
Rate	1.9%	2.3%	2.2%
<b>Peterborough Town</b>			
Labor Force	3,640	3,630	3,610
Employment	3,560	3,540	3,530
Unemployment	80	90	80
Rate	2.2%	2.4%	2.2%
<b>Plaistow Town</b>			
Labor Force	4,170	4,150	4,170
Employment	4,020	4,010	4,020
Unemployment	150	140	150
Rate	3.5%	3.4%	3.6%
<b>Plymouth Town</b>			
Labor Force	3,630	3,660	3,640
Employment	3,540	3,580	3,550
Unemployment	90	80	90
Rate	2.4%	2.3%	2.5%
<b>Portsmouth City</b>			
Labor Force	13,610	13,650	13,880
Employment	13,340	13,350	13,630
Unemployment	270	300	250
Rate	2.0%	2.2%	1.8%
<b>Raymond Town</b>			
Labor Force	6,000	6,030	6,020
Employment	5,850	5,860	5,860
Unemployment	150	170	160
Rate	2.6%	2.8%	2.7%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Rochester City</b>			
Labor Force	17,090	16,920	17,470
Employment	16,730	16,520	17,110
Unemployment	360	400	360
Rate	2.1%	2.4%	2.1%
<b>Salem Town</b>			
Labor Force	17,710	17,550	17,790
Employment	17,140	16,970	17,240
Unemployment	570	580	550
Rate	3.2%	3.3%	3.1%
<b>Sandown Town</b>			
Labor Force	4,100	4,100	4,130
Employment	4,000	3,990	4,010
Unemployment	100	110	120
Rate	2.5%	2.6%	2.8%
<b>Seabrook Town</b>			
Labor Force	5,020	5,010	5,000
Employment	4,850	4,840	4,840
Unemployment	170	170	160
Rate	3.3%	3.5%	3.2%
<b>Somersworth City</b>			
Labor Force	6,650	6,580	6,810
Employment	6,510	6,420	6,650
Unemployment	140	160	160
Rate	2.1%	2.4%	2.3%
<b>Stratham Town</b>			
Labor Force	4,420	4,440	4,530
Employment	4,330	4,330	4,440
Unemployment	90	110	90
Rate	2.0%	2.4%	2.0%
<b>Swanzey Town</b>			
Labor Force	3,950	3,940	4,100
Employment	3,880	3,850	4,020
Unemployment	70	90	80
Rate	1.9%	2.3%	2.0%
<b>Weare Town</b>			
Labor Force	5,730	5,740	5,740
Employment	5,630	5,630	5,640
Unemployment	100	110	100
Rate	1.7%	1.9%	1.8%
<b>Windham Town</b>			
Labor Force	7,850	7,780	7,790
Employment	7,620	7,550	7,590
Unemployment	230	230	200
Rate	2.9%	2.9%	2.6%

**New Hampshire Local Area Unemployment Statistics**  
**Not Seasonally Adjusted Estimates by Location of Residence**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>Wolfeboro Town</b>			
Labor Force	2,810	2,880	2,830
Employment	2,740	2,800	2,750
Unemployment	70	80	80
Rate	2.4%	2.6%	2.8%

**US and New England States Unemployment Rates**

	<b>October 2017</b>	<b>September 2017</b>	<b>October 2016</b>
<b>UNITED STATES</b>	3.9%	4.1%	4.7%
<b>New England</b>	3.4%	3.5%	3.3%
Connecticut	4.3%	4.0%	4.2%
Maine	3.0%	3.0%	3.4%
Massachusetts	3.3%	3.5%	2.8%
New Hampshire	2.4%	2.6%	2.5%
Rhode Island	3.9%	3.7%	4.7%
Vermont	2.3%	2.9%	2.5%

Prepared by:  
Economic and Labor Market Information Bureau  
New Hampshire Employment Security  
(603) 228-4124

## New Hampshire Cities and Towns - Unemployment Rates for 2017

Not Seasonally Adjusted Estimates by Location of Residence

Released: November 22, 2017	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Acworth Town	3.4%	3.6%	3.0%	2.8%	2.8%	2.5%	3.5%	3.1%	3.0%	3.7%			
Albany Town	4.7%	4.7%	4.0%	4.3%	3.6%	3.3%	2.3%	2.1%	2.3%	2.6%			
Alexandria Town	3.0%	3.0%	3.0%	3.1%	2.9%	2.5%	2.3%	2.5%	2.5%	2.0%			
Allenstown Town	3.7%	3.8%	3.6%	2.5%	2.5%	2.8%	2.8%	3.1%	2.9%	2.8%			
Alstead Town	2.9%	2.9%	3.0%	2.6%	2.3%	2.5%	2.3%	2.3%	2.4%	1.9%			
Alton Town	2.8%	2.8%	2.9%	2.1%	2.2%	2.1%	1.8%	2.0%	2.3%	2.1%			
Amherst Town	2.6%	2.9%	2.7%	2.6%	2.6%	2.5%	2.5%	2.4%	2.6%	2.3%			
Andover Town	2.5%	2.9%	2.8%	2.5%	2.1%	2.2%	1.9%	2.0%	2.2%	2.0%			
Antrim Town	2.8%	2.7%	3.0%	2.6%	3.0%	2.4%	2.4%	2.6%	3.0%	2.6%			
Ashland Town	3.0%	2.9%	2.7%	2.3%	2.2%	2.4%	1.9%	1.9%	2.2%	2.0%			
Atkinson & Gilmanton Academy Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Atkinson Town	3.7%	3.8%	3.6%	3.2%	3.3%	3.5%	2.9%	3.2%	3.1%	3.0%			
Auburn Town	2.5%	2.7%	2.8%	2.7%	2.3%	2.6%	2.6%	2.3%	2.4%	2.2%			
Barnstead Town	3.4%	3.1%	3.0%	2.7%	2.4%	2.3%	2.0%	1.7%	2.1%	1.8%			
Barrington Town	2.8%	2.9%	2.8%	2.3%	2.4%	2.7%	2.4%	2.3%	2.4%	2.2%			
Bartlett Town	2.6%	3.0%	2.9%	3.7%	3.0%	2.2%	1.9%	2.3%	2.6%	2.1%			
Bath Town	4.6%	4.2%	3.8%	2.7%	3.1%	2.6%	3.1%	2.7%	2.8%	2.4%			
Bean's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Bean's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Bedford Town	2.4%	2.7%	2.6%	2.4%	2.4%	2.6%	2.4%	2.2%	2.5%	2.3%			
Belmont Town	4.0%	4.3%	3.8%	3.0%	2.6%	2.4%	2.1%	2.2%	2.5%	2.4%			
Bennington Town	3.1%	3.0%	2.6%	2.5%	2.5%	3.2%	3.3%	2.8%	2.4%	2.2%			
Benton Town	4.2%	4.2%	5.6%	3.6%	2.9%	4.7%	4.7%	5.3%	4.1%	3.4%			
Berlin City	5.2%	5.5%	5.3%	5.1%	4.3%	3.8%	3.5%	3.6%	3.6%	3.3%			
Bethlehem Town	2.4%	3.0%	2.6%	2.5%	2.5%	1.9%	2.1%	2.2%	2.5%	2.3%			
Boscawen Town	3.1%	3.5%	2.9%	2.3%	2.3%	2.2%	1.9%	1.9%	2.3%	2.0%			
Bow Town	2.2%	2.5%	2.3%	1.9%	2.1%	2.1%	2.1%	2.1%	2.2%	1.8%			
Bradford Town	3.2%	3.1%	2.9%	2.7%	3.3%	2.7%	2.4%	2.4%	2.7%	2.2%			
Brentwood Town	2.5%	2.5%	2.3%	2.2%	2.3%	2.3%	2.2%	2.4%	2.6%	2.3%			
Bridgewater Town	2.4%	2.2%	1.9%	1.9%	1.9%	2.0%	1.8%	1.9%	2.0%	1.8%			
Bristol Town	2.8%	3.2%	2.8%	3.0%	2.8%	2.6%	2.1%	2.8%	2.6%	2.3%			
Brookfield Town	4.8%	4.4%	4.1%	4.7%	3.3%	4.4%	4.1%	3.6%	3.9%	4.3%			
Brookline Town	2.5%	2.7%	2.8%	2.4%	2.2%	2.0%	2.0%	2.0%	1.9%	1.7%			
Cambridge Township	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Campton Town	2.5%	2.6%	2.5%	2.1%	2.1%	1.8%	1.8%	1.8%	2.0%	1.6%			
Canaan Town	2.2%	2.2%	2.6%	2.1%	2.2%	2.4%	2.1%	2.2%	2.4%	2.0%			
Candia Town	2.2%	2.3%	2.5%	2.2%	2.2%	2.3%	2.1%	2.2%	2.0%	1.9%			
Canterbury Town	2.4%	2.7%	2.6%	2.2%	2.3%	2.3%	2.2%	1.9%	1.8%	1.7%			
Carroll Town	3.8%	3.6%	4.7%	2.9%	3.4%	3.7%	3.6%	2.9%	3.8%	3.0%			
Center Harbor Town	3.0%	2.5%	2.4%	2.8%	2.4%	2.7%	2.1%	2.0%	2.5%	2.1%			
Chandler's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Charlestown Town	2.6%	3.0%	2.8%	2.3%	2.2%	1.8%	1.8%	1.6%	2.0%	1.7%			
Chatham Town	3.2%	4.5%	5.1%	3.5%	4.1%	3.2%	3.5%	3.0%	3.8%	3.3%			
Chester Town	3.5%	3.7%	3.5%	2.9%	2.7%	2.6%	2.5%	2.6%	2.4%	2.7%			
Chesterfield Town	2.9%	2.8%	2.6%	2.1%	2.3%	2.2%	2.6%	2.5%	2.7%	2.1%			

## New Hampshire Cities and Towns - Unemployment Rates for 2017

### Not Seasonally Adjusted Estimates by Location of Residence

Released: November 22, 2017	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Chichester Town	2.9%	3.1%	2.7%	2.1%	2.5%	2.1%	1.9%	1.9%	2.0%	1.7%			
Claremont City	2.5%	2.8%	2.7%	2.3%	2.3%	2.5%	2.4%	2.3%	2.5%	2.3%			
Clarksville Town	8.2%	7.9%	7.1%	7.4%	8.1%	6.1%	3.5%	4.3%	5.2%	4.4%			
Colebrook Town	4.5%	4.6%	3.7%	4.0%	2.9%	2.4%	2.9%	3.2%	2.6%	2.5%			
Columbia Town	4.6%	5.2%	5.5%	5.4%	5.3%	4.5%	4.1%	3.8%	3.8%	2.6%			
Concord City	2.6%	2.9%	2.7%	2.2%	2.3%	2.3%	2.2%	2.3%	2.4%	2.1%			
Conway Town	2.8%	2.9%	3.0%	2.8%	2.5%	2.3%	2.0%	2.0%	2.4%	2.0%			
Cornish Town	2.2%	2.8%	2.7%	2.7%	2.0%	1.9%	1.7%	1.9%	2.0%	2.0%			
Crawford's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Croydon Town	1.8%	2.3%	2.7%	2.5%	2.7%	2.0%	2.2%	2.5%	2.5%	1.9%			
Cutt's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Dalton Town	3.8%	5.1%	5.0%	3.5%	3.6%	3.3%	3.0%	2.5%	2.6%	2.2%			
Danbury Town	4.0%	3.2%	3.7%	2.4%	3.2%	2.6%	2.3%	2.1%	2.6%	2.3%			
Danville Town	3.6%	3.7%	3.5%	3.1%	2.7%	2.8%	2.8%	2.5%	2.6%	2.6%			
Deerfield Town	2.7%	2.8%	2.7%	2.5%	2.2%	2.2%	2.4%	2.4%	2.2%	1.9%			
Deering Town	3.0%	3.2%	3.3%	2.2%	2.6%	2.0%	2.1%	1.9%	2.0%	1.8%			
Derry Town	4.0%	4.1%	3.9%	3.4%	3.4%	3.4%	3.2%	3.4%	3.3%	3.2%			
Dix's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Dixville Township	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Dorchester Town	4.5%	3.5%	4.5%	3.1%	4.5%	2.5%	3.5%	4.5%	3.6%	3.1%			
Dover City	2.3%	2.6%	2.4%	2.1%	2.3%	2.3%	2.3%	2.3%	2.3%	2.0%			
Dublin Town	2.8%	2.9%	2.7%	2.1%	2.3%	1.9%	2.2%	2.2%	2.1%	2.0%			
Dummer Town	4.1%	4.6%	5.3%	4.0%	3.9%	5.6%	4.3%	5.5%	3.9%	3.3%			
Dunbarton Town	2.6%	2.7%	2.2%	1.9%	2.2%	2.0%	2.2%	2.3%	2.3%	2.0%			
Durham Town	2.5%	3.6%	3.1%	2.4%	3.0%	2.7%	2.7%	2.2%	2.5%	2.3%			
East Kingston Town	3.0%	3.3%	2.6%	2.3%	2.6%	3.0%	2.6%	2.4%	2.8%	2.8%			
Easton Town	1.5%	0.8%	2.3%	3.8%	3.1%	2.9%	0.7%	1.4%	2.2%	1.5%			
Eaton Town	2.6%	3.8%	3.9%	3.7%	3.2%	2.9%	2.4%	3.1%	3.3%	2.6%			
Effingham Town	4.2%	4.8%	4.5%	4.3%	3.8%	3.8%	2.8%	3.0%	3.0%	2.7%			
Ellsworth Town	5.9%	5.6%	5.7%	5.9%	7.8%	7.7%	5.6%	5.6%	7.5%	5.8%			
Enfield Town	1.7%	1.9%	1.8%	1.7%	1.9%	1.7%	1.7%	1.7%	1.9%	1.5%			
Epping Town	3.4%	3.3%	3.0%	2.2%	2.3%	2.2%	2.0%	2.0%	2.2%	2.1%			
Epsom Town	2.5%	2.6%	2.3%	2.2%	2.2%	1.8%	1.9%	1.9%	2.0%	1.7%			
Errol Town	7.0%	7.3%	7.4%	12.9%	6.3%	6.6%	3.6%	5.2%	5.9%	3.7%			
Erving's Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Exeter Town	3.0%	3.2%	3.0%	2.6%	2.6%	2.8%	2.7%	2.7%	2.7%	2.4%			
Farmington Town	3.2%	3.3%	3.2%	2.5%	2.4%	2.5%	2.6%	2.3%	2.2%	1.9%			
Fitzwilliam Town	3.8%	3.3%	3.7%	3.2%	3.4%	3.2%	2.7%	2.5%	2.8%	2.3%			
Francestown Town	2.3%	2.6%	2.4%	2.3%	2.3%	2.6%	2.6%	2.8%	2.6%	2.2%			
Frankenonia Town	3.8%	4.1%	3.4%	3.5%	2.5%	3.3%	2.6%	2.6%	3.0%	2.6%			
Franklin City	4.1%	4.3%	4.2%	3.1%	2.8%	2.6%	2.7%	2.7%	2.6%	2.2%			
Freedom Town	3.4%	3.1%	2.8%	3.1%	3.2%	2.8%	3.0%	3.2%	3.7%	3.4%			
Fremont Town	3.8%	4.0%	3.9%	3.0%	3.0%	2.6%	2.5%	2.9%	2.4%	2.5%			
Gilford Town	3.8%	3.7%	3.1%	2.8%	2.7%	2.5%	2.4%	2.3%	2.6%	2.1%			
Gilmanton Town	4.1%	4.4%	3.9%	3.4%	3.0%	2.7%	2.6%	2.7%	2.9%	2.4%			



## New Hampshire Cities and Towns - Unemployment Rates for 2017

### Not Seasonally Adjusted Estimates by Location of Residence

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Glisum Town	2.4%	3.3%	3.1%	2.8%	2.7%	2.7%	2.6%	2.0%	2.3%	2.0%			
Goffham Town	2.7%	2.9%	2.7%	2.4%	2.5%	2.5%	2.4%	2.3%	2.4%	2.2%			
Gorham Town	4.1%	4.0%	3.6%	3.7%	3.7%	3.4%	2.8%	2.9%	3.2%	3.2%			
Goshen Town	2.8%	3.2%	3.8%	2.2%	2.6%	2.3%	2.5%	2.4%	2.6%	2.4%			
Grafton Town	2.5%	2.8%	2.9%	2.7%	2.2%	2.7%	2.5%	2.5%	2.3%	2.4%			
Grantham Town	2.1%	2.3%	2.3%	2.1%	2.2%	2.1%	2.2%	2.0%	2.1%	1.8%			
Greenfield Town	2.5%	3.3%	2.7%	2.2%	2.5%	2.5%	2.5%	2.8%	2.3%	2.3%			
Greenland Town	2.6%	2.9%	2.9%	2.5%	2.2%	1.9%	1.9%	1.9%	2.4%	2.3%			
Green's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Greenville Town	3.8%	3.6%	3.5%	3.0%	3.2%	2.6%	3.2%	3.4%	3.0%	2.5%			
Groton Town	3.2%	3.6%	3.1%	3.0%	3.6%	3.2%	3.6%	3.3%	2.8%	2.3%			
Hadley's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Hale's Location	11.4%	9.3%	11.6%	12.2%	10.0%	11.4%	8.7%	10.6%	9.3%	11.6%			
Hampstead Town	4.0%	4.3%	4.0%	3.5%	3.3%	3.4%	3.1%	3.1%	3.0%	2.7%			
Hampton Falls Town	3.1%	3.5%	3.2%	2.7%	2.8%	2.5%	2.4%	2.5%	2.3%	2.5%			
Hampton Town	3.7%	3.8%	3.7%	3.2%	3.1%	3.1%	3.0%	3.0%	3.2%	3.1%			
Hancock Town	2.7%	2.8%	2.6%	2.4%	2.4%	2.0%	2.2%	2.1%	2.3%	2.1%			
Hanover Town	2.5%	3.5%	3.0%	2.5%	3.1%	2.6%	2.7%	2.5%	2.9%	2.5%			
Harrisville Town	2.7%	2.2%	3.0%	2.2%	2.2%	2.4%	2.0%	2.0%	2.4%	2.2%			
Hart's Location	12.2%	9.8%	12.2%	12.8%	10.5%	11.9%	9.1%	11.1%	10.0%	12.5%			
Haverhill Town	3.5%	3.3%	2.9%	2.3%	2.2%	2.2%	2.2%	2.2%	2.3%	2.1%			
Hebron Town	2.5%	2.6%	3.2%	2.8%	2.6%	1.9%	1.8%	2.1%	2.1%	2.9%			
Heniker Town	2.5%	2.6%	2.5%	2.0%	2.4%	2.2%	2.3%	2.2%	2.6%	2.1%			
Hill Town	4.1%	3.8%	3.9%	3.0%	3.3%	3.4%	2.5%	2.7%	2.8%	2.4%			
Hillsborough Town	2.9%	3.2%	3.0%	2.5%	2.4%	2.3%	2.3%	2.4%	2.6%	2.5%			
Hinsdale Town	4.1%	4.5%	4.0%	3.2%	3.1%	2.8%	2.7%	2.8%	2.9%	2.7%			
Holderness Town	2.1%	2.2%	2.0%	2.1%	2.3%	2.3%	2.1%	1.8%	1.7%	1.3%			
Hollis Town	2.8%	3.3%	3.1%	2.7%	2.8%	2.8%	3.0%	3.1%	3.2%	2.8%			
Hooksett Town	2.8%	3.1%	2.9%	2.5%	2.5%	2.5%	2.5%	2.4%	2.3%	2.2%			
Hopkinton Town	2.1%	2.3%	2.2%	1.8%	1.9%	1.8%	1.7%	1.7%	1.9%	1.5%			
Hudson Town	4.1%	4.1%	4.1%	3.4%	3.1%	3.1%	3.1%	3.1%	3.0%	2.8%			
Jackson Town	3.7%	3.6%	3.2%	3.4%	3.6%	2.5%	2.3%	3.1%	2.8%	2.6%			
Jaffrey Town	2.7%	3.1%	3.1%	2.4%	2.0%	2.0%	1.9%	1.9%	2.3%	1.9%			
Jefferson Town	4.0%	3.3%	3.5%	3.3%	2.6%	2.0%	1.9%	1.7%	2.3%	1.9%			
Keene City	2.9%	3.2%	3.0%	2.5%	2.9%	2.8%	2.8%	2.6%	2.7%	2.4%			
Kensington Town	3.9%	3.8%	3.6%	2.1%	1.9%	2.0%	2.0%	2.1%	1.9%	1.9%			
Kilkenney Township	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Kingston Town	4.5%	4.5%	4.4%	3.7%	3.3%	3.7%	3.2%	3.2%	2.9%	2.6%			
Laconia City	3.5%	3.9%	3.3%	2.9%	2.8%	2.6%	2.5%	2.4%	2.6%	2.5%			
Lancaster Town	3.4%	3.5%	3.4%	3.1%	2.5%	2.0%	2.0%	1.9%	2.3%	2.0%			
Landaff Town	5.3%	3.8%	4.6%	4.4%	3.9%	3.4%	2.6%	2.9%	4.2%	3.5%			
Langdon Town	3.5%	3.3%	3.8%	3.1%	3.3%	3.0%	2.7%	2.5%	2.8%	3.6%			
Lebanon City	1.9%	2.1%	2.0%	1.8%	1.9%	1.7%	1.7%	1.6%	1.9%	1.6%			
Lee Town	2.3%	2.5%	2.2%	1.9%	2.0%	2.2%	1.9%	2.0%	2.0%	1.8%			
Lempster Town	3.0%	3.5%	3.3%	3.8%	3.3%	2.9%	2.5%	3.0%	2.9%	3.0%			

## New Hampshire Cities and Towns - Unemployment Rates for 2017

Not Seasonally Adjusted Estimates by Location of Residence

Released: November 22, 2017	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Lincoln Town	4.3%	3.9%	3.6%	3.9%	4.5%	3.1%	2.8%	3.1%	2.7%	2.3%			2.3%
Lisbon Town	3.4%	3.7%	4.0%	3.5%	3.4%	2.5%	2.6%	2.0%	2.4%	2.1%			2.1%
Litchfield Town	3.8%	4.3%	3.8%	2.9%	3.0%	3.0%	2.9%	2.8%	2.8%	2.5%			2.5%
Littleton Town	2.4%	3.3%	2.8%	2.8%	2.6%	2.4%	2.2%	2.1%	2.2%	2.1%			2.1%
Livermore Town	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Londonderry Town	3.0%	3.4%	3.2%	2.9%	2.8%	2.8%	2.7%	2.7%	2.7%	2.6%			2.6%
Loudon Town	2.9%	3.0%	2.9%	2.3%	2.2%	2.5%	2.3%	2.3%	2.2%	2.0%			2.0%
Low & Burbank's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Lynan Town	4.0%	4.0%	4.4%	4.5%	3.2%	2.2%	2.1%	2.4%	2.2%	1.9%			1.9%
Lyme Town	2.5%	2.7%	2.8%	2.3%	2.9%	2.5%	2.2%	2.2%	2.6%	1.9%			1.9%
Lyndeborough Town	4.0%	4.4%	3.7%	2.9%	2.5%	1.9%	2.3%	2.0%	1.8%	1.9%			1.9%
Madbury Town	2.3%	2.4%	2.3%	2.0%	2.1%	2.0%	2.1%	1.8%	2.0%	1.8%			1.8%
Madison Town	2.6%	2.6%	2.8%	1.9%	2.4%	2.0%	1.6%	1.7%	2.0%	1.7%			1.7%
Manchester City	3.4%	3.5%	3.3%	2.9%	3.0%	2.9%	2.7%	2.8%	2.8%	2.6%			2.6%
Marlborough Town	2.2%	2.5%	2.7%	1.7%	1.8%	2.5%	2.1%	2.1%	2.1%	2.0%			2.0%
Marlow Town	3.6%	4.0%	3.8%	3.0%	3.3%	2.5%	2.5%	3.0%	4.1%	2.5%			2.5%
Martin's Location	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Mason Town	4.6%	4.6%	4.5%	3.7%	3.8%	3.5%	3.3%	2.4%	2.2%	2.1%			2.1%
Meredith Town	3.3%	3.5%	3.3%	3.0%	2.6%	2.3%	2.1%	2.2%	2.7%	2.2%			2.2%
Merrimack Town	3.1%	3.1%	2.9%	2.7%	2.6%	2.5%	2.4%	2.4%	2.5%	2.4%			2.4%
Middleton Town	3.2%	3.8%	3.2%	3.0%	3.0%	2.7%	2.5%	2.4%	2.3%	2.9%			2.9%
Milani Town	6.3%	5.9%	6.2%	5.6%	4.5%	3.9%	3.9%	4.0%	3.3%	2.9%			2.9%
Milford Town	2.5%	3.0%	2.8%	2.4%	2.5%	2.4%	2.5%	2.5%	2.5%	2.4%			2.4%
Millsfield Township	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Milton Town	3.3%	3.4%	2.9%	2.7%	2.3%	2.4%	2.4%	2.5%	2.7%	2.5%			2.5%
Monroe Town	5.8%	5.7%	5.5%	3.8%	3.5%	3.1%	3.5%	2.8%	3.9%	3.4%			3.4%
Mont Vernon Town	2.2%	2.7%	2.5%	2.3%	2.5%	2.0%	2.2%	2.2%	2.3%	2.2%			2.2%
Moultonborough Town	3.5%	3.6%	3.3%	2.5%	2.5%	2.2%	2.1%	2.3%	2.7%	2.5%			2.5%
Nashua City	3.8%	4.0%	3.8%	3.4%	3.1%	3.2%	3.1%	3.1%	3.0%	2.9%			2.9%
Nelson Town	2.6%	2.3%	2.1%	3.1%	2.9%	2.8%	2.1%	1.9%	2.3%	2.6%			2.6%
New Boston Town	2.6%	2.6%	2.5%	2.1%	2.1%	2.4%	2.2%	2.3%	2.3%	2.1%			2.1%
New Castle Town	2.6%	3.0%	3.2%	3.1%	2.8%	2.2%	2.4%	2.5%	2.2%	2.0%			2.0%
New Durham Town	2.8%	2.9%	2.9%	2.5%	3.0%	3.0%	2.6%	2.4%	2.4%	2.6%			2.6%
New Hampton Town	3.0%	3.3%	3.5%	3.1%	2.3%	2.2%	1.6%	2.0%	2.2%	1.9%			1.9%
New Ipswich Town	3.5%	3.8%	3.8%	3.0%	2.7%	2.9%	2.9%	3.0%	2.7%	2.4%			2.4%
New London Town	2.9%	3.8%	3.8%	3.2%	4.0%	3.0%	3.1%	2.9%	3.1%	2.7%			2.7%
Newbury Town	2.2%	2.2%	2.6%	1.9%	2.0%	1.9%	1.9%	1.6%	2.2%	1.7%			1.7%
Newfields Town	2.1%	2.1%	2.2%	2.3%	2.1%	2.0%	2.4%	2.6%	2.5%	2.9%			2.9%
Newington Town	2.6%	3.3%	3.4%	2.8%	3.0%	2.8%	2.5%	2.2%	2.4%	1.8%			1.8%
Newmarket Town	2.5%	2.8%	2.6%	2.1%	2.3%	1.9%	1.9%	1.8%	2.1%	2.0%			2.0%
Newport Town	2.7%	2.8%	2.6%	2.5%	2.3%	2.3%	2.3%	2.2%	2.3%	2.1%			2.1%
Newton Town	4.2%	4.0%	4.0%	3.4%	3.0%	3.0%	2.7%	2.8%	2.8%	2.7%			2.7%
North Hampton Town	3.1%	3.0%	3.0%	2.8%	2.8%	2.9%	2.6%	2.6%	2.8%	2.6%			2.6%
Northfield Town	3.9%	4.4%	4.0%	2.8%	2.6%	2.4%	2.1%	1.8%	2.3%	2.1%			2.1%
Northumberland Town	6.0%	5.4%	5.0%	4.9%	4.4%	3.1%	3.1%	3.8%	3.2%	3.0%			3.0%

## New Hampshire Cities and Towns - Unemployment Rates for 2017

Not Seasonally Adjusted Estimates by Location of Residence

Released: November 22, 2017	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Northwood Town	2.8%	3.1%	2.9%	2.6%	2.3%	2.2%	2.1%	2.1%	2.2%	1.8%	2.4%	2.4%	1.8%
Northingham Town	2.5%	2.6%	2.2%	1.8%	2.1%	2.2%	2.1%	2.3%	2.4%	2.0%	2.4%	2.4%	2.0%
Odell Town	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Orange Town	2.6%	3.6%	3.1%	3.2%	4.7%	3.6%	3.6%	3.1%	3.7%	2.7%	3.7%	2.7%	2.7%
Orford Town	2.2%	2.4%	2.9%	2.4%	2.1%	1.5%	1.8%	1.9%	1.9%	1.9%	1.9%	2.1%	2.1%
Ossipee Town	4.5%	4.7%	4.6%	4.0%	3.7%	3.3%	2.8%	2.9%	3.3%	3.3%	3.3%	3.3%	3.3%
Pelham Town	4.4%	4.5%	4.3%	3.7%	3.6%	3.7%	3.6%	3.7%	3.6%	3.7%	3.6%	3.4%	3.4%
Pembroke Town	3.1%	3.1%	2.7%	2.1%	2.3%	2.0%	2.2%	2.1%	2.3%	2.1%	2.3%	1.9%	1.9%
Peterborough Town	2.3%	2.6%	2.7%	2.3%	2.3%	1.9%	2.1%	2.1%	2.4%	2.2%	2.4%	2.2%	2.2%
Piermont Town	4.2%	3.6%	4.1%	2.7%	3.6%	3.4%	2.4%	2.8%	3.6%	3.2%	3.6%	3.2%	3.2%
Pinkham's Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Pittsburg Town	5.1%	5.1%	4.9%	5.9%	4.2%	3.2%	2.7%	3.9%	4.5%	3.0%	4.5%	3.0%	3.0%
Pittsfield Town	3.3%	3.8%	3.3%	2.7%	2.5%	2.6%	2.3%	2.5%	2.3%	2.1%	2.3%	2.1%	2.1%
Plainfield Town	2.0%	2.1%	2.1%	2.0%	1.8%	1.6%	1.5%	1.4%	1.6%	1.4%	1.6%	1.4%	1.4%
Plaistow Town	4.5%	4.8%	4.7%	4.1%	3.7%	3.5%	3.3%	3.6%	3.4%	3.5%	3.4%	3.5%	3.5%
Plymouth Town	2.7%	3.5%	3.1%	2.5%	3.0%	2.5%	2.5%	2.0%	2.3%	2.4%	2.3%	2.4%	2.4%
Portsmouth City	2.3%	2.4%	2.4%	2.0%	2.2%	2.0%	2.0%	2.1%	2.2%	2.1%	2.2%	2.0%	2.0%
Randolph Town	5.2%	4.6%	5.2%	3.4%	4.0%	3.2%	2.5%	3.1%	4.4%	3.8%	4.4%	3.8%	3.8%
Raymond Town	3.6%	3.8%	3.5%	3.1%	2.9%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.8%	2.6%
Richmond Town	2.4%	4.1%	3.5%	3.7%	2.7%	3.2%	3.2%	3.7%	3.5%	2.9%	3.5%	2.9%	2.9%
Rindge Town	4.8%	5.2%	5.0%	4.1%	3.8%	3.4%	3.3%	3.4%	3.4%	3.4%	3.4%	3.3%	3.3%
Rochester City	2.7%	2.8%	2.6%	2.2%	2.2%	2.3%	2.4%	2.3%	2.4%	2.3%	2.4%	2.1%	2.1%
Rollinford Town	3.2%	2.8%	2.8%	2.0%	2.2%	2.1%	2.0%	2.4%	2.4%	2.0%	2.4%	2.0%	2.0%
Roxbury Town	4.3%	4.3%	5.6%	4.3%	2.9%	3.6%	2.9%	5.8%	3.0%	3.7%	3.0%	3.7%	3.7%
Rumney Town	3.0%	2.3%	2.1%	2.2%	2.0%	1.9%	1.6%	1.7%	2.1%	1.7%	2.1%	1.7%	1.7%
Rye Town	2.1%	2.5%	2.3%	2.1%	2.2%	1.8%	1.9%	2.1%	2.0%	1.8%	2.0%	1.8%	1.8%
Salem Town	4.1%	4.3%	4.1%	3.7%	3.6%	3.7%	3.3%	3.5%	3.3%	3.2%	3.3%	3.2%	3.2%
Salisbury Town	3.0%	3.1%	2.5%	2.2%	2.2%	2.8%	2.3%	2.7%	2.3%	2.0%	2.3%	2.0%	2.0%
Sanbornton Town	2.5%	2.7%	2.8%	2.4%	2.2%	2.1%	2.2%	2.0%	2.4%	2.1%	2.4%	2.1%	2.1%
Sandwich Town	3.6%	4.2%	4.0%	3.5%	3.4%	3.3%	2.9%	2.8%	2.6%	2.6%	2.6%	2.5%	2.5%
Sargent's Purchase	3.5%	3.7%	3.6%	3.5%	3.4%	3.0%	2.5%	2.6%	2.8%	2.2%	2.8%	2.2%	2.2%
Seargent's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Seabrook Town	5.2%	5.5%	5.3%	4.7%	4.0%	3.6%	3.3%	3.5%	3.5%	3.3%	3.5%	3.3%	3.3%
Second College Grant	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sharon Town	2.8%	3.3%	3.8%	2.9%	3.3%	3.2%	3.2%	3.6%	2.8%	2.8%	2.8%	2.8%	2.8%
Shelburne Town	5.7%	4.7%	4.7%	3.2%	3.2%	3.5%	3.0%	3.0%	3.1%	2.6%	3.1%	2.6%	2.6%
Somersworth City	2.9%	3.0%	2.9%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.1%	2.4%	2.1%	2.1%
South Hampton Town	4.2%	4.6%	4.5%	3.2%	2.4%	2.3%	2.3%	2.9%	3.0%	2.2%	3.0%	2.2%	2.2%
Springfield Town	2.3%	2.2%	2.4%	2.3%	2.3%	1.9%	1.9%	2.0%	2.6%	1.9%	2.6%	1.9%	1.9%
Stark Town	5.2%	6.2%	4.3%	5.2%	5.6%	5.3%	4.1%	3.7%	3.8%	3.8%	3.8%	3.8%	3.8%
Stewartstown Town	4.7%	4.2%	5.5%	7.6%	5.1%	4.1%	4.0%	3.4%	2.8%	2.4%	2.8%	2.4%	2.4%
Stoddard Town	2.3%	1.8%	2.4%	2.7%	2.6%	2.3%	2.3%	2.4%	2.5%	2.1%	2.5%	2.1%	2.1%
Stratford Town	2.8%	2.8%	2.7%	2.2%	2.4%	2.3%	2.1%	2.1%	2.2%	1.7%	2.2%	1.7%	1.7%
Stratham Town	6.5%	7.3%	5.6%	7.2%	6.0%	4.3%	4.4%	3.4%	3.9%	5.6%	3.9%	5.6%	5.6%
Stratham Town	2.5%	2.7%	2.8%	2.4%	2.4%	2.3%	2.1%	2.1%	2.4%	2.0%	2.4%	2.0%	2.0%

## New Hampshire Cities and Towns - Unemployment Rates for 2017

### Not Seasonally Adjusted Estimates by Location of Residence

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Ann Avg
Success Town	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sugar Hill Town	2.5%	3.7%	2.8%	2.6%	2.8%	2.7%	2.1%	2.6%	3.1%	1.9%			1.9%
Sullivan Town	2.6%	3.7%	3.1%	4.5%	4.5%	4.0%	2.8%	2.3%	3.2%	3.1%			3.1%
Sunapee Town	2.1%	2.3%	2.4%	1.9%	2.0%	1.9%	1.7%	1.8%	2.4%	2.0%			2.0%
Surry Town	1.9%	2.7%	2.3%	1.7%	2.1%	2.3%	1.9%	1.7%	2.1%	1.7%			1.7%
Sutton Town	2.5%	2.5%	2.7%	2.3%	2.4%	2.0%	1.7%	2.1%	2.3%	2.1%			2.1%
Swanzey Town	2.4%	2.9%	2.7%	2.4%	2.3%	2.5%	2.4%	2.5%	2.3%	1.9%			1.9%
Tamworth Town	3.8%	4.3%	4.2%	4.2%	2.8%	2.6%	2.1%	2.0%	2.3%	2.1%			2.1%
Temple Town	3.6%	3.9%	3.6%	3.0%	3.2%	2.8%	2.7%	3.0%	3.7%	4.3%			4.3%
Thompson & Meserve's Purchase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			0.0%
Thornton Town	3.1%	2.9%	2.8%	2.6%	2.6%	2.3%	2.1%	2.2%	1.6%	1.2%			1.2%
Tilton Town	2.9%	3.9%	3.1%	2.7%	2.6%	2.6%	2.5%	2.7%	3.3%	2.7%			2.7%
Troy Town	3.3%	3.5%	3.2%	2.7%	2.6%	2.9%	2.6%	2.6%	2.1%	1.7%			1.7%
Tuftonboro Town	3.8%	4.1%	3.9%	3.3%	2.9%	2.4%	2.3%	2.3%	2.8%	2.2%			2.2%
Unity Town	2.5%	2.5%	2.7%	2.4%	2.4%	1.8%	1.5%	1.9%	2.1%	2.0%			2.0%
Wakefield Town	3.3%	3.3%	3.2%	2.5%	2.6%	2.5%	2.1%	2.3%	2.8%	2.6%			2.6%
Walpole Town	2.0%	2.3%	2.0%	1.9%	2.0%	1.9%	1.8%	1.9%	2.3%	2.1%			2.1%
Warner Town	2.7%	2.9%	2.7%	2.3%	2.3%	2.4%	2.4%	2.6%	2.4%	2.5%			2.5%
Warren Town	3.6%	3.8%	3.7%	3.4%	2.8%	3.3%	2.8%	2.4%	2.9%	2.9%			2.9%
Washington Town	6.5%	5.9%	5.2%	4.3%	4.6%	3.7%	3.3%	3.1%	3.1%	2.7%			2.7%
Waterville Valley Town	4.3%	2.9%	3.5%	3.8%	3.1%	3.7%	4.9%	4.2%	4.3%	3.7%			3.7%
Weare Town	2.5%	2.7%	2.4%	2.2%	2.0%	1.9%	2.1%	2.0%	1.9%	1.7%			1.7%
Webster Town	2.8%	2.6%	2.6%	2.3%	2.4%	2.2%	2.2%	2.2%	2.0%	2.1%			2.1%
Wentworth Town	3.6%	3.2%	3.6%	3.8%	2.8%	2.3%	2.0%	1.8%	2.3%	2.3%			2.3%
Wentworth's Location	33.3%	28.6%	33.3%	47.1%	41.2%	33.3%	28.6%	33.3%	28.6%	33.3%			33.3%
Westmoreland Town	2.0%	2.3%	2.2%	2.2%	2.2%	2.2%	2.8%	2.6%	2.0%	1.7%			1.7%
Whitefield Town	3.2%	3.2%	3.0%	3.2%	2.8%	2.3%	2.1%	1.8%	1.8%	1.6%			1.6%
Wilmot Town	2.5%	2.2%	3.0%	2.0%	3.1%	3.1%	2.8%	2.6%	3.0%	2.7%			2.7%
Wilton Town	2.3%	2.7%	2.6%	2.5%	2.6%	2.6%	2.2%	2.3%	2.3%	1.7%			1.7%
Winchester Town	5.1%	5.3%	4.5%	4.1%	3.5%	3.4%	3.0%	3.3%	2.9%	3.0%			3.0%
Windham Town	3.1%	3.4%	3.4%	3.1%	3.2%	3.3%	3.0%	3.0%	2.9%	2.9%			2.9%
Windsor Town	5.0%	3.8%	5.0%	5.0%	3.9%	3.2%	2.6%	3.2%	2.6%	3.2%			3.2%
Wolfeboro Town	3.6%	3.5%	3.3%	2.6%	2.8%	2.3%	2.3%	2.2%	2.6%	2.4%			2.4%
Woodstock Town	2.7%	2.4%	1.9%	2.0%	2.7%	1.8%	1.7%	1.6%	2.3%	2.4%			2.4%

Prepared by:  
 Economic and Labor Market Information Bureau  
 New Hampshire Employment Security  
 (603) 228-4124

LOAN AND SECURITY AGREEMENT

Among

**SALEM FIVE CENTS SAVINGS BANK**  
as the Purchaser,

and

**BUSINESS FINANCE AUTHORITY  
OF THE STATE OF NEW HAMPSHIRE,**  
as the Issuer,

and

**METZ REALTY, INC.**  
as the Borrower

and providing for the issuance of up to  
\$3,625,000 Business Finance Authority of the State of New Hampshire Revenue Bonds,  
Metz Realty, Inc. Issue, Series 2017

Dated as of December 1, 2017

THIS AGREEMENT DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF NEW HAMPSHIRE OR OF THE ISSUER EXCEPT TO THE EXTENT PERMITTED BY NEW HAMPSHIRE RSA CHAPTER 162-I. ALL AMOUNTS OWED HEREUNDER ARE PAYABLE ONLY FROM THE SOURCES EXPRESSLY PROVIDED HEREIN, AND NO PUBLIC FUNDS MAY BE USED FOR THAT PURPOSE.

---

**This instrument constitutes a security agreement  
under the New Hampshire Uniform Commercial Code.**

---

## TABLE OF CONTENTS

### ARTICLE I

#### DEFINITIONS

Page  
2

### ARTICLE II

#### REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER AND THE BORROWER; LIMITED OBLIGATIONS OF ISSUER

Section 2.1	Representations, Warranties and Covenants of the Issuer	6
Section 2.2	Representations, Warranties and Covenants of the Borrower	7
Section 2.3	Tax Covenants	10
Section 2.4	Compliance with Tax Certificate and Agreement	11
Section 2.5	Securities Laws	11
Section 2.6	Limited Obligation of the Issuer	11

### ARTICLE III

#### FINANCING OF PROJECT AND TERMS OF THE BONDS

Section 3.1	Acquisition of Project	11
Section 3.2	Purchase and Loan	11
Section 3.3	The Bonds	12
Section 3.4	Payments	13
Section 3.5	Payment on Non-Business Days	14
Section 3.6	Payments to be Unconditional	14
Section 3.7	Optional Prepayments; Mandatory Prepayments	14
Section 3.8	Issuer's Service Charge	14
Section 3.9	Corporate Guaranty	
Section 3.10	Individual Guaranties	

### ARTICLE IV

#### CONDITIONS PRECEDENT

Section 4.1	Conditions Precedent to Closing	15
Section 4.2	Conditions Precedent to Advances of Bond Proceeds	17

### ARTICLE V

#### TITLE TO COLLATERAL AND SECURITY INTEREST

Section 5.1	Title to Collateral	19
Section 5.2	Security Interest in Collateral	19
Section 5.3	Cross-Collateralization, Cross-Guaranty and Cross-Default	19
Section 5.4	Assignment of Leases and Rents	19
Section 5.5	Liens and Encumbrances to Title	19
Section 5.6	Personal Property	20

Section 5.7	Assignment of Insurance	20
Section 5.8	Agreement as Financing Statement	20

## ARTICLE VI

### COVENANTS OF THE BORROWER

Section 6.1	Covenants as to Corporate Existence, Use and Maintenance of Property by the Borrower, Etc.	20
Section 6.2	Compliance with Laws	22
Section 6.3	Insurance; Risk of Loss	22
Section 6.4	Reporting Requirements	23
Section 6.5	Books and Records; Inspection and Examination	23
Section 6.6	Performance by Purchaser; Advances	23
Section 6.7	Consolidation and Merger	23
Section 6.8	Change in Name, Structure or Principal Place of Business	23
Section 6.9	Financial Covenants	24
Section 6.10	Depository Accounts	24
Section 6.11	Indemnification by Borrower	24
Section 6.12	Notification of Event of Taxability	24
Section 6.13	Notice of Event of Default	24
Section 6.14	Additional Debt	24

## ARTICLE VII

### ASSIGNMENT, MORTGAGING AND SELLING

Section 7.1	Assignment by the Purchaser	24
Section 7.2	No Sale, Assignment or Leasing by the Borrower	25

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

Section 8.1	Events of Default	25
Section 8.2	Remedies on Default	27
Section 8.3	No Remedy Exclusive	27
Section 8.4	Late Charge	28
Section 8.5	Default Rate	28

## ARTICLE IX

### MISCELLANEOUS

Section 9.1	Additional Payments	28
Section 9.2	Notices	28
Section 9.3	Binding Effect	28
Section 9.4	Severability	28
Section 9.5	Amendments	28
Section 9.6	Execution in Counterparts	29
Section 9.7	Applicable Law	29

Section 9.8	Jury Trial Waiver	29
Section 9.9	Captions	29
Section 9.10	Entire Agreement	29
Section 9.11	Waiver	29
Section 9.12	Survivability	29
Section 9.13	Usury	29
Section 9.14	Consents	29

Exhibit A	Schedule of Payments	
Exhibit A-1	Additional Collateral	
Exhibit B	Intentionally Omitted	
Exhibit C	Form of Bonds	
Exhibit D	List of Permitted Exceptions	
Exhibit E	Guaranty Agreements from the Corporate Guarantor and the Individual Guarantors in favor of the Purchaser	



## LOAN AND SECURITY AGREEMENT

Purchaser: Salem Five Cents Savings Bank  
210 Essex Street  
Salem, Massachusetts 01970

Attention: Charles A. Gaffney, Vice President  
Telephone: (978) 720-5157  
Telecopier: (978) 498-0423

Issuer: Business Finance Authority of the State of New Hampshire  
2 Pillsbury Street, Suite 201  
Concord, New Hampshire 03301

Attention: James Key-Wallace, Executive Director  
Telephone: (603) 415-0191  
Telecopier: (603) 415-0194

Borrower: Metz Realty, Inc.  
33 Northwestern Drive  
Salem, New Hampshire 03079

Attention: Jacqueline R. Metzemaekers, President  
Telephone: (603) 893-2845  
Telecopier: (603) 894-5420

THIS LOAN AND SECURITY AGREEMENT dated as of December 1, 2017 (this "Agreement") is among SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970 (the "Purchaser"), the Business Finance Authority of the State of New Hampshire, a body politic and corporate and a public instrumentality duly organized and validly existing under the laws of the State (the "Issuer") and METZ REALTY, INC., a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079 (the "Borrower").

### WITNESSETH:

WHEREAS, the Issuer is authorized by law, including New Hampshire RSA Chapter 162-I (referred to herein as the "Act") to enter into financing documents and security documents with respect to indebtedness of the Issuer to be used to finance eligible projects as described in the Act, to carry out any of its purposes and to issue its bonds for the purpose of carrying out any of its powers; and

WHEREAS, the Borrower has purchased two (2) certain condominium units and the improvements thereon located at 5 Industrial Way in Salem, New Hampshire, to be owned by the Borrower and operated by Scott Electronics, Inc., a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079, an entity under common control with the Borrower and which shall issue the Corporate Guaranty (as defined below) ("Scott") and the Borrower is authorized to lease, sublease, purchase and hold real and personal property and to borrow money to finance or refinance the same; and

WHEREAS, the Borrower intends to obtain financing with respect to such facilities, for the acquisitions, construction, renovation and improvement of such facilities (all as set forth further herein), through the issuance by the Issuer of the \$3,625,000 Business Finance Authority of the State of New

Hampshire Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 industrial development revenue bonds (the “Bonds”) and the loan by the Issuer of the proceeds thereof to the Borrower; and

WHEREAS, the Borrower desires to finance the acquisition, construction, renovating and improving of the Project (defined below), on the terms and conditions set forth below; and

WHEREAS, in order to finance the costs of the Project, the Issuer will issue the Bonds and lend the proceeds thereof to the Borrower and as security for the payment of the Borrower’s obligations under this Agreement, (i) the Borrower will grant a first priority mortgage on the Property (defined below) to the Purchaser; (ii) the Borrower will collaterally assign the leases and rents affecting the Property to the Purchaser; (iii) the Borrower will collaterally assign the licenses, permits and approvals related to the Project to the Purchaser; (iv) the Borrower will cause Scott to grant a first priority security interest in all business assets of the Scott; (v) the Borrower will cause the issuance of the Guaranties (defined below); and (iv) the Issuer will assign to the Purchaser its right to receive Payments (defined below) from the Borrower; and

WHEREAS, the Borrower shall make Payments directly to the Purchaser as assignee of the Issuer and holder of the Bonds; and

WHEREAS, the Bonds are a special obligation of the Issuer payable solely from and secured by funds provided under the Agreement. Neither the State of New Hampshire nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Bonds, other than from such funds, and neither the faith and credit nor the taxing power of the State of New Hampshire or of any political subdivision thereof is pledged to the payment of principal of or interest on the Bonds. The Issuer has no taxing power.

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained herein, the parties agree as follows.

## ARTICLE I

### DEFINITIONS

The following terms used herein shall have the meanings indicated below unless the context clearly requires otherwise.

“*Additional Collateral*” means all of the Borrower’s property listed on Exhibit A-1 hereto, whether now owned or hereafter acquired, and all products and proceeds of any of the foregoing.

“*Additional Payments*” means the amounts, other than Payments, payable by the Borrower pursuant to the provisions of this Agreement and/or any Borrower Documents, including, without limitation, Sections 3.3(b), 6.6 and 9.1 hereof.

“*Agreement*” means this Agreement, dated as of December 1, 2017, as the same may be amended or modified from time to time.

“*Architect*” means the architect of the Project, as well as the agents or dealers of the architect.

“*Authorized Borrower Representative*” means \_\_\_\_\_, an Authorized Person of the Borrower, acting alone, or an alternate designated to act for the Borrower by written certificate furnished to the Issuer and the Purchaser, containing the specimen signature of such person and signed on behalf of the Borrower.

“*Bond Counsel*” means an attorney or firm of attorneys nationally recognized on the subject of municipal bonds and acceptable to the Issuer and the Purchaser.

“*Bond Resolution*” means the Bond Resolution relating to the financing and refinancing of the Project which is the subject of the Agreement, adopted by the Issuer on November 20, 2017.

“*Bonds*” means the \$3,625,000 Business Finance Authority of the State of New Hampshire Revenue Bonds, Metz Realty, Inc. Issue, Series 2017, in the form attached hereto as Exhibit C.

“*Borrower*” means (i) Metz Realty, Inc.; (ii) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Agreement; and (iii) except where the context requires otherwise, any assignee(s) of the Borrower permitted pursuant to the terms of this Agreement.

“*Borrower Documents*” means, collectively, this Agreement, the Tax Certificate and Agreement, the Escrow Agreement, the Mortgage, Security Agreement and Financing Statement, the Environmental Compliance and Indemnity Agreement, the Collateral Assignment of Leases and Rents, the Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights, the Security Agreement, the Continuing Covenants Agreement and any related documents.

“*Business Day*” means a day other than a Saturday or Sunday on which banks are generally open for business in New Hampshire.

“*Closing*” means the date of issuance of the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time.

“*Collateral*” means (a) the Property and the Additional Collateral, (b) the rights granted to the Purchaser under the Collateral Assignment of Leases and Rents, (c) the contracts and other rights granted to the Purchaser under the Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights, (d) all accessories, attachments, parts, and repairs now or hereafter attached or affixed or used in connection with any of the foregoing property, (e) all warehouse receipts, bills of lading and other documents of title now or hereafter covering any of the foregoing property, (f) all securities, funds, moneys, deposits and other property at any time held in or subject to the Escrow Agreement, (g) all accessions thereto, (h) all substitutions for any of the foregoing property, and (i) products and proceeds of any of the foregoing property.

“*Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights*” means the Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights with respect to the Bonds from the Borrower to the Purchaser, dated as of December 1, 2017.

“*Collateral Assignment of Leases and Rents*” means the Collateral Assignment of Leases and Rents from the Borrower to the Purchaser, dated as of December 1, 2017.

“*Continuing Covenants Agreement*” means the Continuing Covenants Agreement between the Borrower and the Purchaser, dated as of December 21, 2017.

“*Contracts*” means the contracts between the Borrower and the Contractor, and between the Architect and Engineer, if and when applicable.

“*Contractor*” means the contractor of the Project, as well as the agents or dealers of the contractor.

*“Corporate Guarantor”* means Scott Electronics, Inc.

*“Corporate Guaranty”* means the guaranty agreement from the Corporate Guarantor in favor of the Purchaser, as the same may be amended and/or restated from time to time, dated as of December 1, 2017.

*“Default”* means an event that, with giving of notice or passage of time or both, would constitute an Event of Default as provided in Article VIII hereof.

*“Determination of Taxability”* means the issuance of any final, non-appealable determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or the receipt of an opinion obtained by the Purchaser of counsel qualified in such matters (to which the Borrower shall not have obtained a contrary opinion of counsel qualified in such matters within thirty (30) days of receiving the Purchaser’s opinion), that an Event of Taxability shall have occurred. A Determination of Taxability shall be deemed to occur on the first to occur of such issuance or receipt of opinion date and any of the following:

(A) the date when the Borrower files any statement, supplemental statement, or other tax schedule, return or document, acknowledging that an Event of Taxability shall have occurred;

(B) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Agreement that causes an Event of Taxability; or

(C) if upon sale, lease or other deliberate action within the meaning of Treas. Reg. §1.141-2(d), there is a failure to receive an unqualified opinion of Bond Counsel to the effect that such change in use will not cause interest on the Bonds to become includable in the gross income of the recipient.

*“Engineer”* means the engineer of the Project, as well as the agents or dealers of the engineer.

*“Environmental Compliance and Indemnity Agreement”* means the Environmental Compliance and Indemnity Agreement between the Borrower and the Purchaser, dated December 1, 2017.

*“Environmental Laws”* means all federal, state and local laws relating to emissions, discharges, releases of Hazardous Wastes or Materials into ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Wastes or Materials.

*“Escrow Agent”* means Salem Five Cents Savings Bank, holding such position under the Escrow Agreement.

*“Escrow Agreement”* means the Escrow Agreement for the Bonds, dated as of December 1, 2017 by and among the Purchaser, the Issuer, the Borrower and the Escrow Agent.

*“Event of Taxability”* means (i) the application of the proceeds of the Bonds in such manner that the Bonds become an “arbitrage bond” within the meaning of Code Sections 103(b)(2) and 148, and with the result that the interest component of the Bonds is or becomes includable in a holder’s gross income (as defined in Code Section 61); or (ii) if as the result of any act, failure to act or use of the proceeds of the Bonds or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Agreement by the Issuer or the Borrower or the enactment of any federal legislation or the promulgation of any federal rule or regulation after the date of this Agreement or for any reason other

than the negligent act or failure to act by Purchaser, the interest component of the Bonds is or becomes includable in a holder's gross income (as defined in Code Section 61).

"*Five (5)-Year Classic Advance Rate of the Federal Home Loan Bank of Boston*" means that rate of interest (for the term of five (5) years) as published by the Federal Home Loan Bank of Boston as of the Tuesday preceding forty-five (45) days prior to the rate change.

"*Gross-Up Payment*" means, with respect to any Payment, an additional loan payment in an amount sufficient such that the sum of the additional loan payment plus the Payment would, after the two payments were reduced by the amount of any federal, state or local income tax (including any interest or penalties) actually imposed thereon, equal the amount of the Payment.

"*Gross-Up Rate*" means an interest rate equal to the interest stated for the Bonds plus a rate sufficient such that the total interest to be paid on any payment date would, after such interest was reduced by the amount of any federal, state or local income tax (including any interest or penalties) actually payable thereon, equal the amount of interest due with respect to the Bonds.

"*Guaranties*" means, collectively, the Corporate Guaranty and each Individual Guaranty, as further described in Sections 3.9 and 3.10 hereof.

"*Guarantors*" means, collectively, the Corporate Guarantor and each Individual Guarantor, as further described in Sections 3.9 and 3.10 hereof.

"*Hazardous Wastes or Materials*" means any substance or material defined in or designated as hazardous or toxic wastes, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any federal, state or local statute, regulation or ordinance now or hereafter in effect.

"*Indebtedness*" shall mean all obligations for payments of principal and interest with respect to money borrowed, incurred or assumed by the Borrower, including guaranties, purchase money mortgages, financing or capital leases, installment purchase contracts or other similar instruments in the nature of a borrowing by which the Borrower will be unconditionally obligated to pay. Nothing in this definition or otherwise shall be construed to count Indebtedness more than once.

"*Individual Guarantor*" means each of Jacqueline R. Metzemaekers and John A. Metzemaekers.

"*Individual Guaranty*" means the guaranty agreement from each Individual Guarantor in favor of the Purchaser, as the same may be amended and/or restated from time to time, dated as of December 1, 2017.

"*Issuer*" means (i) the entity identified above as such in the first paragraph of this Agreement; (ii) any surviving, resulting or transferee entity thereof permitted pursuant to the terms of this Agreement; and (iii) except where the context requires otherwise, any assignee(s) of the Issuer permitted pursuant to the terms of this Agreement (but only to the extent of any assignment by the Issuer).

"*Issuer's Closing Certificate*" means the Closing Certificate of the Issuer dated as of December 1, 2017, properly executed on behalf of the Issuer.

"*Issuer's Service Charge*" means payment to the Issuer for its own use of \$\_\_\_\_\_ payable on the date of execution and delivery hereof.

"*Lien*" means any security interest, mortgage, pledge, hypothecation, assignment, lien, charge, encumbrance or claim against or interest in property of any kind or nature whatsoever.

“*Loan*” means the loan of the Proceeds from the Issuer to the Borrower pursuant to the terms of this Agreement.

“*Maturity Date*” means July 1, 2038.

“*Mortgage*” means the Mortgage, Security Agreement and Financing Statement dated as of December 1, 2017, as may be further amended and supplemented, executed by the Borrower in favor of the Purchaser, relating to the Property.

“*Payments*” means those scheduled payments (excluding administrative fees, indemnifications and reimbursements and Additional Payments payable to the Purchaser and the Issuer hereunder) payable by the Borrower pursuant to the provisions of this Agreement, as set forth in Exhibit A hereto with respect to the Bonds. Payments shall be payable by the Borrower directly to the Purchaser, as assignee of the Issuer and holder of the Bonds, in the amounts and at the times set forth in Exhibit A hereto.

“*Permitted Exceptions*” means the permitted exceptions listed on Exhibit D hereto.

“*Prepayment Price*” means the amount which the Borrower must pay or cause to be paid to the Purchaser in order to prepay the Loan and the Bonds, as provided in Section 3.7 hereof, such amount being the par value of the amount to be prepaid, plus accrued interest to the prepayment date.

“*Proceeds*” means the total amount of money or other consideration to be paid or provided by the Purchaser to the Borrower on behalf of the Issuer for application in accordance with this Agreement to be repaid by the Borrower by the Payments.

“*Project*” means (i) refinancing and financing the up to \$3,625,000 cost of the acquisition, renovation and equipping of an approximately 36,000 square foot building located at 5 Industrial Way, Salem, New Hampshire; and (ii) financing the payment of certain related financing, closing and other costs and expenses of the Bonds, possibly including capitalized interest and issuance expenses.

“*Property*” has the meaning assigned to such term in the Mortgage.

“*Purchase Agreement*” means each of the purchase agreements between the Borrower and each Contractor or each Vendor of the Project.

“*Purchaser*” means (i) Salem Five Cents Savings Bank; (ii) any surviving, resulting or transferee corporation of Salem Five Cents Savings Bank; and (iii) if this Agreement has been assigned by the Purchaser pursuant to Section 7.1 hereof, such assignee, shall be considered the “Purchaser” with respect to this Agreement.

“*Security Agreement (All Assets)*” means the Security Agreement (All Assets) between the Corporate Guarantor and the Purchaser, dated as of December 1, 2017.

“*State*” means the State of New Hampshire.

“*Tax Certificate and Agreement*” means the Tax Certificate and Agreement, dated the date of delivery of the Bonds, and executed by the Borrower.

“*UCC*” means the Uniform Commercial Code as adopted in the State.

“*Vendor*” means the manufacturer of an item of equipment comprising a portion of the Project, as well as the agents or dealers of the manufacturer, or other seller of such item of equipment from whom the Borrower has purchased or is purchasing such item of equipment.

## ARTICLE II

### REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER AND THE BORROWER; LIMITED OBLIGATIONS OF ISSUER

**Section 2.1. *Representations, Warranties and Covenants of the Issuer.*** The Issuer represents, warrants and covenants, for the benefit of the Purchaser and the Borrower, as follows:

(A) The Issuer is organized and existing as a public body corporate and agency of the State with the powers and authority, among others, set forth in the Act, with full legal right, power and authority to make loans to participating institutions, to enter into leases with participating institutions, to issue revenue bonds or notes for such purposes, to enter into the Escrow Agreement and this Agreement, to adopt the Bond Resolution and to issue, sell and deliver the Bonds to the Purchaser and to carry out and consummate all other transactions contemplated by each of the aforesaid documents.

(B) The Bonds, when duly issued, authenticated and delivered in accordance with the Bond Resolution and sold to the Purchaser as provided herein, will be the validly issued and outstanding special obligations of the Issuer entitled to the benefits of the Bond Resolution and this Agreement.

(C) This Agreement and the Escrow Agreement when executed and delivered by the Issuer will, assuming due authorization, execution and delivery by the other parties thereto, each constitute a valid and binding obligation of the Issuer enforceable in accordance with its terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted, the unavailability of the remedy of specific enforcement in certain cases and the effect of general principles of equity.

(D) The Issuer will not pledge, mortgage or assign this Agreement or its duties and obligations hereunder to any person, firm or corporation, except to the Purchaser or as otherwise provided under the terms hereof;

(E) The financing of the Project has been approved by the "applicable elected representative" (as defined in Section 147(f) of the Code) of the State after a public hearing held upon reasonable notice; and

(F) The Issuer will comply fully at all times with the Issuer's Closing Certificate, the terms of which are herein incorporated by reference into this Agreement, and the Issuer will not take any action, or omit to take any action, which, if taken or omitted, respectively, would violate the Issuer's Closing Certificate.

**Section 2.2. *Representations, Warranties and Covenants of the Borrower.*** The Borrower represents, warrants and covenants, for the benefit of the Purchaser and the Issuer as follows:

(A) The Company is a validly existing corporation, duly organized and in good standing under the laws of the State of New Hampshire and there is no other jurisdiction where the ownership or lease of property or conduct of its business requires such qualification unless it has taken steps to be so licensed or qualified. Scott is a validly existing corporation, duly organized and in good standing under the laws of the State of New Hampshire and there is no other jurisdiction where the ownership or lease of property or conduct of its business requires such qualification unless it has taken steps to be so licensed or qualified. The Borrower has full legal right, power and authority to

enter into the Borrower Documents and to carry out and consummate all transactions contemplated hereby and thereby and the Borrower has, by proper action, duly authorized the execution and delivery of the Borrower Documents and has approved the issuance of the Bonds. When executed and delivered, the Borrower Documents will be valid and binding agreements of the Borrower, subject to insolvency laws affecting creditors' rights generally. The Borrower's exact legal name is as set forth on the execution page hereof;

(B) The execution and delivery of the Borrower Documents and the consummation of the transactions herein and therein contemplated, including the application of the proceeds of the Bonds as so contemplated, will not conflict with, or constitute a breach of, or default by the Borrower under its articles of agreement, its by-laws, or any statute, indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which it is a party or by which it or any of its properties are bound, and will not constitute a violation of any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or any of its activities or properties. Additionally, the Borrower is not in breach, default or violation of any statute, indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance of the Borrower Documents by the Borrower. All approvals, consents and orders of, or filings with, any governmental authority, legislative body, board, agency or commission which would constitute a condition precedent to, or the absence of which would materially adversely affect, the due performance by either Borrower of its obligations under the Borrower Documents, have been duly obtained;

(C) There are no actions, suits or proceedings of any type whatsoever pending or, to the knowledge of the Borrower, threatened against or affecting it or any of its assets, properties or operations which, if determined adversely to it or its interests, could have a material adverse effect upon its financial condition, assets, properties or operations and it is not in default with respect to any order or decree of any court or any order, regulation or decree of any federal, state, municipal or governmental agency, which default would materially and adversely affect its financial condition, assets, properties or operations or the completion of the construction and equipping of the Project to be financed and refinanced with the proceeds of the Bonds. As of the date hereof there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best knowledge of the Borrower, threatened against the Borrower or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of the Borrower Documents, in any way contesting or affecting the validity or enforceability of the Borrower Documents or, to the best of the knowledge of the Borrower, contesting the powers of the Borrower or any authority for the execution and delivery of the Borrower Documents, nor to the best knowledge of the Borrower, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Borrower Documents;

(D) Neither any information, exhibit or report furnished to the Issuer or the Purchaser by the Borrower in connection with the offer, sale and issuance of the Bonds or the negotiation of the Borrower Documents, nor any of the foregoing and the following representations contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(E) Since the end of the most recent fiscal year of the Borrower, there has been no material adverse change in the financial position or results of operations of the



Borrower, nor has the Borrower incurred any material liabilities other than in the ordinary course of business;

(F) The Project, including the financing and refinancing thereof, and the application of proceeds of the Bonds therefor, qualifies as and constitutes a "project" within the meaning of the Act and the Borrower intends to use the Project Facilities (defined below) or cause the Project Facilities to be used as such until the date on which the Bonds have been paid in full and are no longer outstanding and all of the Payments have been fully paid and the Borrower qualifies as and constitutes an "eligible facility" within the meaning of the Act;

(G) The facilities financed with the proceeds of the Bonds (the "Project Facilities") are properly zoned for their current and anticipated use and the use of such Project Facilities will not violate any applicable zoning, land use, environmental or similar law or restriction. The Borrower has all licenses and permits to construct and occupy the Project Facilities, other than those licenses and permits which cannot be obtained until completion of the Project;

(H) Except as previously disclosed to the Purchaser and the Issuer in writing, the Borrower has received no notification of any kind suggesting that the Project Facilities or any adjacent property may be contaminated with any Hazardous Wastes or Materials or are or may be required to be cleaned up in accordance with any applicable law or regulation; and the Borrower further represents and warrants that, except as previously disclosed to the Purchaser and the Issuer in writing, to the best of its knowledge as of the date hereof after due and diligent inquiry, there are no Hazardous Wastes or Materials located in, on or under the Project Facilities or any adjacent property, nor have the Project Facilities or any adjacent property ever been used as a landfill or a waste disposal site, or a manufacturing, handling, storage, distribution or disposal facility for Hazardous Wastes or Materials. The Borrower has obtained all permits, licenses and other authorizations at its facilities or in connection with the operation of its facilities which are required under any Environmental Law. Except as previously disclosed to the Purchaser and the Issuer in writing, the Borrower and all activities of the Borrower at its facilities complies with all Environmental Laws and with all terms and conditions of any required permits, licenses and authorizations applicable to the Borrower with respect thereto. Except as previously disclosed to the Purchaser and the Issuer in writing, the Borrower is also in compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Environmental Laws or contained in any plan, order, decree, judgment or notice of which the Borrower is aware. Except as previously disclosed to the Purchaser and the Issuer in writing, the Borrower is not aware of, nor has the Borrower received notice of, any events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent continued compliance with, or which may give rise to any liability under, any Environmental Laws;

(I) All financial and other information provided to the Purchaser by or on behalf of the Borrower in connection with this Agreement is true and correct in all material respects and, as to projections, valuations or *pro forma* financial statements, present a good faith opinion as to such projections, valuations and *pro forma* conditions and results; and

(J) The Borrower has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it. The Borrower has filed all federal, state and local tax returns which are required to be filed, and the

Borrower has paid or caused to be paid to the respective taxing authorities all taxes as shown on said returns or on any assessment received by it to the extent such taxes have become due.

**Section 2.3. Tax Covenants.**

(A) It is the intention of the parties hereto that interest on the Bonds be and remain excludable from gross income for purposes of federal income taxation.

(B) The Issuer will take no action that would cause interest on the Bonds to become includable in gross income for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. §1.148-2(c) or consenting to a deliberate action within the meaning of Treas. Reg. §1.141-2(d)).

(C) The Borrower will take no action that would cause interest on the Bonds to become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, intentional acts under Treas. Reg. §1.148-2(c) or a deliberate action within the meaning of Treas. Reg. §1.141-2(d)), and the Borrower will take and will cause its officers, employees and agents to take all affirmative actions legally within their power necessary to ensure that such interest does not become includable in gross income of the recipient for federal income tax purposes under the Code (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion).

(D) The Borrower shall not take or omit to take any action if such action or omission (i) would cause the Bonds to be “arbitrage bonds” under Section 148 of the IRC, (ii) would cause the Bonds to not meet any of the applicable requirements of Sections 142 through 150 of the IRC, or (iii) would otherwise not meet the requirements of the Tax Certificate and Agreement.

(E) The Issuer will submit or cause to be submitted to the Secretary of the Treasury a Form 8038 (or other information reporting statement) at the time and in the form required by the Code.

(F) The Borrower will aid and assist the Issuer in connection with preparing and submitting to the Secretary of the Treasury a Form 8038 (or other applicable information reporting statement) at the time and in the form required by the Code.

(G) The Borrower will not use the proceeds of the Bonds to reimburse expenditures previously paid by the Borrower, except in compliance with the requirements of Treas. Reg. §1.150-2.

**Section 2.4. Compliance With Tax Certificate and Agreement.** The Borrower covenants to comply with the Tax Certificate and Agreement, the terms of which are hereby incorporated by reference into this Agreement.

**Section 2.5. Securities Laws.** In any “Offering” of the Bonds by a “Participating Underwriter,” as those terms are defined in Rule 15c2-12 (the “Rule”) promulgated under the Securities Exchange Act of 1934 (the “Exchange Act”), the Borrower shall at all times take such actions as may be necessary to permit such Participating Underwriter to comply with applicable federal and state securities laws, including the Exchange Act and the Rule, and shall cooperate with the Purchaser to the extent necessary to permit the Purchaser to comply with any obligations imposed on it as a result of the

Participating Underwriter's obligation to comply with applicable federal and state securities laws, including the Exchange Act and the Rule.

**Section 2.6. *Limited Obligation of the Issuer.*** Under no circumstances shall the Issuer be obligated directly or indirectly to pay costs of the Project, principal of or premium, if any, and interest on the Loan, or expenses of acquisition, construction, improvement, operation, maintenance and upkeep of the Project except from Loan payments and Proceeds, exclusive of funds received hereunder by Issuer for its own use. This Agreement does not create any debt of the State with respect to the Project other than a special obligation of Issuer acting on behalf of the State pursuant to the Act. Nothing contained herein shall in any way obligate the State to raise any money by taxation or use other public funds for any purpose in relation to the Project. Neither the State nor the Issuer shall pay or promise to pay any debt or meet any financial obligation to any person at any time in relation to the Project except (i) from moneys received or to be received under the provisions hereof or derived from the exercise of Issuer's right hereunder, other than moneys received for its own purposes, or (ii) as may be required by law other than the provisions of the Act. Nothing contained in this Agreement shall be construed to require or authorize Issuer to acquire, construct, improve or operate the Project itself or to conduct any business enterprise in connection therewith.

### ARTICLE III

#### FINANCING OF PROJECT AND TERMS OF THE BONDS

**Section 3.1. *Acquisition of Project.*** The Borrower has acquired, constructed, improved or equipped or will acquire, construct, improve or equip the Project pursuant to one or more Purchase Agreements from one or more Contractors or Vendors. As among the Purchaser, the Issuer and the Borrower, the Borrower shall bear the risk of loss on a joint and several basis with respect to any loss or claim relating to any portion of the Project covered by any Purchase Agreement. The Borrower covenants and agrees to pay or cause to be paid such amounts as may be necessary to complete the improvement, construction, acquisition, equipping and installation of the Project and to ensure that the Project is operational to the extent that the Proceeds are insufficient to cause such improvement, construction, acquisition, equipping and installation. The Borrower shall cause the Project to be completed diligently and continuously and with all reasonable dispatch in accordance with applicable laws, rules, regulations and requirements of all governmental authorities having jurisdiction with respect to the Project. The materials and workmanship shall be of high quality, and no materials, fixtures or equipment intended to become part of the Project shall be purchased by the Borrower subject to any lien, encumbrance or claim. The Borrower represents that contracts for carrying out the Project and acquisitions in connection therewith have been and shall be made by the Borrower in its own name. The Borrower may terminate the Project upon notice to the Issuer and the Purchaser, in which event upon receipt of a Completion Certificate as set forth in Section 2.03(d) of the Escrow Agreement all unspent moneys shall be applied pursuant to Section 2.03(e) of the Escrow Agreement.

**Section 3.2. *Purchase and Loan.*** The Purchaser hereby agrees, subject to the terms and conditions of this Agreement, to purchase the Bonds from the Issuer; the Issuer hereby agrees, subject to the terms and conditions of this Agreement, to issue the Bonds and to lend the proceeds thereof to the Borrower; and the Borrower hereby agrees to borrow the proceeds of the Bonds from the Issuer to finance or refinance the Project. On the Closing date, \$1,100,000 of the Proceeds shall be deposited into the Escrow Fund established pursuant to the terms of the Escrow Agreement and such amount shall be disbursed according to the terms set forth in the Escrow Agreement and shall be applied to the payment of costs of the Project incurred with respect to the Bonds. Proceeds in the amount of \$2,525,000 shall be used to pay the outstanding principal balance of the \$3,625,000 commercial loan from the Purchaser to the Borrower dated as of July 25, 2017.

The Issuer's obligations hereunder and under the Bonds, and the Borrower's obligation to repay the Loan, shall commence, and interest shall begin to accrue, on the date that the Bonds are issued.

**Section 3.3.    *The Bonds.***

(a)     The Bonds shall be issued in fully registered form in the aggregate principal amount of \$3,625,000. The principal amount of the Bonds and the Loan outstanding from time to time shall bear interest (computed on the basis of actual number of days elapsed in a 360 day banking year) at a tax-exempt per annum rate of interest equal to a fixed per annum rate of \_\_\_%, which rate shall be adjusted and fixed as of July 1, 2023, July 1, 2028 and July 1, 2033 for each subsequent five-year period to a fixed rate equal to 80% of the sum of the then current 5-Year Classic Advance Rate of the Federal Home Loan Bank of Boston plus 250 basis points, and subject to adjustment as provided in paragraph (b) below. The Borrower shall make monthly payments of interest only for the first six (6) months and then shall make monthly payments of principal and interest on the first (1<sup>st</sup>) of each month in accordance with the schedule of payments set forth as Exhibit A hereto and upon earlier demand in accordance with the terms hereof or thereof or prepayment in accordance with Section 3.7 hereof. The Bonds shall be dated their date of issuance and shall mature on the Maturity Date.

(b)     Upon the occurrence of a Determination of Taxability, the Borrower shall, with respect to future interest payments, begin making Payments calculated at the Gross-Up Rate. If a Determination of Taxability has occurred, the Purchaser shall promptly give written notice of such determination and the date on which the Determination of Taxability occurred (the "Taxability Date") to the Borrower and the Authority, and shall present the Bonds to the Borrower for notation of the taxability of interest on the Bonds. For the avoidance of doubt, upon the occurrence of a Determination of Taxability, or if at any time there is a change in the law or a determination by a federal or state tax authority, the effect of which would be to cause the interest portion of any Payments no longer to be excludable from gross income under the Code, the Borrower shall, within thirty (30) days of notice from the Purchaser of the Taxability Date, begin paying Gross-Up Payments to the Purchaser as additional amounts under this Agreement. The Bonds shall bear interest at the Gross-Up Rate from and after the Taxability Date until the final payment of those Bonds, regardless of whether such payment occurs before or after a determination of taxability is made. The Gross-Up Payments shall be payable on the same dates as the interest stated on the Bonds, except that additional interest for any period ending on or before the interest payment date next preceding the determination that additional interest is payable hereunder shall be payable within thirty (30) days after the Purchaser gives notice of a Determination of Taxability. Although a claim for additional interest on a Bond that accrued during the period from the Taxability Date until the interest payment date immediately following the Determination of Taxability may be assigned with written notice to the Borrower, it shall not be transferable by a transfer of the Bonds, and such additional interest shall be payable to that person or those persons who were owners of said Bonds for the applicable periods, or their assigns. In addition, the Borrower shall make immediately, upon demand of the Purchaser, a payment to the Purchaser sufficient to indemnify the Purchaser and pay to the Purchaser a supplemental payment to reimburse the Purchaser for any interest, penalties or other charges assessed to it, if any, by reason of such Determination of Taxability (including any interest, penalties or other charges assessed to Purchaser for failure to include interest on the Bonds in the Purchaser's gross income prior to the date of such Determination of Taxability which have not already been included in the calculation of the Gross-Up Rate), and such obligation shall survive the termination of this Agreement. In addition, the Borrower shall make a payment to the Purchaser on the date of the first Payment after such notice, sufficient to indemnify the Purchaser on an after-tax basis for any federal, state or local income taxes imposed as a result of such determination on any Payments which may already have been received by or become payable to Purchaser prior to such date.

**Section 3.4.    *Payments.*** The Issuer shall pay in accordance with Section 3.3, Section 3.7 and Exhibit A hereto the principal component of, the Prepayment Price, if any, and the interest component of the Bonds, but only out of the amounts paid by the Borrower pursuant to this Agreement. The Borrower

shall pay to the Purchaser, as assignee of the Issuer and holder of the Bonds, Payments, in the amounts and on the dates set forth in this Agreement. As security for payments due under the Bonds, the Issuer hereby assigns to the Purchaser (i) all Payments to be received from the Borrower or derived from any security provided hereunder, (ii) all of its right to receive Payments with respect to this Agreement and the proceeds of such rights (and hereby directs the Borrower to make such Payments directly to, or at the direction of, the Purchaser), (iii) all funds and investments held from time to time in the funds, if any, established under this Agreement or the Escrow Agreement and (iv) all of its right, title and interest in this Agreement, including enforcement rights and remedies but excluding certain rights of indemnification and to reimbursement of certain expenses as set forth herein. This assignment and pledge does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; (ii) the right of the Issuer to any payments or reimbursements pursuant to the terms of this Agreement (except for the Payments); or (iii) the powers of the Issuer as stated herein to enforce the provisions hereof. The Issuer irrevocably constitutes and appoints the Purchaser and any present or future officer or agent of the Purchaser as its lawful attorney, with full power of substitution and resubstitution, and in the name of the Issuer or otherwise, to collect the Payments and any other payments due hereunder and to sue in any court for such Payments or other payments, and to withdraw or settle any claims, suits or proceedings pertaining to or arising out of this Agreement upon any terms. Such Payments and other payments shall be made by the Borrower directly to the Purchaser, as the Issuer's assignee and holder of the Bonds, without the requirement of notice or demand and shall be credited against the Issuer's payment obligations under this Agreement. All payments due under this Agreement are to be paid to Purchaser at such address as the Purchaser may designate in writing and, at the option of the Purchaser, all such payments and any fees due will be debited automatically from the Borrower's primary operating account.

No provision, covenant or agreement contained in the Bonds or this Agreement or any obligation herein or in the Bonds imposed on the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability, a charge upon its general credit or taxing powers or a pledge of its general revenues. In making this Agreement and entering into the provisions and covenants set forth in this Agreement, the Issuer has not obligated itself except with respect to the application of the Payments to be paid by the Borrower hereunder. All amounts required to be paid by the Borrower hereunder shall be paid in lawful money of the United States of America in immediately available funds. No recourse shall be had by the Purchaser or the Borrower for any claim based on this Agreement against any director, officer, employee or agent of the Issuer alleging personal liability on the part of such person, unless such claim is based on the willful dishonesty of or intentional violation of law by such person.

**Section 3.5. *Payment on Non-Business Days.*** Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, such payment may be made on the next succeeding Business Day.

**Section 3.6. *Payments To Be Unconditional.*** The obligation of the Borrower to make Payments required under this Agreement and to make other payments hereunder and to perform and observe the covenants and agreements contained herein shall be absolute and unconditional in all events, without abatement, diminution, deduction, setoff or defense for any reason, including (without limitation) any failure of the Project to be delivered, equipped, installed, constructed or improved, any defects, malfunctions, breakdowns or infirmities in the Project or any accident, condemnation, destruction or unforeseen circumstances. Notwithstanding any dispute between the Borrower and any of the Issuer or the Purchaser or any other person, the Borrower shall make all Payments when due and shall not withhold any Payments pending final resolution of such dispute, nor shall the Borrower assert any right of setoff or counterclaim against their obligation to make such payments required under this Agreement.

**Section 3.7. *Optional Prepayments; Mandatory Prepayments.*** The Borrower may, in its discretion, upon at least thirty (30) days' prior written notice to the Issuer and the Purchaser, optionally prepay the Loan and the Bonds in whole or in part at any time by paying the Prepayment Fee (as defined

in the Continuing Covenants Agreement) and any outstanding and unpaid Payments and Additional Payments under this Agreement.

In addition, the Borrower shall prepay the Bonds in full upon the following events:

- (a) Upon demand of the Purchaser, after the occurrence of an Event of Default, which is not cured within any applicable grace or cure period by paying the applicable Prepayment Price Amount and all other amounts due hereunder; and
- (b) Upon demand of the Purchaser, after the occurrence of a Determination of Taxability by paying the applicable Prepayment Price (with interest calculated at the Gross-Up Rate) and all other amounts due hereunder.

Upon any prepayment in part of the Loan and the Bonds pursuant to this Section 3.7, the prepayment shall be applied first to interest accrued thereon and next to the principal component of the Payments in the inverse order of maturity.

**Section 3.8. *Issuer's Service Charge.*** The Borrower shall pay to the Issuer the Issuer's Service Charge; *provided, however*, that the aggregate fees and charges to be received by the Issuer from the Borrower shall not equal or exceed the amount, if any, which would affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. The obligation to pay the Issuer's Service Charge shall continue until all of the Borrower's obligations under this Agreement have been paid in full.

**Section 3.9. *Corporate Guaranty.*** All of the Borrower's payment, performance and other obligations owing hereunder, including without limitation the Borrower's obligation to make Payments in connection with the Bonds, shall be jointly and severally guaranteed in full by the Corporate Guarantor all as more particularly set forth in the Corporate Guaranty, the form of which is attached hereto as Exhibit E.

**Section 3.10. *Individual Guaranties.*** The Borrower's payment, performance and other obligations owing hereunder, including without limitation the Borrower's obligation to make Payments in connection with the Bonds, shall be jointly and severally guaranteed in full by each Individual Guarantor, as more particularly set forth in the Individual Guaranty, the form of which is attached hereto as Exhibit E.

## ARTICLE IV

### CONDITIONS PRECEDENT

**Section 4.1. *Conditions Precedent to Closing.*** The Purchaser's agreement to enter into this Agreement and purchase the Bonds shall be subject to the condition precedent that the Purchaser shall have received (or waived the receipt of) all of the following, prior to or at Closing and prior to disbursement of any additional funds pursuant to the terms of the Escrow Agreement, each in form and substance satisfactory to the Purchaser:

- (A) This Agreement properly executed on behalf of the Issuer and the Borrower and each of the Exhibits and Schedules hereto properly completed;
- (B) The Bonds properly executed on behalf of the Issuer;
- (C) The Escrow Agreement properly executed on behalf of the parties thereto;

(D) The Continuing Covenants Agreement properly executed on behalf of the parties thereto;

(E) The Mortgage properly executed on behalf of the Borrower;

(F) The Collateral Assignment of Leases and Rents properly executed on behalf of the Borrower;

(G) The Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights;

(H) The Environmental Compliance and Indemnity Agreement properly executed on behalf of the parties thereto;

(I) The Security Agreement properly executed on behalf of the parties thereto;

(J) The Guaranties properly executed on behalf of the Entity Guarantor and each Individual Guarantor;

(K) Current copies of the Certificates of Existence of the Borrower and the Entity Guarantor certified by the Secretary of State of the State of New Hampshire;

(L) Current Certificates of the Secretary of State of the State of New Hampshire regarding the Articles of Agreement of the Borrower and the Entity Guarantor;

(M) Certificates of the Officers of the Borrower and the Entity Guarantor Regarding the Articles of Association, Bylaws, Incumbency Certificate, Authorizing Resolutions and Execution of Documents and other matters;

(N) A certificate of the Issuer in form and substance acceptable to the Purchaser certifying as to, among other things, (i) the official approval authorizing the execution, delivery and performance of this Agreement, the Escrow Agreement and any related documents and (ii) the signatures of the officers or agents of the Issuer authorized to execute and deliver this Agreement and other instruments, agreements and certificates on behalf of the Issuer;

(O) The Tax Certificate and Agreement properly executed on behalf of the Borrower;

(P) The Issuer's Closing Certificate properly executed on behalf of the Issuer;

(Q) A title insurance policy in form and substance acceptable to the Purchaser (the "Title Policy");

(R) An appraisal of the Property by an appraiser acceptable to the Purchaser and in a form acceptable to the Purchaser evidencing a loan to value ratio of eighty percent (80%) or less (Completed);

(S) An environmental site assessment (Completed);

(T) Financing statements authorized by the Borrower and the Entity Guarantor, as debtor and naming the Purchaser, as secured party;

(U) Such lien releases from other creditors of the Borrower as may be required by the Purchaser in form and substance acceptable to the Purchaser (with copies of filed UCC termination statements attached) properly executed by or on behalf of such other creditors;

(V) Current searches of appropriate filing offices showing that (i) no state or federal tax liens have been filed and remain in effect against the Borrower, (ii) no financing statements have been filed and remain in effect against the Borrower relating to the Collateral except those financing statements filed by the Purchaser and (iii) all financing statements necessary to perfect the security interest created pursuant to this Agreement have been filed;

(W) Schedule of sources and uses setting forth all sources;

(X) A copy of the preliminary development budget for the Project;

(Y) A completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury;

(Z) The Bond Resolution authorizing the issuance of the Bonds;

(AA) Evidence in form and substance acceptable to the Purchaser of publication of notice required pursuant to Section 147(f) of the Code;

(BB) Evidence in form and substance acceptable to the Purchaser that the financing of the Project has been approved by the "applicable elected representative" of the State after a public hearing held upon reasonable notice;

(CC) Opinion of counsel to the Borrower and the Entity Guarantor addressed to the Purchaser and the Issuer, regarding corporate authority, no litigation, due authorization, perfection, zoning and other matters, all to be in a form satisfactory to the Purchaser and the Issuer;

(DD) An opinion of Bond Counsel addressed to the Issuer together with a reliance letter addressed to the Borrower and the Purchaser;

(EE) Payment of the Issuer's and the Purchaser's fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby;

(FF) Such policies and amounts of hazard insurance (specifying all-risks or extended coverage and containing a builders' risk completed value endorsement), rental value insurance, flood insurance (if the Property or any part thereof is in an area that has been identified as an area having special flood hazards), liability insurance, workmen's' compensation insurance, and such other insurance as the Purchaser and the Issuer may request, listing the Purchaser as mortgagee and loss payee for property and casualty insurance and as additional insured for liability insurance as well as lender loss payable for personal property; and

(GG) Any other documents or items required by the Purchaser or the Issuer.



**Section 4.2. *Conditions Precedent to Advances of Bond Proceeds.*** Pursuant to the terms of the Escrow Agreement, prior to the payment of any additional advance and/or disbursement of the proceeds of the Bonds after the initial advance made at Closing, the Purchaser shall have received all of the materials set forth in Section 3.3 of the Continuing Covenants Agreement.

## ARTICLE V

### TITLE TO COLLATERAL AND SECURITY INTEREST

**Section 5.1. *Title to Collateral.*** The Borrower shall have good, marketable and insurable title in fee simple to all Collateral that is real property and good title to all other Collateral. The Borrower will at all times protect and defend, at its own cost and expense, its title from and against all Liens and legal processes of creditors of the Borrower, and keep all Collateral free and clear of all such Liens and processes except for the Permitted Exceptions.

**Section 5.2. *Security Interest in Collateral.*** This Agreement is intended to constitute a security agreement within the meaning of the UCC.

(A) As security for the Borrower's payment to the Purchaser, as assignee of the Issuer, of Payments and all other amounts payable to the Purchaser hereunder or under any other document or agreement related to the Loan or the Bonds, the Borrower hereby grants to the Purchaser, for its benefit and the benefit of the Purchaser, a security interest constituting a first priority lien on the Property and a first priority lien on the Collateral. The security interest in the Collateral, including all repairs, replacements, substitutions and modifications thereto or thereof and all proceeds of the foregoing, constitutes the only lien on the Collateral, with the exception of the Permitted Exceptions. The Issuer and the Borrower agree to execute such additional documents, including financing statements, assignments, affidavits, notices and similar instruments, in form satisfactory to the Purchaser, and take such other actions that the Purchaser deems necessary or appropriate to establish, maintain and terminate, as the case may be, the security interests created by this Section, and the Issuer and the Borrower hereby designate and appoint the Purchaser as their agent, and grant to the Purchaser a power of attorney (which is coupled with an interest), to execute and/or prepare on behalf of the Issuer and the Borrower, as the case may be, such additional documents and to take such other actions. If requested by the Purchaser, the Borrower shall conspicuously mark the Collateral with appropriate lettering, labels or tags, and maintain such markings, so as clearly to disclose the Purchaser's security interest in the Collateral.

(B) Pursuant to NH RSA 162-I:7, II, the security interest of the Purchaser in the Issuer's right to Payments and other rights and interests assigned by the Issuer to the Purchaser under Section 3.4 of this Agreement shall be automatically perfected upon execution of this Agreement.

**Section 5.3. *Cross-Collateralization, Cross-Guaranty and Cross-Default.*** The Loan shall be and hereby is cross collateralized, cross guaranteed and cross defaulted with any other existing or future obligations or liabilities of the Borrower to the Purchaser and the Issuer.

**Section 5.4. *Assignment of Leases and Rents.*** In order to further secure the Bonds, the Borrower shall execute a Collateral Assignment of Leases and Rents for the benefit of the Purchaser.

**Section 5.5. *Liens and Encumbrances to Title.*** The Borrower shall not directly or indirectly, create, incur, assume or suffer to exist any Lien on or with respect to the Collateral other than the respective rights of the Purchaser and the Issuer as herein provided or by the Mortgage and the Permitted Exceptions. The Borrower shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such Lien except for the Permitted Exceptions. The Borrower

shall reimburse the Purchaser for any expenses incurred by the Purchaser to discharge or remove any Lien except for the Permitted Exceptions.

**Section 5.6. *Personal Property.*** The parties hereby agree that any Collateral that is personal property is, and during the period this Agreement is in force will remain, personal property and, when subjected to use by the Borrower hereunder, will not be or become fixtures; provided, however, that if contrary to the parties' intent such personal property is or may be deemed to be a fixture, the Borrower shall cause filings to be made with the applicable government officials or filing offices to create and preserve for the Purchaser as assignee of the Issuer a perfected security interest in such personal property, subject to the Permitted Exceptions.

**Section 5.7. *Assignment of Insurance.*** As additional security for the payment and performance of the Borrower's obligations hereunder, the Borrower hereby assigns to the Purchaser any and all monies (including, without limitation, proceeds of insurance and refunds of unearned premiums) due or to become due under, and all other rights of the Borrower with respect to, any and all policies of insurance now or at any time hereafter covering the Property or Collateral or any evidence thereof or any business records or valuable papers pertaining thereto, and the Borrower hereby directs the issuer of any such policy to pay all such monies directly to the Purchaser in the event of material damage to or destruction of all or any part of the Property or Collateral.

**Section 5.8. *Agreement as Financing Statement.*** To the extent permitted by applicable law, a carbon, photographic or other reproduction of this Agreement or of any financing statements authorized by the Borrower is sufficient as a financing statement in any state to perfect the security interests granted in this Agreement to the extent that the Borrower has rights in the Property.

## ARTICLE VI

### COVENANTS OF THE BORROWER

**Section 6.1. *Covenants as to Corporate Existence, Use and Maintenance of Property by the Borrower, Etc.*** The Borrower hereby covenants:

(A) To preserve its legal existence and all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and to be qualified to do business in each jurisdiction where its ownership of property or the conduct of its business requires such qualifications, including without limitation in the State of New Hampshire; provided, however, that nothing herein contained shall be construed to obligate the Borrower to retain or preserve any of its rights or licenses no longer used or useful in the conduct of its business.

(B) That the Borrower shall procure and maintain all necessary licenses and permits to construct, occupy and use the Project Facilities and the Property.

(C) To take no action or suffer any action to be taken by others under its control which would result in the interest on the Bonds becoming subject to federal income taxes.

(D) To do all things reasonably necessary to conduct its affairs and carry on its business and operations in such manner as to comply in all material respects with any and all applicable laws of the United States and the several states thereof and to duly observe and conform to all valid orders, regulations or requirements of any governmental authority relative to the conduct of its business and the ownership of its property; provided, nevertheless, that nothing herein contained shall require it to comply with,

observe and conform to any such law, order, regulation or requirement of any governmental authority so long as the validity thereof or the applicability thereof to it shall be contested in good faith; provided, however, that no such contest shall either (i) have a material adverse effect on the Borrower during the period of such challenge or (ii) subject the Purchaser or the Issuer to the risk of any liability, and, in any event, that the Borrower shall indemnify the Purchaser or the Issuer to their satisfaction against any liability resulting from such contest.

(E) Promptly to pay all lawful taxes, governmental charges and assessments at any time levied or assessed upon or against it or its property; provided, however, that it shall have the right to contest in good faith any such taxes, charges or assessments or the collection of any such sums and pending such contest may delay or defer payment thereof; provided, however, that no such contest shall subject the Purchaser or the Issuer to the risk of any liability, and, in any event, that the Borrower shall indemnify the Purchaser or the Issuer to their satisfaction against any liability resulting from such contest.

(F) Promptly to pay or otherwise satisfy and discharge all of its obligations and indebtedness and all demands and claims against it as and when the same become due and payable, other than any thereof (exclusive of the Payments due hereunder) whose validity, amount or collectability is being contested in good faith; provided, however, that no such contest shall subject the Purchaser or the Issuer to the risk of any liability, and, in any event, that the Borrower shall indemnify the Purchaser or the Issuer to their satisfaction against any liability resulting from such contest.

(G) At all times to comply with all material terms, covenants and provisions of any liens at such time existing upon its property or any part thereof or securing any of its indebtedness; provided, however, that it shall have the right to contest in good faith any such terms, covenants or provisions and pending such contest may delay or defer compliance therewith; provided, however, that no such contest shall subject the Purchaser or the Issuer to the risk of any liability, and, in any event, that the Borrower shall indemnify the Purchaser and the Issuer to their satisfaction against any liability resulting from such contest.

(H) On the date on which the Borrower becomes subject to the provisions of this Agreement and at all times thereafter, to consent to the jurisdiction of the courts of the State for causes of action arising solely under the terms of this Agreement.

(I) That all action heretofore and hereafter taken by the Borrower to operate and maintain its property have been and will be in full compliance with the Borrower Documents, and will comply in all material respects with all pertinent laws, ordinances, rules, regulations and orders applicable to the Borrower or the Issuer; and in connection with the operation, maintenance, repair and replacement of the Borrower's property, plant and equipment, that it shall pay the costs of the same and comply in all material respects with all applicable ordinances, laws, rules, regulations and orders of the United States of America, the State, and the Town of Salem.

(J) That the Borrower's property has been and will be in compliance in all material respects with all applicable zoning, subdivision, building, land use and similar laws and ordinances and compliance with all Environmental Laws; and that it shall not take any action or request the Issuer or the Purchaser to take any action which would cause such property or any part thereof to be in violation of such laws or ordinances or Environmental Laws. Each Borrower acknowledges that any review by the staff or

counsel of the Issuer and the Purchaser of any such actions heretofore or hereafter taken has been or will be solely for the protection of the Issuer and the Purchaser.

(K) To hold and use the Project Facilities for the purpose of its business as a contract manufacturer that builds cable, harness, fiber optics, panel assemblies and box builds for medical, industrial, home land security, semi-conductor, aerospace and military markets, so long as the principal of and interest on the Bonds have not been fully paid and retired and all other conditions of the Borrower Documents have not been satisfied and the lien and security interests created under this Agreement have not been released in accordance with the provisions hereof.

(L) That the Project shall be used only for the purposes described in the Act and no part of the Project shall be used for any purpose which would cause the Issuer's financing of the Project to constitute a violation of the First Amendment of the United States Constitution; and, in particular, that no part of the Project, so long as it is owned or controlled by the Borrower, shall be used for any sectarian instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; and any proceeds of any sale, lease, taking by eminent domain of the Project or other disposition thereof shall not be used for, or to provide a place for, such instruction, worship or program. The provisions of the foregoing sentence shall, to the extent permitted and required by law, survive termination of this Agreement.

(M) To provide parking for the Project facilities at a site or sites convenient for operation in compliance with applicable zoning requirements.

(N) To obtain the approval of the Issuer and the Purchaser, which approval shall not be unreasonably withheld, prior to entering into any derivative financial product, interest rate swap or other similar transactions.

(O) To satisfy its obligations to make Payments hereunder from any moneys available, including endowment funds, to the extent permitted by law.

**Section 6.2. *Compliance With Laws.*** The Borrower will comply with the requirements of applicable laws and regulations, the non-compliance with which would materially and adversely affect its business or its financial condition.

**Section 6.3. *Insurance; Risk of Loss.*** If the Borrower's facilities are located in a special flood hazard area, appropriate flood insurance is required in an amount acceptable to the Purchaser. The Borrower shall provide evidence of insurance coverage for the total value of the Project. This may include, but is not limited to, "All Risk" Physical Damage insurance in an amount satisfactory to the Purchaser and containing a builders' risk completed value endorsement, rental value insurance, liability insurance, workmen's compensation insurance and such other insurance as the Purchaser and the Issuer may request. Evidence of such insurance must be provided to the Issuer and the Purchaser on or before the date of issuance of the Bonds and the insurance policy shall name the Purchaser as mortgagee, lender loss payee and additional insured and the Issuer as certificate holder and shall require thirty (30) days advance notice of cancellation, non-renewal, or any material change. The Purchaser and the Issuer shall be provided with any endorsements or riders to any policies. The Purchaser information should be: Salem Five Cents Savings Bank, its successors and/or assigns, ATIMA, 210 Essex Street, Salem, Massachusetts 01940. Certificates evidencing all renewal and substitute policies of insurance shall be delivered by the Borrower to the Purchaser and the Issuer annually, along with evidence of the payment in full of all premiums required thereunder, at least fifteen (15) days before termination of the policies being renewed or substituted.

**Section 6.4. *Reporting Requirements.*** The Borrower will deliver, or cause to be delivered, to the Purchaser and the Issuer, certain reporting requirements as set forth in the Continuing Covenants Agreement, which shall be in form and detail acceptable to the Purchaser and the Issuer.

**Section 6.5. *Books and Records; Inspection and Examination.*** The Borrower will keep accurate books of record and account for itself pertaining to its business and financial condition and such other matters as the Purchaser or the Issuer may from time to time request in which true and complete entries will be made in accordance with generally accepted accounting principles consistently applied and, upon request of the Purchaser or the Issuer, will permit any officer, employee, attorney or accountant for the Purchaser or the Issuer to audit, review, make extracts from, or copy any and all corporate and financial books, records and properties of the Borrower at all times during ordinary business hours, and to discuss the affairs of the Borrower with any of its directors, officers, employees or agents. The Borrower will permit the Purchaser or the Issuer, or their respective employees, accountants, attorneys or agents, to examine and copy any or all of its records.

**Section 6.6. *Performance by Purchaser; Advances.*** If the Borrower at any time fails to perform or observe any of the covenants or agreements contained in this Agreement, and if such failure shall continue for a period of 30 days after the Purchaser gives the Borrower written notice thereof (or in the case of the agreements contained in Sections 6.1 and 6.3 hereof, immediately upon the occurrence of such failure, without notice or lapse of time), the Purchaser may, but need not, perform or observe such covenant on behalf and in the name, place and stead of the Borrower (or, at the Purchaser's option, in the Purchaser's name) and may, but need not, take any and all other actions which the Purchaser may reasonably deem necessary to cure or correct such failure (including, without limitation, the payment of taxes, the satisfaction of security interests, liens or encumbrances, the performance of obligations owed to account debtors or other obligors, the procurement and maintenance of insurance, the execution of assignments, security agreements and financing statements, and the endorsement of instruments); and the Borrower shall thereupon pay to the Purchaser on demand the amount of all moneys expended and all costs and expenses (including reasonable attorneys' fees and legal expenses) incurred by the Purchaser in connection with or as a result of the performance or observance of this Agreement or the taking of such action by the Purchaser, together with interest thereon from the date expended or incurred at the lesser of 10% per annum or, if lower, the highest rate permitted by law. To facilitate the performance or observance by the Purchaser of such covenants of the Borrower, the Borrower hereby irrevocably appoints the Purchaser, or the delegate of the Purchaser, acting alone, as the attorney in fact of the Borrower with the right (but not the duty) from time to time to create, prepare, complete, execute, deliver, endorse or file in the name and on behalf of the Borrower any and all instruments, documents, assignments, security agreements, financing statements, applications for insurance and other agreements and writings required to be obtained, executed, delivered or endorsed by the Borrower under this Agreement.

**Section 6.7. *Consolidation and Merger.*** The Borrower will not consolidate with or merge into any person, or permit any other person to merge into the Borrower, or acquire (in a transaction analogous in purpose or effect to a consolidation or merger) all or substantially all of the assets of any other person.

**Section 6.8. *Change in Name, Structure or Principal Place of Business.*** The Borrower's chief executive office is located at the address set forth above, and all of the Borrower's records relating to its business are kept at such location. The Borrower hereby agrees to provide written notice to the Purchaser and the Issuer of any change or proposed change in their name, structure, place of business or chief executive office. Such notice shall be provided 30 days in advance of the date that such change or proposed change is planned to take effect. The Borrower does business, and has done business, only under its own name and not under any trade names.

**Section 6.9. *Financial Covenants.*** The Borrower will comply with certain financial covenants as set forth in the Continuing Covenants Agreement, which shall be in form and detail acceptable to the Purchaser and the Issuer.

**Section 6.10. *Depository Accounts.*** The Borrower hereby agrees to maintain its primary depository accounts with the Purchaser during the term of the Loan.

**Section 6.11. *Indemnification by Borrower.*** The Borrower, regardless of any agreement to maintain insurance, will indemnify the Issuer, the Purchaser and the Escrow Agent (and each of their respective directors, officers, employees and agents) (each, an "Indemnified Party") against (a) any and all claims by any Person related to the participation of the Issuer, the Escrow Agent or the Purchaser in the transactions contemplated by this Agreement, including without limitation claims arising out of (i) any condition of the Project or the construction, use, occupancy or management thereof; (ii) any accident, injury or damage to any Person occurring in or about or as a result of the Project; (iii) any breach by the Borrower of its obligations under this Agreement; (iv) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees; or (v) the offering, issuance, sale or any resale of the Bonds to the extent permitted by law, and (b) all reasonable costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon; provided, however, except as resulting from the gross negligence or willful misconduct of the Indemnified Party. In case any action or proceeding is brought against the Issuer, the Escrow Agent or the Purchaser by reason of any such claim, the Borrower will defend the same at its expense upon notice from the Issuer, the Escrow Agent or the Purchaser, and the Issuer, the Escrow Agent or the Purchaser, as the case may be, will cooperate with the Borrower, at the expense of the Borrower, in connection therewith. This indemnification shall survive the termination or defeasance of this Agreement.

**Section 6.12. *Notification of Event of Taxability.*** The Borrower will notify promptly the Issuer and the Purchaser in writing of the occurrence of any Event of Taxability or any basis therefor, and of any allegation of which the Borrower has or acquires knowledge by any federal or state agency that any such event has occurred.

**Section 6.13. *Notice of Event of Default.*** The Borrower shall promptly notify the Issuer and the Purchaser in writing of the occurrence of any Event of Default or event which, with the passage of time or the receipt of notice, would constitute an Event of Default under any of the Borrower Documents or any other existing or future agreement between the Borrower and the Purchaser.

**Section 6.14. *Additional Debt.*** The Borrower shall not incur any additional debt without prior written approval from the Purchaser, with the exception of (i) other debt owing to the Purchaser, (ii) trade payables incurred in the ordinary course of the Borrower's business and (iii) other indebtedness that is expressly permitted in the Continuing Covenants Agreement.

**Section 6.15. *Notice of Change in Terms of Continuing Covenants Agreement.*** The Borrower shall promptly notify the Issuer in writing of any change in the terms of the Continuing Covenants Agreement.

## ARTICLE VII

### ASSIGNMENT, MORTGAGING AND SELLING

**Section 7.1. *Assignment by the Purchaser.*** This Agreement and the Bonds and the right to receive Payments and the Prepayment Price from the Borrower hereunder, may be assigned and reassigned in whole or in part to one or more assignees or subassignees by the Purchaser at any time subsequent to its execution, without the necessity of obtaining the consent of the Issuer or the Borrower; *provided, however,* (a) in the event that such assignment or reassignment is made to a bank or trust

company as trustee for holders of certificates representing interests in the Bonds, such bank or trust company agrees to maintain, or cause to be maintained, a book-entry system by which a record of the names and addresses of such holders as of any particular time is kept and agrees, upon request of the Issuer, to furnish such information to Issuer. The Issuer, the Borrower and the Purchaser agree to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested to protect the interest in this Agreement; furthermore, in the event of a partial assignment as provided in clause (c) above, the Purchaser and the Issuer shall execute all such documents necessary to convey interests in this Agreement as shall be reasonably requested.

**Section 7.2. *No Sale, Assignment or Leasing by the Borrower.*** This Agreement may not be sold, assumed or assigned by the Borrower without the prior written consent of the Purchaser. This Agreement shall not be subject to involuntary assignment, lease, transfer or sale or to assignment, lease, transfer or sale by operation of law in any manner whatsoever, and any such attempted assignment, lease, transfer or sale shall be void and of no effect and shall, at the option of the Purchaser, constitute an Event of Default hereunder.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

**Section 8.1. *Events of Default.*** The following constitute “Events of Default” under this Agreement:

(A) failure by the Borrower to pay to the Purchaser, as assignee of the Issuer, when due any Payment or any other amount required to be paid hereunder or under any related document when due; or

(B) failure of the Issuer to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, which failure has not been cured within thirty (30) days after notice of such failure has been given to the Issuer by the Purchaser; provided, however, that if the Issuer is diligently pursuing a cure of the covenant, condition or agreement during such 30 day period but is unable to effect such cure within such period, the Issuer shall have an additional 30 days to effect such cure; or failure by the Borrower to observe and perform any other covenant, condition or agreement on their part to be observed or performed hereunder which failure has not been cured within thirty (30) days after notice of such failure has been given to the Borrower by the Purchaser; or

(C) initiation by the Borrower, the Issuer or others of a proceeding under any federal or state bankruptcy or insolvency law seeking relief under such laws concerning the indebtedness of the Borrower or the Issuer; or

(D) the Borrower shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower; or the Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against the Borrower and is not discharged within 60 days; or any judgment,

writ, warrant of attachment or execution or similar process shall be issued or levied against a substantial part of the property of the Borrower; or

(E) the Borrower shall have made any material false or misleading statement or representation in connection with this Agreement; or

(F) the Borrower sells, assigns, or otherwise transfers all or any part of its interest in this Agreement without the prior written consent of the Purchaser; or

(G) the occurrence of a payment default or any other default or event of default under any instrument, agreement or other document including any Borrower Document between the Borrower, any Guarantors and the Purchaser; or

(H) a preliminary or final judgment is issued against the Borrower in an amount that exceeds its liability insurance amount; or

(I) failure by the Borrower to maintain insurance in accordance with Section 6.3 hereof; or

(J) the Borrower terminates its existence or merges or consolidates with another entity, other than as permitted by this Agreement; or

(K) an Event of Taxability shall occur; or

(L) an amendment or termination relating to a filed financing statement describing any of the Collateral is improperly filed; or

(M) ownership of the stock, if any, or membership of the Borrower changes during the period that the Loan is outstanding (the Borrower hereby acknowledges that the Purchaser has made its decision to enter into the transactions contemplated hereby based upon the management expertise of the current stockholders, if any, or members and their ownership of the stock, if any, or membership of the Borrower); or

(N) the Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person, which is not cured within any applicable grace period, if any, as may be afforded with respect thereto in the document, instrument or other writing evidencing such liability; or

(O) the Property or other Collateral are materially injured or destroyed by fire or otherwise which casualty is not insured, or the Property or any material portion thereof are taken by eminent domain; or

(P) any attachment or mechanic's, laborer's, materialman's, architect's, artisan's or similar statutory liens or any notice thereof shall be filed against the Property or any other Collateral and shall not be discharged or bonded over within sixty (60) days of such filing; or

(Q) the occurrence of any default or event of default under the Continuing Covenants Agreement; or

(R) the occurrence of any default or event of default under any of the documents listed on Exhibit E attached hereto, as the same may be amended and/or restated from time to time; or



(S) the occurrence of any default or event of default under any of the documents between the Borrower and the Issuer and/or the Borrower and the Purchaser; or

(T) the death of an Individual Guarantor.

Upon an Event of Default by the Issuer under Section 8.1(B), the Purchaser shall provide written notice of such Event of Default to the Borrower and shall afford the Borrower an opportunity to cure such Event of Default within the grace period set forth in Section 8.1(B).

**Section 8.2. Remedies on Default.** Whenever any Event of Default shall have occurred and be continuing, the Purchaser shall have the right, at its sole option without any further demand or notice, to take any one or any combination of the following remedial actions which are accorded to the Purchaser by applicable law:

(A) by notice to the Issuer and the Borrower, declare the entire unpaid principal amount of any or all Payments then outstanding, all interest accrued and unpaid thereon and all amounts payable under this Agreement to be forthwith due and payable, whereupon this Agreement, all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, notice of dishonor, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower and the Issuer; and

(B) proceed by appropriate court action to enforce performance by the Issuer or the Borrower of the applicable covenants of this Agreement or to recover for the breach thereof, including the payment of all amounts due from the Borrower, in which event the Borrower shall pay or repay to the Purchaser all costs of such action or court action including without limitation, reasonable attorneys' fees; and

(C) proceed to enforce any of its remedies under the Mortgage, the Collateral Assignment of Leases and Rents, the Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights and the Continuing Covenants Agreement; and

(D) pursue any other remedy available to the Purchaser under governing law.

Notwithstanding any other remedy exercised hereunder, the Borrower shall remain obligated to pay to the Purchaser any unpaid Payments which are or become due and payable.

**Section 8.3. No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Purchaser is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Purchaser to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice other than such notice as may be required by this Article VIII. All remedies herein conferred upon or reserved to the Purchaser shall survive the termination of this Agreement.

**Section 8.4. Late Charge.** Any Payment, Additional Payments or other amounts payable by the Borrower to or for the benefit of the Purchaser hereunder and not paid by the Borrower within fifteen (15) days after notice thereof shall, to the extent permissible by law, bear a late charge equal to five percent (5 %) of the amount of the past due Payment, Additional Payments or other amounts.

**Section 8.5. Default Rate.** Upon the occurrence of any Event of Default, except for the occurrence of an Event of Taxability, or upon the maturity of the Bonds, the unpaid balance of all Bonds shall, at the option of Purchaser, bear interest at a rate which is five (5%) percentage points per annum greater than that which would otherwise be applicable.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.1. Additional Payments.** The Borrower shall pay to the Purchaser, as assignee of the Issuer and holder of the Bonds, the following Additional Payments hereunder, in addition to the Payments payable by the Borrower: (i) an Issuer Fee of \$\_\_\_\_\_, (ii) fees for appraisal, title insurance and other due diligence costs and (iii) such other amounts as shall be required by the Purchaser in payment of any reasonable out-of-pocket costs and expenses incurred by the Purchaser in connection with the enforcement of this Agreement, the financing of the Project, including but not limited to payment of all reasonable fees, costs and expenses of Purchaser in connection with this Agreement, reasonable expenses (including, without limitation, attorneys' fees and disbursements), insurance premiums not otherwise paid hereunder and all other reasonable, direct and necessary costs of the Purchaser or charges required to be paid by it in order to comply with the terms of, or to enforce its rights under, this Agreement but not the Purchaser's overhead or operating expenses incurred in administration of the Loan. Such Additional Payments shall be billed to the Borrower by the Purchaser from time to time, together with a statement certifying that the amount so billed has been paid or incurred by the Purchaser for one or more of the items described, or that such amount is then payable by the Purchaser for such items. Amounts so billed shall be due and payable by the Borrower within 30 days after receipt of the bill by the Borrower.

**Section 9.2. Notices.** All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered, (b) sent by registered class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to the party to whom notice is being given at its address as set forth above and, if telecopied, transmitted to that party at its telecopier number set forth above and confirmed by telephone at the telephone number set forth above or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given upon receipt. If notice to the Borrower of any intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given (in the manner specified in this Section) at least ten (10) calendar days prior to the date of the intended action.

**Section 9.3. Binding Effect.** This Agreement shall inure to the benefit of and shall be binding upon the Purchaser, the Issuer, the Borrower and their respective successors and assigns, if any.

**Section 9.4. Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 9.5. Amendments.** To the extent permitted by law, the terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

**Section 9.6. Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument and any of the parties hereto may execute this Agreement by signing any such counterpart.

**Section 9.7. Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws, excluding the laws relating to the choice of law, of the State. Any action involving Issuer relating to the Agreement, the Bonds or any related documents may only be brought in a court of competent jurisdiction in the State. The Purchaser and the Borrower each hereby consent to the jurisdiction of such court or courts.

**Section 9.8. Jury Trial Waiver.** THE PURCHASER, THE ISSUER AND THE BORROWER EACH HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR THE ESCROW AGREEMENT.

**Section 9.9. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

**Section 9.10. Entire Agreement.** This Agreement constitutes the entire agreement among the Purchaser, the Issuer and the Borrower. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or therein regarding this Agreement. Any terms and conditions of any purchase order or other document submitted by the Borrower in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on the Purchaser and will not apply to this Agreement.

**Section 9.11. Waiver.** The Purchaser's or the Issuer's failure to enforce at any time or for any period of time any provision of this Agreement shall not be construed to be a waiver of such provision or of the right of the Purchaser or the Issuer thereafter to enforce each and every provision. No express or implied waiver by the Purchaser of any default or remedy of default shall constitute a waiver of any other default or remedy of default or a waiver of any of the Purchaser's rights.

**Section 9.12. Survivability.** All of the limitations of liability, indemnities and waivers contained in this Agreement shall continue in full force and effect notwithstanding the expiration or early termination of this Agreement and are expressly made for the benefit of, and shall be enforceable by, the Purchaser and the Issuer, or their successors and assigns.

**Section 9.13. Usury.** It is the intention of the parties hereto to comply with any applicable usury laws; accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Agreement, in no event shall this Agreement require the payment or permit the collection of interest or any amount in the nature of interest or fees in excess of the maximum permitted by applicable law.

**Section 9.14. Consents.** Whenever a party's consent is required under the terms of this Agreement, such consent shall not be unreasonably withheld, delayed or conditioned, unless the provision requiring consent specifically provides otherwise.

[REMAINDER OF PAGE INTENTIONALLY BLANK;  
EXECUTION PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first written above.

Purchaser: **SALEM FIVE CENTS SAVINGS BANK**

By: \_\_\_\_\_  
Name: Charles A. Gaffney  
Title: Vice President

Issuer: **BUSINESS FINANCE AUTHORITY OF  
THE STATE OF NEW HAMPSHIRE**

By: \_\_\_\_\_  
Name: James Key-Wallace  
Title: Executive Director

By: \_\_\_\_\_  
Name: Edward F. Caron  
Title: Chairman

Borrower: **METZ REALTY, INC.**

By: \_\_\_\_\_  
Name: Jacqueline R. Metzemaekers  
Title: President

EXHIBIT A TO LOAN AND SECURITY AGREEMENT

Schedule of Payments

The Borrower shall pay to the Purchaser monthly payments of principal and interest in the amounts specified on the attached Schedule I.

SCHEDULE I TO EXHIBIT A OF THE LOAN AND SECURITY AGREEMENT

Amortization Schedule for the Bonds

EXHIBIT A-1 TO LOAN AND SECURITY AGREEMENT

Additional Collateral (Capitalized terms herein shall have the meaning ascribed to such terms in the Uniform Commercial Code, as amended)

- (i) Accounts;
- (ii) Certificated Securities;
- (iii) Chattel Paper;
- (iv) Computer Hardware and Software and all rights with respect thereto, including without limitation, all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
- (v) Contract Rights;
- (vi) Deposit Accounts;
- (vii) Documents;
- (viii) Equipment;
- (ix) Financial Assets;
- (x) Fixtures;
- (xi) General Intangibles, including without limitation Payment Intangibles and Software;
- (xii) Goods (including without limitation all of its Equipment, Fixtures and Inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (xiii) Health-Care-Insurance Receivables;
- (xiv) Instruments;
- (xv) Intellectual Property;
- (xvi) Inventory;
- (xvii) Investment Property;
- (xviii) money (of every jurisdiction whatsoever);
- (xix) Letter of Credit Rights;
- (xx) Payment Intangibles;
- (xxi) Security Entitlements;
- (xxii) Software;
- (xxiii) Supporting Obligations;
- (xxiv) Uncertificated Securities; and
- (xxv) To the extent not included in the foregoing, all other personal property of any kind or description;

together with books, records, writings, data bases, information and other property relating to, used and useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all Proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing.

EXHIBIT C TO LOAN AND SECURITY AGREEMENT

Form of Bond

Registered No. R-1

\$3,625,000

UNITED STATES OF AMERICA  
STATE OF NEW HAMPSHIRE  
BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE

Revenue Bond,  
Metz Realty, Inc. Issue, Series 2017

MATURITY DATE: July 1, 2038

DATE OF THIS BOND: December 1, 2017  
(Date as of which the Bonds  
were initially issued.)

DATE OF REGISTRATION: December 21, 2017

REGISTERED OWNER: SALEM FIVE CENTS SAVINGS BANK

PRINCIPAL AMOUNT: THREE MILLION SIX HUNDRED TWENTY-FIVE  
THOUSAND DOLLARS

---

THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE STATE OF NEW HAMPSHIRE (THE "STATE") OR OF THE BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE EXCEPT TO THE EXTENT PERMITTED BY NEW HAMPSHIRE RSA 162-I. ALL AMOUNTS OWED HEREUNDER ARE PAYABLE ONLY FROM THE SOURCES PROVIDED IN THE LOAN AGREEMENT DESCRIBED BELOW, AND NO PUBLIC FUNDS MAY BE USED FOR THAT PURPOSE.

---

The Business Finance Authority Of The State Of New Hampshire, a body politic and corporate and a public instrumentality duly created and validly existing under the laws of the State of New Hampshire (the "Issuer" or the "Authority"), for value received, hereby promises to pay to the REGISTERED OWNER of this bond, in lawful money of the United States of America but solely from the Payments hereinafter described, the PRINCIPAL AMOUNT, together with interest in any coin or currency of the United States of America which on the date of payment thereof is the legal tender for the payment of public and private debts, in monthly installments as set forth on the amortization schedule attached hereto as Schedule I, with a final payment of all unpaid principal and interest on the MATURITY DATE, unless paid earlier as provided below.

Interest (computed on the basis of actual number of days elapsed in a 360 day banking year) shall be payable at a tax-exempt per annum rate of \_\_\_%, which rate shall be adjusted and fixed as of July 1, 2023, July 1, 2028 and July 1, 2033 for each subsequent five-year period to a fixed rate equal to 80% of the sum of the then current 5-Year Classic Advance Rate of the Federal Home



Loan Bank of Boston plus 250 basis points and subject to adjustment as provided in the Loan Agreement (defined below).

Payments prior to the final payment of this bond, including partial prepayments of principal, shall be made for the account of the Authority by check or draft delivered or mailed by Metz Realty, Inc. (the "Borrower") to the Registered Owner at its address as appearing in the bond register kept by the Bondowner or in such other manner as the Bondowner and the Registered Owner hereof may determine from time to time. Final payment of this bond shall be made upon presentation and surrender hereof for cancellation at the principal office of the Bondowner. All such payments of interest, principal or interest and principal to be payable at the time and place, in the amounts and in accordance with the terms set forth in that certain Loan and Security Agreement dated as of December 1, 2017 (the "Loan Agreement") among the Issuer, Salem Five Cents Savings Bank (the "Purchaser"), and the Borrower. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement. This bond is payable as to principal and prepayment premium, if any, solely from Payments to be made by the Borrower and is secured by, among other things, a lien on the Collateral.

This bond represents a borrowing of \$3,625,000 under New Hampshire RSA 162-I and the Loan Agreement. Pursuant to the Loan Agreement, the Borrower has agreed to repay such borrowing in the amounts and at the times necessary to enable the Authority to pay the principal and interest on this bond and the Authority has pledged such funds to the Bondowner. Reference is hereby made to the Loan Agreement for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Authority and the Bondowner, including the order of payments in the event of insufficient funds, the disposition of unclaimed moneys held by the Bondowner and restrictions on the rights of the registered owner to bring suit. The Loan Agreement may be amended to the extent and in the manner provided therein.

Upon the occurrence of an Event of Default as defined in the Loan Agreement, (i) the then outstanding principal amount of this bond together with accrued interest thereon may be declared due and payable in the manner and with the effect provided in the Loan Agreement, and (ii) the outstanding principal amount of this bond and accrued interest thereon shall bear interest at the Default Rate as set forth in the Loan Agreement.

This bond is prepayable in whole at par at any time, at the option of the Borrower, at a price equal to the Prepayment Price as defined in the Loan Agreement, plus any outstanding and unpaid Payments and Additional Payments under the Loan Agreement, together with any amounts owing to the Purchaser. In addition, this bond is prepayable at par from certain funds or upon the happening of certain events, all as provided in the Loan Agreement.

The Borrower shall give the Bondowner notice of any prepayment of this bond at least thirty (30) days before the prepayment date of such prepayment in accordance with the Loan Agreement. Notice of prepayment having been given as required by the Loan Agreement and sufficient moneys having been deposited with the Bondowner, interest on the principal to be prepaid shall cease to accrue on the date fixed for prepayment. The Bondowner agrees, upon any partial prepayment, to complete the Notation of Prepayment of Principal hereon. In the event of the prepayment of less than all of the outstanding principal of this bond, the prepayment shall be applied against the outstanding principal installments due in inverse chronological order.

Upon the occurrence of a Determination of Taxability, the Borrower shall, with respect to future interest payments, begin making Payments calculated at the Gross-Up Rate. Once a

Determination of Taxability has occurred, the Bondowner shall promptly give written notice of such determination and the date on which such Determination of Taxability commenced (the "Taxability Date") to the Borrower and the Authority, and shall make a notation of the change of interest rate hereon. This bond shall bear interest at the Gross-Up Rate, as applicable, from and after the Taxability Date until the final payment of this bond, regardless of whether such payment occurs before or after a determination of taxability is made. Reference is hereby made to the Loan Agreement for further provisions relating to the payment of interest at the Gross-Up Rate.

This bond may be transferred in the bond register kept by the Bondowner in whole only upon presentation hereof with a written instrument of transfer duly executed by the Registered Owner or its authorized representative, and no transfer hereof shall be effective as to the Authority or the Borrower unless shown in such register and noted hereon with a record of payments, including any prepayments. The Authority and the Borrower may treat the person in whose name this bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

This bond may not be transferred or sold to any person or entity unless such person or entity is an "accredited investor" as such term is defined in §2(a)(15) of the Securities Act of 1933, as amended.

**This bond shall not represent or constitute a debt or pledge of the faith and credit of Issuer, the State or any political subdivision thereof, and this bond is payable solely from the revenues pledged therefor pursuant to the Loan Agreement, and no moneys of Issuer, the State or any political subdivision thereof, raised by taxation shall be obligated or pledged for the payment of Payments or any other amounts due under this bond.**

This bond is subject to prepayment upon the terms and conditions set forth in the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required to exist to happen and to be performed precedent to and in the issuance of this bond exist, have happened and have been performed in regular and due form and time as required by the Constitution and laws of the State of New Hampshire applicable thereto and that the issuance of this bond is in full compliance with all Constitutional and statutory limitations, provisions and restrictions.

**NO DIRECTOR, OFFICER, EMPLOYEE OR AGENT OF ISSUER NOR ANY PERSON EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE, EITHER JOINTLY OR SEVERALLY, HEREON OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.**

This bond shall not be valid until the certificate of authentication hereon shall have been signed by Issuer.

IN WITNESS WHEREOF, the Business Finance Authority of the State of New Hampshire has caused its seal to be affixed hereto and this bond to be signed by its authorized officers.

(SEAL)

BUSINESS FINANCE AUTHORITY  
OF THE STATE OF NEW HAMPSHIRE

By: \_\_\_\_\_  
Its: Chairman

By: \_\_\_\_\_  
Its: Executive Director

CERTIFICATE OF AUTHENTICATION

This bond is one of the Bonds described in the Loan Agreement.

BUSINESS FINANCE AUTHORITY OF THE STATE OF  
NEW HAMPSHIRE

By \_\_\_\_\_  
Authorized Officer



NOTATION OF TAXABILITY

As a consequence of a Determination of Taxability as provided in the Loan Agreement, from and after \_\_\_\_\_, 20\_\_ (the "Taxability Date"), this Bond shall bear interest at the Gross-Up Rate as set forth in the Loan Agreement.

Dated: \_\_\_\_\_, 20\_\_.

SALEM FIVE CENTS SAVINGS BANK, AS BONDOWNER

By \_\_\_\_\_  
Authorized Officer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ (the  
"Transferor") hereby sells, assigns and transfers unto \_\_\_\_\_ (the  
"Transferee")

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_ as attorney to register the transfer of the within Bond on the books kept for  
registration of transfer thereof, with full power of substitution in the premises.

Date:

Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member  
of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program  
(STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange  
Medallion Signature Program.

NOTICE: No transfer will be registered and no new Bond will be issued in the name of the  
Transferee, unless the signature(s) to this assignment correspond(s) with the name as it appears  
on the face of the within Bond in every particular, without alteration or enlargement or any  
change whatever and the Social Security or Federal Employer Identification Number of the  
Transferee is supplied.

SCHEDULE I



EXHIBIT D TO LOAN AND SECURITY AGREEMENT

List of Permitted Exceptions

1. Liens in favor of purchase money creditors, which liens secure only the purchase money indebtedness permitted pursuant to Section 6.14 of this Agreement.
2. Liens in favor of the Purchaser.

EXHIBIT E TO LOAN AND SECURITY AGREEMENT

Guaranty Agreements from the Corporate Guarantor and the Individual Guarantors in favor of the Purchaser

**ESCROW AGREEMENT**

Among

**SALEM FIVE CENTS SAVINGS BANK**  
as Purchaser and Escrow Agent,

**BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE**  
as Issuer,

and  
**METZ REALTY, INC**  
as the Borrower

---

Dated as of December 1, 2017

---

## ESCROW AGREEMENT

THIS ESCROW AGREEMENT dated as of December 1, 2017 (this "Agreement") is among SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, MA 01970 (the "Purchaser"), the BUSINESS FINANCE AUTHORITY OF THE STATE OF NEW HAMPSHIRE, a body politic and corporate and a public instrumentality duly organized and validly existing under the laws of the State (the "Issuer"), METZ REALTY, INC., a New Hampshire corporation, with a principal office located at 33 Northwestern Drive, Salem, NH 03079 (the "Borrower").

In the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

### ARTICLE I

#### RECITALS

The Purchaser, the Issuer and the Borrower have entered into a Loan and Security Agreement, dated as of December 1, 2017 (the "Loan Agreement"), whereby the Purchaser and the Issuer have agreed to finance or refinance for the Borrower (i) the acquisition, renovation and equipping of certain projects described in the Loan Agreement through the issuance of the Issuer's \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") and (ii) the payment of certain related financing, closing and other costs and expenses of the Bonds, possibly including capitalized interest and issuance expenses (collectively, the "Project"), and the Borrower has agreed to make Payments (as defined in the Loan Agreement) to the Purchaser, as assignee of the Issuer, in the manner and on the terms set forth therein. This Agreement is not intended to alter or change the rights and obligations of the Purchaser, the Issuer and the Borrower under the Loan Agreement, but is entirely supplemental thereto.

**Section 1.01.** The terms capitalized in this Agreement but not defined herein shall have the meanings given to them in the Loan Agreement and in the Continuing Covenants Agreement by and between the Purchaser and the Borrower, dated as of December 21, 2017.

**Section 1.02.** On the Closing Date, upon the satisfaction of certain conditions precedent set forth in the Loan Agreement, the Purchaser will deposit the sum in the aggregate of \$3,625,000 with the Escrow Agent to be credited to the Escrow Fund established in Article 2 hereof, which funds shall be used for the costs of the Project as provided in Article III of the Loan Agreement (the "Project Costs") and, to the extent not needed for this purpose, to pay or prepay principal coming due under the Loan Agreement, all as hereinafter provided.

**Section 1.03.** Under the Loan Agreement, the Borrower will acquire, finance and re-finance the Project. The costs of the Project, except to the extent paid by the Borrower with other funds, shall be paid solely from the Escrow Fund in accordance with this Agreement.

**Section 1.04.** The Purchaser, the Issuer and the Borrower agree that the Escrow Agent shall receive, hold, invest and disburse the Escrow Fund, all as hereinafter provided (the Purchaser in its capacity as holder of the Escrow Fund is hereinafter referred to as the "Escrow

Agent"). The Escrow Agent shall not be obligated to assume or perform any obligation of the Purchaser, the Issuer or the Borrower or any Vendor with respect thereto or under the Loan Agreement by reason of anything contained in this Agreement.

**Section 1.05.** Each of the parties has authority to enter into this Agreement, and has taken all actions necessary to authorize the execution of this Agreement by the officers whose signatures are affixed hereto.

## ARTICLE II

### ESCROW FUND

**Section 2.01. Establishment of Escrow Fund.** The Escrow Agent shall establish a special escrow fund referred to herein as the "Metz Realty Fund" (the "Escrow Fund"), which shall be comprised of a Project Account. The Escrow Agent shall identify the Escrow Fund on its records as the Escrow Fund held under this Agreement and shall keep the Escrow Fund separate and apart from all other funds and moneys held by it and shall administer the Escrow Fund as provided in this Agreement.

**Section 2.02. Initial Deposits to Escrow Fund and Initial Disbursements.** The moneys paid to the Escrow Agent by the Purchaser as contemplated by **Section 1.03** shall be deposited in the Project Account and disbursed as follows:

(a) \$2,525,000 of the proceeds of the issuance of the Bonds shall be used to pay the outstanding principal balance of the \$3,625,000 commercial loan from the Purchaser to the Borrower dated as of July 25, 2017; and

(b) \$1,100,000 of the proceeds of the issuance of the Bonds shall be deposited in the Project Account to be applied as set forth in Section 2.03 hereof. Except as otherwise provided in this Agreement or as limited by provisions of the Code, disbursements from the Project Account shall be applied for the payment or reimbursement of Project Costs. The Escrow Agent shall be under no obligation to disburse any proceeds from the Project Account unless and until the Purchaser is satisfied, in its sole discretion, that all conditions to such disbursement have been fulfilled by the Borrower.

**Section 2.03. Application of Moneys in the Project Account.**

(a) The Escrow Agent shall use the moneys in the Project Account to pay Project Costs (other than any costs of executing and delivering the Loan Agreement and the Bonds). Upon receipt with respect thereto of a Payment Request for Project Expenses in the form of Exhibit A to this Agreement, executed by the Borrower, fully completed and with all supporting documents described therein attached thereto, and approved for payment by the Purchaser, an amount equal to the costs of the Project as shown therein shall be paid directly to the Person or entity entitled to payment as specified therein. Submission of a Payment Request for Project Expenses shall be made not more frequently than monthly. To the extent the advances available under this Agreement are insufficient to pay any costs of the Project, the Borrower shall be liable for such costs and shall pay such costs. Any such payment by the Borrower shall not be a credit

against, and shall not result in any reduction of, any amounts payable under the Loan Agreement and the Bonds.

(b) The proceeds of the Bonds shall not be disbursed from the Project Account until such time as (1) the Purchaser has received evidence to its satisfaction that the sum of the undisbursed portion of the Bonds plus the Borrower's cash on hand is sufficient to fund the construction and completion of the Project; (2) the Purchaser (and if requested by the Purchaser, the Inspecting Agent) shall have received, reviewed and approved the construction contracts, the Plans and Specifications, budgets, and the Construction Schedule for the Project; and (3) the Purchaser shall have received consents to the Contract Assignment signed by the general contractor and architect for the Project signed by the general contractor and architect in form and substance acceptable to the Purchaser. In addition, the disbursement of the Bond proceeds ("Disbursements") from the Project Account is subject to the Purchaser's receipt of the following, all of which shall be reasonably acceptable, in form and substance, to the Purchaser:

(i) all necessary permits and Governmental Approvals with respect to the Project, including, without limitation, building permit, zoning approval, subdivision approval, site plan approval and all necessary sewer, water, environmental, wetlands or other "site specific" permits; all of which shall be final, not subject to appeal, and not subject to any unsatisfied conditions precedent or subsequent.

(ii) affidavits and lien waivers sufficient to ensure that the priority of the lien of the Mortgage will not be subject to any mechanics' or materialmen's liens;

(iii) a title update and an endorsement to the Purchaser's title insurance policy theretofore delivered to the Purchaser insuring that Mortgage is valid first lien on the Project and Mortgaged Property up to at least the amount of Bond proceeds that have then disbursed for the Project subject only to such matters and exceptions as are acceptable to the Purchaser; and

(iv) an inspection of the Project by the Purchaser's representative, or, if requested by the Purchaser, the Inspecting Agent, at the Borrower's expense, indicating (a) that the Project is being constructed in material compliance with the Plans and Specifications and in a good and workmanlike manner; (b) that the amount of Bond proceeds requested at the requisition date, together with amounts requested at earlier requisition dates and sums contributed by the Borrower, accurately reflect the status of the construction of the Project; and (c) that the undistributed proceeds of the Bonds as of the requisition date will be sufficient to complete the construction of the Project. (There are no express or implied warranties by virtue of said inspection and the Borrower is not entitled to rely on said inspection since said inspection is solely for the Bank's own purposes).

(c) All requests for Disbursements for Project costs under the construction contract for the Project shall be made on forms approved by the Purchaser and the Borrower in such detail and with such back-up information as is acceptable to the Bank including, without limitation, copies of invoices and a schedule of payments to be made, and shall not be made more frequently than once per thirty (30) day period and shall be made not less than ten (10) business days prior to a requested date for disbursement.

(d) Stored Materials.

(i) On-Site Materials. Any requests for Disbursements which in whole or in part relate to materials, equipment or furnishings which the Borrower owns and which are not yet incorporated into the Improvements as of the date of the request for Disbursement, but are to be temporarily stored at the Project, shall be made in an aggregate amount not to exceed \$10,000. Any such request must be accompanied by evidence satisfactory to the Purchaser that (A) such stored materials are included within the coverages of insurance policies carried by the Borrower, (B) the ownership of such materials is vested in the Borrower free of any liens and claims of third parties, (C) such materials are properly insured and protected against theft or damage, (D) the materials used in the construction of the Project are not commodity items but are uniquely fabricated for the construction of the Project, (E) the Purchaser's Inspecting Agent has viewed and inspected the stored materials, and (F) in the opinion of the Purchaser's Inspecting Agent the stored materials are physically secured and can be incorporated into the Project within forty-five (45) days.

(ii) Offsite Materials. The Purchaser may in its sole discretion, but shall not be obligated to, make Disbursements for materials stored off site, in which event all of the requirements shall be applicable to such disbursement as well as any other requirements which the Purchaser may, in its sole discretion, determine are appropriate under the circumstances.

(e) Upon the Purchaser's receipt of the Borrower's request for a Disbursement and the Purchaser's determination that the conditions precedent set forth herein have been satisfied, the Purchaser shall advance such percentage of each requested disbursement as the Borrower is required to pay under its construction contract, as approved by the Purchaser with any retainage (in the minimum amount as approved by the Purchaser) being disbursed upon final completion of the Project.

(f) Final Disbursement, including any retainage, shall be disbursed upon (i) final inspection by the Purchaser's Inspecting Agent; (ii) the issuance by the Town of Salem of certificates of occupancy for the Project; and (iii) the Borrower shall have delivered to the Purchaser complete "as built" plans for the Project certified by the Borrower's architect.

(g) In order to insure compliance with the provisions of RSA 447:12-a, as amended, regarding the priority of construction loans vis-a-vis mechanics liens:

(i) Within ten (10) business days of commencement of construction of the Project, the Borrower (or its agent) shall post in a conspicuous place at the Project a sign identifying the Purchaser as the institution providing construction financing for the Project and setting forth the Purchaser's name, address and telephone number.

(ii) At least 48 hours prior to requesting a Disbursement, the Borrower (or its agent) shall post in a conspicuous place at the Project, the anticipated funding date for the requisition. The Borrower shall also furnish to the Purchaser a copy of such notice, together with a certificate that the same was posted, as aforesaid.

(iii) Any request for a Disbursement for Project costs under the construction contract shall constitute a certification of compliance with the provisions of RSA 447:12-a.

(h) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the amount of the undisbursed Bond proceeds (the "Undisbursed Bond Proceeds") shall at all times be "In Balance" (as defined in the following sentence). The Undisbursed Bond Proceeds shall be "In Balance" only at such time and from time to time, as the Purchaser determines, in its reasonable discretion, that the then undisbursed portion of the Bonds equals or exceeds the amount necessary to pay for, both on a line item basis and in the aggregate with respect to the Project, (i) all work done and not theretofore paid for or to be done in connection with the Completion of Construction of the Project in accordance with the Plans and Specifications, and (ii) all costs incurred and not theretofore paid for, or to be incurred in connection with the Project and as shown on the budget for the Project as approved by the Purchaser. The Borrower agrees that the Purchaser shall have the right at any time and from time to time to determine, in its reasonable discretion, if the Undisbursed Bond Proceeds are In Balance. The Purchaser shall not be obligated to make any Disbursements if the Undisbursed Bond Proceeds are not In Balance.

(i) The making of any Disbursement of any part thereof by the Purchaser shall not be deemed an approval or acceptance by the Purchaser of work theretofore performed or materials theretofore furnished.

**Section 2.04. Omitted**

**Section 2.05. Omitted**

**Section 2.06. Termination of Escrow Fund.** On the date that is eighteen (18) months after the date of issue of the Bonds, or such amended date pursuant to Section 6.09 hereof, the Escrow Agent, shall pay to the Purchaser, as Bondholder, an amount equal to the entire remaining balance on deposit in the Escrow Fund, less the sum of (a) an amount equal to the cost of any portion of the Project for which the Borrower has delivered a fully and properly completed Payment Request for Project Expenses and which has not been paid, and (b) the amount of any deposit by the Borrower pursuant to Section 3.04 hereof remaining on deposit in the Escrow Fund (which remaining amount shall be paid to the Borrower). The amount paid to the Purchaser shall be applied to the principal portion of the payments as determined by the Purchaser. Upon payment as described in the preceding sentence, the Purchaser shall prepare a revised Exhibit A to the Loan Agreement (which shall be effective without the consent of the Borrower or the Issuer) reflecting such payment.

**Section 2.07. Events of Default under Agreement.** Upon receipt of written notice from the Purchaser or the Borrower that an Event of Default has occurred under the Agreement, the Purchaser and the Borrower each agree to deliver a copy of said written notice to the other party substantially simultaneously with delivery to Escrow Agent, the Escrow Agent shall liquidate all investments held in the Escrow Fund and transfer the proceeds thereof and all other moneys held in the Escrow Fund to the Purchaser to be applied by the Purchaser first to interest accrued on the Bonds and next to the principal installments of the Bonds in the inverse order of maturity.



## ARTICLE III

### MONEYS IN ESCROW FUND; INVESTMENT

**Section 3.01.** The moneys and investments held by the Escrow Agent under this Agreement are irrevocably held in trust for the benefit of the Borrower, the Issuer and the Purchaser, and such moneys, together with any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Borrower, the Issuer or the Purchaser. The Purchaser, the Issuer, the Borrowers and the Escrow Agent intend that the Escrow Fund constitute an escrow account in which the Borrower has no legal or equitable right, title or interest until satisfaction in full of all conditions contained herein and in the Loan Agreement for the disbursement of funds by the Escrow Agent therefrom. However, if the parties' intention that the Borrower shall have no legal or equitable right, title or interest until all conditions for disbursement are satisfied in full is not respected in any legal proceeding, the parties hereto intend that the Purchaser has a security interest in the Escrow Fund, and such security interest is hereby granted to the Purchaser by the Borrower, to secure payment of all sums due to the Purchaser, in its own capacity and assignee of the Issuer, under the Loan Agreement. For such purpose, the Escrow Agent hereby agrees to act as agent for the Purchaser in connection with the perfection of such security interest and agrees to note, or cause to be noted, on all books and records relating to the Escrow Fund, the Purchaser's interest therein.

**Section 3.02.** At Purchaser's option, moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent. Any such investment shall only be in Qualified Investments, as defined in Section 3.05. Such investments shall be registered in the name of the Escrow Agent and held by the Escrow Agent for the benefit of the Purchaser, the Issuer and the Borrower. With the approval of the Borrower, the Escrow Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Article. Such investments and reinvestments shall be made giving full consideration for the time at which funds are required to be available.

**Section 3.03.** The Escrow Agent shall, without further direction from the Borrower, sell such investments as and when required to make any payment from the Escrow Fund. Any income received on such investments shall be credited to the Project Account.

**Section 3.04.** The Escrow Agent shall furnish to the Borrower, the Issuer and the Purchaser reports accounting for all investments and interest and income therefrom. Such accounting shall be furnished no less frequently than monthly and upon request of the Purchaser or the Borrower. Neither the Purchaser, the Escrow Agent nor the Issuer shall be responsible or liable for any loss suffered in connection with any investment of moneys made by the Escrow Agent in accordance with this Article. In the event funds in the Escrow Fund are insufficient to pay the costs of the Project, the Borrower shall deposit additional funds into the Escrow Fund to be disbursed in accordance with the provisions hereof, and such additional funds deposited by the Borrower shall be disbursed from the Escrow Fund before any other funds held in the Escrow Fund.

**Section 3.05.** As used in this Agreement, the term “Qualified Investments” means (a) securities which are general obligations of or are guaranteed as to the payment of principal and interest by the United States of America; (b) obligations, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following: Federal Home Loan Bank System, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; (c) commercial paper issued by corporations organized under the laws of a state of the United States which is rated in the highest rating category by Standard & Poor’s Rating Services or Moody’s Investors Service, Inc.; (d) money market funds registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 and which have a rating of “AAAm-G,” “AAAm” or “AAm” of Standard & Poor’s Corporation; (e) certificates of deposit issued by or other forms of deposit in the Escrow Agent; (f) certificates of deposit issued by or other forms of deposit in any national or state bank to the extent that such deposits are fully insured by the Federal Deposit Insurance Corporation or any successor agency which is backed by the full faith and credit of the United States; or (g) any other investment approved by the Purchaser. Derivative products are not “Qualified Investments.”

## ARTICLE IV

### ESCROW AGENT’S ISSUER; INDEMNIFICATION

**Section 4.01.** The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

**Section 4.02.** Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, the Borrower hereby agrees to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as the Escrow Agent under this Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys’ fees and the cost of defending any action, suit or proceeding or resisting any claim. The Escrow Agent shall be vested with a lien on all property deposited hereunder for indemnification, for reasonable attorneys’ fees, court costs, for any suit, interpleader or otherwise, or any other expenses, fees or charges of any character or nature, which may be incurred by the Escrow Agent by reason of disputes arising among the Borrower, the Issuer and the Purchaser as to the correct interpretation of the Loan Agreement or this Agreement and instructions given to the Escrow Agent hereunder, or otherwise, with the right of the Escrow Agent, regardless of the instructions aforesaid, to hold the said property until and unless said additional expenses, fees and charges shall be fully paid.

**Section 4.03.** If the Borrower, the Issuer or the Purchaser shall be in disagreement about the interpretation of the Loan Agreement or this Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by the Borrower for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Agreement until a final judgment in such action is received.

**Section 4.04.** The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or misconduct.

## ARTICLE V

### ESCROW AGENT'S COMPENSATION

**Section 5.01.** The Borrower hereby agrees to pay and/or reimburse the Escrow Agent upon request for all expenses, disbursements and advances, including reasonable attorneys' fees, incurred or made by it in connection with carrying out its duties hereunder. The Borrower also agrees to pay any investment fees or other charges of the Escrow Agent and agrees such fees and charges may be deducted from investment earnings on the Escrow Fund.

## ARTICLE VI

### ADMINISTRATIVE PROVISIONS

**Section 6.01.** The Escrow Agent shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by the Borrower, the Issuer or the Purchaser, or the agent of any of them, at any time during regular business hours.

**Section 6.02.** All notices, certificates, requests, demands and other communications provided for hereunder shall be in writing and shall be (a) personally delivered, (b) sent by first class United States mail, (c) sent by overnight courier of national reputation, or (d) transmitted by telecopy, in each case addressed to the Purchaser, the Issuer and the Borrower at their addresses set forth in the Loan Agreement and to the Escrow Agent at its address set forth below and, if telecopied, transmitted to the Purchaser, the Issuer and the Borrower at their telecopier number set forth in the Loan Agreement and to the Escrow Agent at its telecopier number set forth below or, as to each party, at such other address or telecopier number as may hereafter be designated by such party in a written notice to the other party complying as to delivery with the terms of this Section. All such notices, requests, demands and other communications shall be deemed to have been given upon receipt.

Escrow Agent: Salem Five Cents Savings Bank  
210 Essex Street  
Salem, Massachusetts 01970

Attention: Charles A. Gaffney, Vice President

Telephone: 978.720.5157

Telecopier: 978.498.0423

**Section 6.03.** This Agreement shall be construed and governed in accordance with the laws of the State of New Hampshire.

**Section 6.04.** Any provisions of this Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Agreement or the Loan Agreement.

**Section 6.05.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Specifically, as used herein the term "Purchaser" means any person or entity to whom the Purchaser has assigned its right to receive payments under the Loan Agreement and any payments due to the Purchaser hereunder from after the date when a duplicate original of such assignment is filed with the Escrow Agent.

**Section 6.06.** This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

**Section 6.07.** This Agreement shall terminate upon disbursement by the Escrow Agent of all moneys held by it hereunder.

**Section 6.08.** This Agreement (and, with respect to the Purchaser, the Issuer and the Borrower, together with the Loan Agreement) constitutes the entire agreement of the parties relating to the subject matter hereof.

**Section 6.09.** To the extent permitted by law, the terms of this Agreement shall not be waived altered, modified, supplemented or amended in any manner whatsoever except by written instrument signed by the parties hereto, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given.

The Borrower and the Purchaser may agree to amend the date specified in Section 2.06 to a date no more than three years after the closing. Such amendment shall be effected by written agreement signed by the Borrower and the Purchaser. The Issuer's and the Escrow Agent's consent to the amendment referred to in this paragraph shall not be required.

**Section 6.10.** The Purchaser, the Issuer, the Borrower and the Escrow Agent hereby waive their respective rights to a jury trial of any claim or cause of action based upon or arising out of, directly or indirectly, this agreement or any of the related documents.

**Section 6.11.** Any action relating to this Agreement may only be brought in a court of competent jurisdiction in the State. The Purchaser, the Escrow Agent and the Borrower each hereby consent to the jurisdiction of such court or courts.

**Section 6.12.** Notwithstanding anything to the contrary set forth herein, the parties hereto acknowledge and agree that United Bank shall not be removed as the Escrow Agent hereunder without the prior written consent of United Bank.

**[REMAINDER OF PAGE INTENTIONALLY BLANK;  
EXECUTION PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**METZ REALTY, INC.**  
Borrower

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers, Its Duly  
Authorized President

**SALEM FIVE CENTS SAVINGS BANK**  
Purchaser and Escrow Agent

By: \_\_\_\_\_  
Charles A. Gaffney, Its Duly  
Authorized Vice President

**BUSINESS FINANCE AUTHORITY OF THE  
STATE OF NEW HAMPSHIRE, Issuer**

By: \_\_\_\_\_  
James Key-Wallace  
Executive Director

EXHIBIT A

PAYMENT REQUEST FOR PROJECT EXPENSES

(Bank form)

\_\_\_\_\_ of \_\_\_\_\_  
Tax Stamp: \$ \_\_\_\_\_  
Recording Fee: \$ \_\_\_\_\_  
L-Chip Surcharge \$ \_\_\_\_\_  
Return to:  
Devine, Millimet & Branch – Attn: RLL  
111 Amherst Street  
Manchester, NH 03101

\_\_\_\_\_  
Property in Salem, Rockingham County, New Hampshire

**MORTGAGE, SECURITY AGREEMENT  
AND FINANCING STATEMENT  
METZ REALTY, INC.  
TO  
SALEM FIVE CENTS SAVINGS BANK**

THIS INSTRUMENT CONSTITUTES A FIXTURE FINANCING STATEMENT UNDER THE NEW HAMPSHIRE UNIFORM COMMERCIAL CODE COVERING THE ITEMS AND TYPES OF COLLATERAL DESCRIBED HEREIN. THE NAMES OF THE DEBTOR AND THE SECURED PARTY, THE MAILING ADDRESS OF THE SECURED PARTY FROM WHICH INFORMATION CONCERNING THE SECURITY INTEREST MAY BE OBTAINED, THE MAILING ADDRESS OF THE DEBTOR AND A STATEMENT INDICATING THE TYPES, OR DESCRIBING THE ITEMS, OF COLLATERAL ARE AS DESCRIBED BELOW, IN COMPLIANCE WITH THE REQUIREMENTS OF ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE, AS ENACTED IN THE STATE OF NEW HAMPSHIRE.

UNDER THE TERMS AND PROVISIONS OF THE LOAN AGREEMENT (DEFINED BELOW) WHICH THIS INSTRUMENT SECURES AND UNDER THE TERMS AND PROVISIONS OF ANY FUTURE OR FURTHER ADVANCES SECURED HEREBY, THE INTEREST RATE PAYABLE THEREUNDER MAY BE VARIABLE. THE PURPOSE OF THIS PARAGRAPH IS TO PROVIDE RECORD NOTICE OF THE RIGHT OF LENDER, ITS SUCCESSORS AND ASSIGNS, TO INCREASE OR DECREASE THE INTEREST RATE ON ANY INDEBTEDNESS SECURED HEREBY WHERE THE TERMS AND PROVISIONS OF SUCH INDEBTEDNESS PROVIDE FOR A VARIABLE INTEREST RATE.

THIS MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (hereinafter referred to as this "Mortgage Deed") is made and entered into by METZ REALTY,



INC., a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079, (the "Borrower") and SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its place of business at 210 Essex Street, Salem, Massachusetts 01970, as grantee or mortgagee (hereinafter referred to as the "Lender").

**WITNESSETH:**

For good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged by Borrower, and in order to secure the Secured Obligations (as hereinafter defined), the Borrower does hereby give, grant, bargain, sell, transfer, assign, mortgage and convey unto Lender, and its successors and assigns, with MORTGAGE COVENANTS and upon the STATUTORY CONDITIONS with a statutory Power of Sale, all of the Borrower's right, title and interest in and to the following described property (hereinafter collectively referred to as the "Property" or the "Mortgaged Property"):

(a) Two (2) certain condominium units and the improvements therein located at **5 Industrial Way, Town of Salem, County of Rockingham and State of New Hampshire** and a certain parcel of land with the buildings thereon situate at **33 Northwestern Drive, Town of Salem, County of Rockingham and State of New Hampshire**, both as more particularly described in Exhibit A attached hereto and by this reference made a part hereof, together with all right, title and interest of Borrower, including any after-acquired title or reversion, in and to the common areas, rights-of-ways, streets and alleys adjacent thereto, and all easements, rights-of-way, licenses, operating agreements, strips and gores of land, vaults, roads, streets, ways, alleys, passages, sewers, sewer rights, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on, servicing or benefiting the land or under or above same, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, easements and appurtenances whatsoever, in any way belonging, relating to or appertaining to said tract or parcel of land or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower and the reversion and reversions, remainder and remainders, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same (hereinafter collectively referred to as the "Land");

(b) All buildings, structures, parking areas, fuel tanks, landscaping, and other improvements of every nature now or hereafter situated, erected or placed on the Land (hereinafter collectively referred to as the "Improvements"), and all materials intended for construction, reconstruction, alteration and repairs of the Improvements now or hereafter erected, all of which materials shall be deemed to be included within the Improvements immediately upon the delivery thereof to the Land;

(c) All fixtures, machinery, equipment, furniture, inventory, building supplies, appliances and other articles of personal property (hereinafter collectively referred to as the "Personal Property"), including, but not limited to, all gas and electric fixtures, radiators, heaters, furnaces, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, commodes, basins, pipes, faucets and other plumbing, heating and air conditioning equipment,

mirrors, refrigerating plant, refrigerators, iceboxes, dishwashers, carpeting, floor coverings, furniture, light fixtures, signs, lawn equipment, water heaters, and cooking apparatus and appurtenances, and all other fixtures and equipment now or hereafter owned by Borrower and located in, on or about, or used or intended to be used with or in connection with the use, operation, or enjoyment of the Land or the Improvements, whether installed in such a way as to become a part thereof or not, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing and all the right, title and interest of Borrower in and to any of the foregoing now owned or hereafter acquired by Borrower, all of which are hereby declared and shall be deemed to be fixtures and accessions to the freehold and a part of the Improvements as between the parties hereto and all persons claiming by, through or under them;

(d) All right, title and interest of Borrower in and to all policies of insurance, licenses, franchises, permits, and all materials filed in connection therewith, service contracts, maintenance contracts, property management agreements, equipment leases, tradenames, trademarks, service marks, logos, goodwill, accounts, chattel paper and general intangibles as defined in the Uniform Commercial Code as enacted in the State of New Hampshire, which in any way now or hereafter belong, relate or appertain to the Land, the Improvements or the Personal Property or any part thereof now owned or hereafter acquired by Borrower, including, without limitation, all condemnation payments, insurance proceeds and escrow funds and all other property of Borrower deposited with Lender or held by Lender pursuant to the Loan Agreement (as hereinafter defined) (hereinafter referred to as the "Intangible Property");

(e) All present and future purchase and sale agreements, leases, tenancies, occupancies and licenses, whether written or oral ("Leases"), of the Land, the Improvements, the Personal Property and the Intangible Property, or any combination or part thereof, and all deposits, sales proceeds, income, rents, issues, royalties, profits, revenues, security deposits and other benefits of the Land, the Improvements, the Personal Property and the Intangible Property, from time to time accruing, all payments under Leases, and all accounts payable, rents, delay rents, operating interests, participating interests and other such entitlements, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law, as well as in equity, of Borrower of, in and to the same (hereinafter collectively referred to as the "Revenues");

(f) All the right, title, interest of Borrower in and to all plans and specifications relating to the Improvements on the Land (hereinafter collectively referred to as the "Plans");

(g) All judgments, awards of damages and settlements hereafter made as a result or in lieu of any taking of the Property or any interest therein or part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Property, or the improvements thereon or any part thereof, including any award for change of grade of streets; and

(h) All proceeds, products, substitutions and accessions of the foregoing of every type.

TO HAVE AND TO HOLD the Property and all parts, rights, members and appurtenances thereof, to the use, benefit and behoove of Lender and the successors and assigns of Lender, in fee simple forever; and Borrower covenants that Borrower is lawfully seized and possessed of the Property and holds title to the same and has good right to convey the Property and that the conveyances in this Mortgage Deed are subject to only those matters expressly set forth on the title insurance policy delivered to and accepted by Lender and those liens and encumbrances permitted pursuant to the Loan Agreement (defined below) (the "Permitted Encumbrances"). Except for the Permitted Encumbrances, Borrower does warrant and will forever defend the title to the Property against the claims of all persons whomsoever.

This Mortgage Deed is intended to constitute: (i) a mortgage deed under the laws of the State of New Hampshire, and (ii) a security agreement and FINANCING STATEMENT under the Uniform Commercial Code as enacted in the State of New Hampshire. This Mortgage Deed is also intended to operate and be construed as an absolute present assignment of the rents, issues and profits of the Property, Borrower hereby agreeing that Lender is entitled to receive the rents, issues and profits of the Property prior to an Event of Default and without entering upon or taking possession of the Property. Terms not otherwise defined herein shall have the meaning as set forth in the Loan and Security Agreement dated as of even or near date herewith by and among the Borrower, the Lender, as Purchaser and the Business Finance Authority of the State of New Hampshire as Issuer in connection with the \$3,625,000 Business Finance Authority of the State of New Hampshire Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds"), as the same may be amended, modified or restated (the "Loan Agreement"). In the event of a conflict between the terms and conditions of the Loan Agreement and this Mortgage Deed, the terms and conditions of the Loan Agreement shall control.

PROVIDED NEVERTHELESS, that if Borrower, its successors or assigns pays and performs or causes to be paid and performs the following described indebtedness and obligations (hereinafter all collectively referred to as the "Secured Obligations"), then this Mortgage Deed shall be void; otherwise it shall remain in full force and effect:

(a) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations contained in the Loan Agreement, this Mortgage Deed, the Escrow Agreement, the Collateral Assignment of Leases and Rents, the Guaranties, the Security Agreement and the Continuing Covenants Agreement (all as defined in the Loan Agreement), and all other documents and instruments executed in connection therewith (said documents, and all renewals, modifications, consolidations and extensions thereof are hereinafter referred to as the "Loan Documents"); and

(b) Any and all additional advances made by Lender to preserve and protect the Improvements or to protect or preserve the Property or the security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Borrower's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(c) Any and all other indebtedness, however incurred, which may now or hereafter be due and owing from Borrower to Lender, now existing or hereafter coming into existence, however and whenever incurred or evidenced, as maker, guarantor or other surety, whether expressed or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations and extensions thereof.

This Mortgage Deed is, in addition, upon the STATUTORY CONDITIONS, upon the breach of which Lender shall have the STATUTORY POWER OF SALE, which is hereby incorporated herein by reference.

Borrower hereby further covenants and agrees with Lender as follows:

1. **Payment and Performance of Secured Obligations.** Borrower shall promptly pay the Secured Obligations when due, and fully and promptly perform all of the provisions, agreements, covenants and obligations of the Secured Obligations.

2. **Funds for Impositions.** Lender shall have the right (but not the obligation) to require Borrower to pay into an account established with Lender, on the days that monthly installments are payable under the Loan Agreement, until the Loan is paid in full, a sum (hereinafter referred to as the "Funds") equal to one-twelfth (1/12) of the following items (hereinafter collectively referred to as the "Impositions"): (a) real estate taxes, ad valorem taxes, personal property taxes, assessments, betterments, municipal services fees and all governmental charges of every name and restriction which may be levied on the Property, and (b) the yearly premium installments for the insurance covering the Property and required by Lender pursuant to Paragraph 4 hereof. The Impositions shall be estimated initially and from time to time by Lender on the basis of assessments and bills and estimates thereof. While any Event of Default exists, the Funds shall be held by Lender, free of interest and free of any liens or claims on the part of creditors of Borrower and as part of the security for the Secured Obligations. The Funds shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Lender. The Funds are pledged as additional security for the Secured Obligations, and may be applied, at Lender's option and without notice to Borrower, to the payment of the Secured Obligations at any time when any Event of Default exists hereunder. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay Impositions as such become due, Borrower shall pay to Lender any amount necessary to make up the deficiency within five (5) days after notice from Lender to Borrower requesting payment thereof. Upon payment in full of the Secured Obligations, Lender shall promptly refund to Borrower any Funds held by Lender.

3. **Impositions, Liens and Charges.** Borrower shall pay all Impositions and other charges, if any, attributable to the Property when due, and for those items to be escrowed with the Lender shall pay in the manner provided under Paragraph 2 and Paragraph 4, hereof. Borrower shall furnish to Lender all bills and notices of amounts due under this Paragraph 3 as soon as received. Borrower shall promptly discharge (by bonding, payment or otherwise) any lien filed against the Property and will keep and maintain the Property free from the claims of all

persons supplying labor or materials to the Property.

4. **Property and Other Insurance.**

(a) Borrower, at its expense, shall procure and maintain for the benefit of Borrower and Lender, insurance policies issued by such insurance companies, in such amounts, in such form and substance, and with such coverages, endorsements, deductibles, and expiration dates as are acceptable to Lender, providing the following types of insurance covering the Property:

(i) "Direct Loss" property insurance (including broad form flood, broad form earthquake and comprehensive boiler and machinery coverages) on the Improvements and Personal Property in an amount not less than one hundred percent (100%) of the full replacement cost of the Improvements and the Personal Property determined annually by an insurer or qualified appraiser selected and paid for by Borrower and acceptable to Lender, with deductibles not to exceed \$25,000 for any one occurrence, with a replacement cost coverage endorsement, an agreed amount endorsement, and, if requested by Lender, a contingent liability from operation of building laws endorsement, a demolition cost endorsement and an increased cost of construction endorsement in such amounts as Lender may require. Full replacement cost as used herein means the cost of replacing the Improvements (exclusive of the cost of the land, excavations, foundations and footings below the lowest basement floor) and the Personal Property without deduction for physical depreciation thereof;

(ii) During the course of any construction, the insurance required by clause (i) above shall be written on a builders risk, completed value, non-reporting form, meeting all of the terms required by clause (i) above, covering the total value of work performed, materials, equipment, machinery and supplies furnished, existing structures, and temporary structures being erected on or near the Land, including coverage against collapse and damage during transit or while being stored off-site, and containing a soft costs (including loss of rents) coverage endorsement and a permission to occupy endorsement;

(iii) Flood insurance if at any time the Improvements are located in any federally designated "special hazard area," including any area having special flood, mud slide and/or flood-related erosion hazards, and shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map and the broad form flood coverage required by clause (i) above is not available, in an amount equal to the full replacement cost or the maximum amount then available under the New Hampshire Flood Insurance Program;

(iv) To the extent applicable, rent loss insurance in an amount sufficient to recover at least (1) the total estimated gross receipts from all sources of income for the Property, including, without limitation, rental income, for a twelve (12) month period, plus (2) Impositions for a twelve month period to the extent not included in (1) above;

(v) Commercial general liability insurance against claims for personal injury (to include, without limitation, bodily injury and personal and advertising injury) and property damage liability, all on an occurrence basis, if available, with such coverages as Lender may

request (including, without limitation, contractual liability coverage, completed operations coverage for a period of two (2) years following completion of construction of any Improvements on the Land, and coverages equivalent to an ISO broad form endorsement), with a general aggregate limit of not less than \$2,000,000, a completed operations aggregate limit of not less than \$2,000,000, and a combined single "per occurrence" limit of not less than \$1,000,000 for bodily injury, property damage and medical payments;

(vi) During the course of construction or repair of any Improvements on the Land, owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the insurance required by clause (v) above;

(vii) Employers liability insurance;

(viii) Workmen's compensation insurance for all employees of Borrower engaged on or with respect to the Land or Improvements; and

(ix) Such other insurance in such form and in such amounts as may from time to time be required by Lender against other insurable hazards and casualties which at the time are commonly insured against in the case of properties of similar character and location to the Land and the Improvements.

Borrower shall pay all premiums on insurance policies in the manner provided under Paragraph 2 hereof. The insurance policies provided for in clauses (v), (vi), (vii), (viii), (ix) and (x) above shall name Lender as an additional insured and shall contain a cross liability/severability endorsement. The insurance policies provided for in clauses (i), (ii), (iii) and (iv) above shall name Lender as mortgagee and loss payee, shall be first payable in case of loss to Lender, and shall contain mortgage clauses and lender's loss payable endorsements in form and substance acceptable to Lender. Borrower shall deliver duplicate originals or certified copies of all such policies to Lender, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of the policies, Borrower shall deliver to Lender duplicate originals or certified copies of renewal policies in form satisfactory to Lender.

(b) All policies of insurance required by this Mortgage Deed shall contain clauses or endorsements to the effect that (i) no act or omission of the Borrower or anyone acting for Borrower (including, without limitation, any representations made by Borrower in the procurement of such insurance), which might otherwise result in a forfeiture of such insurance or any part thereof, no occupancy or use of the Property for purposes more hazardous than permitted by the terms of the policy, and no foreclosure or any other change in title to the Property or any part thereof, shall affect the validity or enforceability of such insurance insofar as Lender is concerned, (ii) the insurer waives any right of setoff, counterclaim, subrogation, or any deduction in respect of any liability of Borrower and Lender, (iii) such insurance is primary and without right of contribution from any other insurance which may be available, (iv) such policies shall not be modified, canceled or terminated without the insurer thereunder giving at least thirty (30) days prior written notice to Lender by certified or registered mail, and (v) that

Lender shall not be liable for any premiums thereon or subject to any assessments thereunder, and shall in all events be in amounts sufficient to avoid any coinsurance liability.

(c) With the prior consent of Lender, not to be unreasonably withheld, the insurance required by this Mortgage Deed may be effected through a blanket policy or policies covering additional locations and property of Borrower not included in the Property, provided that such blanket policy or policies comply with all of the terms and provisions of this Paragraph and contain endorsements or clauses assuring that any claim recovery will not be less than that which a separate policy would provide, including, without limitation, a priority claim endorsement in the case of property insurance and an aggregate limits of insurance per location endorsement in the case of liability insurance.

(d) All policies of insurance required by this Mortgage Deed shall be issued by companies licensed to do business in the state where the policy is issued and also in the State of New Hampshire and having a rating in Best's Key Rating Guide of at least "A" and a financial size category of at least "VIII".

(e) Borrower shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Mortgage Deed unless such insurance complies with the terms and provisions of this Paragraph.

(f) In the event of any loss or damage to the Property, Borrower shall give immediate written notice to the insurance carrier and Lender. Borrower hereby irrevocably authorizes and empowers Lender, at Lender's option and in Lender's sole discretion, as attorney in fact for Borrower, to make proof of such loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds. Lender is authorized, in its discretion, (i) to apply any such insurance proceeds to the payment of the Secured Obligations whether or not then due or (ii) to use such insurance proceeds for reconstruction or repair of the Property, under Lender's usual construction loan procedures, with Borrower providing any necessary equity injection required in the judgment of Lender to assure proper completion of such repair or restoration. If under Paragraph 20 hereof the Property is sold or the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds thereof resulting from loss or damage to the Property prior to the sale or acquisition shall pass to Lender or any other successor in interest to Borrower or purchaser or grantee of the Property but receipt of any insurance proceeds and any disposition of the same by Lender shall not constitute a waiver of any rights of Lender, statutory or otherwise, and specifically shall not constitute a waiver of the right of foreclosure by Lender in the Event of Default or failure of performance by Borrower of any of the Secured Obligations.

5. **Preservation and Maintenance.** Borrower (a) shall not permit or commit waste, impairment, or deterioration of the Property or abandon the Property, (b) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property in the event of any damage, injury or loss thereto, to the equivalent of its condition prior to such damage, injury

or loss, or such other condition as Lender may approve in writing, provided that Lender shall release net insurance proceeds, to the extent actually received by Lender, to Borrower in accordance with the construction disbursement procedures specified in the Loan Agreement (provided, however, the insufficiency of such proceeds shall not relieve Borrower of its obligations to restore hereunder), (c) shall keep the Property, including the Improvements and the Personal Property, in good order, repair and tenantable condition and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good order, repair, and tenantable condition, and (d) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property. Borrower covenants and agrees to give Lender prompt notice of any non-compliance with such laws, ordinances, regulations or requirements and of any notice of non-compliance therewith which it receives or any threatened or pending proceedings in respect thereto or with respect to the Property (including, without limitation, changes in zoning). Neither Borrower nor any tenant or other person shall remove, demolish or alter any Improvements now existing or hereafter erected on the Property or any Personal Property in or on the Property except when incident to the replacement of Personal Property with items of like kind.

6. **Transfers.** Except as permitted in the Loan Agreement, Borrower will not, directly or indirectly, voluntarily or involuntarily, without the prior written consent of Lender in each instance: (a) sell, convey, assign, transfer, lease, option, mortgage, pledge, hypothecate or dispose of the Property, or any part thereof or interest therein, except as expressly permitted by the terms of this Mortgage Deed; or (b) create or suffer to be created or to exist any lien, encumbrance, security interest, mortgage, pledge, restriction, attachment or other charge of any kind upon the Property, or any part thereof or interest therein, except for Permitted Liens (as defined in the Loan Agreement).

7. **Use of Property.** Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the nature of the occupancy or use for which the Property was intended at the time this Mortgage Deed was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property or subject the Property to restrictive or negative covenants without Lender's written consent. Borrower shall comply with, observe and perform all zoning and other laws affecting the Property, all restrictive covenants affecting the Property, and all licenses and permits affecting the Property.

8. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage Deed, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary to protect Lender's interest, including, but not limited to, disbursement of attorneys' fees, payment, contest or compromise or any lien or security interest which is prior to the lien or security interest of this Mortgage Deed, and entry upon the Property to make repairs. At its option, if not timely paid by Borrower, and without limitation, Lender may pay any Impositions, or provide for the maintenance and preservation of the Property. Any amounts disbursed by Lender pursuant to this Paragraph 8, with interest



thereon at the interest rate described in the Loan Agreement, shall become a portion of the Secured Obligations. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the interest rate described in the Loan Agreement unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower shall have the right to prepay such amounts in whole or in part at any time. Nothing contained in this Paragraph 8 shall require Lender to incur any expense or do any act.

9. **Inspection.** Lender may, at Borrower's expense, make or cause to be made reasonable entries upon and inspections of the Property during normal business hours, or at any other time when necessary to protect or preserve the Property.

10. **Books and Records.** Borrower shall keep and maintain at all times at Borrower's address stated in this Mortgage Deed, or such other place as Lender may approve in writing, complete, proper and accurate records and books of account in which full, true and correct entries shall be made in accordance with generally accepted accounting principles reflecting the results of the operation of the Property, and copies of all written contracts, leases and other instruments which affect the Property. Such records, books of account, contracts, leases and other instruments shall be subject to examination, inspection and copying by Lender at any reasonable time by Lender and at Borrower's expense.

11. **Condemnation.** If all or substantially all of the Property shall be damaged or taken through condemnation (which term, when used in this Mortgage Deed, shall include any damage or taking by any governmental authority, quasi-governmental authority, any party having the power of condemnation, or any transfer by private sale in lieu thereof), either temporarily or permanently, then the entire Secured Obligations shall, at the option of Lender, become immediately due and payable. Borrower authorizes Lender, at Lender's option, as attorney in fact for Borrower, at any time when an Event of Default exists to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation, or other taking of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned and shall be paid to Lender. Borrower authorizes Lender to apply such awards, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, and at Lender's option, to restoration or repair of the Property or to payment of the Secured Obligations, whether or not then due, with the balance, if any, to Borrower. Borrower agrees to execute such further assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or injury that Lender may require. For the purposes of this Paragraph, "substantially all of the Property" shall mean a taking of or damage to less than the entire Property through condemnation, which in the good faith judgment of Lender, renders the Property remaining after such taking or damage unsuitable for restoration for the use intended to be made of the Property or substantially the same value, condition, character or general utility as

the then use which existed on the Property before such condemnation.

12. **Borrower and Lien Not Released.** From time to time, without affecting the obligation of Borrower or Borrower's successors or assigns to pay the Secured Obligations and to observe the covenants of Borrower contained in this Mortgage Deed and the other Loan Documents, and without affecting the guaranty of any person, corporation, partnership or other entity for payment or performance of the Secured Obligations, and without affecting the lien or priority of lien of this Mortgage Deed on the Property, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any guarantor, and without liability on Lender's part, grant extensions or postponements of the time for payment of the Secured Obligations or any part thereof, release anyone liable on any of the Secured Obligations, release from this Mortgage Deed any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plat or subdivision of the Property, consent to the granting of any easement, join in any extension or subordination agreement and agree in writing with Borrower to modify the rate of interest or terms and time of payment or period of amortization of the Payments or change the amount of the monthly installments payable under the terms of the Loan Agreement. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred, at Lender's option, for any such action if taken at Borrower's request.

13. **Forbearance Not Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy hereunder. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the Secured Obligations. Lender's receipt of any awards, proceeds or damages under

Paragraphs 4 and 11 hereof shall not operate to cure or waive Borrower's default in payment of the Secured Obligations.

14. **Estoppel Certificate.** Borrower shall within ten (10) days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the amount of the Secured Obligations and any right of set-off, counterclaim or other defense which may exist or be claimed by Borrower against the Secured Obligations and the obligations of Borrower under this Mortgage Deed.

15. **Security Agreement.** Insofar as any item of property included in the Property which is or might be deemed to be "personal property" is concerned, this Mortgage Deed is hereby made and declared to be a security agreement and fixture financing statement, granting a security interest in and to each and every item of such property included in the Property (hereinafter collectively referred to as the "Collateral"), in compliance with the provisions of the Uniform Commercial Code as enacted in the State of New Hampshire. The remedies for any violation of the covenants, terms and conditions of the security agreement herein contained shall be (i) as prescribed herein, or (ii) as prescribed by general law, or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in said Uniform Commercial Code, all at Lender's sole election. Borrower and Lender agree that the filing of

such financing statement(s) in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing this declaration and hereby stated intention of Borrower and Lender that everything used in connection with the production of income from the Property and/or adapted for use therein and/or which is described or reflected in this Mortgage Deed, is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate, irrespective of whether (i) any such item is physically attached to the Land or the Improvements, (ii) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (iii) any such item is referred to or reflected in any such financing statement(s) so filed at any time. Similarly, the mention in any such financing statement(s) of the rights in and to the proceeds of any hazard insurance policy, or any award in eminent domain proceedings for a taking or for loss of value, or Borrower's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Property, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender as determined by this instrument or impugning the priority of Lender's lien granted hereby or by any other recorded document, but such mention in such financing statement(s) is declared to be for the protection of Lender in the event any court shall at any time hold, with respect to any such matter, that notice of Lender's priority of interest, to be effective against a particular class of persons, must be filed in the records of the Uniform Commercial Code kept with the Secretary of State of the State of New Hampshire. Borrower warrants that (i) Borrower's (that is, "Debtor's") name, identity or organizational structure and residence or place of creation are as set forth in the first paragraph of this Agreement; and (ii) the location of all collateral constituting fixtures is upon the Land. Borrower covenants and agrees that Borrower will not change its name, identity or organizational structure. The information contained in this Paragraph 15 is provided in order that this Mortgage Deed shall comply with the requirements of the Uniform Commercial Code, as enacted in the State of New Hampshire, for instruments to be filed as financing statements. The names of the "Debtor" and the "Secured Party", the identity or organizational structure and residence or place of creation of "Debtor", and the mailing address of the "Secured Party" from which information concerning the security interest may be obtained, and the mailing address of "Debtor", are as set forth in the first paragraph of this Mortgage Deed, and a statement indicating the types, or describing the items, of collateral is set forth in this Mortgage Deed.

16. **Intentionally Deleted.**

17. **Remedies Cumulative.** All remedies provided in this Mortgage Deed are distinct and cumulative to any other right or remedy under this Mortgage Deed or under the other Loan Documents or afforded by law or equity, and may be exercised concurrently, independently or successively.

18. **Taxation of Mortgage Deeds.** In the event of the enactment of any law deducting from the value of the Property any mortgage lien thereon, or imposing upon Lender the payment of all or part of the taxes, charges or assessments previously paid by Borrower pursuant to this Mortgage Deed, or changing the law relating to the taxation of mortgages or debts secured by mortgages or Lender's interest in the Property so as to impose new incidents of

tax on Lender, then Borrower shall pay such taxes or assessments or shall reimburse Lender therefore; provided that, however, if in the opinion of counsel to Lender, such payment cannot lawfully be made by Borrower, and such change in the law cannot be remedied and lawful payment made by Borrower to the reasonable satisfaction of Lender within thirty (30) days following notice to Borrower by Lender of the occurrence of such change, then Lender may, at Lender's option, declare the Secured Obligations to be immediately due and payable and invoke any remedies permitted by Paragraph 20 of this Mortgage Deed.

19. **Events of Default and Acceleration.** The term "Event of Default", wherever used in this Mortgage Deed, shall mean any one or more of the following conditions or events:

(a) The occurrence of any "Event of Default" or "Default" as defined in the Loan Agreement or the Continuing Covenants Agreement; or

(b) Failure by Borrower to pay as and when due and payable any sums to be paid by Borrower under this Mortgage Deed (including, but not limited to, any payment of Funds) when due; or

(c) Failure by Borrower to duly observe or perform any term, covenant, condition or agreement contained in this Mortgage Deed (other than the obligations to make payments referred to in subparagraph (b) above, obligations to maintain insurance under Paragraph 4 above, and voluntary transfer of the Property under Paragraph 6 above) and continuance of such failure for a period of thirty (30) days after written notice thereof from Lender; or

(d) any breach of the Statutory Conditions; or

(e) Default after the expiration of any applicable cure period in the prompt payment, performance or observance of any material term, provision, condition, covenant, warranty or representation set forth in any mortgages, liens, lease or encumbrances affecting the Property, whether or not such mortgage, lien, lease or encumbrance is senior or junior to this Mortgage Deed, and whether or not such mortgage, lien, lease or encumbrance has been consented to by Lender, provided, however, that nothing herein shall be deemed to be a consent by Lender, implied or otherwise, to the granting of any mortgage, lien, lease or encumbrance on the Premises.

If an Event of Default shall have occurred and be continuing, Lender may, at Lender's option, by notice to Borrower declare the entire Secured Obligations to be immediately due and payable, whereupon the same shall become immediately due and payable, and without presentment, protest, demand or other notice of any kind, all of which are hereby expressly waived by Borrower. No omission on the part of Lender to exercise such option when entitled to do so shall be construed as a waiver of such right.

20. **Rights and Remedies.**

(a) Statutory Power of Sale and other Remedies. Upon the occurrence of any Event of

Default which is continuing, and whether or not Lender shall have accelerated the maturity of the Secured Obligations pursuant to Paragraph 19 hereof, Lender, at its option, may take the following actions or any one or more of them from time to time:

(i) Declare any one or more of the Secured Obligations immediately due and payable;

(ii) Cease advancing money or extending credit to or for the benefit of the Borrower under any agreement, whether or not secured hereby;

(iii) Foreclose this Mortgage Deed under any legal method of foreclosure in existence at the time or now existing, or under any other applicable law, including, without limitation, the Statutory Power of Sale, which is incorporated herein by reference, and if the Property consists of multiple parcels or units, to foreclose against the entire Property or such portions thereof in such order and at such times as Lender may determine all in its discretion, and the deferral or delay in foreclosure against any portion of the Property shall not impair the right of Lender to subsequently foreclose;

(iv) Either with or without entering upon or taking possession of the Property, demand, collect and receive any or all Revenues;

(v) Take possession of all or any part of the Collateral, and for such purpose Lender may, so far as Borrower can give authority, enter upon any premises on which the Collateral or any part thereof may be situated and remove the same;

(vi) Either with or without taking possession of the Collateral, sell, lease or otherwise dispose of the Collateral in its then condition or following such preparation as Lender deems advisable;

(vii) Either with or without entering upon or taking possession of the Property, and without assuming any obligations of Borrower thereunder, exercise the rights of Borrower under, use or benefit from, any of the Plans, Leases or Intangible Property;

(viii) In person, by agent or by court-appointed receiver, enter upon, take possession of, and maintain full control of the Property in order to perform all acts necessary or appropriate to complete the Improvements and to maintain and operate the Property, including, but not limited to, the execution, cancellation or modification of Leases, the making of repairs to the Property and the execution or termination of contracts providing for the improvement, management or maintenance of the Property, all on such terms as Lender, in its sole discretion, deems proper or appropriate;

(ix) Proceed by a suit or suits in law or in equity or by other appropriate proceeding against Borrower or any other party liable to enforce payment of the Secured Obligations or the performance of any term, covenant, condition or agreement of this Mortgage Deed or the Loan Agreement or any of the other Loan Documents, or any other right, and to

pursue any other remedy available to it, all as Lender shall determine most effectual for such purposes;

(x) Institute and maintain such suits and proceedings as Lender may deem expedient to prevent any impairment of the Property by any acts which may be unlawful or in violation of this Mortgage Deed, to preserve or protect its interest in the Property and the Revenues, and to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that would impair the security hereunder or be prejudicial to the interest of Lender. Borrower recognizes that in the event Borrower defaults, no remedy of law will provide adequate relief to Lender, and therefore Borrower agrees that Lender shall be entitled to temporary and permanent injunctive relief to cure any such Event of Default without the necessity of proving actual damages;

(xi) Apply all or any portion of the Property, or the proceeds thereof, towards (but not necessarily in complete satisfaction of) the Secured Obligations without being deemed to have waived any Event of Default;

(xii) Foreclose any and all rights of Borrower in and to the Property, whether by sale, entry or in any other manner provided for hereunder or under the laws of the State of New Hampshire whether now existing or as hereafter arising;

(xiii) In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower or the creditors or property of Borrower, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire amount of the Secured Obligations at the date of the institution of such proceeding and for any additional portion of the Secured Obligations accruing after such date;

(xiv) Exercise any other right or remedy of a mortgagee or secured party under the laws of the State of New Hampshire; and

(xv) Set-off against any and all deposits, accounts, certificate of deposit balances, claims, or other sums at any time credited by or due from Lender to Borrower and against all other property of Borrower in the possession of Lender or under its control.

(b) If an Event of Default shall have occurred and be continuing, Lender, upon application to a court of competent jurisdiction, shall be entitled as a matter of strict right, without notice and without regard to the occupancy or value of any security for the Secured Obligations or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the Revenues. The receiver shall have all of the rights and powers permitted under the laws of the State of New Hampshire or otherwise existing. Borrower will pay to Lender upon demand, all expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to such appointment and all such expenses shall be a portion of the Secured Obligations.

(c) Any sale or other disposition of Collateral may be at public or private sale, to the extent such private sale is authorized under the provisions of the Uniform Commercial Code as enacted in the State of New Hampshire, upon such terms and in such manner as Lender deems advisable. Lender may conduct any such sale or other disposition of the Property upon the Land, in which event Lender shall not be liable for any rent or charge for such use of the Land. Lender may purchase the Property, or any portion of it, at any sale held under this Paragraph. With respect to any Collateral to be sold pursuant to the Uniform Commercial Code, Lender shall give Borrower at least ten (10) days written notice of the date, time, and place of any proposed public sale, or such additional notice as may be required under the laws of the State of New Hampshire, and of the date after which any private sale or other disposition may be made. Lender may sell any of the Collateral as part of the real property comprising the Property, or any portion or unit thereof, at the foreclosure sale or sales conducted pursuant hereto. If the provisions of the Uniform Commercial Code are applicable to any part of the Collateral which is to be sold in combination with or as part of the real property comprising the Property, or any part thereof, at one or more foreclosure sales, any notice required under such provisions shall be fully satisfied by the notice given in execution of any method of foreclosure, including without limitation, the STATUTORY POWER OF SALE with respect to the real property or any part thereof. Borrower waives any right to require the marshaling of any of its assets in connection with any disposition conducted pursuant hereto. In the event all or part of the Property is included at any foreclosure sale conducted pursuant hereto, a single total price for the Property, or such part thereof as is sold, may be accepted by Lender with no obligation to distinguish between the application of such proceeds amongst the property comprising the Property. The obligations of Borrower to pay such amounts shall be included in the Secured Obligations of Borrower to Lender and shall accrue interest at the rate of interest set forth in the Loan Agreement. Borrower agrees that all rights and remedies of Lender as to the Personal Property and as to the Property, and all rights and interests appurtenant thereto, shall be cumulative and may be exercised together or separately without waiver by Lender of any other of its rights or remedies. Borrower further agrees that any sale or other disposition by Lender of any of the Personal Property and any rights and interests therein or appurtenant thereto, or any part thereof, may be conducted either separately from or together with any foreclosure, sale or other disposition of the Property, or any rights or interests therein or appurtenant thereto, or any part thereof, all as the Lender may in its sole discretion elect.

(d) In connection with the exercise by Lender of the rights and remedies provided for in subparagraph (a)(iv) of this Paragraph;

(i) Lender may notify any purchaser, tenant, lessee or licensee of the Property, either in the name of Lender or Borrower, to make payment of Revenues directly to Lender or Lender's agents, may advise any person of Lender's interest in and to the Revenues, and may collect directly from such purchaser, tenants, lessees and licensees all amounts due on account of the Revenues;

(ii) At Lender's request, Borrower will provide written notification to any or all purchaser, tenants, lessees and licensees of the Property concerning Lender's interest in the

Revenues and will request that such purchaser, tenants, lessees and licensees forward payment thereof directly to Lender;

(iii) Borrower shall hold any proceeds and collections of any of the Revenues in trust for Lender and shall not commingle such proceeds or collections with any other funds of Borrower; and

(iv) Borrower shall deliver all such proceeds to Lender immediately upon the receipt thereof by Borrower in the identical form received, but duly endorsed or assigned on behalf of Borrower to Lender.

(e) In connection with the exercise of Lender's rights under Subparagraph (a)(vi) of this Paragraph, Lender may enter upon, occupy, and use all or any part of the Property and may exclude Borrower from the Land and the Improvements or portion thereof as may have been so entered upon, occupied, or used. Lender shall not be required to remove any Personal Property from the Land and the improvements upon Lender's taking possession thereof, and may render any Personal Property unusable to Borrower. In the event Lender manages the Land and the Improvements, Borrower shall pay to Lender on demand a reasonable fee for the management thereof in addition to the Secured Obligations. Further, Lender may make such alterations, renovations, repairs, and replacements to the Improvements, as Lender, in its sole discretion, deems proper or appropriate. The obligation of Borrower to pay such amounts and all expenses incurred by Lender in the exercise of its rights hereunder shall be included in the Secured Obligations and shall accrue interest at the rate of interest stated in the Loan Agreement.

(f) Borrower agrees that in case Lender, in the exercise of the power of sale contained herein or in the exercise of any other rights hereunder given, elects to sell in parts or parcels, said sales may be held from time to time and that the power shall not be exhausted until all of the Property not previously sold shall have been sold, notwithstanding that the proceeds of such sales exceed, or may exceed, the Secured Obligations.

(g) Upon the occurrence of any Event of Default, Lender may require Borrower to assemble the Collateral and make it available to Lender, at Borrower's sole risk and expense, at a place or places to be designated by Lender which are reasonably convenient to both Lender and Borrower.

(h) Upon the occurrence of any Event of Default that continues beyond any applicable grace or cure period, Borrower hereby irrevocably constitutes and appoints Lender or any receiver appointed in accordance with this Mortgage Deed to be Borrower's true and lawful attorney in fact to take any action with respect to the Property to preserve, protect, or realize upon Lender's interest therein, each at the sole risk, cost and expense of Borrower, but for the sole benefit of Lender. The rights and powers granted by the within appointment include, but are not limited to, the right and power to: (i) prosecute, defend, compromise, settle, or release any action relating to the Property; (ii) endorse the name of Borrower upon any and all checks or other items constituting Revenues; (iii) sign and endorse the name of Borrower on, and to receive as secured party, any of the Collateral; (iv) sign and file or record on behalf of Borrower any



financing or other statement in order to perfect or protect Lender's security interest; (v) enter into leases or subleases, purchase and sale agreements, deeds and other instruments of conveyance relative to all or a portion of the Land or the Improvements, (vi) enter into any contracts or agreements relative to, and to take all action deemed necessary in connection with, any Improvements on the Land; (vii) manage, operate, maintain, or repair the Land with, any Improvements on the Land, and the Improvements; and (viii) exercise the rights of Borrower under any Plans, Leases, or Intangible Personal Property. Such receiver or Lender shall not be obligated to perform any of such acts or to exercise any of such powers, but if it so elects so to perform or exercise, it shall not be accountable for more than it actually receives as a result of such exercise of power, and shall not be responsible to Borrower except for willful misconduct or gross negligence. All powers conferred by this Mortgage Deed, being coupled with an interest, shall be irrevocable until terminated by a written instrument executed by a duly authorized officer of Lender or until payment of this Mortgage Deed as shall entitle the Borrower to a discharge of record of the lien hereof, whichever shall first occur.

21. **Notices.** Except as otherwise specified in this Mortgage Deed, any and all notices, demands, elections or requests provided for or permitted to be given pursuant to this Mortgage Deed (hereinafter in this Paragraph 21 referred to as "Notice") shall be in writing and shall be deemed to have been properly given or served by personal delivery or by sending same by overnight courier or by depositing same in the United States Mail, postpaid and registered or certified, return receipt requested, and addressed to the addresses set forth on page one hereof. Each Notice shall be effective upon being personally delivered or upon being sent by overnight courier or five (5) days after being deposited in the United States Mail as aforesaid. However, the time period in which a response to such Notice must be given or any action taken with respect thereto, if any, shall commence to run from the date of receipt if personally delivered or sent by overnight courier, or, if so deposited in the United States Mail, the earlier of five (5) days following such deposit and the date of receipt as disclosed on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address for which no Notice was given shall be deemed to be receipt of the Notice sent. By giving at least thirty (30) days prior Notice thereof, Borrower or Lender shall have the right from time to time and at any time during the term of this Mortgage Deed to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

22. **Successors and Assigns Bound: Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 6 hereof. The captions and headings of the paragraphs of this Mortgage Deed are for convenience only and are not to be used to interpret or define the provisions hereof.

23. **Governing Law; Severability.** This Mortgage Deed and the obligations of Borrower hereunder shall be governed by and interpreted and determined in accordance with the laws of the State of New Hampshire. In the event that any provision or clause of this Mortgage Deed conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage Deed which can be given effect without the conflicting provision, and to this end, the provisions of this Mortgage Deed are declared to be severable. In the event that any applicable

law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge for which provision is made in this Mortgage Deed, whether considered separately or together with other charges permitted to be collected from Borrower, is interpreted so that any such charge, whether considered separately or together with other charges that are considered a part of the transaction represented by this Mortgage Deed, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Loan Agreement or refunded to Borrower.

24. **Discharge.** Upon payment and performance of the Secured Obligations, Lender shall discharge this Mortgage Deed. Borrower shall pay Lender's reasonable costs incurred in discharging this Mortgage Deed.

25. **Waivers.** Borrower agrees to the full extent permitted by law, that in case of an Event of Default hereunder, neither Borrower nor anyone claiming through or under Borrower shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension, homestead, exemption or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage Deed, or the absolute sale of the Property, or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereat, and Borrower, for Borrower and all who may at any time claim through or under Borrower, hereby waives to the fullest extent that Borrower may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof. No delay or omission of Lender or of any holder of the Bonds to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage Deed to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or implied, by Lender to or of any Event of Default shall be deemed or construed to be a consent or waiver to or of any other Event of Default. Failure on the part of Lender to complain of any act or failure to act which constitutes an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of Lender's rights hereunder or impair any rights, powers or remedies consequent on any Event of Default. No act or omission of Lender as described in Paragraph 13 above shall preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any Event of Default then made or of any subsequent Event of Default; nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this Mortgage Deed be altered thereby. No acceptance of partial payment or performance shall waive, affect or diminish any right of Lender or Borrower's duty of compliance and performance therewith. Any Secured Obligation which this Mortgage Deed secures is a separate instrument and may be negotiated, extended or renewed by Lender without releasing Borrower or any guarantor or co-maker. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with

reference to the Property or the Secured Obligations or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings (including, without limitation, the restrictions upon transfer contained in Paragraph 6).

26. **Further Assurances.** At any time and from time to time, upon request by Lender, Borrower will make, execute and deliver, or cause to be made, executed and delivered, to Lender and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by Lender, any and all such other and further assignments, mortgages, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve (a) the obligations of Borrower under this Mortgage Deed, and (b) the lien and security interest created by this Mortgage Deed upon the Property. Upon any failure by Borrower so to do, Lender may make, execute, record, file, re-record and/or refile any and all such assignments, mortgages, security agreements, financing statements, continuation statements, instruments, certificates, and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney in fact of Borrower so to do.

27. **Subrogation.** Lender shall be subrogated to all right, title, lien or equity of all persons to whom Lender may have paid any monies in settlement of liens, charges or assessments, or in acquisition of title or for its benefit hereunder, or for the benefit or account of Borrower upon execution of the Loan Agreement or subsequently paid under any provisions hereof.

28. **Time of the Essence.** Time is of the essence with respect to each and every covenant, agreement and obligation of Borrower under this Mortgage Deed, and any and all other Loan Documents.

29. **Indemnification: Subrogation; Waiver of Offset.**

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Secured Obligations, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees, together with reasonable appellate counsel fees, if any) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Secured Obligations, this Mortgage Deed, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Mortgage Deed; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Lender by reason of Lender's willful misconduct or gross negligence.

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Secured Obligations, this Mortgage Deed, the Property, or any part thereof, or any interest therein, or the maintenance, operation or occupancy or use thereof, then Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment except to the extent that the same arise by reason of Lender's willful misconduct or gross negligence. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby and prevails, Borrower shall pay to Lender its reasonable attorneys' fees (together with reasonable appellate counsel, fees, if any) and expenses. The right to such attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment, except that no such right shall exist where it shall be determined that Borrower was not in breach. If Borrower breaches any term of this Mortgage Deed, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees (together with reasonable appellate counsel fees, if any) and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subparagraph and elsewhere in this Mortgage Deed shall include without limitation any attorney or law firm engaged by Lender, and all references to "fees and expenses" in this Subparagraph and elsewhere in this Mortgage Deed shall include without limitation any fees of such attorney or law firm and any allocation charges.

(c) All sums payable by Borrower hereunder shall be paid without notice (except as may otherwise be provided herein), demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Borrower hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Property or any part thereof; (ii) any restriction or prevention of or interference with any use of the Property or any part thereof, (iii) any title defect or encumbrance or any eviction from the Land or the Improvements on the Land or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to Lender, or any action taken with respect to this Mortgage Deed by any trustee or receiver of Lender, or by any court, in such proceeding; (v) any claim which Borrower has, or might have, against Lender; (vi) any default or failure on the part of Lender to perform or comply with any of the terms hereof or of any other agreement with Borrower; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Borrower shall have notice or knowledge of any of the foregoing. Borrower waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution, or reduction of any sum secured hereby and payable by Borrower.

30. **New Hampshire RSA 479:3.** For purposes of New Hampshire RSA 479:3, the

maximum amount secured by this Mortgage Deed is \_\_\_\_\_Dollars (\$\_\_\_\_\_).

*[ Remainder of Page Left Intentionally Blank – Signature Page to Follow ]*

IN WITNESS WHEREOF, Borrower has executed this Mortgage, Security Agreement and Financing Statement as of this 1st day of December, 2017.

METZ REALTY, INC.

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers,  
Its Duly Authorized President

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me on December \_\_\_\_, 2017, by Jacqueline R. Metzemaekers, being the duly authorized President of METZ REALTY, INC. a New Hampshire corporation, on behalf of the same.

\_\_\_\_\_  
Notary Public / Justice of the Peace  
Name:  
My Commission Expires:

**Exhibit A**  
Legal Description  
Units 1A and 2A of the Five Industrial Way Condominium,  
5 Industrial Way, Salem, New Hampshire

Unit 1A:

That certain condominium unit (“Condominium Unit”) in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 1A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the “Declaration”), and on certain floor plans entitled “Modified Condominium Floor Plan, Units 1 & 2” dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended (“Plan”). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 3, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
4. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.

5. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
6. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.
7. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
8. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
9. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
10. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffic, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
11. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2366.



Unit 2A:

That certain condominium unit (“Condominium Unit”) in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 2A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the “Declaration”), and on certain floor plans entitled “Modified Condominium Floor Plan, Units 1 & 2” dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended (“Plan”). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
3. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.
4. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
5. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.

6. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
7. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
8. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
9. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffie, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
10. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments II, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2368.

## EXHIBIT "A"

### Legal Description 33 Northwestern Drive, Salem, NH 03079

A certain parcel of land, with the buildings thereon, situated on the Northerly side of Northwestern Drive in the Town of Salem, County of Rockingham, State of New Hampshire and being more particularly described as follows:

Beginning at a point at the northerly side of Northwestern Drive at the intersection of Lot 86-10578 and Lot 95-10583; thence

North 31° 52' 40" West, a distance of 298.82 feet to a point; thence

North 49° 56' 11" East, a distance of 375.39 feet to a point; thence

South 84° 34' 03" East, a distance of 75.00 feet to a point; thence

North 05° 24' 41" East, a distance of 279.59 feet to a point on Brookdale Road; thence

with a delta of 12° 22' 23" and a radius of 566.32 feet and a length of 122.30 feet along Brookdale Road to a point; thence

South 04° 55' 03" West, a distance of 347.10 feet to a point; thence

South 84° 32' 57" East, a distance of 40.00 feet to a point; thence

South 16° 09' 14" West, a distance of 330.14 feet to a point on Northwestern Drive; thence

along Northwestern Drive in a Westerly direction, a distance of 17.39 feet to a point; thence

with a delta of 50° 36' 25" and a radius of 320.00 feet and a length of 282.64 feet to the point of beginning.

Said parcel containing 4.349 acres, more or less, all as shown on said plan hereinafter described.

Meaning and intending to describe Lot 86-10578 as shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.

Said conveyance is subject to the following:

1. Any and all matters shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.
2. Covenants, restrictions and rights set forth in a Declaration of Keewaydin Shores, Inc., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 951 and Amendments thereto recorded in Book 2266, Page 956 and Book 2340, Page 1495.
3. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, dated February 1, 1995, recorded February 2, 1995, in the Rockingham County Registry of Deeds, Book 3088, Page 2552.
4. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, Inc., dated February 5, 1998, recorded February 11, 1998 in the Rockingham County Registry of Deeds, Book 3268, Page 0192.
5. A Mortgage and Security Agreement from Metz Realty, Inc. to Stoneham Savings Bank, dated April 3, 2009 in the original principal amount of \$524,000.00 and recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2271, and an Assignment of Leases and Rents recorded simultaneously in Book 4997, Page 2286.
6. A UCC Financing Statement from Metz Realty, Inc. to Stoneham Savings Bank, recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2294.

Being the same premises conveyed to Metz Realty, Inc. by deed of Keewaydin Realty Trust, dated February 1, 1995, recorded in the Rockingham County Registry of Deeds, Book 3088, Page 2506.

\_\_\_\_\_ of \_\_\_\_\_  
Tax Stamp: \$ \_\_\_\_\_  
Recording Fee: \$ \_\_\_\_\_  
L-Chip Surcharge \$ \_\_\_\_\_  
Return to:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Property in Salem, Rockingham County, New Hampshire

**COLLATERAL ASSIGNMENT OF LEASES AND RENTS**

COLLATERAL ASSIGNMENT OF LEASES AND RENTS (the "Assignment") made as of this 1st day of December, 2017, from METZ REALTY, INC., a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079 (the "Assignor") to SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970 (the "Assignee").

WITNESSETH:

WHEREAS, Assignor is the owner of two (2) certain condominium units and the improvements therein located at 5 Industrial Way, Town of Salem, County of Rockingham and State of New Hampshire and a certain parcel of land with the buildings thereon situate at 33 Northwestern Drive, Town of Salem, County of Rockingham and State of New Hampshire, both as more particularly described in Schedule A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, pursuant to a Loan and Security Agreement dated as of even or near date herewith by and among the Assignor, as Borrower, the Assignee, as Purchaser and the Business Finance Authority of the State of New Hampshire as Issuer in connection with the \$3,625,000 Business Finance Authority of the State of New Hampshire, Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds"), as the same may be amended, modified or restated (the "Loan Agreement"), Assignor, as Borrower has agreed to repay a certain loan in the aggregate principal amount of Three Million Six Hundred Twenty-Five Thousand Dollars (\$3,625,000), with interest thereon as provided in the Loan Agreement; and

WHEREAS, as partial security for Assignor's payment and performance under the Loan Agreement and the Loan Documents (as hereinafter defined), Assignor has agreed to assign to Assignee all of Assignor's right, title and interest in and to any and all leases pertaining to the Premises (each a "Lease" and together the "Leases");

NOW, THEREFORE, in order to induce Assignee to make the loan as described, evidenced and secured by the Loan Agreement (the "Loan"), Assignee and Assignor hereby agree as follows with terms not otherwise defined herein having their meanings as set forth in the Loan Agreement:

1. Assignment. Assignor hereby assigns, transfers, and sets over unto Assignee all of Assignor's right, title and interest in and to any and all Leases pertaining to the Premises, now or hereafter in effect, together with all rights to collect rents due or to become due under any such Leases; provided, however, that this Assignment is made, in trust, for the purpose of securing the payment of the Loan Agreement in accordance with its terms and Assignor's performance of its obligations under the other documents, the purpose of which are to evidence or secure payment or performance of the Loan, including the Continuing Covenants Agreement, as defined in the Loan Agreement all as may be amended, modified or restated (the "Loan Documents").

2. Warranties, Representations and Covenants of Assignor. Assignor hereby warrants and represents to Assignee that, as of the date hereof and until the Loan has been paid and the Loan Documents have been performed in full, (a) Assignor is and will be the sole lessor under the terms of all Leases and such rights under all Leases have not and will not be mortgaged, pledged, assigned, transferred, encumbered or hypothecated in any manner except as set forth in this Assignment; (b) all Lease rights are and will be valid and enforceable in accordance with their terms, and have not been, nor will be, altered, modified or amended in any way without the prior written consent of Assignee, which consent shall not be unreasonably withheld; (c) no default exists under the terms of any Lease and Assignor has not waived, and will not waive, any provision thereunder to be complied with by any lessee; (d) Assignor has observed and performed, or will perform and observe all of its obligations, and has invoked, or will invoke, all of its rights, under any Lease so as not to impair the value of the Lease rights arising thereunder; and (e) no rent, revenues, receipts or other sums required to be paid by the lessee under any Lease (with the exception of security deposits not in excess of one (1) month's rent) have been or will be prepaid or deferred in payment subsequent to the time the same become due under the terms thereof without prior written consent of Assignee.

3. Assignor's Rights Prior to Default. So long as Assignor is not in default under its obligations hereunder, or under the Loan Agreement or the Loan Documents, and so long as any warranties or representations made herein by Assignor remains complete and accurate in all material respects, then Assignor shall have the right to continue to exercise its rights as lessor under the terms of any of the Leases and collect all rents due or to become due thereunder.

4. Assignee's Rights. If any warranty or representation made by Assignor herein proves to be false or misleading in any material respect, or if Assignor breaches its obligations hereunder, or is in default in its obligations under the Loan Agreement or the Loan Documents beyond any cure or grace period, then the same shall constitute a default hereunder, thereby allowing Assignee, without further notice to Assignor, in addition to all rights accruing to it, (a)

to notify all lessees that all payments from rents and other sums due to the Lessor under the terms of any of the Leases shall be made forthwith to Assignee, and (b) to invoke any and all other rights, remedies and recourse available to Assignee. Assignor hereby acknowledges its understanding that this assignment creates an Assignment of rights only and that the same shall not be construed as imposing any obligation of any nature whatsoever upon Assignee to take any action permitted hereinabove. In this regard, Assignor hereby agrees to defend (with counsel reasonably satisfactory to Assignee), indemnify and hold Assignee harmless from and against any and all claims or actions, liability, loss or damage which Assignee may or might incur under the terms of the Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on Assignee's part to perform and discharge any of the terms, covenants or agreements contained in the Leases. Should Assignee incur any liability, loss or damage under the Leases or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including all costs, expenses and reasonable attorneys' fees, shall be secured hereby and by the Loan Agreement and the Loan Documents and Assignor shall reimburse Assignee therefor immediately upon demand.

5. Further Assurances. Assignor shall promptly, upon request by Assignee, execute and deliver to Assignee such further assignment(s) of leasehold rights as Assignee may request.

6. Additional Security. Assignee may take or release additional security, may release any party primarily or secondarily liable for repayment of the Loan or for performance of the Loan Agreement or the Loan Documents, may grant extensions, renewals or indulgences with respect to the Loan Agreement and may apply any other security therefor held by it to the satisfaction of the Loan Agreement without prejudice to any of its rights hereunder.

7. Uniform Commercial Code. In addition to its being, but without limiting or impairing its validity as, an assignment of contract rights or lien on the estate in land, this Agreement shall also constitute a security agreement under Article Nine of the Uniform Commercial Code as enacted in New Hampshire creating in favor of Assignee, until the Loan is fully paid and the Loan Documents are fully performed, a first and prior security interest to the Leases and all Assignor's rights thereunder. Accordingly, Assignor hereby acknowledges unto Assignee that Assignee shall have the right, in addition to any and all other rights, remedies and recourse as afforded to it hereunder, under the Loan all rights and remedies afforded to secured parties by the Uniform Commercial Code. Assignor hereby agrees with Assignee to execute and deliver to Assignee, in form satisfactory to Assignee, such financing statements or other assurances as Assignee may reasonably require to create, perfect and preserve the security interest herein created and to cause such statements and assurances to be filed and/or recorded at such time and place as to accomplish the same as Assignee may reasonably request.

[SIGNATURE PAGE FOLLOWS]

This Assignment of Leases and Rents is dated as of the day and year first above written.

ASSIGNOR

METZ REALTY, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers,  
Its Duly Authorized President

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of December, 2017 by Jacqueline R. Metzemaekers the duly authorized President of METZ REALTY, INC. a New Hampshire corporation, on behalf of the same.

\_\_\_\_\_  
Justice of the Peace/Notary Public  
My Commission Expires: \_\_\_\_\_  
Notary Seal

Signature Page to  
Collateral Assignment of  
Leases and Rents



## SCHEDULE A

Legal Description  
Units 1A and 2A of the Five Industrial Way Condominium,  
5 Industrial Way, Salem, New Hampshire

Unit 1A:

That certain condominium unit (“Condominium Unit”) in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 1A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham Country Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the “Declaration”), and on certain floor plans entitled “Modified Condominium Floor Plan, Units 1 & 2” dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended (“Plan”). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 3, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
4. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.

5. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
6. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.
7. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
8. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
9. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
10. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffie, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
11. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2366.

Unit 2A:

That certain condominium unit ("Condominium Unit") in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 2A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the "Declaration"), and on certain floor plans entitled "Modified Condominium Floor Plan, Units 1 & 2" dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended ("Plan"). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
3. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.
4. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
5. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.

6. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
7. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
8. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
9. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffic, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
10. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments II, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2368.

## EXHIBIT "A"

### Legal Description 33 Northwestern Drive, Salem, NH 03079

A certain parcel of land, with the buildings thereon, situated on the northerly side of Northwestern Drive in the Town of Salem, County of Rockingham, State of New Hampshire and being more particularly described as follows:

Beginning at a point at the northerly side of Northwestern Drive at the intersection of Lot 86-10578 and Lot 95-10583; thence

North 31° 52' 40" West, a distance of 298.82 feet to a point; thence

North 49° 56' 11" East, a distance of 375.39 feet to a point; thence

South 84° 34' 03" East, a distance of 75.00 feet to a point; thence

North 05° 24' 41" East, a distance of 279.59 feet to a point on Brookdale Road; thence

with a delta of 12° 22' 23" and a radius of 566.32 feet and a length of 122.30 feet along Brookdale Road to a point; thence

South 04° 55' 03" West, a distance of 347.10 feet to a point; thence

South 84° 32' 57" East, a distance of 40.00 feet to a point; thence

South 16° 09' 14" West, a distance of 330.14 feet to a point on Northwestern Drive; thence

along Northwestern Drive in a Westerly direction, a distance of 17.39 feet to a point; thence

with a delta of 50° 36' 25" and a radius of 320.00 feet and a length of 282.64 feet to the point of beginning.

Said parcel containing 4.349 acres, more or less, all as shown on said plan hereinafter described.

Meaning and intending to describe Lot 86-10578 as shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.

Said conveyance is subject to the following:

1. Any and all matters shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.
2. Covenants, restrictions and rights set forth in a Declaration of Keewaydin Shores, Inc., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 951 and Amendments thereto recorded in Book 2266, Page 956 and Book 2340, Page 1495.
3. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, dated February 1, 1995, recorded February 2, 1995, in the Rockingham County Registry of Deeds, Book 3088, Page 2552.
4. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, Inc., dated February 5, 1998, recorded February 11, 1998 in the Rockingham County Registry of Deeds, Book 3268, Page 0192.
5. A Mortgage and Security Agreement from Metz Realty, Inc. to Stoneham Savings Bank, dated April 3, 2009 in the original principal amount of \$524,000.00 and recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2271, and an Assignment of Leases and Rents recorded simultaneously in Book 4997, Page 2286.
6. A UCC Financing Statement from Metz Realty, Inc. to Stoneham Savings Bank, recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2294.

Being the same premises conveyed to Metz Realty, Inc. by deed of Keewaydin Realty Trust, dated February 1, 1995, recorded in the Rockingham County Registry of Deeds, Book 3088, Page 2506.

---

**CONTINUING COVENANTS AGREEMENT**

**by and between**

**SALEM FIVE CENTS SAVINGS BANK**

**and**

**METZ REALTY, INC.**

**Dated as of December 21, 2017**

**\$3,625,000**

**Business Finance Authority of the State of New Hampshire  
Revenue Bonds**

**Metz Realty, Inc. Issue  
Series 2017**

---

## TABLE OF CONTENTS

ARTICLE I DEFINITIONS .....	1
1.1 Definitions.....	1
1.2 Computation of Time Periods.....	6
1.3 Construction.....	7
1.4 Accounting Terms and Determinations .....	7
1.5 Relation to Other Documents; Acknowledgment of Different Provisions of Bond Documents; Incorporation by Reference .....	7
1.6 Valuation.....	8
ARTICLE II PURCHASE OF THE BONDS/PAYMENTS.....	8
2.1 Purchase of the Bonds/Payments.....	8
2.2 Method of Payment; etc.....	8
2.3 Calculation of Interest and Other Amounts; Highest Lawful Rate.....	9
2.4 Payment Due on Non-Business Day to be Made on Next Business Day.....	10
2.5 Default Rate .....	10
2.6 Electronic Transmissions.....	10
2.7 Prepayment .....	10
2.8 Upfront Fee.....	11
ARTICLE III CONDITIONS PRECEDENT.....	11
3.1 Conditions Precedent to Purchase of Bonds.....	11
3.2 Additional Conditions Precedent to Purchase of Bonds.....	12
3.3 Disbursement of the Bond Proceeds from Escrow Agreement .....	12
ARTICLE IV REPRESENTATIONS AND WARRANTIES .....	15
4.1 Representations of the Borrower .....	15
ARTICLE V COVENANTS.....	20
5.1 Use of Proceeds.....	20
5.2 Notice of Default.....	20
5.3 Financial Information.....	20
5.4 Maintain Existence; Transfer of Assets .....	21
5.5 Compliance with Laws .....	22
5.6 Environmental Indemnification .....	22
5.7 Maintenance of Lien; Recordation of Interest .....	22
5.8 Financial Covenants.....	22
5.9 Amendments .....	23



5.10	Incorporation of Certain Covenants.....	23
5.11	Defense of Security Interest.....	23
5.12	Plans.....	23
5.13	Accounting Methods and Fiscal Year.....	23
5.14	Limitation on Additional Indebtedness.....	23
5.15	Liens and Negative Pledge.....	23
5.16	Accounts .....	24
5.17	Construction of Project .....	24
5.18	Construction Inspections.....	24
5.19	Mechanics' Liens.....	24
ARTICLE VI DEFAULTS.....		25
6.1	Events of Default and Remedies.....	25
6.2	Remedies Cumulative; Solely for the Benefit of the Bank.....	29
6.3	Waivers or Omissions .....	29
6.4	Continuance of Proceedings .....	29
6.5	Injunctive Relief.....	29
ARTICLE VII MISCELLANEOUS.....		29
7.1	No Deductions; Increased Costs; Tax Rate Adjustment.....	29
7.2	Late Payments.....	31
7.3	Indemnity, Costs, Expenses and Taxes.....	32
7.4	Obligations Absolute .....	33
7.5	Participants.....	33
7.6	Preferences .....	33
7.7	Survival of this Agreement .....	34
7.8	Modification of this Agreement.....	34
7.9	Waiver of Rights by the Bank.....	34
7.10	Severability .....	34
7.11	Governing Law .....	34
7.12	Notices .....	34
7.13	Survival of Representations and Obligations.....	35
7.14	Taxes and Expenses .....	35
7.15	Consent to Jurisdiction.....	36
7.16	Waiver of Jury Trial.....	36
7.17	Headings .....	36

7.18	Government Regulations .....	36
7.19	Counterparts .....	37
7.20	Assignment to Federal Reserve Bank .....	37
7.21	Right of Setoff.....	37
7.22	Purchased for Own Account. ....	37
7.23	Patriot Act Notice. ....	38

## CONTINUING COVENANTS AGREEMENT

THIS CONTINUING COVENANTS AGREEMENT (this "Agreement") is entered into as of December 21, 2017, by and among **METZ REALTY, INC.**, a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079, (the "Borrower") and **SALEM FIVE CENTS SAVINGS BANK**, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970, as purchaser of the hereinafter defined Bonds (together with its successors and assigns, the "Bank").

### RECITALS:

A. The Business Finance Authority of the State of New Hampshire (the "Authority") is issuing its \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") pursuant to a Loan and Security Agreement dated as of December 1, 2017 among the Authority, the Borrower and the Bank (the "Loan Agreement").

B. The Borrower has requested that the Bank, and the Bank has agreed to, purchase the Bonds subject to the following terms and conditions.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Bank hereby agree as follows:

### ARTICLE I DEFINITIONS

#### 1.1 Definitions. As used in this Agreement:

"Affiliate" of any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person owns 50% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of stock, by contract or otherwise.

"Agreement" shall mean this Continuing Covenants Agreement dated as of December 21, 2017 by and between the Borrower and the Bank, as amended and supplemented from time to time in accordance with the terms hereof.

"Assignment of Leases" means that certain Collateral Assignment of Leases and Rents from the Borrower to the Bank dated as of December 1, 2017 as the same may be amended, modified and restated.

"Authority" shall have the meaning set forth in the recitals to this Agreement and shall include any successor body to the duties or functions of the Authority.

"Authorized Officer" shall mean, with respect to the Borrower, its President or any other person designated as an Authorized Officer by a certificate of the Borrower, signed by the President and filed with the Bank.

"Bank" shall mean Salem Five Cents Savings Bank, and its successors and assigns.

"Benefited Facilities" shall have the meaning set forth in Section 7.3(b)(i) hereof.

"Bond Documents" shall mean, collectively, the Bonds, the Loan Agreement, the Mortgage, the Assignment of Rents, the Contract Assignment, the Security Agreement, the Environmental Agreement, the Guaranty Agreements and the Escrow Agreement in each case, as the same may be amended, restated, modified or supplemented from time to time in accordance with its terms and the terms hereof.

"Bonds" shall have the meaning set forth in the recitals to this Agreement.

"Borrower" shall have the meaning set forth in the first paragraph of this Agreement.

"Borrower's Other Representations" shall have the meaning given to such term in Section 4.1(p) hereof.

"Business Day" shall have the same meaning herein as set forth in the Loan Agreement.

"Closing Date" shall mean the date of purchase of the Bonds by the Bank.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the final, temporary or proposed U.S. Treasury regulations, rulings and proclamations promulgated thereunder.

"Collateral" shall mean any property or interests of the Borrower in which a security interest, lien or mortgage is granted or intended to be granted pursuant to the Bond Documents.

"Completion of Construction" means the substantial completion of both the exterior and interior of all buildings, structures and improvements constituting the Improvements in accordance with the Plans and Specifications approved by the Bank, with all utilities actually connected to and servicing the Improvements, and in condition to obtain a certificate of occupancy.

"Construction Schedule" means the schedule of construction of the Project showing approximate start and finish dates of all major stages of the Project.

"Contract Assignment" means that certain Collateral Assignment and Security Agreement in respect of Contracts, Plans, Licenses and Permits from the Borrower to the Bank dated as of December 1, 2017, as the same may be amended, modified and restated.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control, which together with the Borrower, are treated as a single employer under Section 414 of the Code.

"Counsel" shall mean an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include legal counsel for the Bank, the Borrower or the Authority.

"Default Rate" shall mean, at the time of any determination thereof, (i) the then applicable interest rate on the Bonds, plus (ii) five percent (5%).

"Dollars" and "\$" shall mean the lawful currency of the United States of America.

"Environmental Agreement" means that certain Environmental Compliance and Indemnification Agreement from the Borrower and the Guarantors to the Bank dated as of December 1, 2017, as the same may be amended, modified and restated.

"Environmental Laws" shall mean all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules, standards and regulations, now or hereafter in effect, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). "Environmental Laws" shall include, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.) ("CERCLA"); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§6901 et seq.); the Toxic Substance Control Act (15 U.S.C. §§2601 et seq.); the Clean Air Act (42 U.S.C. §§7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. §§651 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as

in effect from time to time. References to sections of ERISA will be construed also to refer to any successor sections.

"Escrow Agreement" shall have the same meaning herein as set forth in the Loan Agreement.

"Event of Default" shall have the meaning given in Section 6.1 hereof.

"Fiscal Year" shall mean the fiscal year of the Borrower, which shall be the fiscal year designated from time to time in writing by the Borrower to the Bank and the Authority.

"GAAP" shall mean generally accepted accounting principles and practices in the United States of America.

"Governmental Approvals" means all consents, licenses and permits and all other authorizations or approvals required from any Governmental Authority for construction in accordance with the Plans and Specifications.

"Governmental Authority" shall mean the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Governmental Authorization" shall mean any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Gross-Up Rate" shall have the same meaning as set forth in the Loan Agreement.

"Guarantor" and "Guarantors" shall mean any one or all of Scott Electronics, Inc., Jacqueline R. Metzemaekers and/or John A. Metzemaekers.

"Guaranty Agreement(s)" shall mean the Guaranty Agreements dated as of December 1, 2017, from each Guarantor to the Bank, as the same may be amended, modified and restated.

"Hazardous Substances" means each of: "hazardous substances" as defined in CERCLA or any similar definitions in any of the Environmental Laws, as well as asbestos and materials containing asbestos.

"Highest Lawful Rate" shall mean the maximum legal rate of interest which the Bank is legally entitled to charge, contract for or receive under any law to which such interest is subject.

"Improvements" means all buildings, structures and other improvements, including all common areas, presently existing and/or to be located on the Real Property, together with any off-site improvements contemplated by the Plans and Specifications to be completed in

accordance with the Plans and Specifications, if applicable, together with all fixtures and equipment required for the operation thereof.

"Indebtedness" means, without duplication, (i) indebtedness of the Borrower for money borrowed, incurred or assumed and (ii) the liability of the Borrower under any lease of real or personal property that is properly capitalized on the statement of financial position of any Borrower in accordance with generally accepted accounting principles

"Inspecting Agent" means an inspector selected by the Bank, in its sole discretion, who shall perform reviews of construction contract, the Plans and Specifications, budget, Construction Schedule and inspections of the Improvements at the Bank's request. The Inspecting Agent may be a third party or an employee of the Bank. The Borrower shall be responsible for all fees, costs and expenses of the Inspecting Agent.

"Lien" shall mean any mortgage, pledge or lease of, security interest in or lien, charge, restrictions or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person, and any capitalized lease under which any Borrower is lessee.

"Loan Agreement" shall have the meaning set forth in the recitals to this Agreement.

"Maturity Date" means December 1, 2038.

"Maximum Corporate Tax Rate" shall mean the highest marginal rate of taxation imposed upon the taxable income of corporations pursuant to Section 11(b) of the Code (or any successor provision thereof), which on the date hereof is thirty five percent (35%).

"Mortgage" shall mean the Mortgage, Security Agreement and Financing Statement dated as of December 1, 2017 and recorded in the Rockingham County (NH) Registry of Deeds, from the Borrower to the Bank, as amended, modified, supplemented and restated.

"Mortgaged Property" shall mean the Real Property described in and subject to the mortgage interest granted pursuant to the Mortgage.

"PBGC" shall mean the Pension Benefit Guaranty Corporation or any successor thereto.

"Permitted Exceptions" shall have the meaning given thereto in the Loan Agreement (as in effect as of the Closing Date) or as amended subsequently with the prior written consent of the Bank.

"Person" shall mean any natural person, corporation, firm, joint venture, partnership, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" shall mean an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Plans and Specifications" means those plans and specifications for the Project, as such plans and specifications may be amended from time to time (but only with the written approval of the Bank), including any working or shop drawings made in furtherance of the plans and specifications.

"Potential Default" shall mean an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.

"Prepayment Fee" shall have the meaning set forth in Section 2.7 of this Agreement.

"Project" shall have the meaning given thereto in the Loan Agreement.

"Property" of a Person shall mean any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Real Property" means individually and/or collectively, as the context or facts may require, the land, buildings, fixtures and appurtenant rights owned by the Borrower.

"Regulation U" shall mean Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Related Documents" shall mean this Agreement and the Bond Documents.

"Reportable Event" shall mean a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event, provided, however, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"State" shall mean the State of New Hampshire.

"Unavoidable Delay" means any delay in the construction of the Project, caused by natural disaster, fire, earthquake, floods, explosion, extraordinary adverse weather conditions, inability to procure or a general shortage of labor, equipment, facilities, energy, materials or supplies in the open market, failure of transportation, strikes or lockouts not within the control of the Borrower.

1.2 Computation of Time Periods. In this Agreement, in the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding."



1.3 Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, the singular includes the plural and the part includes the whole and "or" has the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereunder" and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "including" has the meaning "including, but not limited to." The Section headings contained in this Agreement and the table of contents preceding this Agreement are for reference purposes only and shall not control or affect the construction of this Agreement or the interpretation thereof in any respect. Section, subsection and exhibit references are to this Agreement unless otherwise specified.

1.4 Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP.

1.5 Relation to Other Documents; Acknowledgment of Different Provisions of Bond Documents; Incorporation by Reference.

(a) Nothing in this Agreement shall be deemed to amend or relieve the Borrower of its obligations under any Bond Document to which it is a party. Conversely, to the extent that the provisions of any Bond Document allow the Borrower to take certain actions, or not to take certain actions, with regard, for example, to permitted liens, incurrence of Indebtedness, transfers of assets, maintenance of financial ratios and similar matters, the Borrower nevertheless, and in addition, shall be fully bound by the provisions of this Agreement.

(b) Except as provided in Section 1.5(c) hereof, all references to other documents shall be deemed to include all amendments, modifications and supplements thereto to the extent such amendment, modification or supplement is made in accordance with the provisions of such document and this Agreement.

(c) All provisions of this Agreement making reference to specific sections of any Bond Document shall be deemed to incorporate such sections into this Agreement by reference as though specifically set forth herein (with such changes and modifications as may be herein provided) and shall continue in full force and effect with respect to this Agreement notwithstanding payment of all amounts due under or secured by the Bond Documents, the termination or defeasance thereof or any amendment thereto or any waiver given in connection therewith, so long as this Agreement is in effect and until all amounts due hereunder are paid in full. No amendment, modification, consent, waiver or termination with respect to any of such sections shall be effective as to this Agreement until specifically agreed to in writing by the parties hereto with specific reference to this Agreement.

(d) The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

(e) Any capitalized terms used herein which are not specifically defined herein shall have the same meanings herein as set forth in the Loan Agreement. Any terms defined herein by reference to the Loan Agreement or any requirement that an action be taken in accordance with any Bond Document or any Related Document shall refer to such documents as in effect on the date of this Agreement unless the Bank has agreed in writing to any such amendment. To the extent there is any conflict between the terms and provisions of this Agreement and those of any other Bond Documents, the terms and provisions of this Agreement shall control.

(f) All references in this Agreement to times of day shall be references to Eastern Standard Time.

1.6 Valuation. For purposes of determining compliance with all covenants and provisions of this Agreement and the other Related Documents, Property of the Borrower will be valued in accordance with GAAP.

## **ARTICLE II PURCHASE OF THE BONDS/PAYMENTS**

2.1 Purchase of the Bonds/Payments. The Bank hereby agrees to purchase the Bonds and the Borrower hereby agrees to pay, or cause to be paid, to the Bank the principal and interest on the Bonds as well as the fees and costs specified in Section 2.7 and Article VII of this Agreement (collectively, the "Payment Obligations"), and such Payment Obligations shall be payable to the Bank on the dates and in the amounts set forth therein. All outstanding principal and interest on the Bonds and any other unpaid Payment Obligations shall be due and payable to the Bank in full on the Maturity Date.

2.2 Method of Payment; etc.

(a) All payments to be made by the Borrower under this Agreement shall be made at the Bank (or as otherwise designated in writing by the Bank) not later than 2:00 p.m., on the date when due and shall be made in lawful money of the United States of America (in freely transferable U.S. dollars) and in immediately available funds.

(b) All payments under this Agreement shall be made without counterclaim, setoff, condition or qualification and free and clear of and without deduction or withholding for or by reason of any present or future taxes (other than income taxes on the net income of the Bank, but including withholding taxes), levies, imposts, deductions or charges of any nature whatsoever. In the event that the Borrower is compelled by law to make any such deduction or withholding, the Borrower shall nevertheless pay the Bank such amounts as will result in the receipt by the Bank of the sum it would have received had no such deduction or withholding been required to be made.

(c) The Borrower acknowledges that the Loan Agreement authorizes the Borrower to make all payments of principal of and interest accrued on the Bonds directly

to the Bank in such manner or at such address as may be designated by the Bank. Therefore, all payments of principal and interest accrued on the Bonds (including bond redemption payments required pursuant to this Agreement or the Loan Agreement), and all other payments by the Borrower to the Bank under this Agreement and the other Related Documents shall be made in lawful currency of the United States at the Bank's office at 210 Essex Street, Salem, Massachusetts 01970, or at such other address and to the attention of such other person as the Bank may stipulate by written notice to the Borrower. To effectuate any payment due under this Agreement, the Bonds or any of the Related Documents, the Borrower hereby authorizes and directs the Bank to initiate debit entries in the amount of payments of principal and interest accrued on the Bonds (including Bond redemption payments required pursuant to this Agreement or the Loan Agreement) when due from the Borrower's account # \_\_\_\_\_ maintained at the Bank, or such other deposit account of the Borrower specified in writing by the Borrower and maintained with the Bank. This authorization and direction, or authorization, to initiate debit entries shall remain in full force and effect until the Bank has received written notification of its termination in such time and in such manner as to afford the Bank a reasonable opportunity to act on it. The Borrower represents, and the Bank acknowledges, that the Borrower is and will be the owner of all funds in such account. The Borrower acknowledges (1) that such debit entries may cause an overdraft of such account which may result in the Bank's refusal to honor items drawn on such account until adequate deposits are made to such account; and (2) that if a debit is not made because the above-referenced account does not have a sufficient available balance, or otherwise only in the case of clause (b) above, the payment may be late or past due; provided, however, and notwithstanding anything to the contrary in this Agreement or any of the Related Documents, if any payment due under this Agreement, the Bonds or any of the Related Documents is late or past due as the direct result of failure of the Bank to make any debit to such account in accordance with the preceding provisions of this Section 2.2 and funds were otherwise available in such account to make such payments, no late charge of any kind shall apply, the Default Rate shall not apply thereto, and no Event of Default shall arise therefrom.

### 2.3 Calculation of Interest and Other Amounts; Highest Lawful Rate.

(a) Except as set forth elsewhere in this Agreement, interest and any other amounts payable under this Agreement and the Related Documents shall be calculated on the basis of a year of 360 days based on the actual number of days elapsed. Interest and fees shall accrue during each period during which interest and fees are computed from and including the first day thereof to but excluding the last day thereof.

(b) Notwithstanding anything in this Agreement to the contrary, the Borrower shall never be required to pay any interest pursuant to this Agreement in excess of Highest Lawful Rate, and if the effective rate of interest that would otherwise be payable under this Agreement is ever judicially interpreted so as to exceed the Highest Lawful Rate, then

(i) the rate of interest that would otherwise be payable under this Agreement shall be reduced to the Highest Lawful Rate, and

(ii) any amount of interest collected or received by the Bank pursuant to this Agreement in excess of the Highest Lawful Rate shall, at the option of the Bank be either refunded to the Borrower or credited to any amount of principal or other amounts owing to the Bank hereunder.

It is further agreed that, without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received by the Bank under this Agreement that are made for the purpose of determining whether such rate exceeds the Highest Lawful Rate shall be made, to the extent permitted by applicable usury laws (now or, to the extent lawful, hereafter enacted), by amortizing, allocating, prorating and spreading in equal parts during the full stated term of this Agreement all interest at any time contracted for, charged or received by the Bank in connection herewith. If at any time and from time to time (A) the amount of interest payable to the Bank on any date shall be computed at the Highest Lawful Rate pursuant to this Section and (B) in respect of any subsequent interest computation period the amount of interest otherwise payable to the Bank would be less than the amount of interest payable to such Person computed at the Highest Lawful Rate, then the amount of interest payable to the Bank in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate until the total amount of interest paid to the Bank shall be equal to the total amount of interest which would have been payable to the Bank if the total amount of interest had been computed without giving effect to this Section 2.3.

2.4 Payment Due on Non-Business Day to be Made on Next Business Day. If any sum becomes payable pursuant to this Agreement or any other Related Documents on a day which is not a Business Day, the day for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended time shall not be included in the computation of interest and fees.

2.5 Default Rate. If any Event of Default has occurred, all amounts due and owing to the Bank hereunder or any other Related Documents shall, at the option of the Bank, bear interest from the due date or day of the Event of Default, as applicable, until paid in full at the Default Rate, payable on demand.

2.6 Electronic Transmissions. The Bank is authorized to accept and process any amendments, transfers, assignments of proceeds, instructions, consents, waivers and all documents relating to this Agreement which are sent to Bank by electronic transmission, including facsimile, courier, mail or other computer generated telecommunications and such electronic communication shall have the same legal effect as if written and shall be binding upon and enforceable against the Borrower. The Bank may, but shall not be obligated to, require authentication of such electronic transmission or that the Bank receives original documents prior to acting on such electronic transmission.

2.7 Prepayment. The Bonds may be optionally redeemed or prepaid in whole or in part upon the terms and conditions set forth in the Loan Agreement; provided, however, that the

Borrower shall give the Bank at least thirty (30) days' notice of any proposed optional redemption or prepayment of the Bonds, specifying the proposed date of payment and the principal amount to be paid. Upon any such optional redemption or prepayment of the Bonds, whether by voluntary prepayment, acceleration or otherwise, and if such optional redemption or prepayment is due to a refinancing by a third party, then the Borrower shall pay to the Bank a prepayment fee (the "Prepayment Fee") in an amount equal to the percentage of the principal amount of the Bonds being prepaid as set forth below next to the applicable year (running from the date of this Agreement):

After the Date of this Agreement

<u>Year</u>	<u>Percentage</u>
1 through the end of year 5	3%
6 through the end of year 10	2%
11 through the end of year 16	1%
17 through the end of year 21	0%

2.8 Upfront Fee. There shall be no upfront or commitment fee.

**ARTICLE III  
CONDITIONS PRECEDENT**

3.1 Conditions Precedent to Purchase of Bonds. As conditions precedent to the obligation of the Bank to purchase the Bonds, the Borrower shall satisfy all requirements set forth in Section 4.1 of the Loan Agreement, and shall also provide to the Bank on the Closing Date, in form and substance satisfactory to the Bank and its counsel:

(a) Financing Documents.

An executed original of:

- (i) the Bonds;
- (ii) this Agreement;
- (ii) the Loan Agreement;
- (iii) the Escrow Agreement;
- (iv) the Mortgage;
- (v) the Assignment of Leases;
- (vi) the Environmental Agreement;
- (vii) UCC Financing Statements showing the Borrower and Scott as debtor and the Bank as secured party; and
- (viii) the Contract Assignment.

and copies of the other documents and items listed in Section 4.1 of the Loan Agreement.

(b) Zoning/Flood. Evidence of zoning compliance of the Mortgaged Property and no flood zone at the Mortgaged Property.

(c) Miscellaneous. Such other instruments, documents and opinions as the Bank shall reasonably require to evidence and secure all amounts due hereunder and to comply with the provisions of this Agreement, the other Related Documents and the Bond Documents and the requirements of any Government Authority to which the Bank or the Borrower is subject.

3.2 Additional Conditions Precedent to Purchase of Bonds. The following shall have occurred on or prior to the Closing Date:

(a) Fees and Expenses. Payment by the Borrower to the Bank or its counsel, as applicable, of (i) the fees payable on the Closing Date pursuant to this Agreement; (ii) the fees and expenses of counsel to the Bank incurred through the Closing Date; and (iii) the expenses of the Bank incurred through the Closing Date.

(b) No Material Changes. In the judgment of the Bank, since the most recent date on which the Borrower has supplied information, financial or otherwise, to the Bank, there has been no event which has caused or might reasonably be anticipated to materially adversely affect the financial condition or operations of the Borrower.

(c) No Law. No law, regulation, ruling or other action of the United States of America or the State or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement, or prevent the Borrowers or the Authority from fulfilling their respective obligations hereunder or under the Bond Documents or the Related Documents.

(d) Legal Requirements. All legal requirements provided herein incident to the execution, delivery and performance of this Agreement, the other Related Documents and the Bond Documents, and the transactions contemplated thereby, shall be reasonably satisfactory to the Bank and its counsel.

3.3 Disbursement of the Bond Proceeds from Escrow Agreement.

(a) The proceeds of the Bonds shall not be disbursed from the Project Account under the Escrow Fund that is established under the Escrow Agreement until such time as (1) the Bank has received evidence to its satisfaction that the sum of the undisbursed portion of the Bonds plus the Borrower's cash on hand is sufficient to fund the construction and completion of the Project; (2) the Bank (and if requested by the Bank, the Inspecting Agent) shall have received, reviewed and approved the construction contracts, the Plans and Specifications, budgets, and the Construction Schedule for the Project; and (3) the Bank shall have received consents to the Contract Assignment signed by the general contractor and architect for the Project signed by the general contractor and architect in form and substance acceptable to the Bank. In addition, the disbursement of the Bond proceeds ("Disbursements") from the Project Account under the Escrow Fund that is established under the Escrow Agreement is subject to the Bank's receipt of

the following, all of which shall be reasonably acceptable, in form and substance, to the Bank:

(i) all necessary permits and Governmental Approvals with respect to the Project, including, without limitation, building permit, zoning approval, subdivision approval, site plan approval and all necessary sewer, water, environmental, wetlands or other "site specific" permits; all of which shall be final, not subject to appeal, and not subject to any unsatisfied conditions precedent or subsequent.

(ii) affidavits and lien waivers sufficient to ensure that the priority of the lien of the Mortgage will not be subject to any mechanics' or materialmen's liens;

(iii) a title update and an endorsement to the Bank's title insurance policy theretofore delivered to the Bank insuring that Mortgage is valid first lien on the Project and Mortgaged Property up to at least the amount of Bond proceeds that have then disbursed for the Project subject only to such matters and exceptions as are acceptable to the Bank; and

(iv) an inspection of the Project by the Bank's representative, or, if requested by the Bank, the Inspecting Agent, at the Borrower's expense, indicating (a) that the Project is being constructed in material compliance with the Plans and Specifications and in a good and workmanlike manner; (b) that the amount of Bond proceeds requested at the requisition date, together with amounts requested at earlier requisition dates and sums contributed by the Borrower, accurately reflect the status of the construction of the Project; and (c) that the undistributed proceeds of the Bonds as of the requisition date will be sufficient to complete the construction of the Project. (There are no express or implied warranties by virtue of said inspection and the Borrower is not entitled to rely on said inspection since said inspection is solely for the Bank's own purposes).

(b) All requests for Disbursements for Project costs under the construction contract for the Project shall be made on forms approved by the Bank and the Borrower in such detail and with such back-up information as is acceptable to the Bank including, without limitation, copies of invoices and a schedule of payments to be made, and shall not be made more frequently than once per thirty (30) day period and shall be made not less than ten (10) business days prior to a requested date for disbursement.

(c) Stored Materials.

(i) On-Site Materials. Any requests for Disbursements which in whole or in part relate to materials, equipment or furnishings which the Borrower owns and which are not yet incorporated into the Improvements as of the date of the request for Disbursement, but are to be temporarily stored at the Project, shall be made in an aggregate amount not to exceed \$10,000. Any such request must be

accompanied by evidence satisfactory to the Bank that (A) such stored materials are included within the coverages of insurance policies carried by the Borrower, (B) the ownership of such materials is vested in the Borrower free of any liens and claims of third parties, (C) such materials are properly insured and protected against theft or damage, (D) the materials used in the construction of the Project are not commodity items but are uniquely fabricated for the construction of the Project, (E) the Bank's Inspecting Agent has viewed and inspected the stored materials, and (F) in the opinion of the Bank's Inspecting Agent the stored materials are physically secured and can be incorporated into the Project within forty-five (45) days.

(ii) Offsite Materials. The Bank may in its sole discretion, but shall not be obligated to, make Disbursements for materials stored off-site, in which event all of the requirements shall be applicable to such disbursement as well as any other requirements which the Bank may, in its sole discretion, determine are appropriate under the circumstances.

(d) Upon the Bank's receipt of the Borrower's request for a Disbursement and the Bank's determination that the conditions precedent set forth herein have been satisfied, the Bank shall advance such percentage of each requested disbursement as the Borrower is required to pay under its construction contract, as approved by the Bank with any retainage (in the minimum amount as approved by the Bank) being disbursed upon final completion of the Project.

(e) Final Disbursement, including any retainage, shall be disbursed upon (i) final inspection by the Bank's Inspecting Agent; (ii) the issuance by the Town of Salem of certificates of occupancy for the Project; and (iii) the Borrower shall have delivered to the Bank complete "as built" plans for the Project certified by the Borrower's architect.

(f) In order to insure compliance with the provisions of RSA 447:12-a, as amended, regarding the priority of construction loans vis-a-vis mechanics liens:

(i) Within ten (10) business days of commencement of construction of the Project, the Borrower (or its agent) shall post in a conspicuous place at the Project a sign identifying the Bank as the institution providing construction financing for the Project and setting forth the Bank's name, address and telephone number.

(ii) At least 48 hours prior to requesting a Disbursement, the Borrower (or its agent) shall post in a conspicuous place at the Project, the anticipated funding date for the requisition. The Borrower shall also furnish to the Bank a copy of such notice, together with a certificate that the same was posted, as aforesaid.



(iii) Any request for a Disbursement for Project costs under the construction contract shall constitute a certification of compliance with the provisions of RSA 447:12-a.

(h) Anything in this Agreement to the contrary notwithstanding, it is expressly understood and agreed that the amount of the undisbursed Bond proceeds (the "Undisbursed Bond Proceeds") shall at all times be "In Balance" (as defined in the following sentence). The Undisbursed Bond Proceeds shall be "In Balance" only at such time and from time to time, as the Bank determines, in its reasonable discretion, that the then undisbursed portion of the Bonds equals or exceeds the amount necessary to pay for, both on a line item basis and in the aggregate with respect to the Project, (i) all work done and not theretofore paid for or to be done in connection with the Completion of Construction of the Project in accordance with the Plans and Specifications, and (ii) all costs incurred and not theretofore paid for, or to be incurred in connection with the Project and as shown on the budget for the Project as approved by the Bank. The Borrower agrees that the Bank shall have the right at any time and from time to time to determine, in its reasonable discretion, if the Undisbursed Bond Proceeds are In Balance. The Bank shall not be obligated to make any Disbursements if the Undisbursed Bond Proceeds are not In Balance.

(i) The making of any Disbursement of any part thereof by the Bank shall not be deemed an approval or acceptance by the Bank of work theretofore performed or materials theretofore furnished.

(j) Subject to the Borrower's reasonable approval, the Bank, at its expense, during the term of the Loan, may erect signs on the construction site indicating that financing for the Project has been provided by the Bank and use the Loan amount, the Borrower's name and Project location in any such sign or in any publicity by the bank as hereinafter provided. The Bank, at its expense, shall also have the right to engage in reasonable publicity and public relations pertaining to the financing provided by the Bank. Additionally, the Borrower shall use its good faith and best efforts to include in any public announcement or media release concerning the general development of the Project a statement that the Bank has provided the financing for the Project.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

4.1 Representations of the Borrower. The Borrower represents and warrants as of the date hereof that:

(a) Corporate Existence and Standing. The Borrower is a corporation organized and validly existing under the laws of the State of New Hampshire and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

(b) Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver this Agreement and the Related Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of this Agreement and the Related Documents to which it is a party and the performance of its obligations hereunder and thereunder have been duly authorized by proper proceedings, and this Agreement, the Bond Documents and the Related Documents (to the extent it is a party thereto) constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(c) No Conflict; Government Consent. Neither the execution and delivery by the Borrower of this Agreement, the Bond Documents and the Related Documents to which the Borrower is a party, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or the Borrower's articles of incorporation, by-laws or the provisions of any indenture, instrument or material agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in the creation or imposition of any Lien in, of or on the Property of the Borrower pursuant to the terms of any such indenture, instrument or agreement, except for the Lien of the Loan Agreement and the Related Documents. No order, consent, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with the execution, delivery and performance of, or the legality, validity, binding effect or enforceability against the Borrower, of this Agreement and or any of the Related Documents by the Borrower.

(d) Financial Statements. The financial statements of the Borrower heretofore delivered to the Bank, are complete and correct and fairly present the financial condition and results of the Borrower as of the date thereof, having been prepared in accordance with GAAP. The Borrower has no liability, contingent or otherwise, not disclosed in the aforesaid financial statements or in any notes thereto that could materially adversely affect the financial condition of the Borrower.

(e) Correct Information. All information, reports and other papers and data with respect to the Borrower furnished to the Bank were, to the Borrower's knowledge, at the time the same were so furnished, correct in all material respects. Any financial, budget and other projections furnished to the Bank were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent (subject to the updating or supplementation of any such financial, budget or other projections by any additional information provided to the Bank in writing, the representations contained herein being limited to financial, budget or other projections as so updated or supplemented), in the judgment of the Borrower, a reasonable, good faith estimate of the

information purported to be set forth, it being understood that uncertainty is inherent in any projections and that no assurance can be given that the results set forth in the projections will actually be obtained. No fact is known to the Borrower that materially and adversely affects or in the future may (so far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the Borrower to repay when due the obligations of the Borrower under this Agreement, the Bond Documents or the other Related Documents that has not been set forth in the financial statements and other documents referred to in this Section 4.1(e) or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. The documents furnished and statements made by the Borrower in connection with the negotiation, preparation or execution of this Agreement and the other Related Documents do not, taken as a whole, contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(f) Taxes. The Borrower has filed all federal, state, and local tax returns which are required to be filed and the Borrower has paid or caused to be paid to the appropriate taxing authorities all taxes as shown on said returns and on any assessment received by it to the extent such taxes have become due. The Borrower has paid or caused to be paid to the proper taxing authorities when due, all federal, state, and local taxes required to be withheld by it.

(g) Litigation. Except as previously disclosed to the Bank in writing, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower which could reasonably be expected to materially adversely affect the Borrower's financial condition or results of operations.

(h) ERISA. Each Plan complies in all material respects with all applicable requirements of law and regulations, no Reportable Event or material excise tax or penalty has occurred with respect to any Plan, neither the Borrower nor any other members of the Controlled Group has withdrawn from any Plan or initiated steps to do so, and no steps have been taken to terminate any Plan (other than a standard termination under Section 4041 of ERISA). Neither the Borrower nor any member of its Controlled Group has incurred any liability under Title IV of ERISA (other than for PBGC premiums timely paid).

(i) Casualty; Condemnation; Easements. As of the date hereof, no part of the Property has been damaged by fire or other casualty. There is no condemnation or similar proceeding pending with respect to or affecting any of the Property, and the Borrower is not aware that any such proceeding is contemplated. There are no easements, restrictions or encumbrances across or affecting any of the Property which will have any material adverse effect upon the operation of any of the improvements at the Property for their intended purpose, nor which will in any material way interfere with any construction of any such improvements.

(j) Material Agreements. The Borrower is not a party to any agreement or instrument or subject to any charter or other corporate restriction which would reasonably be expected to materially adversely affect the financial condition or operations of the Borrower. The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument evidencing or governing Indebtedness to which the Borrower is a party, which default could reasonably be expected to materially adversely affect the financial condition or operations of the Borrower or the ability of the Borrower to carry out its obligations under the Bond Documents or Related Documents, to which it is a party.

(k) Compliance with Laws; Required Permits. The Borrower is in compliance in all material respects with all requirements of law, federal, state and local, and all material requirements of all governmental bodies or agencies having or claiming jurisdiction over it, the conduct of its business and the use of its properties and assets, as presently conducted and used, and all premises occupied by it, all to the extent that failure to comply with any of such requirements could (singly or in the aggregate) have a material adverse effect on the business, prospects or financial condition of the Borrower. Without intending to limit the generality of the foregoing, the Property is in compliance with Title III of the American with Disabilities Act of 1990 and all applicable regulations promulgated thereunder. The Borrower has all material required permits necessary for the conduct of its business and the use of its properties and assets, as presently conducted and used and as contemplated for the Project, to the extent permits for the Project can be obtained at this time. The Borrower and each portion of the Property are in compliance, whether by pre-existing use or current compliance, in all material respects with all applicable laws, ordinances, codes, rules and regulations of the State of New Hampshire, all to the extent that failure to comply with any of same would (singly or in the aggregate) reasonably be expected to have a material adverse effect on the business, prospects or financial condition of the Borrower. The Borrower has not received any notice, not heretofore complied with, from any Governmental Authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply in any material respect with any applicable legal requirement or any other requirement of any such authority or body. No authorization, consent, approval, license, exemption of or filing or registration with any Governmental Authority is or will be necessary to the valid execution or delivery of, or for the performance by the Borrower of its obligations under, this Agreement, any of the Related Documents or other instrument provided for or contemplated by this Agreement.

(l) Ownership of Properties. On the date of this Agreement, the Borrower has good title to all of its Property, free of all Liens other than Permitted Exceptions.

(m) Margin Stock. The Borrower has not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or in any other

manner which would involve a violation of any of the regulations of the Board of Governors of the Federal Reserve System.

(n) Not an Investment Company. The Borrower is not an "investment company" or a company "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(o) Defaults. No Event of Default or Potential Default has occurred or would result from the obligations incurred by the Borrower hereunder or by the actions contemplated hereby, and no event of default under any of the Bond Documents or the Related Documents has occurred and no event, which but for the lapse of time or the giving of notice, or both, would constitute an event of default under any of the Bond Documents or Related Documents.

(p) Other Representations. The Borrower has made certain representations and warranties pursuant to the Loan Agreement and the Related Documents (the "Borrower's Documents"), all of which are incorporated herein by this reference for the benefit of the Bank (the "Borrower's Other Representations"); the Borrower hereby repeats for the benefit of the Bank such representations and warranties (all without prejudice to the representations and warranties expressly set forth in this Agreement and with the effect that, in the case of any conflict, those expressly set forth in this Agreement shall govern and serve as the final resolution of any conflict); and all of such representations and warranties remain true and correct. For the purposes of this Agreement, the Borrower's Other Representations, and the other sections, exhibits and definitions of the Borrower; Documents to which reference is made in the Borrower's Other Representations, together with related definitions and ancillary provisions, are hereby incorporated herein by reference.

(q) Priority Security Interest. The Related Documents, including the Bond Documents have created valid, legal, binding and enforceable Liens in favor of the parties secured thereunder, as the case may be, and such Liens are in full force and effect and are prior to the rights of any third party, except for Permitted Exceptions. All documents or instruments required to be filed or recorded in any public office, and all notifications required to be given to any Person, in order to provide notice of such Liens, to present and future creditors and otherwise protect such Liens in favor of the parties secured thereunder, as the case may be, have been filed, recorded or given, as the case may be. All such recording fees and other expenses in connection with each such action have been or will be paid by the Borrower.

(r) Insurance. The Borrower currently maintains insurance coverage with insurance companies believed to be responsible by it (as determined in its reasonable discretion) that complies with the Loan Agreement and the Mortgage against such risks and in such amounts as is customarily maintained by companies similarly situated to the Borrower and operating like properties and businesses to that of the Borrower.

(s) Books and Records. The principal place of business and chief executive office of the Borrower is located at 33 Northwestern Drive, Salem, NH 03079. The Borrower maintains at said location the books and records relating to the Collateral. However nothing herein shall prohibit the Borrower from relocating its principal place of business, chief executive offices, books and records to another location at its convenience. The Borrower shall notify the Bank of any new location as soon as practicable. Furthermore nothing herein shall prohibit the Borrower from maintaining its books and records at an offsite location in electronic format, or cause the Borrower to maintain paper copies of its books and records.

## **ARTICLE V COVENANTS**

The Borrower covenants and agrees that it will do the following so long as any amounts under the Bonds or due hereunder remain outstanding or unfulfilled under this Agreement:

5.1 Use of Proceeds. The proceeds received from the sale of the Bonds will be used by the Borrower solely for the purposes set forth in the Loan Agreement. The Borrower has not, and will not, use any of the proceeds of the Bonds to purchase or carry any "margin stock" (as defined in Regulation U).

5.2 Notice of Default. The Borrower will give prompt notice in writing to the Bank of the occurrence of: (a) any Event of Default or Potential Default; (b) all actions, suits or proceedings before any Governmental Authority or other governmental body against or involving the Borrower which involve claims, which are not reasonably expected to be paid through insurance proceeds; or (c) any other development, financial or otherwise, which would reasonably be expected to materially adversely affect the financial condition or operations of the Borrower or result in a breach of any representation or warranty or covenant containing a materiality standard.

5.3 Financial Information. The Borrower shall keep, or cause to be kept, proper books of records and accounts in which full, true and correct entries will be made of all dealings and transactions of or in relation to affairs, operations, transactions and activities of the Borrower in accordance with GAAP, consistently applied, and will furnish or cause to be furnished to the Bank the following:

(a) Financial Statements. The Borrower and the Guarantors, as applicable, shall furnish to the Bank the following:

(i) Upon the Bank's request, furnish the Bank with management prepared financial statements of the Borrower. All such statements shall be prepared in the format approved by the Bank.

(ii) On an annual basis, furnish the Bank with all filings with the Internal Revenue Service, with a full and complete copy of accountant prepared

federal tax returns of the Borrower and the Guarantors, as filed with the Internal Revenue Service within ten (10) days of filing the same.

(iii) On an annual basis, furnish the Bank with updated financial statements of the Guarantors.

(iv) Upon the Bank's request, furnish the Bank with a fully executed and completed compliance certificate from the Borrower substantially in the form attached hereto as Exhibit A (the "Covenant Compliance Certificate").

(v) On an annual basis within thirty (30) days of the end of each Fiscal Year of the Borrower, furnish the Bank with a rent roll for the Mortgaged Property in form acceptable to the Bank, listing all tenants and occupants and describing all leases and providing copies of the leases.

(b) Accountants' Letters. Simultaneously with the delivery of the annual financial statements referred to in subsection (a)(i) above to the Bank, a copy of the management letter of recommendations, if any, provided by the independent certified public accountants in connection with such financial statements. In addition and promptly after receipt, a copy of all audits or reports submitted to the Borrower by its independent certified public accountants in connection with any special or interim review or audit of the books or records of the Borrower and any "Management Letter" prepared by such accountant.

(c) Reports, etc. All reports, notices and information that are provided to the Authority under the Loan Agreement or any of the Related Documents shall also be provided to the Bank within the time period required therein.

(d) Additional Information. Such other information respecting the business, properties or the condition or operations, financial or otherwise, of the Borrower and/or the Guarantors, as the Bank may from time to time reasonably request.

#### 5.4 Maintain Existence; Transfer of Assets.

(a) The Borrower will do or cause to be done all things necessary to preserve its corporate legal existence and all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs and to be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualifications; provided, however, that nothing herein contained shall be construed to obligate it to retain or preserve any of its rights or licenses no longer used or useful in the conduct of its business or affairs.

(b) The Borrower covenants that it will not transfer, assign, convey or otherwise dispose of any of its Property except that the Borrower may (i) sell, lease or otherwise dispose of any of its Property in the ordinary course of business and (ii) replace obsolete or worn out personal property with property of equal or greater value and utility.

5.5 Compliance with Laws. The Borrower agrees to comply in all material respects with all applicable laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject, except for any such compliance being contested in good faith and by appropriate proceedings. The Borrower agrees that the portion of the Project consisting of renovations and new construction will be in compliance with Title III of the American with Disabilities Act of 1990 and all applicable regulations promulgated thereunder.

5.6 Environmental Indemnification. In respect of all environmental matters the Borrower and the Guarantors shall comply with all terms of the Environmental Compliance and Indemnity Agreement.

5.7 Maintenance of Lien; Recordation of Interest. The Borrower will cause to be filed, registered and recorded all necessary financing statements or other instruments necessary to be filed in such manner and in such places as may be required by law to fully preserve and protect the lien and security interest in, and all rights of the Bank with respect to the Related Documents. The Borrower will, upon the request of the Bank, from time to time, execute and deliver and, if necessary, file such further instruments and take such further action as may be reasonably necessary to effectuate the provisions of the Related Documents or to protect the interests of the Bank in the security provided. Except to the extent it is exempt therefrom, the Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Related Documents and such instruments of further assurance.

5.8 Financial Covenants. The Borrower will maintain or achieve the following financial covenants determined in accordance with GAAP:

(a) Minimum Debt Service Coverage Ratio. The Borrower shall maintain a Debt Service Coverage Ratio of at least 1:25 to 1, which covenant shall be tested annually as of the end of Fiscal Year commencing December 31, 2018. The "Debt Service Coverage Ratio" shall mean the net operating income of the Mortgaged Property divided by annual debt service payments and will not exceed 1:25 to 1.

(b) Loan to Value. At all times, the maximum aggregate amount of outstanding Bonds that are owed by the Bank pursuant to this Agreement shall not exceed eighty percent (80%) of the "as complete" appraised value of the Mortgaged Property. If the then "as complete" appraised value of such Mortgaged Property is less than the foregoing requirement, then the Borrower agrees to redeem such amount of the Bonds as is necessary to comply with the foregoing requirements. The Borrower's failure to comply with the foregoing requirement within two (2) days of the date of written notice thereof from the Bank to the Borrower shall constitute an Event of Default under this Agreement.



5.9 Amendments. The Borrower will not cause or agree or consent to any amendment, supplement or modification of any Bond Document or any Related Document, nor waive any provisions thereof, without the prior written consent of the Bank.

5.10 Incorporation of Certain Covenants. The covenants of the Borrower set forth in the Bond Documents and in the other Related Documents, together with the related definitions of terms contained therein, are hereby incorporated by reference in this Agreement for the benefit of the Bank.

5.11 Defense of Security Interest. The Borrower hereby covenants and agrees that it will defend the Bank's right, title and security interest in and to any Property at any time hereafter pledged to the Bank as collateral under any of the Related Documents.

5.12 Plans. The Borrower shall not, nor shall they permit any Affiliate to, with regard to any Plan (i) engage in any "prohibited transaction" (as defined in Section 4975 of the Code), (ii) permit any Plan to incur any "accumulated funding deficiency" (as defined in Section 302 of ERISA) whether or not waived, (iii) either directly or indirectly, cause any Plan to terminate, either under Section 4041 or 4042 of ERISA, in a manner that could result in the imposition of a material Lien or encumbrance on the assets of the Borrower or any member of the Controlled Group pursuant to Section 4068 of ERISA or (iv) take or permit any action that could result in a withdrawal or partial withdrawal from a Plan and result in the assessment of any withdrawal liability against the Borrower or any member of the Controlled Group; provided, that in the case of this clause (iv), said withdrawal or partial withdrawal shall be permissible if the resultant liability could not reasonably be expected to materially adversely affect the Bonds, the security for the Bonds, or the ability to repay, when due, the obligations of the Borrower under this Agreement or any of the Bond Documents or the Related Documents to which it is a party.

5.13 Accounting Methods and Fiscal Year.

(a) The Borrower will not adopt, permit or consent to any material change in accounting practices other than as required or permitted by GAAP.

(b) The Borrower will not adopt, permit or consent to a change in the last day of its Fiscal Year from that in effect as of the Closing Date without providing prior written notice to the Bank.

5.14 Limitation on Additional Indebtedness. The Borrower shall not incur, create, assume, guarantee, or otherwise become or remain directly or indirectly liable with respect to any additional Indebtedness other than (a) Indebtedness to the Bank; (b) Indebtedness obtained with the prior written consent of the Bank; (c) Indebtedness existing on the Closing Date; and (d) additional Indebtedness for trade in the normal course of business.

5.15 Liens and Negative Pledge. The Borrower will not create, incur, assume or suffer to exist any Lien upon or with respect to any of the funds or accounts created under the Loan Agreement except those liens specifically permitted under such Loan Agreement. The Borrower shall not during the term of this Agreement grant a Lien or other encumbrance in favor of any

Person on the Collateral or any of their assets or Real Property, except for (a) Liens or encumbrances in favor of the Bank or permitted by prior written consent of the Bank (which shall be in the Bank's sole discretion), and (b) Permitted Exceptions.

5.16 Accounts. Until the indefeasible payment and satisfaction in full of all obligations owing to the Bank under this Agreement and the Related Documents and during the period the Bonds are owned by the Bank, the Borrower shall maintain its primary operating, deposit and cash management accounts with the Bank.

5.17 Construction of Project. The Borrower shall construct the Project in strict conformity with the plans and specifications, budget and Construction schedule therefore. The Borrower agrees that no changes will be made in the Plans and Specifications, no changes will be made to any contract with the general contractor, any other contractors or materials supplier, and no extra will be allowed as to any of the foregoing, except upon the written approval of the same by the Bank; provided, however, the Borrower may make changes in the Plans and Specifications or such contracts, or allow such extras, without first obtaining approval of the Bank, only if (a) the Borrower notifies the Bank in writing of such change within five (5) business days thereafter; (b) the architectural, electrical, plumbing, mechanical or structural portions of the Improvements are not affected; (c) no substantial change in architectural appearance is effected; (d) no default in any obligations to any other party, (e) such change will not violate any applicable laws, ordinances, rules or regulations; and (f) no Event of Default hereunder exists at the time such change is made. Any changes to the Plans and Specifications must be documented on AIA Form G701 or an equivalent form.

5.18 Construction Inspections. The Borrower will cooperate with the Bank in arranging for inspections by the Bank's Inspecting Agent and other representatives of the Bank of the progress of the construction of the Project from time to time including an examination of (i) the Improvements, (ii) all materials to be used in the construction of the Project, (iii) all Plans and Specifications which are or may be kept at the construction site, (iv) any contracts, bills of sale, statements, receipts or vouchers in connection with the Improvements, (v) all work done, labor performed, materials furnished in and about the Improvements, (vi) all books, contracts and records with respect to the Improvements, and (vii) any other documents relating to the Improvements or the construction of the Project. The Borrower shall cooperate with the Bank's Inspecting Agent to enable him to perform his functions hereunder and will promptly comply with the Bank's requirements and correct any defects regarding the construction of the Improvements or the progress thereof.

#### 5.19 Mechanics' Liens

(a) The Borrower will not suffer or permit any mechanics' lien claims to be filed or otherwise asserted against the Project or any funds due any contractor, and will promptly bond or discharge the same if any claims for lien or any proceedings for the enforcement thereof are filed or commenced; provided, however, that the Borrower shall have the right to contest in good faith and with due diligence the validity of any such lien or claim upon furnishing to the Title Agent such security or indemnity as it may require to induce the Title Agent to issue its title insurance policy or an endorsement thereto

insuring against all such claims, liens or proceedings; and provided further that the Bank will not be required to make any further Disbursements unless (i) any mechanics' lien claims shown by any title insurance commitments or interim binders or certifications have been bonded against, released or insured against by the Title Agent or (ii) the Borrower shall have provided the Bank with such other security with respect to such claim as may be acceptable to the Bank, in its sole discretion. "Title Agent" means the title insurance company insuring that the Bank has a valid first mortgage interest in the Mortgaged Property.

(b) If the Borrower fails promptly to bond or discharge any mechanics' lien claim filed or otherwise asserted or to contest any such claims and give security or indemnity in the manner provided in this Section, or, having commenced to contest the same, and having given such security or indemnity, shall thereafter fail to prosecute such contest in good faith or with due diligence, or fail to maintain such indemnity or security so required by the Title Agent for its full amount, or, upon adverse conclusion of any such contest, shall fail to cause any judgment or decree to be satisfied and lien to be released, then, and in any such event, the Bank may at its election (but shall not be required to), (i) procure the release and discharge of any such claim and any judgment or decree thereon, without inquiring into or investigating the amount, validity or enforceability of such lien or claim and (ii) effect any settlement or compromise of the same, or may furnish such security or indemnity to the Title Agent, and any amounts so expended by the Bank, including premiums paid or security furnished in connection with the issuance of any surety company bonds, shall be deemed to constitute disbursements of the loan Proceeds hereunder (even if the total amount of disbursements would exceed the face amount of the note).

## **ARTICLE VI DEFAULTS**

### 6.1 Events of Default and Remedies.

(a) If any of the following events shall occur, each such event shall be an "Event of Default":

(i) any representation or warranty made by the Borrower or any Guarantors in this Agreement, the Bond Documents or the Related Documents or in any certificate or information delivered in connection herewith or therewith shall prove to have been materially false or misleading either on the date hereof or on the date when made (or deemed made);

(ii) an "event of default" shall have occurred under any of the Bond Documents or any of the Related Documents (after giving effect to any applicable grace or other cure period relating thereto), including, without limitation, a failure to pay any principal, interest or other amount due with respect to any Bonds;

(iii) default in the payment of (A) any amounts payable under Sections 2.1, 2.2, 2.8, 7.1, 7.2 or 7.3 of this Agreement, in each case, when and as due, or (B) other amounts required to be paid or reimbursed under this Agreement to the Bank when and as the same shall become due and payable;

(iv) default in the due observance or performance of Sections 5.1, 5.2, 5.4(b), 5.8, 5.9, 5.14, 5.15, 5.16 or 5.18 of this Agreement;

(v) default in the due observance or performance of any other term, covenant or agreement set forth in this Agreement (other than as described in clause (i), (ii), (iii) or (iv) above or in clauses (vi) – (xv) below) and such default has not been remedied within thirty (30) days after written notice thereof to the Borrower by the Bank;

(vi) the Borrower or any Guarantor shall (A) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (B) make an assignment for the benefit of creditors, (C) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or its Property, (D) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (E) have a final and non-appealable debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of principal or interest on the indebtedness of the Borrower or any Guarantor declared or imposed pursuant to a finding or ruling by the Borrower or any Guarantor, the United States of America, the State, any instrumentality thereof or any other Governmental Authority of competent jurisdiction over the Borrower or any Guarantor, (F) be subject to the issuance, under the laws of any state or under the laws of the United States of America, of an order of rehabilitation, liquidation or dissolution of the Borrower or any Guarantor, (G) take any corporate or limited liability company (as applicable) action to authorize or effect any of the foregoing actions set forth in this clause (vi), or (H) fail to contest in good faith any appointment or proceeding described in clause (vii) below;

(vii) without the application, approval or consent of the Borrower, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or for the Borrower's Property, or a proceeding described in clause (vi) above shall be instituted against the Borrower and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of sixty (60) consecutive days;

(viii) (A) (i) any provision of this Agreement or the Loan Agreement or (ii) any material provision of any of the other Bond Documents or Related Documents to which the Borrower or any Guarantor is a party, in any case, at any time for any reason ceases to be the legal, valid and binding obligation of the Borrower or any Guarantor or ceases to be in full force and effect, or, in any case, is declared to be null and void, or, in any case, the validity or enforceability thereof is contested by the Borrower or any Guarantor, or, in any case, the Borrower or any Guarantor renounce the same, or (B) the Borrower or any Guarantor denies that it has any further liability under this Agreement or any of the Bond Documents or Related Documents to which the Borrower or any Guarantor is a party;

(ix) an event of default has occurred as defined in any other credit agreement under which the Borrower or any Guarantor is now or hereafter obligated to the Bank or any affiliate thereof;

(x) there shall occur a Reportable Event, violation of law or excise tax or penalty with respect to a Plan, the Borrower or any other members of a Controlled Group shall have withdrawn from a Plan or initiated steps to do so, steps shall have been taken to terminate any Plan (other than a standard termination under Section 4041 of ERISA), any of which individually or in the aggregate results in or might reasonably be expected to result in liability of the Borrower or any other members of a Controlled Group;

(xi) the Borrower shall fail within thirty (30) days to pay, bond or otherwise discharge any judgment or order for the payment of money, which is not stayed or appealed or otherwise being appropriately contested in good faith;

(xii) any pledge or security interest created by the Loan Agreement or any other Related Documents to secure any amount due under any Bonds or this Agreement shall fail to be fully enforceable with the priority required under the Loan Agreement, or any other Related Documents as the case may be, by reason of a judgment of a court of competent jurisdiction;

(xiii) a ruling, assessment, notice of deficiency or technical advice by the Internal Revenue Service shall be rendered to the effect that interest on the Bonds is includable in the gross income of the holder(s) or owner(s) of such Bonds and either (i) the Borrower, after it has been notified by the Internal Revenue Service, shall not challenge such ruling, assessment, notice or advice in a court of law during the period within which such challenge is permitted or (ii) the Borrower shall challenge such ruling, assessment, notice or advice and a court of law shall make a determination, not subject to appeal or review by another court of law, that such ruling, assessment, notice or advice is correctly rendered;

(xiv) The construction of the Project is not carried on continuously and with reasonable diligence, or if the Borrower at any time prior to the completion

of the construction of the Project abandons the work or ceases the work thereon for a period of more than thirty (30) days except as may otherwise be reflected on the proposed schedule of work, excluding Sundays and legal holidays, unless such cessation is due to an Unavoidable Delay; or

(xv) The Completion of Construction of the Project has not occurred by December 21, 2018.

(b) Upon the occurrence and during the continuance of any Event of Default the Bank may:

(i) by written notice to the Borrower, require that the Borrower immediately prepay to the Bank all amounts due and payable to the Bank hereunder and under the Bonds; provided that, if an Event of Default described in Section 6.1(a)(vi) or Section 6.1(a)(vii) has occurred, the Borrower shall immediately prepay to the Bank an amount equal to all amounts due and payable to the Bank hereunder and under the Bonds, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;

(ii) by written notice to the Borrower, declare the principal and interest of all amounts due and owing hereunder and under the Bonds immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; provided that, if an Event of Default described in Section 6.1(a)(vi) or Section 6.1(a)(vii) has occurred, the outstanding amount of all amounts due hereunder and under the Bonds will be automatically accelerated on the date of the occurrence of such Event of Default without presentment, demand, protest, notice of intention to accelerate, notice of acceleration or other notice of any kind to the Borrower or any other Person, all of which are hereby expressly waived; and

(iii) pursue any other action, remedy or right available at law or in equity or provided by any of the Bond Documents or any of the Related Documents.

provided, however, that the failure of the Bank to give notice of the exercise of any such right or remedy shall not affect the validity or enforceability thereof. The Borrower agrees to pay to the Bank all expenses incurred or paid by the Bank, including reasonable attorneys' fees and court costs, in connection with any default by the Borrower hereunder or in connection with the enforcement of any of the terms hereof.

No remedy hereunder shall discharge the Borrower from paying all amounts due or owed hereunder.

6.2 Remedies Cumulative; Solely for the Benefit of the Bank. To the extent permitted by, and subject to the mandatory requirements of law, each and every right, power and remedy herein specifically given to the Bank in the Related Documents and the Bond Documents shall be cumulative, concurrent and nonexclusive and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy (whether specifically herein given or otherwise existing) may be exercised from time to time and as often and in such order as may be deemed expedient by the Bank, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy.

The rights and remedies of the Bank specified herein are for the sole and exclusive benefit, use and protection of the Bank, and the Bank is entitled, but shall have no duty or obligation to the Borrower or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Bank hereunder or under any of the Related Documents or Bond Documents.

6.3 Waivers or Omissions. No delay or omission by the Bank in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right, remedy or power or be construed to be a waiver of any Event of Default by the Bank or to be acquiescence therein. No express or implied waiver by the Bank of any Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default.

6.4 Continuance of Proceedings. In case the Bank shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Related Documents or Bond Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Bank shall have the unqualified right so to do and, in such event, the Borrower and the Bank shall be restored to their former positions with respect to this Agreement, the Related Documents, the Bond Documents and otherwise, and the rights, remedies, recourse and powers of the Bank hereunder shall continue as if the same had never been invoked.

6.5 Injunctive Relief. The Borrower recognizes that in the event the Borrower fails to perform, observe or discharge any of its obligations or liabilities under the Loan Agreement, the Related Documents or the Bond Documents, any remedy of law may prove to be inadequate relief to the Bank; therefore, the Borrower agrees that if the Bank so requests, the Bank shall be entitled to temporary and permanent injunctive relief in any such case.

## **ARTICLE VII MISCELLANEOUS**

7.1 No Deductions; Increased Costs; Tax Rate Adjustment.

(a) All sums payable by the Borrower hereunder or by the Borrower under the Bonds, whether of principal, interest, fees, expenses or otherwise, shall be paid in full, without any deduction or withholding whatsoever. In the event that the Borrower is compelled by law to make any such deduction or withholding, the Borrower shall

nevertheless pay the Bank such amounts as will result in the receipt by the Bank of the sum it would have received had no such deduction or withholding been required to be made.

(b) If, after the Closing Date, any change in any applicable law, treaty, regulation, condition, directive or interpretation thereof (including any request, guideline or policy whether or not having the force of law (which the Bank, in the reasonable exercise of its judgment, complies with) and including, without limitation, Regulation D as now and from time to time hereafter in effect) or any new law, treaty, regulation, guideline or directive, or any interpretation of any of the foregoing by any authority charged with the administration or interpretation thereof or any central bank or other fiscal, monetary or any other authority charged with the administration or interpretation thereof occurs ("Change in Law") which:

(i) subjects the Bank to any tax, deduction or withholding with respect to this Agreement (other than any tax measured by or based upon the overall net income of the Bank imposed by any jurisdiction having control over the Bank);

(ii) imposes, modifies or deems applicable any reserve or deposit requirements against any assets held by, deposits with or for the account of, or loans or commitments by, an office of the Bank;

(iii) changes the basis of taxation of payments due to the Bank under this Agreement; or

(iv) imposes upon the Bank any other condition with respect to this Agreement;

and the result of any of the foregoing is to increase the cost to the Bank or to reduce the amount of any payment (whether of principal, interest or otherwise) receivable by the Bank or to require the Bank to make any payment on or calculated by reference to the gross amount of any sum received by it, in each case by an amount which the Bank in its sole judgment deems material, then:

(1) the Bank shall promptly notify the Borrower in writing of such event;

(2) the Bank shall promptly deliver to the Borrower a certificate stating the relevant circumstances or the reserve requirements or other conditions which have been imposed on the Bank or the request, direction or requirement with which it has complied, together with the date thereof, the amount of such cost, reduction or payment and the way in which such amount has been calculated; and

(3) within 15 days of demand by the Bank, the Borrower shall pay to the Bank from time to time as specified by the Bank such an



amount or amounts as will compensate the Bank for such cost, reduction or payment.

(c) **Tax Rate Adjustment.** If on any day when the Gross-Up Rate is not in effect and the Maximum Corporate Tax Rate is less than thirty-five percent (35%), then the Borrower will pay the Bank a sum (the "Tax Rate Adjustment") which shall be in addition to the interest the Bank receives as holder of the Bonds, calculated on the outstanding principal amount of the Bonds on such day in an amount equal to the difference between (A) minus (B) where:

(A) is equal to the interest accruing on the Bonds divided by .80 and

(B) is equal to the interest accruing on the Bonds, divided by 1 minus the Maximum Corporate Tax Rate (expressed as a decimal) in effect on such day.

The accrued Tax Rate Adjustment shall be paid by the Borrower to the Bank in arrears on the same dates on which interest on the Bonds is payable.

The certificate of the Bank, signed by a senior officer of the Bank, as to the amounts payable pursuant to this paragraph delivered to the Borrower shall be conclusive and binding on the Borrower absent manifest error of the amount thereof. The protection of this paragraph shall be available to the Bank regardless of any possible contention of invalidity or inapplicability of the applicable law, regulation or condition which has been imposed; provided, however, if the law, regulation or condition is subsequently (a) found invalid or inapplicable, then the payments made by the Borrower hereunder shall be refunded, or (b) repealed, then the required payments hereunder shall no longer be required. Notwithstanding the foregoing, for purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act (as defined below) shall be deemed to be a Change in Law, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any Governmental Authority shall be deemed a Change in Law regardless of the date enacted, adopted or issued. "Dodd-Frank Act" means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder. The amounts payable by the Borrower to the Bank pursuant to this Section 7.1 are not intended to be treated as interest payable on the Bonds. The Bank hereby acknowledges and agrees that any amounts payable to the Bank by the Borrower pursuant to Section 7.1(b) hereof shall constitute and are intended to constitute fees to the Bank and shall not be treated as or constitute interest on the Bonds.

7.2 Late Payments. If any amount owed to the Bank in respect of principal of, and/or interest on, any of the Bonds is not paid in full within fifteen (15) days after the same is due, then, in addition to any other payments required hereunder and/or under the Loan Agreement, the Borrower will pay to the Bank a late fee equal to five percent (5%) of the required payment, which late fee shall be due and payable with such late payment.

### 7.3 Indemnity, Costs, Expenses and Taxes.

(a) The Borrower agrees to indemnify and hold the Bank, its affiliates and their respective officers, employees, directors and agents (the "Indemnitees"), harmless from and against, and to pay on demand, any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever which any of the Indemnitees may incur or suffer by reason of or in connection with the execution and delivery of this Agreement or the issuance and sale of the Bonds or any other documents which may be delivered in connection with this Agreement, including, without limitation, the fees and expenses of all of the Indemnitees, with respect thereto and with respect to advising any or all of the Indemnitees as to its or their respective rights and responsibilities under this Agreement and all fees and expenses, if any, in connection with the enforcement or defense of the rights of the Indemnitees in connection with this Agreement or the collection of any monies due hereunder and such other documents which may be delivered in connection with the Agreement, except if the same is due to gross negligence or willful misconduct of such party. The Borrower, upon demand by any of the Indemnitees at any time, shall reimburse such of the Indemnitees for any reasonable legal or other expenses incurred in connection with investigating or defending against any of the foregoing except if the same is due to the gross negligence or willful misconduct of such party. Promptly after receipt by any of the Indemnitees of notice of the commencement, or threatened commencement, of any action subject to the Indemnitees contained in this Section, such Indemnitee shall promptly notify the Borrower thereof; provided, however, that the failure of such Indemnitee so to notify the Borrower will not affect the obligation of the Borrower to indemnify such party with respect to such action or any other action pursuant to this Section.

(b) The Borrower will pay and will protect, indemnify and save each of the Indemnitees harmless from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses of such party), causes of action, suits, claims, demands and judgments of any nature arising from:

(i) any injury to or death of any Person or damage to property in or upon any one or more Properties used by the Borrower (the "Benefited Facilities"), or resulting from or connected with the use, non-use, condition or occupancy of the Benefited Facilities or a part thereof;

(ii) violation of any agreement or condition of this Agreement, except by such party;

(iii) violation of any contract, agreement or restriction by the Borrower relating to the Borrower's facilities; and

(iv) violation of any law, ordinance or regulation arising out of the ownership, occupancy or use of the Borrower's facilities or a part thereof.

(c) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby or the use of the proceeds thereof. Payments due under this Section shall be made within 15 days of the date the Bank or such Indemnitee makes demand therefor. The obligations of the Borrower under this Section shall survive payment of any funds due under this Agreement.

7.4 Obligations Absolute. The obligations of the Borrower under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(a) any lack of validity or enforceability of any of the Bond Documents or the Related Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Bond Documents or any of the Related Documents;

(c) the existence of any claim, set-off, defense or other rights which the Borrower may have at any time against the Bank (other than the defense of payment to the Bank in accordance with the terms of this Agreement) or any other Person or entity, whether or not in connection with the Related Documents; and

(d) any other circumstances or happening whatsoever, whether or not similar to any of the foregoing.

7.5 Participants. The Bank shall have the right to grant participations (to be evidenced by one or more participation agreements or certificates of participation) in this Agreement at any time and from time to time to one or more other banking institutions, without the consent of the Borrower and such participants shall be entitled to the benefits of this Agreement, including, without limitation, Sections 7.1 and 7.3 hereof, to the same extent as if they were a direct party hereto; provided, however, that no such participant shall be entitled to receive payment hereunder of any amount greater than the amount which would have been payable had the Bank not granted a participation to such participant; and provided, further, however, that (i) the Borrower shall be entitled to deal solely with the Bank; and (ii) the grant of any such participation shall not terminate or otherwise affect or relieve any obligation of the Bank hereunder.

7.6 Preferences. To the extent that the Bank receives any payment from or on behalf of the Borrower which payment or any part thereof is subsequently invalidated, declared to constitute a fraudulent conveyance or preferential transfer; set aside; or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment received, the obligations or part thereof

intended to be satisfied shall be revived and continue in full force and effect, as if such payment has not been received by the Bank.

7.7 Survival of this Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the purchase by the Bank of the Bonds and shall continue in full force and effect so long as any sums due hereunder shall be outstanding and unpaid, regardless of any investigation made by any Person. Whenever in this Agreement the Bank is referred to, such reference shall be deemed to include the successors and assigns of the Bank, and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Agreement shall inure to the benefit of such successors and assigns. The rights and duties of the Borrower, however, may not be assigned or transferred, except with the prior written consent of the Bank, and all obligations of the Borrower hereunder shall continue in full force and effect notwithstanding any assignment by the Borrower of any of its rights or obligations under any of the Bond Documents or any entering into, or consent by the Borrower to any supplement or amendment to any of the Bond Documents.

7.8 Modification of this Agreement. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the Bank and the Borrower. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

7.9 Waiver of Rights by the Bank. No course of dealing or failure or delay on the part of the Bank in exercising any right, power or privilege hereunder under the Bonds shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. The rights of the Bank under the Bonds and under this Agreement are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have.

7.10 Severability. In case any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

7.11 Governing Law. This Agreement and all matters arising out of or relating to this Agreement shall be construed in accordance with the internal laws of the State of New Hampshire.

7.12 Notices. All notices, requests, demands, directions and other communications under the provisions of this Agreement will be in writing and will be given in accordance with the Notice provisions in the Loan Agreement. All notices will be sent to the applicable party at the following address or in accordance with the last unrevoked written direction from such party to the other parties hereto:

If to the Bank, to:

Salem Five Cents Savings Bank  
210 Essex Street  
Salem, Massachusetts 01970  
Attention: Charles A. Gaffney, Vice President

If to the Borrower, to:

Metz Realty, Inc.  
33 Northwestern Drive  
Salem, New Hampshire 03079  
Attention: Jacqueline R. Metzemaekers, President

If to the Guarantors, to:

Scott Electronics, Inc.  
33 Northwestern Drive  
Salem, New Hampshire 03079  
Attention: John A. Metzemaekers, President

John A. Metzemaekers  
33 Northwestern Drive  
Salem, New Hampshire 03079

Jacqueline R. Metzemaekers  
33 Northwestern Drive  
Salem, New Hampshire 03079

The Bank may rely on any notice (including telephoned communication) purportedly made by or on behalf of the Borrower, and will have no duty to verify the identity or authority of the Person giving such notice.

7.13 Survival of Representations and Obligations. All representations and warranties of the Borrower contained in this Agreement shall survive delivery of this Agreement and the transactions contemplated hereby. The obligation of the Borrower to reimburse the Bank and the Indemnitees pursuant to Sections 7.1 and 7.3 hereof shall survive the payment of the Bonds and termination of this Agreement.

7.14 Taxes and Expenses. Any taxes (excluding income taxes) payable or ruled payable by any Governmental Authority in respect of this Agreement, any Bond Document, any Related Document and the Bonds shall be paid, by the Borrower, together with interest and penalties, if any. The Borrower shall reimburse the Bank for any and all reasonable expenses and charges paid or incurred by the Bank, in connection with the preparation, execution, delivery, administration and enforcement (including reasonable attorneys' fees and disbursements of counsel) of this Agreement, including, without limitation, any and all

reasonable expenses and charges (including attorneys' fees and disbursements of counsel) paid or incurred by the Bank in connection with the amendment, modification or waiver of any provision of this Agreement.

7.15 Consent to Jurisdiction.

(a) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Hillsborough County (New Hampshire) Superior Court and of the United States District Court for the District of New Hampshire, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state or, to the extent permitted by law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Bank may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its properties in the courts of any jurisdiction.

(b) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (a) of this section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

7.16 Waiver of Jury Trial. The Borrower and the Bank hereby waive trial by jury in any judicial proceeding involving, directly or indirectly, any matter (whether sounding in tort, contract or otherwise) in any way arising out of, related to, or connected with this Agreement, any Bond Document or any other Related Document or the relationship established thereunder.

7.17 Headings. The table of contents and captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

7.18 Government Regulations. The Borrower shall comply with all foreign and domestic laws, rules and regulations pertaining to anti-money laundering, foreign exchange controls and foreign asset controls and similar domestic laws, rules and regulations, including the USA Patriot Act now or hereafter applicable to the Borrower or the Borrower's execution, delivery and performance of this Agreement, and shall cooperate with the Bank in response with any request reasonably directed towards assuring compliance with all such laws, rules and regulations. The Borrower shall use its best efforts to ensure that no Person who owns a controlling interest in or otherwise controls the Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive

Orders, that prohibits or limits the Bank from making any advance or extension of credit to the Borrower or from otherwise conducting business with the Borrower. The Borrower agrees to provide documentary and other evidence of the Borrower's identity as may be requested by the Bank at any time to enable the Bank to verify the Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

7.19 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one instrument, and shall become effective when copies hereof which, when taken together, bear the signatures of all of the parties hereto shall be delivered to the Borrower and the Bank.

7.20 Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the obligations owing to it hereunder, including, without limitation, the Bonds, to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, provided that any payment in respect of such assigned obligations made by the Borrower to the Bank in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

7.21 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Bank and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Bank any such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Related Document to such Bank or its Affiliates, irrespective of whether or not the Bank or its Affiliates shall have made any demand under this Agreement or any other Related Document and although such obligations of the Institution may be contingent or unmatured or are owed to a branch, office or Affiliate of the Bank different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness. The rights of the Bank and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Bank or its Affiliates may have. The Bank agrees to notify the Institution promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

7.22 Purchased for Own Account. The Bonds have been purchased for the account of the Bank for investment and not with a present view to the distribution, transfer or resale thereof. The Bank intends to hold and book the Bonds as a loan in its loan portfolio; the Bank acknowledges that the use of the word "Bonds" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the

meaning of the Securities Act of 1933. The Bank intends to hold such Bonds for its own account and for an indefinite period of time and does not intend to dispose of all or any portion of such Bonds and understands that transfer of such Bonds is restricted pursuant to the terms of the Bond Documents.

7.23 Patriot Act Notice. The Bank is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56) (signed into law October 26, 2001) (the "Act") and hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Bank to identify the Borrower in accordance with the Act.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]



IN WITNESS WHEREOF, the parties have executed this Continuing Covenants Agreement as of the date first above written.

METZ REALTY, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers, Its Duly  
Authorized President

SALEM FIVE CENTS SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Charles A. Gaffney, Its Duly  
Authorized Vice President

Agreed to and acknowledged:

SCOTT ELECTRONICS, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
John A. Metzemaekers, Its Duly  
Authorized President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jacqueline R. Metzemaekers

\_\_\_\_\_  
Witness

\_\_\_\_\_  
John A. Metzemaekers

**EXHIBIT A**  
**Officer's Certificate**

\$3,625,000  
Business Finance Authority of the State of New Hampshire  
Revenue Bonds  
Metz Realty, Inc. Issue, Series 2017

I, the duly authorized President of METZ REALTY, INC. (the "Institution"), hereby certify to SALEM FIVE CENTS SAVINGS BANK (the "Bank") that: (A) the Institution has made a review of the activities during the preceding Fiscal Year and/or the trailing twelve month period (as applicable) for the purpose of determining whether or not the Institution has complied with all of the material terms, provisions and conditions of the Continuing Covenants Agreement, the Bond Documents and the other Related Documents to which the Institution is a party, (B) to the best of my knowledge, the Institution has kept, observed, performed and fulfilled in all material respects each and every covenant, condition and other provision of the Continuing Covenants Agreement, the Indenture, the Bond Documents and the other Related Documents to which it is a party, (C) set forth below is a calculation of the covenants set forth in the Continuing Covenants Agreement on the date of such financial statements and such calculations are accurate and complete and are made in accordance with GAAP, consistently applied, and (D) except as set forth below, no Event of Default or Potential Default has occurred. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms under the Continuing Covenants Agreement dated as of December 21, 2017 by and between the Bank and the Borrower (as may be amended, restated, supplemented or otherwise modified from time to time, the "Continuing Covenants Agreement").

1. Events of Default/Potential Default:

None

See the details set forth on the attached sheet

2. Debt Service Coverage Ratio. For the period ending \_\_\_\_\_, 20\_\_, the Debt Service Coverage Ratio for the period in question was \_\_\_\_ to 1.00. Calculations are attached.

METZ REALTY, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers, Its Duly  
Authorized President

## SECURITY AGREEMENT

SECURITY AGREEMENT dated as of this 1<sup>st</sup> day of December, 2017, by and between SCOTT ELECTRONICS, INC., a New Hampshire corporation, with a principal office located at 33 Northwestern Drive, Salem, NH 03079 (the "Debtor"), and SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, MA 01970 (the "Secured Party").

WITNESSETH:

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") is issuing its \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") and the proceeds of the Bonds will be loaned by the Authority (the "Loan") to METZ REALTY, INC. (the "Borrower") pursuant to a Loan and Security Agreement dated as of December 1, 2017, as amended, modified and restated, by and among the Authority, the Borrower and the Secured Party (the "Loan Agreement") and a Guaranty Agreement dated as of December 1, 2017, as amended, modified and restated, by and between the Debtor and the Secured Party (the "Guaranty"); and

WHEREAS, the Secured Party is purchasing the Bonds pursuant to the terms and conditions of the Continuing Covenants Agreement dated as December 21, 2017, as amended, modified and restated, by and between the Assignor and the Assignee (the "Continuing Covenants Agreement"); and

WHEREAS, the obligations of the Secured Party to acquire the Bonds are subject to the condition, among others, that the Debtor shall execute and deliver this Agreement and grant the security interests hereinafter described;

NOW, THEREFORE, in consideration of the willingness of the Secured Party to acquire the Bonds and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Security Interest. As security for the Secured Obligations described in Section 2 hereof, the Debtor hereby grants to the Secured Party a security interest in and lien on all of the property described below, as such terms may be defined pursuant to Revised Article 9 of the Uniform Commercial Code ("UCC"), as revised pursuant to the 2000 Official Text of the UCC, as enacted in the State of New Hampshire (hereinafter referred to collectively as the "Collateral");

(a) All goods, including, but not limited to, machinery, equipment, motor vehicles, mobile production units, office equipment, furniture, fixtures, customer lists, blue prints and plans, computer programs, tapes and related electronic data processing software, along with all other parts, tools, trade-ins, repairs, accessories, accessions, modifications, and replacements, whether now owned or subsequently acquired, constructed, or attached or added to, or placed in, the foregoing, wherever located;

(b) All inventory wherever located (including in transit), including, but not limited to, goods, merchandise and other personal property, held for sale or lease or furnished or to be furnished under a contract of service, or constituting raw materials, work in process, or materials used or consumed in the Debtor's business, or consigned to others or held by others for return to the Debtor, whether now owned or subsequently acquired or manufactured and wherever located;

(c) All accounts, accounts receivable, demand deposits, deposit accounts, "cash collateral" (as defined in 11 U.S.C. Section 363(a)), letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), securities and all other investment property and supporting obligations, contracts, contract rights, notes, bills, drafts, chattel paper (whether tangible or electronic), acceptances, choses in action, instruments, tax refunds, insurance claims and proceeds, healthcare insurance receivables and all other debts, obligations, and liabilities in whatever form, owing to the Debtor from any person or entity, rights of the Debtor, earned or to be earned, under contracts to sell goods or render services, all of which now belong, have belonged, or will belong to the Debtor for goods sold by it or for services rendered by it, together with all guaranties and securities therefor, all right, title and interest of the Debtor in the merchandise giving rise thereto, including the right of stoppage in transit, and all goods subsequently acquired by the Debtor by way of substitution, replacement, return, repossession or otherwise;

(d) All general intangibles, including, but not limited to, all payment intangibles, leases and rents, corporate names, trade names, trademarks, trademark applications, trade secrets, patents, patent applications, copyrights, copyright applications, service marks, goodwill, books and records, customer lists, blue prints and plans, computer programs, tapes and related electronic data processing software, all corporate ledgers and all licenses, permits and agreements of any kind or nature pursuant to which the Debtor possesses, uses or has authority to possess or use property (whether tangible or intangible);

(e) All of the Debtor's rights in leases of any nature or kind of property owned or leased by or to the Debtor (to the extent permitted under the referenced leases);

(f) Any and all additions, accessions, substitutions or replacements to or for any of the foregoing;

(g) Any and all products and proceeds of any or all of the foregoing, including, without limitation, cash, cash equivalents, tax refunds and the proceeds of insurance policies providing coverage against the loss or destruction of or damage to any of the Collateral;

(h) All records and data relating to any of the property described above, whether in the form of a writing, photograph, microfile, microfiche, or electronic media, together with all of the Debtor's right, title and interest in and to all computer software required to utilize, create, maintain and process any of such records or data or electronic media; and

(i) All of the Debtor's after-acquired property of the kinds and types described in paragraphs (a)-(h) herein.

2. Secured Obligations. The security interest granted herein shall secure the following (collectively the "Secured Obligations"):

(a) The Debtor's guaranty of the repayment of the Bonds and the Loan in the amount of up to Three Million Six Hundred Twenty-Five Thousand Dollars (\$3,625,000) pursuant to the Guaranty and the Loan Agreement.

(b) The payment of all other sums with interest and charges thereon advanced in accordance herewith to protect the validity, security and priority of this Security Agreement;

(c) The Debtor's guarantee of its obligations under the Loan Agreement, the Bonds, the Continuing Covenants Agreement, this Security Agreement, the Related Documents (as defined in the Continuing Covenants Agreement) and any and all other loan documents and instruments described in and contemplated thereby (collectively, the "Loan Documents") as the same may be amended, modified, extended, renewed, replaced or restated; and

(d) Any and all other indebtedness or obligations of the Debtor and/or Borrower to the Secured Party whether now or hereafter existing, including without limitation, any and all loans and other obligations by and between the Debtor and/or Borrower and the Secured Party, all obligations and liabilities of the Debtor and/or Borrower to the Secured Party under any foreign exchange contracts, interest rate swap, cap, floor or hedging agreement or similar agreements and all obligations of the Debtor and/Borrower to the Secured Party arising out of or in connection with any Automated Clearing House ("ACH") Agreements relating to the processing of ACH transactions, together with all fees, expenses, charges and other amounts owing by or chargeable to Debtor and/or Borrower under the ACH Agreements.

The Debtor agrees that the Collateral granted to the Secured Party pursuant to this Security Agreement shall, in addition to securing any Loan, advance or indebtedness which may be made contemporaneously with the execution of the Loan Agreement, also secure all future advances, loans, liabilities, and extensions of credit of every nature made by the Secured Party and indebtedness of the Borrower to the Secured Party pursuant to the Loan Agreement or otherwise.

3. Warranties and Representations of the Debtor. The Debtor warrants and represents to the Secured Party as follows (which shall survive the execution and delivery of this Agreement and shall be continuing warranties and representations as long as any Secured Obligations remain outstanding):

(a) Each representation or warranty made in the Loan Documents relating to the Debtor, the Collateral or the security furnished hereunder is true, accurate and complete in all material respects.

(b) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or other person is required either (a) for the grant by the Debtor of the security interests granted hereby or for the execution, delivery or performance of this Security

Agreement by the Debtor or (b) for the perfection of or the exercise by the Secured Party of their respective rights and remedies hereunder, except the filing of financing statements and the notation of liens on certificates of title.

(c) The Debtor has not performed any acts which might prevent the Secured Party from enforcing any of the terms and conditions of this Security Agreement or which would limit any of them in any such enforcement.

(d) The Collateral is and, if acquired hereafter, will be, lawfully owned by the Debtor, free and clear of all other liens, encumbrances and security interests, and the Debtor will warrant and defend title to the same against the claims and demands of all persons.

(f) The Debtor has delivered to the Secured Party a certificate signed by the Debtor and entitled "Perfection Certificate" (the "Perfection Certificate"), a completed copy of which is attached as Exhibit A hereto. The Debtor represents and warrants to the Secured Party as follows: (i) the Debtor's exact legal name is that indicated on the Perfection Certificate and on the signature page thereof, (ii) the Debtor is an organization of the type and organized in the jurisdiction set forth in the Perfection Certificate, (iii) the Perfection Certificate accurately sets forth the Debtor's organizational identification number or accurately states that the Debtor has none, (iv) the Perfection Certificate accurately sets forth the Debtor's place of business or, if more than one, its chief executive office as well as the Debtor's mailing address if different; (v) the Debtor conducts business only under and through the business and trade names set forth in the Perfection Certificate; and (vi) all other information set forth on the Perfection Certificate pertaining to the Debtor is accurate and complete.

4. Affirmative Covenants of the Debtor. (a) The Debtor shall promptly notify and provide the Secured Party with a complete description of the opening of any new places of business, the closing of any existing places of business, the conduct of business under any names or through any entities other than those set forth herein, the relocation of any of the Collateral to any new place of business, which would affect the financing statements filed by the Secured Party. The Debtor will furnish to the Secured Party from time to time such statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral, as such Secured Party may reasonably request, all in reasonable detail.

(b) The Debtor shall continuously take all steps that are necessary or prudent to protect the security interests of the Secured Party in the Collateral.

(c) The Debtor shall defend the Collateral against the claims and demands of all persons.

(d) The Debtor shall deliver and pledge to the Secured Party, endorsed or accompanied by instruments of assignment or transfer satisfactory to the Secured Party, any instruments, documents and chattel paper which the Secured Party may specify.

(e) The Debtor shall keep and maintain the Collateral in good condition and repair and adequately insured (as provided in the Loan Documents) and permit the Secured Party and

its agents to inspect the Collateral at any reasonable time. The Debtor shall be permitted to make normal replacement of its fixed assets.

(f) The Debtor shall comply, in all material respects, with all governmental regulations applicable to the Collateral or any part thereof or to the operation of the Debtor's business; provided, however, that the Debtor may contest any governmental regulation in any reasonable manner which shall not, in the reasonable opinion of the Secured Party, adversely affect the Secured Party's rights or the priority of its security interest in the Collateral.

(g) The Debtor shall pay promptly when due all taxes, assessments and governmental charges or levies imposed upon the Collateral or in respect of its income or profits therefrom, as well as all claims of any kind, except that no such charge need be paid if (i) the validity thereof is being contested in good faith by appropriate proceedings, (ii) such proceedings do not involve any danger of the sale, forfeiture or loss of any of the Collateral or any interest therein; and (iii) such charge is adequately reserved against in accordance with the generally accepted accounting principles.

(h) The Debtor shall advise the Secured Party promptly, in reasonable detail, (i) of any lien, security interest, encumbrance or claim made or asserted against any of the Collateral, (ii) of any material change, substantial loss or depreciation in the composition of the Collateral, and (iii) of the occurrence of any other material adverse effect on the aggregate value, enforceability or collectability of the Collateral or on the security interests created hereunder.

(i) The Debtor shall give, execute, deliver and file or record in the proper governmental offices, any instrument, paper or document including, but not limited to, one or more financing statements under the Uniform Commercial Code, satisfactory to the Secured Party, or take any action which the Secured Party may deem necessary or desirable in order to create, preserve, perfect, extend, continue, modify, terminate or otherwise effect any security interest granted pursuant hereto, or to enable the Secured Party to exercise or enforce any of its rights hereunder including, without limitation, upon the occurrence of an Event of a Default, the establishment of one or more lockbox accounts with the Secured Party or others who are, and in a manner which is, satisfactory to the Secured Party.

(j) The Debtor shall have the possession of the Collateral, except where expressly otherwise provided in this Security Agreement or where Secured Party chooses to perfect its security interest by possession in addition to the filing of a financing statement. Where the Collateral is in the possession of a third party, the Debtor will join with the Secured party in notifying the third party of the Secured Party's security interest and obtaining an acknowledgment in an authenticated record from the third party that it is holding the Collateral for the benefit of the Secured Party.

(k) The Debtor will cooperate with the Secured Party in obtaining control with respect to the Collateral consisting of deposit accounts, investment property, letter-of-credit rights and electronic chattel paper.

(l) The Debtor will not create any chattel paper without placing a legend on the chattel paper acceptable to the Secured Party indicating that Secured party has a security interest in the chattel paper.

(m) The Debtor shall pay, or reimburse the Secured Party, in the amount of all reasonable expenses (including reasonable fees and expenses of attorneys, experts and agents) incurred in any way in connection with the exercise, defense or assertion of any of its rights or interests hereunder, the enforcement of any provisions hereof or the management, preservation, use, operation, maintenance, collection, possession, disposition or enforcement of any of the Collateral (all such expenses shall be treated as Secured Obligations hereunder).

(n) Upon any failure of the Debtor to comply with its obligations above, the Secured Party may, at its option, and without affecting any of its other rights or remedies herein or as a secured party under the Uniform Commercial Code, procure the insurance protection it deems necessary and/or cause repairs or modifications to be made to the Collateral, the cost of either or both of which shall be a lien against the Collateral added to the amount of the indebtedness secured hereby and payable on demand with interest at a per annum rate computed on the same basis as the Secured Obligations.

(o) The Debtor hereby assigns to the Secured Party any and all moneys which may become due and payable under any policy insuring the Collateral, including return of unearned premiums, and directs any such insurance company to make payment directly to the Secured Party and authorizes the Secured Party to apply such moneys in payment on account of the indebtedness secured hereby, whether or not due, or, at the sole option of the Secured Party, toward replacement of the Collateral, and to remit any surplus to the Debtor.

(p) The Debtor covenants with the Secured Party as follows: (i) without providing at least thirty (30) days prior written notice to the Secured Party, the Debtor will not change its name, its place of business or, if more than one, its chief executive office, or its mailing address or organizational identification number if it has one, (ii) if the Debtor does not have an organizational identification number and later obtains one, the Debtor shall forthwith notify the Secured Party of such organizational identification number, and (iii) the Debtor will not change its type of organization or jurisdiction of organization or the state where it is located without providing at least thirty (30) days prior written notice to the Secured Party.

5. Negative Covenants of the Debtor. Except as otherwise provided in the Loan Agreement, without the prior written consent of the Secured Party, the Debtor shall not:

(a) Allow or permit any other security interest or lien to attach to any of the Collateral.

(b) File, or authorize or permit to be filed, in any jurisdiction any financing statement relating to any of the Collateral unless the Secured Party is named as sole secured party.

(c) Permit any of the Collateral to be levied upon under any legal process.



(d) Permit anything to be done that may materially impair the value of any of the Collateral or the security therein intended to be afforded hereby.

(e) Make any sales or leases of any of the Collateral, excluding leases made in the ordinary course of the Debtor's business, license any of the Collateral, or grant any other security interest in any of the Collateral.

6. Fixtures. It is the intention of the parties hereto that none of the Collateral shall become fixtures. Without limiting the generality of the foregoing, the Debtor will, if requested by the Secured Party, exercise its best efforts to obtain waivers of lien, in form satisfactory to the Secured Party, from each mortgagee or lessor of real property (other than the Secured Party) on which any of the Collateral is or is to be located.

7. Events of Default. The Debtor and/or Borrower shall be in default under this Security Agreement upon the occurrence of an event of default under any Loan Document, including the Loan Agreement (herein called "Events of Default"). Such Events of Default shall include, without limitation, the following:

(a) Default in the due and punctual payment of any payment of principal of or premium, if any, or interest on the Note; and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(b) Default in payment or performance under any of the Secured Obligations, including, without limitation, the Loan Documents, and such default shall continue beyond the expiration of the applicable period of grace, if any; or

(c) Default in the due performance or observance of any covenant or provision of this Security Agreement and such default shall continue beyond the expiration of the applicable period of grace, if any.

8. Rights of Secured Party on Default. Upon the occurrence of any Event of Default, the Secured Party may declare all of the Secured Obligations to be immediately due and payable and shall then have the remedies of a secured party under the Uniform Commercial Code or under any other applicable law, including, without limitation, the right to take possession of the Collateral, and in addition thereto, the right to enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. The Secured Party may require the Debtor and/or Borrower to make the Collateral (to the extent the same is moveable) available to the Secured Party at a place to be designated by the Secured Party which is reasonably convenient to all parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Secured Party will give the Debtor at least ten (10) days prior written notice by registered or certified mail at the address of the Debtor set forth above (or at such other address or addresses as the Debtor and Borrower shall specify in writing to the Secured Party) of the time and place of any public sale thereof or of the place and time after which any private sale or any other intended disposition thereof is to be made. Any such notice shall be deemed to meet any requirement hereunder or under any applicable law (including the Uniform Commercial Code) that

reasonable notification be given of the time and place of such sale or other disposition. After deducting all costs and expenses of collection, storage, custody, sale or other disposition and delivery (including reasonable legal costs and attorneys' fees) and all other charges against the Collateral, the residue of the proceeds of any such sale or disposition shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Party shall determine or held in escrow to apply to any contingent obligations of the Debtor and/or Borrower to the Bank, as required, and any surplus shall be returned to the Debtor and/or Borrower. In the event the proceeds of any sale, lease or other disposition of the Collateral hereunder are insufficient to pay all of the Secured Obligations in full, the Debtor and Borrower will be liable for the deficiency, together with interest thereon, at the maximum rate provided in the Note and the cost and expenses of collection of such deficiency, including (to the extent permitted by law), without limitation, reasonable attorneys' fees, expenses and disbursements.

9. Rights of the Secured Party to Use and Operate Collateral, etc. Upon the occurrence of any Event of Default, but subject to the provisions of the Uniform Commercial Code or other applicable law, the Secured Party shall have the right and power to take possession of all or any part of the Collateral, and to exclude the Debtor and all persons claiming under the Debtor wholly or partly therefrom, and thereafter to hold, store, and/or use, operate, manage and control the same. Upon any such taking of possession, the Secured Party may, from time to time, at the expense of the Debtor, make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as the Secured Party may deem proper. In any such case, subject as aforesaid, the Secured Party shall have the right to manage and control the Collateral and to carry on the business and to exercise all rights and powers of the Debtor in respect thereto as the Secured Party shall deem best, including the right to enter into any and all such agreements with respect to the leasing and/or operation of the Collateral or any part thereof as the Secured Party may see fit; and the Secured Party shall be entitled, subject to the rights of prior lienholders, to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof. Such rents, issues, profits, fees, revenues and other income shall be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Secured Party may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Secured Party may be required or authorized to make under any provision of this Security Agreement (including, but not limited to, legal costs and attorneys' fees). The remainder of such rents, issues, profits, fees, revenues and other income shall be applied to the payment of the Secured Obligations in such order of priority as the Secured Party shall determine and any surplus shall be returned to the Debtor. Without limiting the generality of the foregoing, the Secured Party shall, have the right to apply for and have a receiver appointed by a court of competent jurisdiction in any action taken by the Secured Party to enforce its rights and remedies hereunder in order to manage, protect and preserve the Collateral and continue the operation of the business of the Debtor and to collect all revenues and profits thereof and apply the same to the payment of all expenses and other charges of such receivership including the compensation of the receiver and to the payment of the Secured Obligations as aforesaid until a sale or other disposition of such Collateral shall be finally made and consummated.

10. Right of Setoff. Debtor hereby grants to Secured Party, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to Secured Party, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Secured Party and its successors and assigns or in transit to any of them. At any time, without demand or notice (any such notice being expressly waived by Debtor), Secured Party may setoff the same or any part thereof and apply the same to any liability or obligation of Debtor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE SECURED PARTY TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF DEBTOR, IS HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

11. Collection of Accounts Receivable, etc. Upon the occurrence of any Event of Default, the Secured Party may notify or may require the Debtor to notify account debtors obligated on any or all of the Debtor's accounts receivable, whether now existing or hereafter arising, to make payment directly to the Secured Party, and may take possession of all proceeds of any accounts in the Debtor's possession, and may take any other steps which the Secured Party deem necessary or advisable to collect any or all accounts receivable or other Collateral or proceeds thereof.

12. Authorization to File Financing Statements. The Debtor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any UCC jurisdiction any initial financing statements and amendments thereto that (a) accurately describe the Collateral, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of such jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Debtor is an organization, the type of organization and any organization identification number issued to the Debtor, and (ii) in the case of a financing statement filed as a fixture filing or indicating Collateral as as-extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Debtor agrees to furnish any such information to the Secured Party promptly upon request. The Debtor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

13. Waiver, etc. With the exception of specific notice provided in the Loan Documents, the Debtor hereby waives presentment, demand, notice, protest and, except as is otherwise provided herein, all other demands and notices in connection with this Security Agreement or the enforcement of the Secured Party's rights hereunder or in connection with any Secured Obligations or any Collateral; consents to and waives notice of the granting of renewals, extensions of time for payment or other indulgences to the Debtor or to any account debtor in respect of any account receivable, or substitution, release or surrender of any Collateral, the addition or release of persons primarily or secondarily liable on any Secured Obligation or on any account receivable or other Collateral, the acceptance of partial payments on any Secured Obligation or on any account receivable or other Collateral and/or the settlement or compromise

thereof. No delay or omission on the part of the Secured Party in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. Any waiver of any such right on any one occasion shall not be construed as a bar to or waiver of any such right on any such future occasion.

THE DEBTOR AND THE SECURED PARTY MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE OR ANY OTHER LOAN DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF SECURED PARTY RELATING TO THE ADMINISTRATION OF THE LOANS OR ENFORCEMENT OF THE LOAN DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, THE DEBTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, ENHANCED COMPENSATORY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE DEBTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF SECURED PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SECURED PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR SECURED PARTY TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN.

14. Termination; Assignments, etc. This Agreement and the security interest in the Collateral created hereby shall be terminated when all of the Secured Obligations have been (a) fully and finally paid and performed and (b) delivery of a final discharge in writing by the Bank (this Agreement and such security interest shall continue in full force and effect notwithstanding any temporary payment of the Secured Obligations under a revolving credit instrument). In the event of a sale or assignment by the Secured Party of all or any of the Secured Obligations held by it, the Secured Party may assign or transfer its rights and interests under this Security Agreement in whole or in part to the purchaser or purchasers of such Secured Obligations, whereupon such purchaser or purchasers shall become vested with all of the powers and rights of the Secured Party hereunder, and the Secured Party shall thereafter be forever released and fully discharged from any liability or responsibility hereunder, with respect to the rights and interests so assigned.

15. Notices. Except as otherwise provided herein, notice to the Debtor or to the Secured Party shall be deemed to have been sufficiently given or served for all purposes hereof if mailed, certified or registered mail, return receipt requested, postage prepaid to the parties at the addresses set forth above in this Security Agreement or at such other address as the party to whom such notice is directed may have designated in writing to the other parties hereto.

16. Miscellaneous. (a) The powers conferred on the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, the Secured Party shall not have any duty as to any Collateral or as to the taking of any necessary steps to preserve any right of it or of the Debtor against other parties pertaining to any Collateral.

(b) No provision hereof shall be amended except by a writing signed by the Secured Party and the Debtor.

(c) Any provision of this Security Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

(d) This Security Agreement shall be binding upon and shall inure to the benefit of the assigns and successors of the Secured Party and the Debtor.

(e) No delay, failure to enforce, or single or partial exercise on the part of the Secured Party in connection with any of its rights hereunder shall constitute an estoppel or waiver thereof, or preclude other or further exercises or enforcement thereof and no waiver of any default hereunder shall be a waiver of any subsequent default.

(f) This Agreement and the rights and obligations of the parties hereunder shall be construed and their provisions interpreted under and in accordance with the laws of the State of New Hampshire (excluding the laws applicable to conflicts or choice of law). The Debtor, to the extent it may legally do so, hereby consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the State of New Hampshire, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts for the purpose of any suit, action or other proceeding arising out of any of their obligations hereunder or with respect to the transactions contemplated hereby, and expressly waive any and all objections they may have to venue in any such courts.

(g) Upon receipt of an affidavit of an officer of Secured Party as to the loss, theft, destruction or mutilation of the Note or any other security document which is not of public record, and, in the case of any such loss, theft, destruction or mutilation, upon cancellation of such Note or other security document, Debtor will issue, in lieu thereof, a replacement note or other security document in the same principal amount thereof and otherwise of like tenor.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, acting by and through its duly authorized agent, the parties hereto have executed this Security Agreement on the day and year first hereinbefore stated.

SCOTT ELECTRONICS, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
John A. Metzemaekers, Its Duly  
Authorized President

SALEM FIVE CENTS SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Charles A. Gaffney, Its Duly  
Authorized Vice President

\\MHT-WORLDOX\MHTS\WDOX\DOCS\CLIENTS\008358\108188\M3707742.DOC

**EXHIBIT A**

**Perfection Certificate**

The undersigned, John A. Metzemaekers, the President of SCOTT ELECTRONICS, INC., a New Hampshire corporation (the "Debtor"), with reference to a certain Security Agreement dated as of December 1, 2017, as the same may hereafter be amended (terms defined in such Security Agreement having the same meanings herein as specified therein), between the Debtor and SALEM FIVE CENTS SAVINGS BANK (the "Secured Party") hereby certifies to the Secured Party as follows:

1. Name. The exact legal name of the Debtor as that name appears on its Certificate of Formation is as follows:

SCOTT ELECTRONICS, INC.

2. Other Identifying Factors.

(a) The following is the mailing address of the Debtor:

33 Northwestern Drive, Salem, NH 03079

(b) If different from its mailing address, the Debtor's place of business or, if more than one, its chief executive office is located at the following address:

Same as above

(c) The following is the type of organization of the Debtor:

Corporation

(d) The following is the jurisdiction of the Debtor's organization:

State of New Hampshire

(e) The following is the Debtor's state issued organizational identification number [state "None" if the state does not issue such a number]: \_\_\_\_\_

(f) The following is the Debtor's Tax Identification Number:

\_\_\_\_\_

3. Other Names, Etc.

(a) The following is a list of all other names (including trade names or similar appellations) used by the Debtor, or any other business or organization to which the Debtor became the successor by merger, consolidation, acquisition, change in form, nature or jurisdiction of organization or otherwise, now or at any time during the past five years:

\_\_\_\_\_

4. Other Current Locations.

(a) The following are all other locations in the United States of America in which the Debtor maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

NONE

(b) The following are all other places of business of the Debtor in the United States of America:

NONE

(c) The following are all other location in the United States of America where any of the Collateral consisting of inventory or equipment is located:

\_\_\_\_\_



(d) The following are the names and addresses of all persons or entities other than the Debtor, such as lessees, consignees, warehouseman or purchasers of chattel paper, which have possession or are intended to have possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

5. Prior Locations.

(a) Set forth below is the information required by §4(a) or (b) with respect to each location or place of business previously maintained by the Debtor at any time during the past five years in a state in which the Debtor has previously maintained a location or place of business at any time during the past four months:

<u>Address</u>	<u>County</u>	<u>State</u>
----------------	---------------	--------------

NONE

(b) Set forth below is the information required by §4(c) or (d) with respect to each other location at which, or other person or entity with which, any of the Collateral consisting of inventory or equipment has been previously held at any time during the past twelve months:

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has signed this Certificate as of December 1,  
2017.

SCOTT ELECTRONICS, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
John A. Metzemaekers, Its Duly  
Authorized President

## GUARANTY AGREEMENT

This GUARANTY AGREEMENT (the "Guaranty"), is dated as of the 1<sup>st</sup> day of December, 2017, by SCOTT ELECTRONICS, INC., a New Hampshire corporation with a principal place of business at 33 Northwestern Drive, Salem, New Hampshire 03079 (the "Guarantor") and SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970 (hereinafter, together with any successors and assigns, the "Bank").

### WITNESSETH:

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") is issuing its \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") and the proceeds of the Bonds will be loaned by the Authority (the "Loan") to METZ REALTY, INC. (the "Borrower") pursuant to a Loan and Security Agreement dated as of December 1, 2017, as amended, modified and restated, by and among the Authority, the Borrower and the Bank (the "Loan Agreement"); and

WHEREAS, the Bank is purchasing the Bonds pursuant to the terms and conditions of the Continuing Covenants Agreement dated as December 21, 2017, as amended, modified and restated, by and between the Borrower and the Bank (the "Continuing Covenants Agreement"); and

WHEREAS, the obligation of the Bank to purchase the Bonds and the Authority make the Loan to the Borrower is subject to the condition, among others, that the Guarantor shall execute and deliver this Guaranty; and

WHEREAS, the Guarantor is a tenant and affiliate of the Borrower; and

WHEREAS, the aforesaid Loan will be beneficial to the Guarantor inasmuch as the proceeds of the Loan to the Borrower will directly and/or indirectly benefit the Guarantor;

NOW, THEREFORE, in order to induce the Bank to purchase the Bonds and the Authority make the Loan to the Borrower pursuant thereto, and for other good and valuable consideration, the receipt of which is hereby acknowledged by the Guarantor, the Guarantor hereby agrees as follows:

1. Guaranteed Obligations. The Guarantor does hereby irrevocably and unconditionally guarantee the due and punctual payment and performance of the following obligations to the Bank (individually, a "Guaranteed Obligation" and together the "Guaranteed Obligations");

(a) Principal of and premium, if any, and interest on the Loan and the Bonds, when the same becomes due and payable, whether on demand or by acceleration or otherwise;

(b) Any and all other obligations of the Borrower to the Bank or its affiliates under the Bonds and the Related Documents (as defined in the Continuing Covenants Agreement and any obligations arising under any now existing or hereafter arising foreign exchange contracts, treasury management services, cash management contracts, interest rate swap, cap, floor or hedging agreements, or similar agreements or in connection with any Automated Clearing House ("ACH") agreements related to the processing of ACH transactions, together with all fees and expenses, charges and other amounts owing by or chargeable to the Borrower under the ACH agreements; and

(c) Any and all expenses that are incurred by the Bank in collecting all or any of the Guaranteed Obligations, including attorneys' fees.

2. Demand by the Bank. Upon any failure by the Borrower to punctually pay or perform any Guaranteed Obligation when due, the Bank may make demand upon the Guarantor for the payment or performance of such Guaranteed Obligation and the Guarantor binds and obliges himself to make such payment or performance forthwith upon such demand.

3. Waiver of Demands, Notices, Diligence, etc. The Guarantor hereby assents to all the terms and conditions of the Guaranteed Obligations and waives, to the fullest extent permitted by law, (a) demand for the payment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof (other than the demand provided for in section 2 hereof); (b) protest of the nonpayment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof; (c) notice of presentment, demand and protest; (d) notice of acceptance of any guaranty herein provided for or of the terms and provisions thereof or hereof by the Bank; (e) notice of any indulgences or extensions granted to the Borrower or any person or party which shall have assumed the obligations of the Borrower; (f) any requirement of diligence of promptness on the part of the Bank in the enforcement of any of its rights under the provisions of any Guaranteed Obligations or this Guaranty; (g) any enforcement of any Guaranteed Obligation; (h) any suretyship defenses; and (i) any right which the Guarantor might have to require the Bank to proceed against any other guarantor of the Guaranteed Obligations or to realize on any collateral security for the Guaranteed Obligations. The waivers set forth in this section 3 shall be effective notwithstanding the fact that the Borrower ceases to exist by reason of its liquidation, merger, consolidation or otherwise.

4. Obligations of Guarantor Unconditional. (a) The obligations of the Guarantor under this Guaranty shall be unconditional, irrespective of the validity, regularity or enforceability of any Guaranteed Obligation, and shall not be affected by any action taken under any Guaranteed Obligation in the exercise of any right or remedy therein conferred, or by any failure or omission on the part of the Bank to enforce any right given thereunder or hereunder or any remedy conferred thereby or hereby, or by any waiver of any term, covenant, agreement or condition of any Guaranteed Obligation or this Guaranty, or by any release of any security or any other guaranty at any time existing for the benefit of any Guaranteed Obligation, or by any sale, lease or transfer by the Guarantor to any person of any or all of the Guarantor's properties, or by any action of the Bank granting indulgence or extension to, or waiving or acquiescing in any default by the Borrower or any guarantor, or any successor to the Borrower or any guarantor or any person or party which shall have assumed its obligations, or by reason of any disability or

other defense of the Borrower or any guarantor or any successor to the Borrower or any guarantor, or by any modification, alteration, or by any circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor hereunder, it being the purpose and intent of the Guarantor that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment or performance as herein provided, and then only to the extent of such payment or performance.

(b) For purposes of this Guaranty and notwithstanding contrary provisions in any document executed by Bank and the Borrower, all Guaranteed Obligations shall be deemed immediately accelerated, without notice or demand, and shall become immediately due and owing upon occurrence of any of the foregoing events:

- (i) in the event the Borrower or any Guarantor, or any of them, makes an assignment for the benefit of creditors, files a petition in bankruptcy, has an order for relief entered against it or him, petitions or applies to any tribunal for a receiver or any trustee of any substantial part of its property; or commences any proceeding related to the Borrower or any Guarantor, or any of them, under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the Borrower or any Guarantor, or any of them, any such proceeding, which proceeding is not dismissed within sixty (60) days of its commencement; or the Borrower or any Guarantor, or any of them, by any act indicates his or its consent to, approval of, or acquiescence to any such proceeding or the appointment of any receiver of, custodian or trustee for the Borrower or any Guarantor or any substantial part of his or its property, or the Borrower, or upon the issuance of any attachment or execution against the Borrower, or any Guarantor or any of them, becoming effective as and against any third parties, or any governmental agency or instrumentality shall seize, appropriate, condemn, occupy or interfere in any manner with any of the Borrower's, or any of its, operation of, all or any substantial portion of its property, or such property or any right the Borrower therein shall be subject to judicial process or condemnation or forfeiture proceedings; or,
- (ii) sale, exchange, or any other transfer of the Guarantor's property, except in an exchange for reasonable equivalent value, and which does not result in any material diminution in the Guarantor's net worth, or the substantial diminution of its net worth as the same exists as of the date hereof, without the prior written consent of Bank; or
- (iii) any event of default occurs under the Related Documents which is not cured within any applicable cure period.

5. Continuing Nature of Guaranty. The obligation of the Guarantor under this Guaranty Agreement shall continue in full force and effect, notwithstanding any intermediate or temporary payments or settlement of the whole or any part of the Guaranteed Obligations. This

Guaranty Agreement shall not be discharged until such time as (i) all Guaranteed Obligations shall be finally and indefeasibly paid in full, (ii) all covenants, terms, conditions and undertakings of the Guarantor shall be complied with and performed, and (iii) the Bank shall deliver a final discharge in writing to the Guarantor. In the event of any discontinuance or termination of this Guaranty Agreement in any manner, all indebtedness and obligations included within the term Guaranteed Obligations under Section 1 herein executed, issued, drawn or made by, or for the account of, the Borrower or any of its agents purporting to be dated on or before the date of such discontinuance or termination becomes known to the Bank, and all advances and payments made pursuant thereto even though made after such date, shall form part of the Guaranteed Obligations for which the Guarantor shall be liable under the terms hereof.

6. Subordination of Claims of Guarantor; Security. Any claim against the Borrower to which the Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by the Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior payment or performance in full of the Guaranteed Obligations.

In addition to any other security given by the Guarantor to the Bank, after the occurrence of an Event of Default which has not been cured within any applicable cure period, the Bank is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of the Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of the Bank for any purpose, including safekeeping or pledge for this or any other liability of the Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to the Guarantor.

The Bank is hereby authorized and empowered, at its option, at any time after the Guaranteed Obligations become payable, to sell, assign and deliver any securities or property at any time given unto or left in the possession or custody of the Bank for any purpose (including safekeeping or pledge for this or any other liability of any of the Guarantor) by or for the Guarantor, or in which the Guarantor may have an interest, at public or private sale, for cash or upon credit, or for future delivery, all at the option of the Bank, upon thirty (30) days prior written notice to the Guarantor.

7. Notices, etc. All notices, demands, requests or other communications required or permitted under the terms of this Guaranty shall be in writing and, unless and until otherwise specified in a written notice by the party to whom notice is intended to be given, shall be sent to the parties at the respective addresses set forth in the preamble to this Guaranty.

Notices may be given on behalf of any party by its legal counsel.

Each such notice, demand, request or other communication shall be deemed to have been properly given for all purposes if (i) delivered against a written receipt of delivery, (ii) mailed by certified mail of the United States Postal Service, return receipt requested, postage prepaid, (iii)

delivered to a nationally recognized overnight courier service for next business day delivery, or (iv) hand delivered, to its addressee at such party's address as set forth in the preamble thereof.

Each such notice, demand or request shall be deemed to have been given upon actual receipt of first refusal of the addressee to accept delivery.

8. Survival of Guaranty, etc. It is agreed that Guarantor's liability is joint and several with and independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Obligations. It is agreed that the Guarantor's liability and obligations hereunder may be enforced regardless of the existence of any such other guaranties. This Guaranty shall inure to the benefit of and be binding upon the Guarantor and the Bank and their respective successors and assigns, including any subsequent holder or holders of any Guaranteed Obligations, and the term "Bank" shall include any such holder or holders whenever the context permits. This Guaranty is intended to take effect as a sealed instrument.

9. Bank's Freedom to Deal with the Borrower and Other Parties. The Bank shall be at liberty, without giving notice to or obtaining the assents of the Guarantor and without relieving the Guarantor of any liability hereunder, to deal with the Borrower and with each other party who now is or after the date hereof becomes liable in any manner for any of the Guaranteed Obligations, in such manner as the Bank in its sole discretion deems fit, and to this end the Guarantor gives to the Bank full authority in its sole discretion to do any or all of the following things:

- (a) Extend credit, make loans and afford other financial accommodations to the Borrower at such times, in such amounts and on such terms as the Bank may approve;
- (b) Vary the terms and grant extensions or renewals of any present or future indebtedness or obligations to the Bank of the Borrower or of any such other party;
- (c) Grant the time, waivers and other indulgences in respect thereto;
- (d) Vary, exchange, release or discharge, wholly or partially, or delay in or abstain from perfecting and enforcing any collateral, security, guaranty or other means of obtaining payment of any of the Guaranteed Obligations which the Bank now has or acquires after the date hereof;
- (e) Accept partial payments from the Borrower or any such other part;
- (f) Release or discharge, wholly or partially, any endorser or guarantor; and

- (g) Compromise or make any settlement or other arrangement with the Borrower or any such other party.

10. Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of the counterparts shall together constitute one and the same instrument.

11. Governing Law; Jurisdiction. This Guaranty shall be construed in accordance with and governed by the laws of the State of New Hampshire. The Guarantor, to the extent that the Guarantor may lawfully do so, hereby consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the State of New Hampshire, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections he may have as to venue in any such courts.

12. Waiver. GUARANTOR AND BANK (BY ACCEPTANCE OF THIS GUARANTY) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREIN, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY OTHER RELATED DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF BANK RELATING TO THE ADMINISTRATION OF THE BONDS OR THE LOAN OR ENFORCEMENT OF THE RELATED DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, GUARANTOR AND THE BANK HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, ENHANCED COMPENSATORY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BANK AND THE GUARANTOR TO ACCEPT THIS GUARANTY AND MAKE THE LOAN.

13. The Bank's Right of Setoff. The Guarantor hereby grants to the Bank, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to the Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Bank or any entity under the control of the Bank or Salem Five Bancorp (or their successors and



assigns), or in transit to any of them. During the existence of an Event of Default or upon notice of issue of any legal process by which process any of the Borrower's assets in the possession or control of the Bank, any affiliate thereof and/or Salem Five Bancorp (and their successors and assigns) may be trustee, attached or levied upon, without demand or notice (any such notice being expressly waived by the Guarantor), the Bank may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower and the Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14. Miscellaneous. All capitalized terms not otherwise defined in this Agreement shall have the same meaning as set forth with the Continuing Covenants Agreement.

[SIGNATURE PAGE FOLLOWS]

Draft 11.28.17

IN WITNESS WHEREOF, the parties have executed this Guaranty as a sealed instrument as of the date first above written.

SCOTT ELECTRONICS, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
John A. Metzemaekers, Its Duly  
Authorized President

The foregoing Guaranty is hereby accepted:

SALEM FIVE CENT SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Its Duly Authorized \_\_\_\_\_

## GUARANTY AGREEMENT

This GUARANTY AGREEMENT (the "Guaranty"), is dated as of the 1<sup>st</sup> day of December, 2017, by JACQUELINE R. METZEMAEKERS, an individual with a mailing address of 33 Northwestern Drive, Salem, New Hampshire 03079 (the "Guarantor") and SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970 (the "Bank").

### WITNESSETH:

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") is issuing its \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") and the proceeds of the Bonds will be loaned by the Authority (the "Loan") to METZ REALTY, INC. (the "Borrower") pursuant to a Loan and Security Agreement dated as of December 1, 2017, as amended, modified and restated, by and among the Authority, the Borrower and the Bank (the "Loan Agreement"); and

WHEREAS, the Bank is purchasing the Bonds pursuant to the terms and conditions of the Continuing Covenants Agreement dated as December 21, 2017, as amended, modified and restated, by and between the Borrower and the Bank (the "Continuing Covenants Agreement"); and

WHEREAS, the obligation of the Bank to purchase the Bonds and the Authority make the Loan to the Borrower is subject to the condition, among others, that the Guarantor shall execute and deliver this Guaranty; and

WHEREAS, the Guarantor is an owner of the Borrower; and

WHEREAS, the aforesaid Loan will be beneficial to the Guarantor inasmuch as the proceeds of the Loan to the Borrower will directly and/or indirectly benefit the Guarantor;

NOW, THEREFORE, in order to induce the Bank to purchase the Bonds and the Authority make the Loan to the Borrower pursuant thereto, and for other good and valuable consideration, the receipt of which is hereby acknowledged by the Guarantor, the Guarantor hereby agrees as follows:

1. Guaranteed Obligations. The Guarantor does hereby irrevocably and unconditionally guarantee the due and punctual payment and performance of the following obligations to the Bank (individually, a "Guaranteed Obligation" and together the "Guaranteed Obligations");

(a) Principal of and premium, if any, and interest on the Loan and the Bonds, when the same becomes due and payable, whether on demand or by acceleration or otherwise;

(b) Any and all other obligations of the Borrower to the Bank or its affiliates under the Bonds and the Related Documents (as defined in the Continuing Covenants Agreement and any obligations arising under any now existing or hereafter arising foreign exchange contracts, treasury management services, cash management contracts, interest rate swap, cap, floor or hedging agreements, or similar agreements or in connection with any Automated Clearing House ("ACH") agreements related to the processing of ACH transactions, together with all fees and expenses, charges and other amounts owing by or chargeable to the Borrower under the ACH agreements; and

(c) Any and all expenses that are incurred by the Bank in collecting all or any of the Guaranteed Obligations, including attorneys' fees.

2. Demand by the Bank. Upon any failure by the Borrower to punctually pay or perform any Guaranteed Obligation when due, the Bank may make demand upon the Guarantor for the payment or performance of such Guaranteed Obligation and the Guarantor binds and obliges himself to make such payment or performance forthwith upon such demand.

3. Waiver of Demands, Notices, Diligence, etc. The Guarantor hereby assents to all the terms and conditions of the Guaranteed Obligations and waives, to the fullest extent permitted by law, (a) demand for the payment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof (other than the demand provided for in section 2 hereof); (b) protest of the nonpayment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof; (c) notice of presentment, demand and protest; (d) notice of acceptance of any guaranty herein provided for or of the terms and provisions thereof or hereof by the Bank; (e) notice of any indulgences or extensions granted to the Borrower or any person or party which shall have assumed the obligations of the Borrower; (f) any requirement of diligence of promptness on the part of the Bank in the enforcement of any of its rights under the provisions of any Guaranteed Obligations or this Guaranty; (g) any enforcement of any Guaranteed Obligation; (h) any suretyship defenses; and (i) any right which the Guarantor might have to require the Bank to proceed against any other guarantor of the Guaranteed Obligations or to realize on any collateral security for the Guaranteed Obligations. The waivers set forth in this section 3 shall be effective notwithstanding the fact that the Borrower ceases to exist by reason of its liquidation, merger, consolidation or otherwise.

4. Obligations of Guarantor Unconditional. (a) The obligations of the Guarantor under this Guaranty shall be unconditional, irrespective of the validity, regularity or enforceability of any Guaranteed Obligation, and shall not be affected by any action taken under any Guaranteed Obligation in the exercise of any right or remedy therein conferred, or by any failure or omission on the part of the Bank to enforce any right given thereunder or hereunder or any remedy conferred thereby or hereby, or by any waiver of any term, covenant, agreement or condition of any Guaranteed Obligation or this Guaranty, or by any release of any security or any other guaranty at any time existing for the benefit of any Guaranteed Obligation, or by any sale, lease or transfer by the Guarantor to any person of any or all of the Guarantor's properties, or by any action of the Bank granting indulgence or extension to, or waiving or acquiescing in any default by the Borrower or any guarantor, or any successor to the Borrower or any guarantor or any person or party which shall have assumed its obligations, or by reason of any disability or

other defense of the Borrower or any guarantor or any successor to the Borrower or any guarantor, or by any modification, alteration, or by any circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor hereunder, it being the purpose and intent of the Guarantor that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment or performance as herein provided, and then only to the extent of such payment or performance.

(b) For purposes of this Guaranty and notwithstanding contrary provisions in any document executed by Bank and the Borrower, all Guaranteed Obligations shall be deemed immediately accelerated, without notice or demand, and shall become immediately due and owing upon occurrence of any of the foregoing events:

- (i) in the event the Borrower or any Guarantor, or any of them, makes an assignment for the benefit of creditors, files a petition in bankruptcy, has an order for relief entered against it or him, petitions or applies to any tribunal for a receiver or any trustee of any substantial part of its property; or commences any proceeding related to the Borrower or any Guarantor, or any of them, under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the Borrower or any Guarantor, or any of them, any such proceeding, which proceeding is not dismissed within sixty (60) days of its commencement; or the Borrower or any Guarantor, or any of them, by any act indicates his or its consent to, approval of, or acquiescence to any such proceeding or the appointment of any receiver of, custodian or trustee for the Borrower or any Guarantor or any substantial part of his or its property, or the Borrower, or upon the issuance of any attachment or execution against the Borrower, or any Guarantor or any of them, becoming effective as and against any third parties, or any governmental agency or instrumentality shall seize, appropriate, condemn, occupy or interfere in any manner with any of the Borrower's, or any of its, operation of, all or any substantial portion of its property, or such property or any right the Borrower therein shall be subject to judicial process or condemnation or forfeiture proceedings; or,
- (ii) sale, exchange, or any other transfer of the Guarantor's property, except in an exchange for reasonable equivalent value, and which does not result in any material diminution in the Guarantor's net worth, or the substantial diminution of her net worth as the same exists as of the date hereof, without the prior written consent of Bank; or
- (iii) any event of default occurs under the Related Documents which is not cured within any applicable cure period.

5. Continuing Nature of Guaranty. The obligation of the Guarantor under this Guaranty Agreement shall continue in full force and effect, notwithstanding any intermediate or temporary payments or settlement of the whole or any part of the Guaranteed Obligations. This

Guaranty Agreement shall not be discharged until such time as (i) all Guaranteed Obligations shall be finally and indefeasibly paid in full, (ii) all covenants, terms, conditions and undertakings of the Guarantor shall be complied with and performed, and (iii) the Bank shall deliver a final discharge in writing to the Guarantor. In the event of any discontinuance or termination of this Guaranty Agreement in any manner, all indebtedness and obligations included within the term Guaranteed Obligations under Section 1 herein executed, issued, drawn or made by, or for the account of, the Borrower or any of its agents purporting to be dated on or before the date of such discontinuance or termination becomes known to the Bank, and all advances and payments made pursuant thereto even though made after such date, shall form part of the Guaranteed Obligations for which the Guarantor shall be liable under the terms hereof.

6. Subordination of Claims of Guarantor; Security. Any claim against the Borrower to which the Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by the Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior payment or performance in full of the Guaranteed Obligations.

In addition to any other security given by the Guarantor to the Bank, after the occurrence of an Event of Default which has not been cured within any applicable cure period, the Bank is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of the Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of the Bank for any purpose, including safekeeping or pledge for this or any other liability of the Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to the Guarantor.

The Bank is hereby authorized and empowered, at its option, at any time after the Guaranteed Obligations become payable, to sell, assign and deliver any securities or property at any time given unto or left in the possession or custody of the Bank for any purpose (including safekeeping or pledge for this or any other liability of any of the Guarantor) by or for the Guarantor, or in which the Guarantor may have an interest, at public or private sale, for cash or upon credit, or for future delivery, all at the option of the Bank, upon thirty (30) days prior written notice to the Guarantor.

7. Notices, etc. All notices, demands, requests or other communications required or permitted under the terms of this Guaranty shall be in writing and, unless and until otherwise specified in a written notice by the party to whom notice is intended to be given, shall be sent to the parties at the respective addresses set forth in the preamble to this Guaranty.

Notices may be given on behalf of any party by its legal counsel.

Each such notice, demand, request or other communication shall be deemed to have been properly given for all purposes if (i) delivered against a written receipt of delivery, (ii) mailed by certified mail of the United States Postal Service, return receipt requested, postage prepaid, (iii)

delivered to a nationally recognized overnight courier service for next business day delivery, or (iv) hand delivered, to its addressee at such party's address as set forth in the preamble thereof.

Each such notice, demand or request shall be deemed to have been given upon actual receipt of first refusal of the addressee to accept delivery.

8. Survival of Guaranty, etc. It is agreed that Guarantor's liability is joint and several with and independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Obligations. It is agreed that the Guarantor's liability and obligations hereunder may be enforced regardless of the existence of any such other guaranties. This Guaranty shall inure to the benefit of and be binding upon the Guarantor and the Bank and their respective successors and assigns, including any subsequent holder or holders of any Guaranteed Obligations, and the term "Bank" shall include any such holder or holders whenever the context permits. This Guaranty is intended to take effect as a sealed instrument.

9. Bank's Freedom to Deal with the Borrower and Other Parties. The Bank shall be at liberty, without giving notice to or obtaining the assents of the Guarantor and without relieving the Guarantor of any liability hereunder, to deal with the Borrower and with each other party who now is or after the date hereof becomes liable in any manner for any of the Guaranteed Obligations, in such manner as the Bank in its sole discretion deems fit, and to this end the Guarantor gives to the Bank full authority in its sole discretion to do any or all of the following things:

- (a) Extend credit, make loans and afford other financial accommodations to the Borrower at such times, in such amounts and on such terms as the Bank may approve;
- (b) Vary the terms and grant extensions or renewals of any present or future indebtedness or obligations to the Bank of the Borrower or of any such other party;
- (c) Grant the time, waivers and other indulgences in respect thereto;
- (d) Vary, exchange, release or discharge, wholly or partially, or delay in or abstain from perfecting and enforcing any collateral, security, guaranty or other means of obtaining payment of any of the Guaranteed Obligations which the Bank now has or acquires after the date hereof;
- (e) Accept partial payments from the Borrower or any such other part;
- (f) Release or discharge, wholly or partially, any endorser or guarantor; and

- (g) Compromise or make any settlement or other arrangement with the Borrower or any such other party.

10. Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of the counterparts shall together constitute one and the same instrument.

11. Governing Law; Jurisdiction. This Guaranty shall be construed in accordance with and governed by the laws of the State of New Hampshire. The Guarantor, to the extent that the Guarantor may lawfully do so, hereby consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the State of New Hampshire, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections he may have as to venue in any such courts.

12. Waiver. GUARANTOR AND BANK (BY ACCEPTANCE OF THIS GUARANTY) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREIN, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY OTHER RELATED DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF BANK RELATING TO THE ADMINISTRATION OF THE BONDS OR THE LOAN OR ENFORCEMENT OF THE RELATED DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, GUARANTOR AND THE BANK HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, ENHANCED COMPENSATORY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BANK AND THE GUARANTOR TO ACCEPT THIS GUARANTY AND MAKE THE LOAN.

13. The Bank's Right of Setoff. The Guarantor hereby grants to the Bank, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to the Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Bank or any entity under the control of the Bank or Salem Five Bancorp (or their successors and



assigns), or in transit to any of them. During the existence of an Event of Default or upon notice of issue of any legal process by which process any of the Borrower's assets in the possession or control of the Bank, any affiliate thereof and/or Salem Five Bancorp (and their successors and assigns) may be trustee, attached or levied upon, without demand or notice (any such notice being expressly waived by the Guarantor), the Bank may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower and the Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14. Miscellaneous. All capitalized terms not otherwise defined in this Agreement shall have the same meaning as set forth with the Continuing Covenants Agreement.

[SIGNATURE PAGE FOLLOWS]

Draft 11.28.17

IN WITNESS WHEREOF, the parties have executed this Guaranty as a sealed instrument as of the date first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
JACQUELINE R. METZEMAEKERS

The foregoing Guaranty is hereby accepted:

SALEM FIVE CENT SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Its Duly Authorized \_\_\_\_\_

## GUARANTY AGREEMENT

This GUARANTY AGREEMENT (the "Guaranty"), is dated as of the 1<sup>st</sup> day of December, 2017, by JOHN A. METZEMAEKERS, an individual with a mailing address of 33 Northwestern Drive, Salem, New Hampshire 03079 (the "Guarantor") and SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, Massachusetts 01970 (the "Bank").

### WITNESSETH:

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") is issuing its \$3,625,000 Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") and the proceeds of the Bonds will be loaned by the Authority (the "Loan") to METZ REALTY, INC. (the "Borrower") pursuant to a Loan and Security Agreement dated as of December 1, 2017, as amended, modified and restated, by and among the Authority, the Borrower and the Bank (the "Loan Agreement"); and

WHEREAS, the Bank is purchasing the Bonds pursuant to the terms and conditions of the Continuing Covenants Agreement dated as December 21, 2017, as amended, modified and restated, by and between the Borrower and the Bank (the "Continuing Covenants Agreement"); and

WHEREAS, the obligation of the Bank to purchase the Bonds and the Authority make the Loan to the Borrower is subject to the condition, among others, that the Guarantor shall execute and deliver this Guaranty; and

WHEREAS, the Guarantor is an owner of the Borrower; and

WHEREAS, the aforesaid Loan will be beneficial to the Guarantor inasmuch as the proceeds of the Loan to the Borrower will directly and/or indirectly benefit the Guarantor;

NOW, THEREFORE, in order to induce the Bank to purchase the Bonds and the Authority make the Loan to the Borrower pursuant thereto, and for other good and valuable consideration, the receipt of which is hereby acknowledged by the Guarantor, the Guarantor hereby agrees as follows:

1. Guaranteed Obligations. The Guarantor does hereby irrevocably and unconditionally guarantee the due and punctual payment and performance of the following obligations to the Bank (individually, a "Guaranteed Obligation" and together the "Guaranteed Obligations");

(a) Principal of and premium, if any, and interest on the Loan and the Bonds, when the same becomes due and payable, whether on demand or by acceleration or otherwise;

(b) Any and all other obligations of the Borrower to the Bank or its affiliates under the Bonds and the Related Documents (as defined in the Continuing Covenants Agreement and any obligations arising under any now existing or hereafter arising foreign exchange contracts, treasury management services, cash management contracts, interest rate swap, cap, floor or hedging agreements, or similar agreements or in connection with any Automated Clearing House ("ACH") agreements related to the processing of ACH transactions, together with all fees and expenses, charges and other amounts owing by or chargeable to the Borrower under the ACH agreements; and

(c) Any and all expenses that are incurred by the Bank in collecting all or any of the Guaranteed Obligations, including attorneys' fees.

2. Demand by the Bank. Upon any failure by the Borrower to punctually pay or perform any Guaranteed Obligation when due, the Bank may make demand upon the Guarantor for the payment or performance of such Guaranteed Obligation and the Guarantor binds and obliges himself to make such payment or performance forthwith upon such demand.

3. Waiver of Demands, Notices, Diligence, etc. The Guarantor hereby assents to all the terms and conditions of the Guaranteed Obligations and waives, to the fullest extent permitted by law, (a) demand for the payment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof (other than the demand provided for in section 2 hereof); (b) protest of the nonpayment of the principal of any Guaranteed Obligation or of any claim for interest or any part of any thereof; (c) notice of presentment, demand and protest; (d) notice of acceptance of any guaranty herein provided for or of the terms and provisions thereof or hereof by the Bank; (e) notice of any indulgences or extensions granted to the Borrower or any person or party which shall have assumed the obligations of the Borrower; (f) any requirement of diligence or promptness on the part of the Bank in the enforcement of any of its rights under the provisions of any Guaranteed Obligations or this Guaranty; (g) any enforcement of any Guaranteed Obligation; (h) any suretyship defenses; and (i) any right which the Guarantor might have to require the Bank to proceed against any other guarantor of the Guaranteed Obligations or to realize on any collateral security for the Guaranteed Obligations. The waivers set forth in this section 3 shall be effective notwithstanding the fact that the Borrower ceases to exist by reason of its liquidation, merger, consolidation or otherwise.

4. Obligations of Guarantor Unconditional. (a) The obligations of the Guarantor under this Guaranty shall be unconditional, irrespective of the validity, regularity or enforceability of any Guaranteed Obligation, and shall not be affected by any action taken under any Guaranteed Obligation in the exercise of any right or remedy therein conferred, or by any failure or omission on the part of the Bank to enforce any right given thereunder or hereunder or any remedy conferred thereby or hereby, or by any waiver of any term, covenant, agreement or condition of any Guaranteed Obligation or this Guaranty, or by any release of any security or any other guaranty at any time existing for the benefit of any Guaranteed Obligation, or by any sale, lease or transfer by the Guarantor to any person of any or all of the Guarantor's properties, or by any action of the Bank granting indulgence or extension to, or waiving or acquiescing in any default by the Borrower or any guarantor, or any successor to the Borrower or any guarantor or any person or party which shall have assumed its obligations, or by reason of any disability or

other defense of the Borrower or any guarantor or any successor to the Borrower or any guarantor, or by any modification, alteration, or by any circumstance whatsoever (with or without notice to or knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor hereunder, it being the purpose and intent of the Guarantor that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances and shall not be discharged except by payment or performance as herein provided, and then only to the extent of such payment or performance.

(b) For purposes of this Guaranty and notwithstanding contrary provisions in any document executed by Bank and the Borrower, all Guaranteed Obligations shall be deemed immediately accelerated, without notice or demand, and shall become immediately due and owing upon occurrence of any of the foregoing events:

- (i) in the event the Borrower or any Guarantor, or any of them, makes an assignment for the benefit of creditors, files a petition in bankruptcy, has an order for relief entered against it or him, petitions or applies to any tribunal for a receiver or any trustee of any substantial part of its property; or commences any proceeding related to the Borrower or any Guarantor, or any of them, under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the Borrower or any Guarantor, or any of them, any such proceeding, which proceeding is not dismissed within sixty (60) days of its commencement; or the Borrower or any Guarantor, or any of them, by any act indicates his or its consent to, approval of, or acquiescence to any such proceeding or the appointment of any receiver of, custodian or trustee for the Borrower or any Guarantor or any substantial part of his or its property, or the Borrower, or upon the issuance of any attachment or execution against the Borrower, or any Guarantor or any of them, becoming effective as and against any third parties, or any governmental agency or instrumentality shall seize, appropriate, condemn, occupy or interfere in any manner with any of the Borrower's, or any of its, operation of, all or any substantial portion of its property, or such property or any right the Borrower therein shall be subject to judicial process or condemnation or forfeiture proceedings; or,
- (ii) sale, exchange, or any other transfer of the Guarantor's property, except in an exchange for reasonable equivalent value, and which does not result in any material diminution in the Guarantor's net worth, or the substantial diminution of his net worth as the same exists as of the date hereof, without the prior written consent of Bank; or
- (iii) any event of default occurs under the Related Documents which is not cured within any applicable cure period.

5. Continuing Nature of Guaranty. The obligation of the Guarantor under this Guaranty Agreement shall continue in full force and effect, notwithstanding any intermediate or temporary payments or settlement of the whole or any part of the Guaranteed Obligations. This

Guaranty Agreement shall not be discharged until such time as (i) all Guaranteed Obligations shall be finally and indefeasibly paid in full, (ii) all covenants, terms, conditions and undertakings of the Guarantor shall be complied with and performed, and (iii) the Bank shall deliver a final discharge in writing to the Guarantor. In the event of any discontinuance or termination of this Guaranty Agreement in any manner, all indebtedness and obligations included within the term Guaranteed Obligations under Section 1 herein executed, issued, drawn or made by, or for the account of, the Borrower or any of its agents purporting to be dated on or before the date of such discontinuance or termination becomes known to the Bank, and all advances and payments made pursuant thereto even though made after such date, shall form part of the Guaranteed Obligations for which the Guarantor shall be liable under the terms hereof.

6. Subordination of Claims of Guarantor; Security. Any claim against the Borrower to which the Guarantor may be or become entitled (including, without limitation, claims by subrogation or otherwise by reason of any payment or performance by the Guarantor in satisfaction and discharge, in whole or in part, of his obligations under this Guaranty) shall be and hereby is made subject and subordinate to the prior payment or performance in full of the Guaranteed Obligations.

In addition to any other security given by the Guarantor to the Bank, after the occurrence of an Event of Default which has not been cured within any applicable cure period, the Bank is hereby authorized and empowered, at its option, to appropriate and apply to the payment and extinguishment of the Guaranteed Obligations, at any time after such liability becomes payable, any and all moneys or other property of the Guarantor and any proceeds thereof (including proceeds of sales provided for below) now or hereafter in the possession of the Bank for any purpose, including safekeeping or pledge for this or any other liability of the Guarantor, and including any balance on deposit or otherwise for the account of, to the credit of, or belonging to the Guarantor.

The Bank is hereby authorized and empowered, at its option, at any time after the Guaranteed Obligations become payable, to sell, assign and deliver any securities or property at any time given unto or left in the possession or custody of the Bank for any purpose (including safekeeping or pledge for this or any other liability of any of the Guarantor) by or for the Guarantor, or in which the Guarantor may have an interest, at public or private sale, for cash or upon credit, or for future delivery, all at the option of the Bank, upon thirty (30) days prior written notice to the Guarantor.

7. Notices, etc. All notices, demands, requests or other communications required or permitted under the terms of this Guaranty shall be in writing and, unless and until otherwise specified in a written notice by the party to whom notice is intended to be given, shall be sent to the parties at the respective addresses set forth in the preamble to this Guaranty.

Notices may be given on behalf of any party by its legal counsel.

Each such notice, demand, request or other communication shall be deemed to have been properly given for all purposes if (i) delivered against a written receipt of delivery, (ii) mailed by certified mail of the United States Postal Service, return receipt requested, postage prepaid, (iii)

delivered to a nationally recognized overnight courier service for next business day delivery, or (iv) hand delivered, to its addressee at such party's address as set forth in the preamble thereof.

Each such notice, demand or request shall be deemed to have been given upon actual receipt of first refusal of the addressee to accept delivery.

8. Survival of Guaranty, etc. It is agreed that Guarantor's liability is joint and several with and independent of any other guaranties at any time in effect with respect to all or any part of the Guaranteed Obligations. It is agreed that the Guarantor's liability and obligations hereunder may be enforced regardless of the existence of any such other guaranties. This Guaranty shall inure to the benefit of and be binding upon the Guarantor and the Bank and their respective successors and assigns, including any subsequent holder or holders of any Guaranteed Obligations, and the term "Bank" shall include any such holder or holders whenever the context permits. This Guaranty is intended to take effect as a sealed instrument.

9. Bank's Freedom to Deal with the Borrower and Other Parties. The Bank shall be at liberty, without giving notice to or obtaining the assents of the Guarantor and without relieving the Guarantor of any liability hereunder, to deal with the Borrower and with each other party who now is or after the date hereof becomes liable in any manner for any of the Guaranteed Obligations, in such manner as the Bank in its sole discretion deems fit, and to this end the Guarantor gives to the Bank full authority in its sole discretion to do any or all of the following things:

- (a) Extend credit, make loans and afford other financial accommodations to the Borrower at such times, in such amounts and on such terms as the Bank may approve;
- (b) Vary the terms and grant extensions or renewals of any present or future indebtedness or obligations to the Bank of the Borrower or of any such other party;
- (c) Grant the time, waivers and other indulgences in respect thereto;
- (d) Vary, exchange, release or discharge, wholly or partially, or delay in or abstain from perfecting and enforcing any collateral, security, guaranty or other means of obtaining payment of any of the Guaranteed Obligations which the Bank now has or acquires after the date hereof;
- (e) Accept partial payments from the Borrower or any such other part;
- (f) Release or discharge, wholly or partially, any endorser or guarantor; and

- (g) Compromise or make any settlement or other arrangement with the Borrower or any such other party.

10. Counterparts. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of the counterparts shall together constitute one and the same instrument.

11. Governing Law; Jurisdiction. This Guaranty shall be construed in accordance with and governed by the laws of the State of New Hampshire. The Guarantor, to the extent that the Guarantor may lawfully do so, hereby consents to the jurisdiction of the courts of the State of New Hampshire and the United States District Court for the State of New Hampshire, as well as to the jurisdiction of all courts from which an appeal may be taken from such courts, for the purpose of any suit, action or other proceeding arising out of any of its obligations hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections he may have as to venue in any such courts.

12. Waiver. GUARANTOR AND BANK (BY ACCEPTANCE OF THIS GUARANTY) MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREIN, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY OTHER RELATED DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF BANK RELATING TO THE ADMINISTRATION OF THE BONDS OR THE LOAN OR ENFORCEMENT OF THE RELATED DOCUMENTS, AND AGREE THAT NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, GUARANTOR AND THE BANK HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, ENHANCED COMPENSATORY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT BANK WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR BANK AND THE GUARANTOR TO ACCEPT THIS GUARANTY AND MAKE THE LOAN.

13. The Bank's Right of Setoff. The Guarantor hereby grants to the Bank, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to the Bank, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of the Bank or any entity under the control of the Bank or Salem Five Bancorp (or their successors and



assigns), or in transit to any of them. During the existence of an Event of Default or upon notice of issue of any legal process by which process any of the Borrower's assets in the possession or control of the Bank, any affiliate thereof and/or Salem Five Bancorp (and their successors and assigns) may be trustee, attached or levied upon, without demand or notice (any such notice being expressly waived by the Guarantor), the Bank may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower and the Guarantor even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE BANK TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

14. Miscellaneous. All capitalized terms not otherwise defined in this Agreement shall have the same meaning as set forth with the Continuing Covenants Agreement.

[SIGNATURE PAGE FOLLOWS]

Draft 11.28.17

IN WITNESS WHEREOF, the parties have executed this Guaranty as a sealed instrument as of the date first above written.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
JOHN A. METZEMAEKERS

The foregoing Guaranty is hereby accepted:

SALEM FIVE CENT SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Its Duly Authorized \_\_\_\_\_

## ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT

THIS AGREEMENT is dated as of December 1, 2017, from METZ REALTY, INC., a New Hampshire corporation, with a principal office located at 33 Northwestern Drive, Salem, NH 03079 (the "Borrower"), SCOTT ELECTRONICS, INC., a New Hampshire corporation, with a principal office located at 33 Northwestern Drive, Salem, NH 03079 (the "Corporate Guarantor"), JOHN A. METZEMAEKERS and JACQUELINE R. METZEMAEKERS, individuals, with an address of 33 Northwestern Drive, Salem, NH 03079 (the "Individual Guarantors" and the Corporate Guarantor are on occasion referred to as the "Guarantors") (the Borrower and the Guarantors are on occasion referred to individually as an "Indemnitor" and collectively as the "Indemnitors") to SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, MA 01970 (the "Bank").

### RECITALS

WHEREAS, the Borrower is the owner of certain real properties, together with the buildings, structures and other improvements currently existing or to be constructed thereon, located in the Town of Salem, Rockingham County, New Hampshire, more particularly described on Exhibit "A" attached hereto (the "Real Estate"); and

WHEREAS, the Business Finance Authority of the State of New Hampshire, a public body corporate and agency duly organized and validly existing under the laws of the State (the "Authority"), is authorized to make loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of projects, to carry out any of its purposes and to issue its bonds for the purpose of carrying out any of its powers; and

WHEREAS, the Borrower owns the Real Estate and intends to obtain financing and refinancing with respect to the Salem, New Hampshire facility through the issuance by the Authority of the Business Finance Authority of the State of New Hampshire, Revenue Bonds, Metz Realty, Inc. Issue, Series 2017 (the "Bonds") in the aggregate original principal amount of Three Million Six Hundred Twenty-Five Thousand Dollars (\$3,625,000) and the loan by the Authority of the proceeds thereof to the Borrower; and

WHEREAS, In order to finance and refinance the costs incurred by the Borrower with respect to the acquisition, construction, renovation, improvements and equipping of the Borrower's facilities (the "Project"), the Authority will issue the Bonds and lend the proceeds thereof to the Borrower, pursuant to that certain Loan and Security Agreement among the Authority, the Borrower and the Bank dated as of December 1, 2017, as the same may be amended, modified and restated (the "Loan Agreement"), pursuant to which Loan Agreement the Authority has made and may in the future make advances and other financial accommodations (the "Loan") to or for the benefit of the Borrower in the aggregate principal amount of Three Million Six Hundred Twenty-Five Thousand Dollars (\$3,625,000), upon the terms and subject to the conditions set forth in the Loan Agreement and in a Continuing Covenants Agreement between the Borrower and the Bank dated as of December 21, 2017 (the "Continuing Covenants"); and

Agreement"), and all as more fully described in the Loan Agreement and the Continuing Covenants Agreement; and

WHEREAS, the Borrower shall make payments with respect to the Loan directly to the Bank, as assignee of the Authority and holder of the Bonds; and

WHEREAS, the Borrower's obligations under the Loan Agreement and the Continuing Covenants Agreement are secured by (1) a certain Mortgage, Security Agreement and Financing Statements with respect to the Real Estate dated as of December 1, 2017, as amended (the "Mortgage"), and (2) a certain Assignment of Rents and Leases with respect to the Real Estate, dated as of December 1, 2017, as amended (the "Assignment of Leases"), (the above Mortgage and the Assignment of Leases are also referred to as the "Security Documents") (the Loan Agreement, the Continuing Covenants Agreement and the Security Documents, together with such other documents, agreements, mortgages, and other instruments executed and delivered to the Authority or the Bank in accordance with or ancillary to the foregoing, may sometimes be collectively referred to herein as the "Loan Documents").

WHEREAS, as a condition to the closing of the Loan and the purchase of the Bonds, Indemnitors have agreed to execute and deliver this Agreement with respect to the Real Estate.

NOW, THEREFORE, in order to induce the Bank to acquire the Bonds and for the Authority to make the Loan and for other good and valuable consideration, each Indemnitor hereby covenants and agrees with the Bank as follows:

I. DEFINITIONS: All capitalized terms used in this Agreement and not heretofore defined shall have the meanings set forth below.

"Environment" means any water or water vapor, any land including land surface or subsurface, air, fish, wildlife, biota and all other natural resources.

"Environmental Laws" mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation, occupational health and safety laws, statutes, ordinances and codes and the common law, relating to pollution and/or the protection of the Environment and/or the health and safety of any persons and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

"Environmental Permits" mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law.

"Hazardous Substance" means, without limitation, any flammables, explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated-biphenyls, petroleum and petroleum-based products or by-products, methane, hazardous materials, medical waste, hazardous wastes, hazardous or toxic substances or related

materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), and in the regulations promulgated thereunder. The term "Hazardous Substance" does not include consumer products which are packaged for, stored, and used by a consumer with reasonable care and for their intended use.

"Indemnitee" means the Bank, its participants in the Loan, if any, and all subsequent holders of any of the Loan Documents, their respective officers, directors, employees, agents, representatives, contractors and subcontractors, and any subsequent owner of the Real Estate who acquires title thereto from or through the Bank, and the successors and assigns of all the foregoing.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the Environment, including the abandonment or discarding of barrels, containers, and other receptacles.

II. REPRESENTATIONS AND WARRANTIES: Each Indemnitor represents and warrants to the Bank that:

- (A) To the best of each Indemnitor's knowledge, neither the Real Estate nor any property adjacent to or within the immediate vicinity of the Real Estate is being or has been used for the storage, treatment, generation, transportation, processing handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military manufacturing or industrial purposes in violation of any Environmental Laws.
- (B) There are no underground storage tanks located on the Real Estate.
- (C) To the best of each Indemnitor's knowledge, the soil, subsoil, bedrock, surface water and groundwater of the Real Estate are free of any Hazardous Substances.
- (D) There has been no Release nor is there, to the best of each Indemnitor's knowledge, the threat of a Release on, at or from the Real Estate or any property adjacent to or within the immediate vicinity of the Real Estate which through soil, subsoil, bedrock, surface water or groundwater migration could come to be located on the Real Estate, and the Indemnitors have not received any form of notice or inquiry from any federal, state or local governmental agency or authority, any owner, operator, tenant, subtenant, licensee or occupant of the Real Estate or any property adjacent to or within the immediate vicinity of the Real Estate, or any other person with regard to a Release or the threat of a Release on, at or from the Real Estate or any property adjacent to or within the immediate vicinity of the Real Estate.

- (E) All Environmental Permits relating to the Real Estate have been obtained and are in full force and effect.
- (F) To the best of each Indemnitor's knowledge, no event has occurred with respect to the Real Estate which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit. There are no liens, covenants, deed restrictions, or notice registration requirements based upon any Environmental Laws.
- (G) There are no agreements, consent orders, decrees, judgments, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Real Estate which require any change in the present condition of the Real Estate or any work, repairs, construction, containment, clean up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Real Estate.
- (H) There are no actions, suits, claims or proceedings, pending or, to the best of each Indemnitor's knowledge, threatened, which could cause the incurrence of expenses or costs of any name or description or which seek money damages, injunctive relief, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, or (ii) the Release or the presence of any Hazardous Substance or nuisances of whatever kind to the extent the same arise from the condition of the Real Estate or the ownership, use, operation, sale, transfer or conveyance thereof.

III. COVENANTS: Each Indemnitor covenants and agrees with the Bank as follows:

- (A) Indemnitors shall keep, and shall cause all operators, tenants, subtenants, licensees and occupants of the Real Estate to keep the Real Estate free of all Hazardous Substances and shall not cause or permit the Real Estate or any part thereof to be used for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substances in violation of any Environmental Laws.
- (B) Indemnitors shall comply with, and shall cause all operators, tenants, subtenants, licensees and occupants of the Real Estate to comply with, all applicable Environmental Laws, and all orders, decrees, or directives by federal, state, or local courts or government agencies relating thereto, and shall obtain and comply with, and shall cause all operators, tenants, subtenants, licensees and occupants of the Real Estate to obtain and comply with all Environmental Permits.
- (C) Indemnitors shall not cause or permit any change to be made in the present or intended use of the Real Estate which would (i) involve the storage, treatment,

generation, transportation, processing, handling, production or disposal of any Hazardous Substance in violation of any Environmental Laws or the use of the Real Estate as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum-based products in violation of any Environmental Law, (ii) violate any applicable Environmental Law, or (iii) constitute non-compliance with any Environmental Permit.

- (D) Indemnitors shall promptly provide the Bank with a copy of any and all notifications received by any of them regarding any alleged violation of any Environmental Law or Environmental Permit and which any of the Indemnitors gives or receives with respect to any past or present Release or the threat of a Release on, at or from the Real Estate or any property adjacent to or within the immediate vicinity of the Real Estate, and, in any event, will immediately notify the Bank of any such Release or threat of a Release once any Indemnitor has knowledge of such Release or threat of a Release.
- (E) Indemnitors shall undertake and complete all investigations, studies, sampling and testing and all removal and other remedial actions necessary to contain, remove and clean up all Hazardous Substances that are determined to be present at the Real Estate in accordance with all applicable Environmental Laws and all Environmental Permits.
- (F) Indemnitors shall at all times allow the Bank and its officers, employees, agents, representatives, contractors and subcontractors reasonable access to the Real Estate for inspection and testing and to relevant books and records, for any items related to compliance with Environmental Laws and Environmental Permits, environmental reporting, record-keeping, notices or violations. The Bank may inspect and conduct any tests on the Real Estate required in the reasonable professional judgment of the Bank's environmental consultant or legal counsel, including taking soil, air, water, dust, waste or other samples in order to determine whether (i) a Release has occurred or (ii) the Indemnitors or any other party in possession of the Real Estate are in continuing compliance with all Environmental Laws and Environmental Permits.
- (G) Indemnitors shall promptly provide the Bank with a written report of the status of compliance with Environmental Laws and Environmental Permits at the Real Estate as may be requested by the Bank from time to time.
- (H) If at any time the Bank obtains any evidence or information which suggests that potential environmental problems may exist at the Real Estate, the Bank may require that a full or supplemental environmental inspection and audit report with respect to the Real Estate of a scope and level of detail satisfactory to the Bank may be prepared by an environmental engineer or other qualified person acceptable to the Bank, at Indemnitors' expense. Said audit may include a physical inspection of the Real Estate, a visual inspection of any property adjacent to or within the immediate vicinity of the Real Estate, personal interviews and a

review of all Environmental Permits. If the Bank requires, such inspection shall also include a records search and/or subsurface testing for the presence of Hazardous Substances in the Environment. If said audit report indicates the presence of any Hazardous Substance in violation of Environmental Laws or a Release or the threat of a Release on, at or from the Real Estate, each Indemnitor shall promptly undertake and diligently pursue to completion all necessary and appropriate investigative, containment, removal, clean up and other remedial actions provided the same are in compliance with Environmental Laws.

- (I) Indemnitors agree to reimburse the Bank for any and all expenses, costs and fees (including reasonable attorneys' fees) incurred in exercising any of the Bank's rights to inspect, investigate, audit, test or review matters under this Agreement. Such costs shall be chargeable to the Borrower and shall be secured by any and all Collateral, as that term is defined in the Loan Agreement.

IV. INDEMNIFICATION PROVISIONS: Each Indemnitor hereby covenants and agrees, at its sole cost and expense, to indemnify, protect, defend and save harmless each and every Indemnitee from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation, attorneys', consultants' and experts' fees, expenses and disbursements) of any kind or nature whatsoever by whomever asserted which may at any time be imposed upon, incurred by or asserted or awarded against any Indemnitee relating to, resulting from or arising out of the past, present or future (1) use of the Real Estate for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes, (2) presence of any Hazardous Substances or a Release or the threat of a Release on, at or from the Real Estate, (3) appropriate investigative, containment, removal, clean up and other remedial actions with respect to a Release or the threat of any Release on, at or from the Real Estate, (4) human exposure to any Hazardous Substance or nuisances of whatever kind to the extent the same arise from the condition of the Real Estate or the Ownership, use, operation, sale, transfer or conveyance thereof, (5) violation of any applicable Environmental Law, (6) non-compliance with any Environmental Permit, or (7) material misrepresentation or inaccuracy in any representation or warranty or a material breach of or failure to perform any covenant made by any of the Indemnitors in this Agreement or arising out of the Bank's exercise of any of its rights under this Agreement unless any of the above are caused by the gross negligence or willful misconduct of Indemnitee, its agents or contractors (collectively, the "Indemnified Matters"). The Indemnitors shall not be liable to indemnify the Bank for any matter resulting from willful misconduct or gross negligence on the part of the Bank.

The liability of the Indemnitors to each Indemnitee hereunder shall in no way be limited, abridged, impaired or otherwise affected by (i) any amendment or modification of the Loan Documents by or for the benefit of the Borrower or any subsequent owner of the Real Estate, (ii) any extensions of time for payment or performance required by any of



the Loan Documents, (iii) any extensions of time for payment or performance required by any of the Loan Documents, (iv) the release of the Borrower, any guarantor of the Loan or any other person from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the agreements, covenants, terms or provisions of the Loan Documents, (v) any exculpatory provision contained in any of the Loan Documents limiting the Bank's recourse to property encumbered by the Mortgage or to any other security or limiting the Bank's rights to a deficiency judgment against the Borrower, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on behalf of the Bank or any other Indemnitee or any information which the Bank or any other Indemnitee may have or obtain with respect to the environmental or ecological condition of the Real Estate, (viii) the sale, assignment or foreclosure of the Note or the Mortgage, (ix) the sale, transfer, conveyance or lease of all or part of the Real Estate, (x) the dissolution or liquidation of the Borrower or the Corporate Guarantor, (xi) the death or legal incapacity of any of the Individual Guarantors, (xii) the release or discharge, in whole or in part, of any of the other Indemnitors in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding, or (xiii) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of any Indemnitor under the Note, the Mortgage, the Loan Agreement, any other Loan Document or under this Agreement.

The indemnification agreement contained herein is wholly independent of and in addition to any indemnification agreement heretofore given to the Bank or any other Indemnitee as part of the application process for the Loan.

- V. GENERAL PROVISIONS: This Agreement shall, as to the Indemnitors, survive repayment of the Loan, or a deed in lieu of foreclosure.
- VI. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the undersigned as fully and completely as if all had signed the same instrument.
- VII. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon the Indemnitors, and each of their successors and assigns and shall inure to the benefit of each Indemnitee.
- VIII. GOVERNING LAW: This Agreement shall be construed in accordance with and governed by the laws of the State of New Hampshire.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

METZ REALTY, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers, Its Duly  
Authorized President

SCOTT ELECTRONICS, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
John A. Metzemaekers, Its Duly  
Authorized President

\_\_\_\_\_  
Witness

\_\_\_\_\_  
John A. Metzemaekers, individually

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Jacqueline R. Metzemaekers, individually

SALEM FIVE CENTS SAVINGS BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Charles A. Gaffney, Its Duly  
Authorized Vice President

## EXHIBIT A

Legal Description  
Units 1A and 2A of the Five Industrial Way Condominium,  
5 Industrial Way, Salem, New Hampshire

Unit 1A:

That certain condominium unit (“Condominium Unit”) in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 1A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the “Declaration”), and on certain floor plans entitled “Modified Condominium Floor Plan, Units 1 & 2” dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended (“Plan”). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 3, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
4. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.

5. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
6. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.
7. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
8. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
9. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
10. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffie, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
11. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2366.

Unit 2A:

That certain condominium unit ("Condominium Unit") in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 2A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the "Declaration"), and on certain floor plans entitled "Modified Condominium Floor Plan, Units 1 & 2" dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended ("Plan"). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
3. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.
4. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
5. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.

6. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
7. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
8. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
9. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffic, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
10. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments II, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2368.

## EXHIBIT "A"

### Legal Description 33 Northwestern Drive, Salem, NH 03079

A certain parcel of land, with the buildings thereon, situated on the Northerly side of Northwestern Drive in the Town of Salem, County of Rockingham, State of New Hampshire and being more particularly described as follows:

Beginning at a point at the northerly side of Northwestern Drive at the intersection of Lot 86-10578 and Lot 95-10583; thence

North 31° 52' 40" West, a distance of 298.82 feet to a point; thence

North 49° 56' 11" East, a distance of 375.39 feet to a point; thence

South 84° 34' 03" East, a distance of 75.00 feet to a point; thence

North 05° 24' 41" East, a distance of 279.59 feet to a point on Brookdale Road; thence

with a delta of 12° 22' 23" and a radius of 566.32 feet and a length of 122.30 feet along Brookdale Road to a point; thence

South 04° 55' 03" West, a distance of 347.10 feet to a point; thence

South 84° 32' 57" East, a distance of 40.00 feet to a point; thence

South 16° 09' 14" West, a distance of 330.14 feet to a point on Northwestern Drive; thence

along Northwestern Drive in a Westerly direction, a distance of 17.39 feet to a point; thence

with a delta of 50° 36' 25" and a radius of 320.00 feet and a length of 282.64 feet to the point of beginning.

Said parcel containing 4.349 acres, more or less, all as shown on said plan hereinafter described.

Meaning and intending to describe Lot 86-10578 as shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.

Said conveyance is subject to the following:

1. Any and all matters shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.
2. Covenants, restrictions and rights set forth in a Declaration of Keewaydin Shores, Inc., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 951 and Amendments thereto recorded in Book 2266, Page 956 and Book 2340, Page 1495.
3. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, dated February 1, 1995, recorded February 2, 1995, in the Rockingham County Registry of Deeds, Book 3088, Page 2552.
4. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, Inc., dated February 5, 1998, recorded February 11, 1998 in the Rockingham County Registry of Deeds, Book 3268, Page 0192.
5. A Mortgage and Security Agreement from Metz Realty, Inc. to Stoneham Savings Bank, dated April 3, 2009 in the original principal amount of \$524,000.00 and recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2271, and an Assignment of Leases and Rents recorded simultaneously in Book 4997, Page 2286.
6. A UCC Financing Statement from Metz Realty, Inc. to Stoneham Savings Bank, recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2294.

Being the same premises conveyed to Metz Realty, Inc. by deed of Keewaydin Realty Trust, dated February 1, 1995, recorded in the Rockingham County Registry of Deeds, Book 3088, Page 2506.



**COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT  
IN RESPECT OF CONTRACTS, LICENSES, PERMITS  
AND DEVELOPMENT RIGHTS**

1. **PARTIES.** METZ REALTY, INC., a New Hampshire corporation, with a principal place of business at 33 Northwestern Drive, Salem, NH 03079 (the "**Borrower**"), hereby assigns, transfers, sets over, pledges and, if applicable, delivers to SALEM FIVE CENTS SAVINGS BANK, a Massachusetts savings bank with its principal place of business at 210 Essex Street, Salem, MA 01970 (the "**Bank**"), and hereby grants to Bank a continuing security interest in the Assigned Contracts and Permits (as defined herein) to secure the Obligations (as defined herein).

2. **LOAN AGREEMENT; DEFINED TERMS.** This Collateral Assignment and Security Agreement in Respect of Contracts, Licenses, Permits and Development Rights ("**Assignment of Contracts**" or "**Collateral Assignment**") is given pursuant to the terms, provisions and conditions of (i) a certain Loan and Security Agreement dated as of December 1, 2017, by and among the Business Finance Authority of the State of New Hampshire (the "**Authority**"), the Borrower and the Bank, as the same may be amended and supplemented (the "**Loan Agreement**") and (ii) a certain Continuing Covenants Agreement between the Bank and the Borrower (among others) dated as of December 21, 2017, as the same may be amended, modified and restated (the "**Continuing Covenants Agreement**"). Capitalized terms not otherwise specifically defined herein shall have the same meaning herein as in the Loan Agreement or if not defined therein, in the Continuing Covenants Agreement.

3. **ASSIGNED CONTRACTS AND PERMITS.** The term "**Assigned Contracts and Permits**" shall mean all of the plans, specifications, contracts, licenses, permits, approvals, agreements and warranties, and all of Borrower's right, title and interest therein, whether now owned or hereafter acquired, and all proceeds and products thereof, and all accounts, contract rights, declarant's rights, development rights, water rights, water credit rights and general intangibles related thereto, which are in any manner related to either or both of (i) the real estate located in the Town of Salem, Rockingham County, New Hampshire (more particularly described in Schedule A hereto) and the improvements on or to be constructed on the real estate (such real estate and improvements together called the Real Estate), or (ii) the Project. The Assigned Contracts and Permits include, but are not limited to, those described on Schedule B which is annexed hereto and made a part hereof.

4. **OBLIGATIONS.** The term "**Obligations**" shall mean all obligations of the Borrower to the Bank (or any affiliate thereof), whether now existing or hereafter arising, direct or indirect, under each of the following instruments, documents and agreements: (i) the Loan Agreement; (ii) the Continuing Covenants Agreement; (iii) the Bonds; (iv) the Bond Documents; (v) the Assignment of Leases; (vi) this Assignment; (vii) the Mortgage; and (viii) each other Related Document (the foregoing, as the same may be amended, modified and restated, are referred to collectively as the "**Loan Documents**").

5. COVENANTS, WARRANTIES AND REPRESENTATIONS. Borrower covenants with, and warrants and represents to, Bank that:

- 5.1 Borrower is and shall be the owner of the Assigned Contracts and Permits free and clear of all pledges, liens, security interests and other encumbrances of every nature whatsoever except in favor of Bank;
- 5.2 Borrower has the full right, power and authority to assign, and to grant the pledge of and security interest in, the Assigned Contracts and Permits as herein provided;
- 5.3 The execution, delivery and performance of this Collateral Assignment and Security Agreement by Borrower does not and will not result in the violation of any mortgage, indenture, contract, instrument, agreement, judgment, decree, order, statute, rule or regulation to which Borrower is subject or by which it or any of its property is bound;
- 5.4 Except in favor of Bank, Borrower shall not make any other assignment of, or permit any pledge, lien, security interest or encumbrance to exist with respect to, the Assigned Contracts and Permits and Borrower shall not otherwise transfer, assign, sell or exchange its interest in the Assigned Contracts and Permits;
- 5.5 A true and complete executed counterpart, or certified copy, of each Assigned Contract and Permit which now exists and which is evidenced by a written agreement or document has been delivered to Bank and a true and complete counterpart, or certified copy, of each Assigned Contract and Permit which becomes effective or is issued in the future shall be promptly delivered to Bank;
- 5.6 Each Assigned Contract and Permit presently in existence is in full force and effect, is valid and enforceable in accordance with its terms, has not been modified and no default exists thereunder on the part of any party thereto. Each Assigned Contract and Permit which comes into existence after the date hereof shall be valid and enforceable in accordance with its terms;
- 5.7 No Assigned Contract and Permit shall be amended, modified or changed in any material respect, have any of its material terms waived by Borrower or canceled or terminated, without Bank's prior written consent in each instance; and
- 5.8 Borrower shall pay and perform all of its obligations under or with respect to each Assigned Contract and Permit and not permit any default by it to exist with respect thereto. Borrower shall exercise all commercially reasonable efforts necessary to enforce or secure performance by any other party to any Assigned Contract and Permit.

6. RIGHTS OF ASSIGNOR PRIOR TO DEFAULT. So long as there is no Event of Default, Borrower shall have and may exercise all rights as the owner or holder of the Assigned Contracts and Permits which are lawful and are not inconsistent with the provisions of the Loan

Documents. Immediately upon the occurrence of any Event of Default, the right described in the preceding sentence shall cease and terminate, and in such event Bank is hereby expressly and irrevocably authorized, but not required to exercise every right, option, power or authority inuring to Borrower under any one or more of the Assigned Contracts and Permits as fully as Borrower could itself.

7. IRREVOCABLE DIRECTION. Borrower hereby irrevocably directs the contracting party to, or grantor or licensor of, any such Assigned Contract and Permit, whether identified in Schedule A or otherwise, to the extent not prohibited by either such Assigned Contract and Permit or applicable law, or to the extent permitted under any recognition or other agreement executed by such grantor or licensor, upon demand and after notice from Bank of the occurrence of an Event of Default under any of the Loan Documents, to recognize and accept Bank as the holder of such Assigned Contract and Permit for any and all purposes as fully as it would recognize and accept Borrower and the performance of Borrower thereunder. Borrower does hereby constitute and appoint Bank, while this Collateral Assignment remains in force and effect, irrevocably, and with full power of substitution and revocation, its true and lawful attorney for and in its name, place and stead, after the occurrence of such an Event of Default, to demand and enforce compliance with all the terms and conditions of the Assigned Contracts and Permits and all benefits accrued thereunder, whether at law, in equity or otherwise.

8. UCC RIGHTS AND REMEDIES. Further, and without limitation of the foregoing rights and remedies, upon an Event of Default Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code, as enacted in New Hampshire with respect to the Assigned Contracts and Permits, in addition to the rights and remedies otherwise provided for herein or by law or in equity or in any other Loan Document. The Bank shall give Borrower ten (10) days' prior written notice of the time and place of any public sale of any such Assigned Contract and Permit or the time after which any private sale or any other intended disposition is to be made. After deducting all expenses incurred in connection with the enforcement of its rights hereunder, Bank shall cause the proceeds of the Assigned Contracts and Permits to be applied to the Obligations in such order as Bank may determine and Borrower shall remain liable for any deficiency.

9. INDEMNIFICATION. Borrower hereby agrees to indemnify and to defend and hold Bank harmless against and from all liability loss, damage and expense, including reasonable attorneys' fees, which it may or shall incur by reason of this Agreement, or by reason of any commercially reasonable action taken in good faith by Bank hereunder or with respect to the Assigned Contracts and Permits, and against and from any and all claims and demands whatsoever which may be asserted against Bank by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in any of the Assigned Contracts and Permits. Should Bank incur any such liability, loss, damage or expense, the amount thereof, together with interest thereon at the Default Rate of interest under the Note, shall be payable by Borrower to Bank immediately upon demand, or at the option of Bank, Bank may reimburse itself therefor out of any receipts, rents, income or profits of the Real Estate collected by Bank before the application of such receipts, rents, income or profits to any other Obligations.

10. BANK NOT OBLIGATED. Nothing contained herein or elsewhere shall operate to obligate, or be construed to obligate, Bank to perform any of the terms, covenants or conditions contained in the Assigned Contracts and Permits or otherwise to impose any obligation upon Bank with respect to the Assigned Contracts and Permits prior to written notice by Bank to Borrower of Bank's election to assume Borrower's obligations under one or more of the Assigned Contracts and Permits. Prior to written notice from Bank of such election, this Agreement shall not operate to place upon Bank any responsibility for the operation, control, care, management or repair of the Real Estate or for the payment, performance or observance of any obligation, requirement or condition under any such Assigned Contract and Permit, or under any agreement in respect to any such Assigned Contract and Permit, and the execution of this Agreement by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Real Estate as well as the payment, performance or observance of any obligations, requirement or condition under the Assigned Contracts and Permits is and shall be that of Borrower, prior to written notice from Bank of such election. Even if Bank does exercise its rights, it may only be liable to the Architect, the Contractor, or any of the other parties only during the period that it is exercising the rights of Borrower under the Assigned Contracts and Permits, and at all times Borrower retains the obligation to reimburse Bank promptly upon demand or otherwise pay when due all obligations incurred in connection with the Assigned Contracts and Permits.

11. FURTHER ASSURANCES; UCC FILINGS. Borrower agrees to execute and deliver to Bank, at any time or times during which this Agreement shall be in effect, other further instruments as Bank in good faith may deem necessary to make effective this Agreement, the security interest created hereby and the covenants of Borrower herein contained. To evidence such security interest, at the request of Bank, Borrower shall, in a form satisfactory to Bank execute and deliver one or more financing statements and any continuation thereof, pursuant to the provisions of the Uniform Commercial Code as enacted in New Hampshire and shall pay the cost for filing thereof.

12. NO WAIVER; CUMULATIVE RIGHTS. Failure of Bank to avail itself of any of the terms, covenants, and conditions of this Agreement for any period of time, or at any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of Bank under this Collateral Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which Bank shall have under or by virtue of the Obligations and the Loan Documents. The rights and remedies of Bank hereunder may be exercised from time to time and as often as such exercise is deemed expedient by Bank.

13. BANK; RIGHT TO ASSIGN. Borrower agrees that upon any sale or transfer by Bank of the Loan Documents and the indebtedness evidenced thereby, or upon any person acquiring the Real Estate or any interest therein, Bank may deliver to the purchaser or transferee the Assigned Contracts and Permits and may assign to such purchaser or transferee the rights of Bank hereunder, who shall thereupon become vested with all powers and rights given to Bank in respect thereto (and subject to Bank's obligations hereunder), and Bank shall be forever relieved and fully discharged from any liability or responsibility thereafter accruing in connection

therewith. In no event shall Bank be liable with respect to, or on account of, the Assigned Contracts and Permits, except for the safekeeping of any instruments delivered to Bank pursuant hereto, and Bank shall specifically have no obligation to enforce any rights against any contractor, or grantor or issuer.

14. TERMINATION AND REASSIGNMENT. Upon full payment and performance of the obligations and liabilities set forth or contained in this Collateral Assignment and the other Loan Documents (excluding any liabilities which might arise in the future under the Environmental Indemnity) and simultaneously with the discharge of the Mortgage, this Collateral Assignment and Security Agreement shall become and be void and of no effect and, in that event, upon the request of Borrower, Bank covenants to execute and deliver to Borrower instruments effective to evidence the termination of this Agreement and the reassignment (without recourse) to Borrower of the Assigned Contracts and Permits and the rights, title, interest, power and authority assigned herein; provided, however, that any affidavit, certificate or other written statement of any officer of Bank stating that any part of said indebtedness remains unpaid shall be and constitute conclusive evidence of the then validity, effectiveness and continuing force of this Agreement and any person, firm, or corporation receiving any such affidavit, certificate or statement may, and is hereby authorized to rely thereon.

15. COPIES OF DEFAULT NOTICES. Borrower agrees to provide Bank promptly, but in any event within three (3) business days after receipt or knowledge thereof by Borrower, with copies of any and all notices received by Borrower with allege, either directly or indirectly, that Borrower is in default of, or deficient in the performance of the terms of any obligation of Borrower under, any Assigned Contract and Permit or that any fact or circumstance exists which could reasonably lead to the termination, suspension, revocation or loss of any Assigned Contract and Permit.

16. NO CANCELLATION. Borrower covenants and agrees that without the prior written consent of Bank in each instance, Borrower will not permit or agree to any cancellation, abridgement, or modification of any of the material terms, covenants and conditions of any Assigned Contract and Permit.

17. NOTICES. Any notices given pursuant to this Agreement shall be sufficient only if given in the manner provided for in the Loan Agreement.

18. SUCCESSORS AND ASSIGNS. All of the agreements, obligations, undertakings, representations and warranties herein made by Borrower shall inure to the benefit of Bank and Bank's successors and assigns and shall bind Borrower and its successors and assigns.

19. CAPTIONS AND HEADINGS. Captions and headings in this Agreement are intended solely for the convenience of the parties and shall not be considered in the determination of the meaning of any provision hereof.

20. COUNTERPARTS. This Collateral Assignment may be executed in several counterparts, each of which when executed and delivered is an original, but all of which together

shall constitute one instrument. In making proof of this agreement, it shall not be necessary to produce or account for more than one such counterpart which is executed by the party against whom enforcement of such collateral assignment is sought.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Borrower has caused this Collateral Assignment to be duly executed and delivered as of the 1<sup>st</sup> day of December, 2017.

METZ REALTY, INC.

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Jacqueline R. Metzemaekers, Its Duly  
Authorized President

\\MHT-WORLDOX\MHTS\WDOX\DOCS\CLIENTS\008358\108188\M3707741.DOC

## SCHEDULE A

### Legal Description

#### Units 1A and 2A of the Five Industrial Way Condominium, 5 Industrial Way, Salem, New Hampshire

#### Unit 1A:

That certain condominium unit (“Condominium Unit”) in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 1A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the “Declaration”), and on certain floor plans entitled “Modified Condominium Floor Plan, Units 1 & 2” dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended (“Plan”). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 3, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
4. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.



5. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
6. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.
7. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
8. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
9. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
10. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffie, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
11. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2366.

Unit 2A:

That certain condominium unit ("Condominium Unit") in the Town of Salem, County of Rockingham, State of New Hampshire, more particularly described as follows:

**Unit 2A** in the Five Industrial Way Condominium as defined, described, and identified in the Five Industrial Way Condominium Declaration recorded in the Rockingham County Registry of Deeds on April 12, 1990, at Book 2833, Page 1006, as amended by the First Amendment to Declaration for Five Industrial Way Condominium dated April 12, 2004, and recorded in the Rockingham County Registry of Deeds at Book 4267, Page 1474, as further amended by the Second Amendment to Declaration for Five Industrial Way Condominium dated July 27, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2354, (which Declaration, as amended from time to time, together with the By-Laws and other appendices thereto is hereinafter called the "Declaration"), and on certain floor plans entitled "Modified Condominium Floor Plan, Units 1 & 2" dated May 12, 2017 with revisions through May 17, 2017, and recorded in the Rockingham County Registry of Deeds as Plan #D-40286, as they may be amended ("Plan"). Also conveying with the Condominium Unit an undivided percent interest in the Common Area, as defined, described, and identified in the Declaration and on the Plan, which interest shall be subject to reallocation by amendment to the Declaration in the event that additional unit or units are created as part of the Condominium.

This conveyance is made subject to (i) the provisions of the New Hampshire Condominium Act, RSA 356-B, as amended, and the Declaration of Condominium for Five Industrial Way Condominium, and (ii) such rights of way, easements or privileges as may exist in favor of the public or others so far as the same may be applicable and enforceable.

This conveyance is subject to the following:

1. Easement to New England Telephone and Telegraph Company and Granite State Electric Company, dated March 27, 1992, recorded in the Rockingham County Registry of Deeds, Book 2917, Page 1956.
2. Protective Covenants Standards for North West Quadrant, Salem, N.H., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 0951, as amended by instrument dated September 20, 1976 and recorded in said Registry of Deeds, Book 2266, Page 0956.
3. Terms of a Wetland and Conservation Easement to the Town of Salem, dated November 18, 1988, recorded in the Rockingham County Registry of Deeds, Book 2769, Page 1711.
4. Any and all matter, including Drainage Easements at the Northeast corner of the premises, as shown on Plan #C-10266 recorded in the Rockingham County Registry of Deeds.
5. Terms of the Consent for the buildings plans on Lot 16, dated March 3, 1989, recorded in the Rockingham County Registry of Deeds, Book 2784, Page 2238.

6. Terms, conditions, agreements, covenants, restrictions, obligations and easements contained in the Declaration of Condominium for the Five Industrial Way Condominium, dated April 11, 1990, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1006, as amended by First Amendment to Declaration of Condominium, dated April 12, 2004, recorded in said Registry of Deeds, Book 4267, Page 1474, and as may be further amended from time to time.
7. The provisions, terms, conditions, restrictions, obligations, covenants and easements contained in the By-Laws of the Five Industrial Way Condominium, recorded in the Rockingham County Registry of Deeds, Book 2833, Page 1030, as amended by First Amendment to By-Laws for Five Industrial Way Condominium, dated February 20, 2011, recorded in said Registry of Deeds, Book 5206, Page 0054.
8. Provisions of New Hampshire Revised Statutes Annotated, Chapter 356-B (the "Condominium Act"), as may be amended from time to time.
9. Any and all matters shown on Site and Floor Plans entitled "As Built Condominium Site Plan Office/Warehouse Facility Assessors Map 96 Lot 7492 5 Industrial Way, Salem, New Hampshire" for Flutter Construction & Balsam Environmental Associates, prepared by Riesland Associates Inc., dated March 13, 1990, and "As Built Condominium Floor Plan Office/Warehouse Facility, Assessors Map 96 Lot 7492, 5 Industrial Way, Salem, New Hampshire" for Hutter Construction and Balsam Environmental Associates prepared by Riesland Associates, Inc., dated March 13, 1990, recorded in the Rockingham County Registry of Deeds, Plan D-20234, which Site and Floor Plans were amended by plan entitled "Tax Map 96, Lot 7492, Condominium Floor Plan, Prepared by Alvan Traffie, located at 5 Industrial Way, Salem, New Hampshire" dated April 8, 2004 and recorded with the Rockingham Registry of Deeds, Plan #D-31524.
10. Revised Floor Plans to alter the Condominium such that the top floor of Unit 1 becomes Unit 1B and the top floor of Unit 2 becomes 2B, and the lower floor of Unit 1 becomes Unit 1A and the lower floor of Unit 2 becomes Unit 2A, to be recorded in the Rockingham County Registry of Deeds.

This conveyance is subject to certain rules and regulations as may be determined and amended from time to time by the Condominium Association Board of Directors, as provided in said Declaration and the Articles and Bylaws of the Condominium Association.

Meaning and intending to describe and convey a portion of the same premises conveyed to Metz Realty, Inc. by deed of Van-Clay Investments II, LLC dated July 28, 2017, and recorded in the Rockingham County Registry of Deeds at Book 5839, Page 2368.

## SCHEDULE "A"

### Legal Description 33 Northwestern Drive, Salem, NH 03079

A certain parcel of land, with the buildings thereon, situated on the Northerly side of Northwestern Drive in the Town of Salem, County of Rockingham, State of New Hampshire and being more particularly described as follows:

Beginning at a point at the northerly side of Northwestern Drive at the intersection of Lot 86-10578 and Lot 95-10583; thence

North 31° 52' 40" West, a distance of 298.82 feet to a point; thence

North 49° 56' 11" East, a distance of 375.39 feet to a point; thence

South 84° 34' 03" East, a distance of 75.00 feet to a point; thence

North 05° 24' 41" East, a distance of 279.59 feet to a point on Brookdale Road; thence

with a delta of 12° 22' 23" and a radius of 566.32 feet and a length of 122.30 feet along Brookdale Road to a point; thence

South 04° 55' 03" West, a distance of 347.10 feet to a point; thence

South 84° 32' 57" East, a distance of 40.00 feet to a point; thence

South 16° 09' 14" West, a distance of 330.14 feet to a point on Northwestern Drive; thence

along Northwestern Drive in a Westerly direction, a distance of 17.39 feet to a point; thence

with a delta of 50° 36' 25" and a radius of 320.00 feet and a length of 282.64 feet to the point of beginning.

Said parcel containing 4.349 acres, more or less, all as shown on said plan hereinafter described.

Meaning and intending to describe Lot 86-10578 as shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.

Said conveyance is subject to the following:

1. Any and all matters shown on plan of land entitled "Lot Line Adjustment Plan, Salem Industrial Park, Salem, New Hampshire, prepared for Keewaydin Realty Trust by Bedford Design Consultants, dated October 24, 1994 and revised December 19, 1994, said Plan is recorded with Rockingham County Registry of Deeds as Plan No. 23656.
2. Covenants, restrictions and rights set forth in a Declaration of Keewaydin Shores, Inc., dated September 20, 1976, recorded in the Rockingham County Registry of Deeds, Book 2266, Page 951 and Amendments thereto recorded in Book 2266, Page 956 and Book 2340, Page 1495.
3. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, dated February 1, 1995, recorded February 2, 1995, in the Rockingham County Registry of Deeds, Book 3088, Page 2552.
4. Notice of Real Estate Lease by and between Metz Realty, Inc. and Scott Electronics, Inc., dated February 5, 1998, recorded February 11, 1998 in the Rockingham County Registry of Deeds, Book 3268, Page 0192.
5. A Mortgage and Security Agreement from Metz Realty, Inc. to Stoneham Savings Bank, dated April 3, 2009 in the original principal amount of \$524,000.00 and recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2271, and an Assignment of Leases and Rents recorded simultaneously in Book 4997, Page 2286.
6. A UCC Financing Statement from Metz Realty, Inc. to Stoneham Savings Bank, recorded April 7, 2009 in the Rockingham County Registry of Deeds, Book 4997, Page 2294.

Being the same premises conveyed to Metz Realty, Inc. by deed of Keewaydin Realty Trust, dated February 1, 1995, recorded in the Rockingham County Registry of Deeds, Book 3088, Page 2506.

**SCHEDULE B**

**CONTRACTS, LICENSES, LEASES AND PERMITS**

[Borrower to Complete and provide specific list if available]

1. All contracts, plans and specifications relating to the Real Estate and the Project.
2. Any and all building permits and approvals relating to the Real Estate and the Project.
3. All Other Permits, Contracts, Licenses related to the Real Estate and the Project.

## CONSENT AND AGREEMENT OF CONTRACTOR

TO: SALEM FIVE CENTS SAVINGS BANK ("Bank")

RE: METZ REALTY, INC. and SCOTT ELECTRONICS, INC.

Construction Contract (the "Construction Contract") dated \_\_\_\_\_, 201\_\_\_\_, as for the Project between \_\_\_\_\_ ("Contractor") and METZ REALTY, INC. (collectively, "Owner" and "Borrower").

Loan and financial accommodations (collectively, the "Loan") being provided by Bank and others to the Borrower pursuant to a Loan and Security Agreement dated as of December 1, 2017, and the Continuing Covenants Agreement (as defined below).

Construction, renovation and expansion of property in Salem, New Hampshire (the "Project").

1. This consent and agreement (this "Consent") is being furnished to Bank pursuant to the requirements of (i) a certain Loan and Security Agreement dated as of December 1, 2017, by and between the Business Finance Authority of the State of New Hampshire (the "Authority"), the Borrower and the Bank, as the same may be amended, modified and restated (the "Loan Agreement") and (ii) a certain Continuing Covenants Agreement between the Bank and the Borrower dated as of December 21, 2017, as the same may be amended, modified and restated (the "Continuing Covenants Agreement") pursuant to which the Borrower is being provided construction financing for the Project. Pursuant to an "Assignment of Contracts", or a Collateral Assignment dated as of December 1, 2017, Borrower has assigned to Bank, as collateral security for the Loan, the rights of Owner under the Construction Contract. Any capitalized terms used herein, which is not defined herein shall have the meaning given to such term in the Continuing Covenants Agreement.

2. Nothing contained herein or in the Collateral Assignment or any of the Related Documents shall be construed to impose upon Bank any duty to see to the application of the proceeds of the Loan by Borrower. Contractor acknowledges that Bank is obligated under the Loan Agreement and Continuing Covenants Agreement only to Borrower and that Contractor is not a beneficiary thereof. Contractor has executed this Consent to induce Bank to advance funds under the Loan to Borrower, and Contractor understands that Bank would not do so without Contractor's execution and delivery of this Consent.

3. Contractor hereby consents to the Collateral Assignment, acknowledges receipt of a copy thereof, and certifies as follows:

(i) A true and complete copy of the Construction Contract as executed, including all addenda and modifications through the date hereof, is annexed hereto as Exhibit A, and the amounts previously paid and presently due to Contractor as of the date hereof are set forth on Exhibit B which is annexed hereto;

(ii) Contractor is a duly organized and validly existing New Hampshire [corporation] and is a duly licensed under the laws of New Hampshire.

(iii) Contractor has the full right, power and authority to execute and deliver, and to perform its obligations under, the Construction Contract and this Contractor's Consent; and

(iv) No default exists under the Construction Contract, and the Construction Contract is valid and enforceable in accordance with its terms.

4. Contractor agrees with Bank as follows:

4.1 All monies disbursed to Contractor under the Loan Agreement, or otherwise received by Contractor from Owner or Bank in connection with the Project, shall be received and used as set forth in the Construction Contract.

4.2 The Construction Contract, and the Plans and Specifications referred to therein, shall not be amended, modified or canceled and no Significant Change Order shall be made without Bank's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed;

4.3 The term "Significant Change Order" shall mean any change or changes which individually or in the aggregate increase(s) or decreases the Construction Contract sum by more than \$10,000 in any instance or \$20,000 in the aggregate, or any substantial change in the quality, nature or character of the work;

4.4 Bank shall at all times have the right to use the Plans and Specifications for any use relating to the Project;

4.5 Contractor shall promptly notify Bank in writing of any claim on the part of Contractor that Owner is in breach of any of Owner's obligations under the Construction Contract;

4.6 Owner shall never be treated as being in breach of Owner's obligations under the Construction Contract unless and until written notice of a claim thereunder has been given to the Bank;

4.7 Contractor shall not exercise any rights which it may have to terminate the Construction Contract on account of a default in Owner's obligations thereunder, nor will work on the Project be suspended on account of any claim of default of Owner, without at least thirty (30) days prior written notice by Contractor to Bank of Contractor's intentions in respect thereof;

4.8 Upon receipt by Bank of notice from Contractor of a default by Owner under the Construction Contract, Bank, by written notice to Contractor given not more than thirty (30) days after Bank's receipt of default notice from Contractor shall have the option, but shall not be



required, to: (a) cure or correct any breach of Owner's obligations within thirty (30) days following Bank's receipt of such notice, and Contractor agrees to accept such a cure from Bank, or (b) give written notice to Contractor that Bank has elected to exercise Bank's rights under the Collateral Assignment and this Contractor's Consent, and upon curing any past due defaults of Owner under the Construction Contract, require Contractor to complete the work in accordance with the following:

(i) Contractor shall complete the work at a price not to exceed the fixed price, or not to exceed maximum price, referred to in the Construction Contract, plus any previously approved and executed change orders but minus any amounts previously paid thereunder;

(ii) Contractor shall be entitled to be paid by Bank, and Bank shall pay Contractor, only for, (a) the work to be performed pursuant to the Construction Contract whether done prior to or after Bank exercises its rights hereunder; and

(iii) Contractor shall look solely to Borrower for payment of all other sums payable under the Construction Contract; and

4.9 Notwithstanding anything herein to the contrary, such assumption of the Construction Contract by Bank, and the performance of the remaining work by Contractor, shall not constitute a waiver or release of any claims which Contractor may have against Owner.

4.10 Unless and until Bank shall have given written notice to Contractor stating that Bank is exercising Bank's rights to require Contractor to so complete the work, neither the Collateral Assignment nor this Contractor's Consent shall operate as a substitution of Bank for Owner and Contractor shall have no claim against Bank with respect to the Project.

4.11 Contractor shall upon reasonable written request of Bank, from time to time, provide a written estoppel certificate with respect to the Construction Contract so as to enable Bank to determine the amounts claimed by Contractor to be due thereunder and the existence of any claims for additional payments or breach by Owner.

4.12 Unless Contractor's notice to Bank in respect of a default by Owner under the Construction Contract is accompanied by such an estoppel certificate, the time limit within which Bank may elect to cure defaults of Owner, or to require Contractor to complete the work under paragraph 4.8 above, shall be extended until thirty (30) days following receipt by Bank of such estoppel certificate.

4.13 Bank shall have the right to further assign its rights under the Collateral Assignment and this Contractor's Consent with respect to the Construction Contract to:

- (i) any purchaser or transferee of the Loan and of the Loan Documents, or
- (ii) any purchaser, transferee or subsequent owner of the Property, or

(iii) any nominee of Bank or of such purchaser, transferee or subsequent owner.

From and after any such assignment Bank shall be forever relieved and fully discharged from any liability or responsibility to Contractor thereafter accruing in connection herewith.

4.14 Contractor shall execute without further charge to Bank, from time to time, reasonable certifications with respect to the Plans and Specifications for those matters covered by the Construction Contract, the work and other matters pertaining to the construction of the Project, and current progress thereunder including, without limitation, a certification on AIA Form G702 and G703, if required.

5. Notices shall be sufficient only if in writing and sent by registered or certified mail, return receipt requested, postage prepaid, or delivered by recognized courier service and shall be effective only upon receipt or tender for receipt in such manner during normal business hours on a business day at the appropriate notice address.

The appropriate notice address for Contractor is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

The appropriate notice address for Bank is:

Salem Five Cents Savings Bank  
210 Essex Street  
Salem, Massachusetts 01970  
Attention: Charles A. Gaffney, Vice President

Contractor or Bank may change its appropriate address for notices by giving written notice in the manner provided for above.

[SIGNATURE PAGE FOLLOWS]

Executed and delivered by Contractor's duly authorized officer as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CONTRACTOR:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**COPY OF CONTRACT**

**EXHIBIT B**

**AMOUNTS PAID AND PAYABLE**

**[To Be Completed By Contractor]**

## CONSENT AND AGREEMENT OF ARCHITECT

TO: SALEM FIVE CENTS SAVINGS BANK ("Bank")

RE: METZ REALTY, INC. and SCOTT ELECTRONICS, INC.

"Architect's Contract" dated \_\_\_\_\_, 20\_\_\_\_ for the Project between \_\_\_\_\_ ("Architect") and METZ REALTY, INC. (collectively, "Owner" and "Institution").

Loan and financial accommodations (collectively, the "Loan") being provided by Bank and others to Institution pursuant to "Loan and Security Agreement" dated as of December 1, 2017 and the Continuing Covenants Agreement (as defined below).

Construction, renovation and expansion of property in Salem, New Hampshire (the "Project").

1. This consent and agreement ("Architect's Consent") is being furnished to Bank pursuant to the requirements of (i) a certain Loan and Security dated as of December 1, 2017, by and between the New Hampshire Health and Education Facilities Authority (the "Authority") and the Institution, as the same may be amended, modified and restated (the "Loan Agreement") and (ii) a certain Continuing Covenants Agreement between the Bank and the Institution dated as of December 21, 2017, as the same may be amended, modified and restated (the "Continuing Covenants Agreement") pursuant to which the Institution is being provided financing for the Project. Pursuant to an "Assignment of Contracts, Licenses and Permits" or "Collateral Assignment" dated as of December 1, 2017, Institution has assigned to Bank as collateral security for the Loan the rights of Owner under the Architect's Contract. Any capitalized term used herein which is not defined herein shall have the meaning given to such term in the Continuing Covenants Agreement.

2. Nothing contained herein or in the Collateral Assignment or any of the Related Documents shall be construed to impose upon the Bank any duty to see to the application of the proceeds of the Loan by Institution. Architect acknowledges that Bank is obligated under the Loan Agreement and Continuing Covenants Agreement only to Institution and that Architect is not a beneficiary thereof.

3. Architect hereby consents to the Collateral Assignment, acknowledges receipt of a copy thereof, and certifies as follows:

(i) A true and complete copy of the Architect's Contract as executed, including all addenda and modifications through the date hereof, is annexed hereto as Exhibit A, and the amounts previously paid and presently due to Architect as of the date hereof are set forth on Exhibit B which is annexed hereto;

(ii) Architect is a duly organized and validly existing New Hampshire [corporation]. The employee in charge of the project is a duly licensed architect under the laws of New Hampshire.

(iii) Architect has the full right, power and authority to execute and deliver, and to perform its obligations under, the Architect's Contract and this Architect's Consent; and

(iv) No default exists under the Architect's Contract, and the Architect's Contract is valid and enforceable in accordance with its terms.

4. Architect agrees with Bank as follows:

4.1 It will furnish to Bank copies of all written notices given to the Owner with respect to any default of the Owner under the Architect's Contract simultaneously with the giving of such notice to the Owner;

4.2 Prior to taking any action to terminate the Architect's Contract based upon a default of Owner, Architect shall provide Bank with written notice of the default, and shall afford Bank the opportunity, at Bank's option, to cure such default within thirty (30) days of Bank's receipt of such default notice, or at Bank's further option within such thirty (30) day period or with a reasonable period of time thereafter (which shall include such time as Bank requires to obtain possession of and title to the Project), to exercise Bank's rights as "Assignee" of the Architect's Contract under the Collateral Assignment;

4.3 Bank shall not be deemed by virtue of the Collateral Assignment, or any action taken thereunder or hereunder, to have assumed any of the past obligations of the Owner under the Architect's Contract with respect to the payment to the Architect for any services furnished by the Architect to or for Owner, and Bank shall not be responsible for payment for any further obligations unless and until Bank, or its successors or assigns, shall elect by specific written notice directed to Architect to assume owner's obligations under the Architect's Contract in accordance with Paragraph 4.6 below;

4.4 This Architect's Consent does not in any way release or affect the obligations of the Owner to Architect;

4.5 The Owner shall render to Bank the Standard AIA certifications regarding the portions of the Plans and Specifications for which the Architect is responsible, and the progress of those aspects of the construction administration for which the Architect is responsible without additional charge;

4.6 If at any time Bank, or its successors or assigns, shall become the owner of the Property, or if Bank shall exercise its rights under any one or more of the Collateral Assignment, the Mortgage, the Loan Agreement or any of the other agreements given in connection therewith to take possession of the premises and complete the Project, such that Bank, or its successors and assigns, requires the continued use of those aspects of the Plans and Specifications for which Architect is responsible, Bank, or its successors and assigns, shall

have the right to use the same (but only for purposes defined by the Architect's Agreement) without any additional cost or expense and without payment of additional fees or charges to Architect, subject to the terms and conditions of the Architect's Contract; and subject to Architect being paid in full for all services rendered.

4.7 No material change, amendment or modification shall be made to the Architect's Contract, and no Significant Change Order shall be made to those aspects of the Plans and Specifications for which the Architect is responsible, without Bank's prior written authorization in each instance. The term Significant Change Order shall mean any change or changes which individually or in the aggregate increase(s) or decrease(s) the cost of the work by more than \$10,000 in any instance or \$20,000 in the aggregate, or any substantial change in the quality and nature or character of the work. It shall be the Owner's responsibility to inform the Bank of such changes.

4.8 All other terms and conditions of this Architect's Consent notwithstanding, it is understood and agreed that:

- (a) No party, neither the Borrower or Bank, shall have rights to use the Architect's documents unless and until the Architect is paid in full for services rendered, in accordance with the "Architect's Contract".
- (b) Under no circumstances shall the Architect's documents be used for the construction of the referenced project, unless the Architect is engaged to provide services, in accordance with the "Architect's Contract".
- (c) Under no circumstances shall the Architect's documents be used for anything other than contemplated in the "Architect's Contract".

5. The undersigned acknowledges that Bank is relying upon the terms, provisions and conditions of this Architect's Consent as an inducement to close and thereafter fund the Loan.

6. The undersigned acknowledges and agrees that the granting of the Loan by the Bank to the Owner constitutes a material benefit to the Architect and sufficient consideration for the Architect's agreements as set forth herein.

7. Notices shall be sufficient only if in writing and sent by registered or certified mail, return receipt requested, postage prepaid, or delivered by recognized courier service and shall be effective only upon receipt or tender for receipt in such manner during normal business hours on a business day at the appropriate notice address. The only notice required by the Architect to the Bank hereunder is pursuant to Section 4.1 hereof.



The appropriate notice address for Architect is:

---

---

---

The appropriate notice address for Bank is:

Salem Five Cents Savings Bank  
210 Essex Street  
Salem, Massachusetts 01970  
Attention: Charles A. Gaffney, Vice President

Architect or Bank may change its appropriate address for notices by giving written notice in the manner provided for above.

[SIGNATURE PAGE FOLLOWS]

Executed and delivered by Architect's duly authorized officer as of the \_\_\_\_\_,  
2017.

ARCHITECT: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**COPY OF CONTRACT**

**EXHIBIT B**

**AMOUNTS PAID AND PAYABLE**

**[To Be Completed By Architect]**

Business Finance Authority  
November 20, 2017  
Concord, New Hampshire

The telephonic meeting of the Board of Directors of the Business Finance Authority ("BFA") was called to order at 8:30 a.m. at 2 Pillsbury Street, Suite 201, Concord, New Hampshire. The following Directors were present: Dick Anagnost, Jeffrey Hayes, Matthew Benson, Catherine Provencher, Charles Withee, Guy Santagate, Senator Gary Daniels, Senator Bob Giuda and Representative Kermit Williams. Absent were Directors Stephen Duprey, Jeremy Hitchcock, Daniel Henderson, Bill Dwyer and Representative Laurie Sanborn. Also present was: James Key-Wallace, Executive Director and Clerk.

The Chairman asked the Board to consider approving the issue of up to \$3,625,000 in tax-exempt financing under RSA 162-I to finance a project for Metz Realty, Inc. and to take all necessary action in relation thereto and to recommend to Governor and Council that they take favorable action under RSA 162-I:9.

Whereupon Director Withee introduced and caused to be read:

A RESOLUTION AUTHORIZING UP TO \$3,625,000 BONDS FOR A PROJECT FOR METZ REALTY, INC. IN SALEM, NEW HAMPSHIRE (see attached exhibit 1-a).

and moved its adoption, seconded by Director Santagate. After due consideration of said resolution by the Board, Chairman Anagnost put the question on the motion and upon the roll being called, the following named Directors voted:

Aye: Dick Anagnost, Jeffrey Hayes, Matthew Benson, Catherine Provencher, Charles Withee and Guy Santagate. Nay: None. Abstain: None.

Whereupon the Chairman declared said resolution adopted.

The Chairman asked Mr. Key-Wallace to review the Executive Director's report.

There being no further business and upon motion made and seconded, the meeting was adjourned at 8:43 a.m.

Respectfully submitted:



James Key-Wallace  
Clerk

**A RESOLUTION AUTHORIZING UP TO \$3,625,000 BONDS  
FOR A PROJECT FOR METZ REALTY, INC. IN SALEM, NEW HAMPSHIRE**

WHEREAS, the Business Finance Authority of the State of New Hampshire (the "Authority") has been requested by Metz Realty, Inc. (the "Borrower") (i) to refinance and finance the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Property") to be owned by the Borrower; and (ii) to pay related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (collectively, the "Project") by issuing up to an aggregate principal amount of \$3,625,000 of bonds (the "Bonds") under RSA 162-I (the "Act");

WHEREAS, the Authority took official action with respect to the Project by passing a resolution on June 27, 2017 approving the issue of up to \$3,625,000 of Bonds;

WHEREAS, the Authority has been furnished with: (a) information and materials about the Borrower, the Project and unemployment in the Salem area, (b) evidence that Salem Five Cents Savings Bank (the "Bondowner") is willing to purchase the Bonds, (c) information deemed relevant by the Authority in determining whether to allocate a portion of the State's 2017 private activity bond limit to the proposed financing pursuant to RSA 162-M, and (d) other information, materials and assurances deemed relevant by the Authority;

WHEREAS, to evidence and secure the Bonds and the loan of the proceeds thereof to the Borrower, the Authority, Borrower and Bondowner will enter into (a) a Loan and Security Agreement in a form typical for such transaction (the "Agreement") which, among other things (i) will include provisions that will ensure under no circumstances will the Authority be obligated directly or indirectly to pay Project costs, debt service or expenses of operating, maintenance and upkeep of the Project except from Bond proceeds or from funds received under the Agreement (exclusive of funds received thereunder by the Authority for its own use); and (ii) will not create any debt of the State with respect to the Project, other than a special obligation of the Authority acting on behalf of the State under the Act; and (b) other agreements typical for such transaction, including but not limited to, a Mortgage, Security Agreement and Financing Statement, an Escrow Agreement, a Security Agreement, a Continuing Covenants Agreement and/or Bond Purchase Agreement, a Guaranty Agreement(s) and a Collateral Assignment of Leases and Rents; and

WHEREAS, the Agreement will constitute evidence of indebtedness of the Authority under the Act to finance the Project;

IT IS HEREBY RESOLVED THAT:

Section 1. Findings. On the basis of the information, materials and assurances received by the Authority and considered by it at an open meeting, the Authority finds:

1-a

(a) Special Findings:

- (1) The Project consists of (i) refinancing and financing the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Property") to be owned by the Borrower; and (ii) paying related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (collectively, the "Project" or the "Facility"). The Facility is within the definition of "Industrial Facility" in RSA 162-I and may be financed under the Act; and
- (2) The establishment and operation of the Facility will create employment opportunities directly and indirectly within the State of New Hampshire.

(b) General Findings:

- (1) The Project and the proposed refinancing and financing of the Project are feasible;
- (2) The Borrower has the skills and financial resources necessary to operate the Facility successfully;
- (3) The Agreement shall contain provisions so that under no circumstances will the Authority be obligated directly or indirectly to pay Project costs, debt service or expenses of operating, maintenance and upkeep of the Facility except from Bond proceeds or from funds received under the Agreement, exclusive of funds received thereunder by the Authority for its own use;
- (4) The Agreement shall not purport to create any debt of the State with respect to the Facility, other than a special obligation of the Authority acting on behalf of the State under the Act; and
- (5) The proposed refinancing and financing of the Project by the Authority and the proposed operation and use of the Facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I:1, will preserve or increase the social or economic prosperity of the State and one or more of its political subdivisions, and will promote the general welfare of the State's citizens.

Section 2. Determination and Recommendation. The Authority finds that the proposed refinancing, financing, operation and use of the Facility will serve a public use

and provide a public benefit and determines that the Authority's financing of the Project will be within the policy of, and the authority conferred by, the Act. The Authority recommends to His Excellency, the Governor and The Honorable Council that they make findings and a determination similar to those set forth above, and for that purpose the Executive Director is directed to transmit to the Governor and Council copies of this resolution, the materials received by the Authority with respect to the Project and any other documentation and information the Governor and Council may request.

Section 3. Authorization of the Agreement. The Authority shall be a party to the Agreement. The Chairman or Vice Chairman or Treasurer and any other member of the Board or the Executive Director are authorized to execute and deliver the Agreement on behalf of the Authority substantially in the form described at this meeting, but subject to such changes as the person so signing may approve, his or her signature being conclusive identification of the documents as the Agreement (with approved changes, if any) authorized by this resolution.

Section 4. Authorization and Sale of the Bonds. The Authority shall issue the Bonds in the aggregate amount of up to \$3,625,000; the Chairman, or the Vice Chairman or the Treasurer, and any other member of the Board or the Executive Director, are authorized to execute the Bonds; and the sale of the Bonds at the price of par is hereby authorized and approved.

Section 5. Actions Not to Be Taken Until After Approval by Governor and Council. The actions authorized by Sections 3 and 4 above (meaning specifically the execution of the Agreement and the issue of the Bonds) shall not be taken until such time as the Governor and the Council have made the findings and determination required by Section 9 of the Act, it being the intent of the Authority that the various actions on its behalf which are authorized are subject to the action of the Governor and Council as required by the Act.

Section 6. Bond Proceeds. The Bond proceeds shall be delivered to the Borrower in accordance with the Agreement; and checks, if any, for such Bond proceeds may be appropriately endorsed by the Chairman, Vice Chairman, Treasurer or the Executive Director.

Section 7. Approval of Project. The establishment of the Project, all in accordance with the provisions of the Agreement, is hereby approved for the purposes of, and to the extent required by the Act.

Section 8. Allocation of Private Activity Bond Limit. The Authority hereby allocates to the Bonds up to \$3,625,000 of the 2017 private activity bond limit pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, and RSA 162-M, provided that such allocation shall automatically expire on the last day of December, 2017, unless on or before such date (i) the Agreement is executed and delivered and the Bonds are issued or (ii) an extension is granted by further action of the Authority.



Section 9. Other Actions by Officers. The Chairman, Vice Chairman, Treasurer and the Executive Director are each authorized to take all other actions and execute, deliver or receive such instruments or certificates as they determine are necessary on behalf of the Authority in connection with the transaction authorized by the preceding sections of this resolution, but subject in all events to Section 5 hereof. Without limiting the generality of the foregoing, such officers may execute and deliver: receipts; financing statement forms under the U.C.C.; certificates as to facts, estimates and circumstances; information returns for governmental bond issues for the purposes of federal income taxes; and certificates as to proceedings taken, incumbency of officers or any other facts for any other purposes.

Section 10. Discharge of Lien. The Chairman, Vice Chairman, Treasurer or Executive Director, whenever requested by the owners of the Bonds, may join in the partial release or final discharge of the lien of the Agreement.

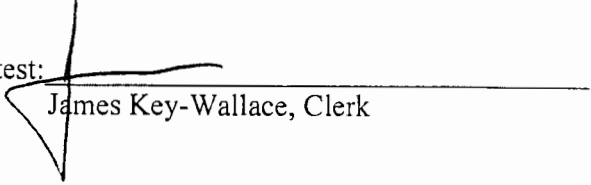
Section 11. Authorization of Change of Dates. Without limiting any other discretion conferred in this resolution, the date of the Agreement and the date of the Bonds as executed may be any date or dates acceptable to the Borrower, the Bondowner and the officers of the Authority executing the Agreement and the Bonds.

Section 12. \$10,000,000 Election. The Chairman, Vice Chairman, Treasurer and the Executive Director are each authorized to make an election with respect to the issuance of the Bonds pursuant to Section 144(a)(4) of the Internal Revenue Code of 1986, as amended, or any successor provision thereto, to the extent necessary.

Section 13. Effective Date. This resolution shall take effect upon its passage.

Passed: November 20, 2017

Attest:

  
James Key-Wallace, Clerk

**SUMMARY OF REQUIRED STATUTORY FINDINGS OF THE  
GOVERNOR AND COUNCIL UNDER RSA 162-I**

**BUSINESS FINANCE AUTHORITY  
OF THE STATE OF NEW HAMPSHIRE  
UP TO \$3,625,000 REVENUE BONDS  
METZ REALTY, INC. ISSUE, SERIES 2017**

(Note: The materials appearing below are extracts from RSA 162-I:9. Dots ("...") indicate deleted provisions relating to matters which are not relevant to this transaction.)

\* \* \*

Special Findings

**"(1) For any project, the governor and council shall specify the type of facility and shall find that the project to be financed is within the definition of the (type of facility) and may be financed under this chapter;"**

The Project to be financed consists of the following: (i) refinancing and financing the up to \$3,625,000 cost of the acquisition, renovation and equipping of a facility located at 5 Industrial Way in Salem, New Hampshire (the "Facility") to be owned by Metz Realty, Inc. (the "Borrower"); and (ii) paying related financing, closing and other costs and expenses, possibly including issuance expenses and capitalized interest (collectively the "Project"). The Project will be owned by the Borrower and will be operated and occupied by the Borrower's related entity, Scott Electronics, Inc., in connection with their business of assembling light electronic equipment, including cable harnesses, control box's and fiber optic assemblies, for OEM's, in the homeland security, medical, industrial, military and recreational industries. The Facility is within the definition of "Industrial Facility" in RSA 162-I (the "Act") and may be financed under the Act. The Borrower shall pay debt service on the Bonds.

\* \* \*

**"(2) If the facility is an industrial facility, the governor and council shall find that the establishment and operation of the facility will either create or preserve employment opportunities directly or indirectly within the state or help to protect and enhance the state's physical environment, or will accomplish both purposes;"**

The Borrower expects the Facility to enable the Borrower to create jobs and that the Facility will help to protect and enhance the state's physical environment. (Tab #3 - Form BFA-1). The information from the New Hampshire Department of Employment Security (Tab #5) shows that there is unemployment in the Salem area. The remainder of the finding can be based on all the materials submitted as well as facts which are a matter of general knowledge.

\* \* \*

**General Findings**

**"For any project, the governor and council shall find that:**

**(1) The project and the proposed financing of the project are feasible;"**

Salem Five Cents Savings Bank has expressed its interest in purchasing the Bonds (Tab #4). The financial information with respect to the Borrower and Scott Electronics, Inc. also support the finding (Tab #3).

\* \* \*

**"(2) The proposed user has the skills and financial resources necessary to operate the facility successfully;"**

The materials relating to the Borrower under Tab #3 support this finding.

\* \* \*

**"(3) The financing and security documents contain provisions so that under no circumstances will the authority be obligated directly or indirectly to pay project costs, debt service or expenses of operation, maintenance and upkeep of the facility except from bond proceeds or from funds received under the financing or security documents, exclusive of funds received under the documents by the authority for its own use;"**

The Loan and Security Agreement and the Escrow Agreement (Tab #6) are combined financing and security documents and each of the Mortgage, Security Agreement and Financing Statement and the Security Agreement is a security document. Article V of the Loan and Security Agreement contains express statements to the effect required. Article III of the Loan and Security Agreement obligates the Borrower to pay all debt service on the Bonds when it is due and Article VI of the Loan and Security Agreement requires the Borrower to pay taxes and costs of operation, maintenance and upkeep.

\* \* \*

**"(4) Neither the financing document nor the security document purports to create any debt of the state with respect to the facility, other than a special obligation of the authority acting on behalf of the state under this chapter; and"**

Express language to this effect is found in Article II of the Loan and Security Agreement and in the Bond (the form of which is attached to the Loan and Security Agreement as Exhibit B) under Tab #6.

\* \* \*

**"(5) The proposed financing of the project by the authority and the proposed operation and use of the facility will serve one or more needs and implement one or more purposes set forth in RSA 162-I.1, will preserve or increase the social or economic prosperity of the state and one or more of its political subdivisions, and will promote the general welfare of the state's citizens."**

This finding can be based on all the materials submitted as well as facts which are matters of general knowledge.

\* \* \*

**Ultimate Finding and Determination Required by the  
First Paragraph of RSA 162-I:9**

**". . . the proposed financing, operation and use of the facility will serve a public use and provide a public benefit and . . . the authority's financing of the project will be within the policy of, and the authority conferred by, this chapter."**

The materials and information furnished and the preliminary findings described above support, and enable the making of, the ultimate finding and determination.