

**NON-BINDING TERM SHEET FOR PAYMENT OF REAL ESTATE TAXES
IN CENTRAL FALLS WITH REGARDS TO
PLAT 8, LOTS 1, 1-2, 1-3, 323, 326, AND 327**

1. Tax Payers: M & L Secured Storage LLC and M & L Financial Company XIII, their successors and assigns.
2. City: Central Falls, Rhode Island
3. Real Estate: Collectively, the “Real Estate Taxes.”

<u>Real Estate</u>	<u>Taxes Due</u> as of 12/19/14*	<u>Interest Due</u> as of 12/19/14*	<u>Penalties Due</u> as of 12/19/14*	<u>Location</u>
Plat 8 Lot 326	\$136,540.00	\$ 53,622.24	\$ 755.00	420 Pine Street
Plat 8 Lot 327	\$ 14,636.02	\$ 2,259.39	\$ 250.00	430 Pine Street
Plat 8 Lot 1	\$234,673.08	\$ 91,289.47	\$ 920.00	280 Rand Street
Plat 8 Lot 1-2	\$ _____	\$ _____	\$ _____	280 Rand Street
Plat 8 Lot 1-3	\$ _____	\$ _____	\$ _____	280 Rand Street
Plat 8 Lot 323	<u>\$ 1,325.47</u>	<u>\$ 343.61</u>	<u>\$ 250.00</u>	280 Rand Street
Total	\$387,174.57	\$147,514.71	\$2,175.00	

* The parties acknowledge that these tax, interest and penalty calculations are only as of 12/19/2014 and are subject to change as current taxes come due and/or the City conducts a revaluation.

3. Effective Date: January 15, 2015
4. Payment Schedule for Past Due and Current Real Estate Taxes

January 15, 2015	\$25,000
February 15, 2015	\$25,000
March 15, 2015	\$25,000

and thereafter on the fifteenth day of each month until all past due and current real estate taxes are paid. All such payments should be applied to (1) current Real Estate Taxes, (2) Real Estate Taxes in arrears, and not to accrued interest and penalties. Allocation of payments to specific accounts shall be determined by mutual agreement except that all payments for January, February and March, 2015 shall be first applied to current Real Estate Taxes payable on Plat 8, Lot 327.

5. Improvements Activity. Tax Payers will provide/expend an amount not to exceed \$15,000 for mutually agreed upon improvements on Pine Street to commence not later than January 15, 2015 (“Improvement Costs”). All amounts provided/expended by Tax

Payers hereunder for Improvement Costs shall be applied to outstanding arrearage for interest and penalties as provided in Paragraph 8 hereof.


6. Costs of Development: Except for legal fee and expenses, the reasonable costs of expenses related to the proposed development of the Real Estate (“Development Costs”) shall be applied to outstanding arrearage for interest and penalties as provided in Paragraph 8 hereof.
7. Moratorium on Accrual of Interest and Penalties: So long as Tax Payers shall be in full compliance with the terms and conditions of a Definitive Agreement referred to in Paragraph 14 hereof, the City shall not impose or accrue any further interest and penalties with respect to real estate taxes due pertaining to the Real Estate as of January 1, 2015.
8. Application of Improvement Costs and Soft Costs: All Improvement Costs and Development Costs of the Tax Payers under Paragraphs 5 and 6 hereof shall be applied currently on a dollar to dollar basis to accrued interest and penalties due as of January 1, 2015
9. Waiver of Advertising and Tax Sale: So long as Tax Payers shall be in full compliance with the terms and conditions of a Definitive Agreement referred to in Paragraph 14 hereof, City shall not advertise or conduct a tax sale with respect to said Real Estate nor transfer any tax titles to said Real Estate to a third party.
10. Approvals for Development: The City Planner will not object to the issuance of demolition applications reasonably requested, nor will the City Planner object to approvals for development reasonably requested. The City will use best effort to expedite approvals for development so long as said requests are in conformity with city, state and federal law.
11. Other Agreement Conditions:
 - a. In the event that Tax Payers shall default on payments due hereunder, the Definitive Agreement shall be deemed null and void, including the provisions of Paragraph 9 hereof.
 - b. The Tax Payers and the City pledge to work in good faith to agree on the terms and conditions of a Definitive Agreement by January 31, 2015.
 - c. The Tax Payers, by execution of this Term Sheet or the Definitive Agreement, do not waive any rights of the Tax Payers to challenge or appeal future real estate tax assessments on the Real Estate.
12. Approval of Permits: Subject to Paragraph 11 above, Tax Payers may apply for building, tie-in, demolition or other permits for buildings located on the Real Estate. Provided that Tax Payers comply with all applicable city, state and federal law, the City will make good faith efforts to issue any and all permits, licenses or approvals, reasonably requested, within seven (7) business days from said application.

13. Maintenance and Landscaping: Tax Payer agrees to maintain the Real Estate in a condition that is reasonably free of vegetative growth, debris and clutter and in compliance with city, state and federal law.
14. Non-Binding: This Non-Binding Term Sheet is not a binding agreement and is subject to the negotiation and due execution and delivery by all of the parties of a definitive agreement (“Definitive Agreement”), which will contain such other terms and conditions as either party may deem appropriate in its sole discretion. Unless extended by the mutual written agreement of the parties, this Non-Binding Term Sheet shall terminate on January 31, 2015 (as the same may be extended by the agreement of the parties, the “Termination Date”).
15. Other: This Non-Binding Term Sheet may be executed in two or more original, electronic (including .pdf and the like), or facsimile counterparts, each of which shall be deemed to be an original, and all of which taken together shall constitute one and the same document. This Non-Binding Term Sheet shall be governed by and construed in accordance with the laws of the State of Rhode Island, without regard to conflict of law provisions and shall be binding upon the parties hereto and their respective successors and assigns.

Executed this 7th day of January, 2015.

TAXPAYERS:

M & L Secured Storage LLC

By: 
Name: Michael Guadalupe
Title: Authorized Rep
Date: 1/8/2015

M & L Financial Company XIII

By: [Signature]
Name: Michael Goddard
Title: Authorized Rep
Date: 1/8/2015

CITY OF CENTRAL FALLS:

By: [Signature]
James Diossa
Mayor

Date: 1-9-15

By: [Signature]
As to Form and Correctness
Matthew Jerzyk
City Solicitor

By: [Signature] 1/12/15
Reviewed
Leonard Morganis
Administrative and Finance Officer

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