

SECURITIES AND EXCHANGE COMMISSION

FORM 1-U

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FILER

HappyNest REIT, Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 1-U

CURRENT REPORT PURSUANT TO REGULATION A

Date of Report (Date of earliest event reported): June 23, 2020

HAPPYNEST REIT, INC.

(Exact name of issuer as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

82-4479116

(I.R.S. Employer
Identification No.)

132 East 43rd Street, Suite 441

New York, New York 10017

(Full mailing address of principal executive offices)

(718) 384-0678

(Issuer's telephone number, including area code)

Title of each class of securities issued pursuant to Regulation A: Common Stock, par value \$0.0001 per share.

Item 1. Fundamental Changes

Investment in TIC Interest

On June 23, 2020, HNR Easthampton One LLC, a wholly owned subsidiary of HappyNest Operating Partnership L.P, our operating partnership, purchased a 13.548% tenancy in common interest in real property located in Easthampton, Massachusetts (the “Property”), through its wholly owned special purpose subsidiary, CPI East Hampton III, LLC (“CPI East Hampton III”), pursuant to a tenancy in common agreement (the “TIC Agreement”), for an aggregate investment amount of \$250,000. The Property consists of an 8,775 square foot commercial building, located on 1.54 acres of land. The Property was purchased subject to a lease with CVS, Inc. for usage of the property as a CVS Pharmacy (the “Lease”). The annual rental income on the Lease is \$314,089, subject to two rent escalations. The Lease expires on January 31, 2033, subject to two five-year renewal options, subject to two rental escalations. The total purchase price of the Property was \$5,340,000.

The Property is subject to a mortgage made by Centreville Bank, as mortgagee (the “Mortgagee”). CPI East Hampton III, along with the other tenants-in-common, are parties to a loan agreement (the “Loan Agreement”), with the Mortgagee, and the parties granted a mortgage note (the “Note”) to the Mortgagee in the total aggregate principal amount of \$3,740,000, which matures on June 20, 2030, and bears interest at a rate of the applicable LIBOR rate plus 1.80%. The Mortgagee’s recourse for the enforcement and collection of the obligations under the Note is limited to CPI East Hampton III and its assets, and other payors of the Note that are unrelated to HappyNest REIT, Inc. (the “Company”), jointly and severally, and does not directly expose the Company or any of its direct or indirect subsidiaries (other than CPI East Hampton III) to this liability of CPI East Hampton III.

HappyNest Holdings LLC, our sponsor, has agreed to defer the payment by the Company of an acquisition fee in connection with the investment in the Property.

The foregoing is a summary of the TIC Agreement and the Loan Agreement and is qualified in its entirety by reference to the complete text of the TIC Agreement and the Loan Agreement, which are filed as Exhibits 6.1 and 6.2, respectively, to this Current Report on Form 1-U and are incorporated by reference into this Item 1.

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HAPPYNEST REIT, INC.

By: /s/ Jesse Prince

Name: Jesse Prince

Title: Chief Executive Officer, Chief Financial Officer, President, Treasurer and Secretary (Principal Executive Officer, Principal Financing Officer and Principal Accounting Officer)

Date: June 29, 2020

Index to Exhibits

Exhibit

No.	Description
6.1	Tenancy In Common Agreement made as of June 22, 2020, by and among CPI East Hampton III, LLC and other investors.
6.2	Loan Agreement made June 22, 2020, by and between Centreville Bank and CPI East Hampton III, LLC and other investors.

TENANCY IN COMMON AGREEMENT

TENANCY IN COMMON AGREEMENT (“**Agreement**”) made as of June 22, 2020, by and among CPI East Hampton I, LLC, CPI East Hampton II, LLC and CPI East Hampton III, LLC, each being a New Jersey limited liability company, having an address at 195 North Street, Suite 100, Teterboro, NJ 07608, as tenants in common, referred to collectively as “**Owners**” and singularly as an “**Owner**”. In consideration of the obligations set forth in this Agreement and other good and valuable consideration, it is mutually agreed by the Owners as follows:

1. **Tenants in Common:** Owners have acquired (a) fee simple title in and to the real property located at 118 Northampton Street, Easthampton, Massachusetts (“**Property**”); and (b) an estate, as landlord, in that certain Lease dated June 19, 1995, as amended, by and between Berkshire-Easthampton LLC as successor landlord and East Hampton CVS, Inc., as tenant, as assigned (the “**Existing Lease**”). The Property is more fully described on **Exhibit “A”** of this Agreement. “**Lease**” means any lease, occupancy, license, concession or other instrument or arrangement which grants a person a legally enforceable right not revocable at will, to the use and/or occupancy of the Property or any portion of the Property, including the Existing Lease. Subject to the Management Agreement (defined below), the Owners' activities are limited to those customarily performed in connection with the maintenance and repair of the Property, consistent with Revenue Ruling 75-374, 1975-2 C.B. 261. For the purpose of the immediately preceding sentence, activities will be treated as customary activities if the activities would not prevent an amount received by an organization described in Internal Revenue Code (“**Code**”) Section 511(a)(2) from qualifying as rent under Code Section 512(b)(3)(A) and the Treasury regulations thereunder. This Agreement is intended to supersede any previous Tenancy in Common Agreement affecting the Property.

2. Funds Required for Closing; Pro Rata Shares:

2.1. The undivided interests in the Property held by the Owners as tenants in common are referred to in this Agreement as “**Interests**.” “**Pro Rata Share**” means a fraction with a numerator equal to the Interests of an Owner, and a denominator equal to 100.00 percent. Upon the completion of the closing of title to the Property (“**Closing**”), the Owners shall have the Pro Rata Shares of Interests set forth in the first paragraph of this Agreement, as tenants in common:

Owner:

Undivided Interest:

CPI East Hampton I, LLC	27.096%
CPI East Hampton II, LLC	59.356%
CPI East Hampton III, LLC	13.548%

2.2 Omitted.

2.3. The Owners may obtain a Mortgage Loan on the Property. The Owners anticipate that all funds required for the operation of the Property, the fulfillment of the Owners' obligations under the Lease, and payment of the debt service evidenced and/or secured by the Mortgage Loan Documents, will be obtained from the cash flow from the Existing Lease. However, additional funds may be required in the event that the rents and additional rents from the Existing Lease and/or any other Leases are insufficient to pay such expenses. If additional funds are necessary in the reasonable judgment of Manager (“**Additional Contributions**”), excluding any moneys which may be required to be paid to the Owners pursuant to **Section 2.8** of this Agreement, each Owner shall furnish its Pro Rata Share of such Additional Contributions not later than the Additional Contribution Due Date. “**Additional Contribution Due Date**” means the date which is thirty (30) days after the date Manager gives the other Owners notice of the Additional Contribution required. However, no Owner shall be obligated to furnish any part of an Additional Contribution if the other Owners do not furnish their Pro Rata Shares prior to the expiration of the thirty (30) day period. If an Owner furnishes its Pro Rata Share of an Additional Contribution and any other Owner fails to do so, the Owner who paid its Pro Rata Share shall be entitled to a full refund if demand for the refund is made within fifteen (15) days after the Additional Contribution Due Date. “**Mortgage Loan**” means a loan made to or assumed by all of the Owners and secured by a bona fide mortgage, deed of trust or trust deed encumbering all of the Property. “**Mortgage Loan Documents**” means a bona fide mortgage or trust deed made or assumed by all of the Owners and encumbering all the Property and any assignments, promissory notes, agreements and other documents made or authorized by all of the Owners which evidence or secure any of the debt secured by a mortgage or trust deed encumbering all of the Property.

2.4. If all the Owners furnish their Pro Rata Shares of Additional Contributions pursuant to Section 2.3 above, the Additional Contributions shall not bear interest; provided, however, that funds advanced pursuant to Section 2.5 below shall bear interest.

2.5. If an Owner deposits its Pro Rata Share of an Additional Contribution (“**Contributing Owner**”) and any other Owner does not deposit its Pro Rata Share of an Additional Contribution by the Additional Contribution Due Date (“**Non-Contributing Owner**”); then the Contributing Owner shall have the right to pay the Pro Rata Share of the Non-Contributing Owner, as applicable, on behalf of the Non-Contributing Owner (“**Implied Loan Payment**”). If an Implied Loan Payment is made, the Implied Loan Payment shall be treated as a loan, which on the 31st day after the date advanced by a Contributing Owner (“**Implied Lender**”), shall be due and payable to the Implied Lender by the Non-Contributing Owner.

2.6. Each Non-Contributing Owner shall upon demand of an Implied Lender, immediately execute and deliver to the Implied Lender, a negotiable promissory note (“**Implied Loan Note**”) in the form reasonably requested by the Implied Lender, with the following terms: be payable on the 31st day after the date of the Implied Loan Payment, bear interest at the Default Rate, and provide for the payment of Litigation Expenses arising out of any breach of the Implied Loan Note. If a Non-Contributing Owner fails to execute and/or deliver an Implied Loan Note, the Implied Loan Payment shall nevertheless be repaid on the terms and conditions which would have been required by the Implied Lender in the Implied Loan Note. “**Default Rate**” means interest at the lesser of (i) the rate of twelve percent (12.00%) per year; or (ii) the maximum legal rate on the Implied Loan Payment then permitted by the internal law of the State in which the Property is located, as such rate may change from time-to-time while the Implied Loan Note is outstanding or deemed to be outstanding.

2.7. If at the time any funds are otherwise payable to a Non-Contributing Owner pursuant to this Agreement, there is any Implied Loan Note made or deemed made to the Non-Contributing Owner which is outstanding, then all funds which would otherwise be payable pursuant to this Agreement to the applicable Non-Contributing Owner shall instead be paid, and applied first to pay the Implied Loan Note made or deemed made by the Non-Contributing Owner until the Implied Loan Note made or deemed made, is paid in full, with payments credited first to accrued interest on the Implied Loan Note, and second to the unpaid principal balance of the Implied Loan Note. Thereafter, any remaining funds payable to the Non-Contributing Owner pursuant to this Agreement shall be paid to the Non-Contributing Owner in accordance with its Pro Rata Share.

2.8. Omitted

2.9. If an Implied Loan Note has not been paid in full to the Implied Lender by the 31st day after the Implied Loan Payment, then the Implied Lender shall have the right to either:

(a) Collect the Implied Loan Note in a suit filed against the Non-Contributing Owner to obtain a money judgment against the Non-Contributing Owner. The rights of the Implied Loan Lender to file and prosecute a suit and enter and enforce a money judgment against a Non-Contributing Owner, by execution, garnishment or otherwise against any or all of the Non-Contributing Owner's assets, are subject to any provisions of any Mortgage Loan Documents, which may prohibit or limit the exercise of any or all of such rights, so that there shall not be an acceleration of the maturity date of the debt evidenced by any Mortgage Loan Documents or a default under any Mortgage Loan Documents as a result of the entry of such a judgment and/or the enforcement of such a judgment. By executing this Agreement, each Owner agrees that its obligations under an Implied Loan Note are fully recourse to such Owner; or

(b) If permitted by the Mortgage Loan Documents or consented to by the Mortgage Lender, cause the Non-Contributing Owner to deed and convey to the Implied Lender within thirty (30) days after demand, subject to no monetary liens except those affecting all of the Owners' Interests, a fraction of the Interests of the Non-Contributing, so that after such conveyance the Interests of each Owner equals the fraction of the total capital contributed by each Owner as a percentage of the total equity capital contributed by all Owners after the Additional Contributions. If the Non-Contributing Owner fails to deed and convey as required by the preceding sentence, the Implied Lender shall be entitled to a decree of specific performance. "**Mortgage Lender**" means (1) the then current holder of Mortgage Loan Documents, if any, or (2) an authorized servicing agent of the then current holder of Mortgage Loan Documents (if any) acting within the scope of the agent's authority.

3. Management of Property. CPI Fund Manager LLC ("**Original Manager**"), shall manage the Property pursuant to the provisions of a separate management agreement in the form attached hereto as **Exhibit "B"** ("**Management Agreement**") for a term of approximately one (1) year commencing on the date of the Management Agreement and expiring at midnight on the last day of the eleventh (11th) full calendar month following the date of the Management Agreement unless sooner terminated or extended as hereinafter provided. Original Manager or any other Property manager ("**Manager**") may be discharged as Manager at any time for reasonable cause by: (i) vote of all of the Owners if the discharge will not violate the Mortgage Loan Documents; or (ii) as provided for in the Mortgage Loan Documents. Except as may be otherwise required by the Mortgage Loan Documents, the term of the Management Agreement shall be renewed or extended only with the prior consent of all of the Owners. In the event the Original Manager is no longer the Manager, the successor Manager and any successor management contract or extension or renewal thereof, will be substantially in the same form as **Exhibit "B"** (but with a new term and management fee). The Manager shall at all times be required by the Owners to disburse to the Owners their Pro Rata Shares of Net Cash Flow as required by Section 6. No replacement Manager shall be selected or approved without the consent of all of the Owners. Owners acknowledge that Peter O. Hanson and/or one or more other members of Mr. Hanson's family, have control and indirect equity interests in one or more Owners and the Manager. Owners waive any conflict of interest arising as a result thereof.

4. Consent Required to Authorize Leases, Mortgages, etc. All significant decisions with regard to the Property, including, without limitation, (i) leasing, sale or other disposition of the Property, (ii) procurement of any Mortgage Loan, (iii) refinancing of the proposed or any future Mortgage Loan, (iv) modification of any Mortgage Loan Documents, (v) creation or modification of a blanket lien, (vi) amendment, modification (including any stipulations of settlement in connection therewith) or termination of any Lease, (vii) execution, amendment, modification (including any stipulations of settlement in connection therewith) or termination of any other Lease, (viii) making any expenditure in excess of \$25,000.00 (or a series of expenditures that equal \$50,000 in any one 12 month period) which is not required to comply with the terms and conditions of Mortgage Loan Documents, or any Lease, the Management Agreement approved by all the Owners, and/or any other contract or agreement approved by all the Owners or entered into by the Manager pursuant to authority granted in the Management Agreement, and/or (ix) the execution of any agreement with a fixed term of greater than one (1) year unless terminable on 30 days' notice without penalty, shall require the consent of all of the Owners. Despite any other provision of this Agreement to the contrary, if there is any actual or apparent emergency, including any material risk of: a default under a Lease, a default under the Mortgage Loan Documents, physical injury or criminal prosecution for violation of any applicable Law; then any Owner or the Manager shall have the authority to take the action reasonably required to abate the emergency after making reasonable efforts to notify the other Owners and Manager of the apparent emergency and contemplated action, which notice may be attempted by telephone, fax, e-mail or in person. Any decisions with regard to the Property which are not governed by the preceding provisions of this Section 4 or other express provisions of this Agreement, shall require the affirmative vote of those Owners holding more than fifty (50.00%) percent of the Interests. If the requisite Owners' consent is given or deemed given, each Owner shall promptly execute such loan, sale, exchange, lease, contract and other documents as may be reasonably required to effectuate the same.

5. Owners' Compliance. Each Owner shall comply with the provisions of all Mortgage Loan Documents, Leases, all encumbrances affecting the Property, and all applicable Law. Failure to comply shall be grounds for an action (i) to recover money due, (ii) for damages, (iii) for injunctive relief, (iv) for Litigation Expenses, or (v) any combination of the foregoing. "**Law**" means all applicable law, including without limitation intended, all common law, treaties, statutes, ordinances, codes, regulations, rules, orders, judgments, decrees and other requirements of Government, including without limitation intended, all Land Use Entitlements. "**Land Use Entitlements**" means land use conditions, entitlements, permits and/or approvals issued by a Government having authority to do so. "**Government**" means all federal, state, regional, county, municipal and other governments; and all governmental and quasi-governmental branches, authorities, agencies, districts, courts, tribunals, boards, agencies, departments, commissions, officers, judges, justices, agents, employees, and other instrumentalities.

6. Income and Expenses. All income and expenses attributable to the ownership of the Property, including without limitation intended, Gross Receipts, shall be shared and borne by the Owners in accordance with their respective Pro Rata Shares. “**Net Cash Flow**” means the Gross Receipts minus Property Expenses and Reserves. “**Gross Receipts**” means the rents, income, profits, proceeds and other economic returns arising out of the Property or any portion of the Property, including without limitation intended, the proceeds from a sale or other disposition of the Property or any portion thereof, Mortgage Loan refinancing, condemnation award and casualty insurance. “**Property Expenses and Reserves**” means: (i) all costs and expenses reasonably incurred by the Owners in connection with the ownership of the Property (including without limitation intended, real estate and personal property taxes and assessments, insurance premiums, management fees, replacements, repairs, maintenance, utilities, professional fees and brokerage commissions); (ii) any debt service or loan repayment secured by a mortgage on the Property; and (iii) reasonable reserves, as agreed by all of the Owners, to satisfy any upcoming or contingent liabilities in such amounts as any Owner reasonably deems necessary and such reserves as are required by a Mortgage Lender. Net Cash Flow shall be paid to the Owners within three (3) business days after collection thereof.

7. Bank Accounts. All funds contributed by the Owners and all Gross Receipts (collectively “**Owners’ Funds**”), shall be deposited in the name of the Manager as agent for Owner(s) in a separate federally insured bank account or accounts opened by the Manager (“**Owners’ Account**”); provided, however, that if any Mortgage Lender requires that Gross Receipts or any portion thereof be deposited into any bank account providing additional collateral for a Mortgage Loan, then Gross Receipts shall be deposited accordingly. Unless all of the Owners otherwise consent in writing, the Manager shall use Owners’ Funds solely for operating, managing, leasing, improving, reserves for and other business of the Property in accordance with the terms hereof and the terms of the Management Agreement. Owners’ Funds shall be withdrawn from the Owners’ Account only upon the signature of the Manager or its duly appointed designee. All Owners’ Funds not reasonably needed for acquiring, financing, operating, managing, leasing, improving, reserves for and other business of the Property, shall be distributed by the Manager to the Owners as provided in Section 6.

8. Day-to-Day Management. No Owner is expected to take any part in the day-to-day management of the Property. Day-to-day management of the Property shall be entrusted to the Manager pursuant to the Management Agreement.

9. No Authority to Bind other Owners. No Owner shall have any authority to act on behalf of or to bind the Property or any portion of the Property or another Owner, except as may be specifically provided in this Agreement.

10. Transfer of Interests; Right of Partition

10.1 General. Subject to compliance with the specific terms of this Agreement (including Section 10.2), applicable securities Law and if there is an outstanding Mortgage Loan, compliance with any applicable terms and conditions set forth in the Mortgage Loan Documents, each Owner may sell, transfer, convey, pledge, encumber or hypothecate (each a “**Transfer**”) the Interests (or any part thereof). For purposes of this Agreement, any Transfer of any direct or indirect ownership or other interest in an Owner that (taking into account any prior such transfers or assignments, and any prior pledges, encumbrances or collateral assignments described below) results in such Owner being controlled (within the meaning of Section 10.5) by a person or persons other than the person or persons that control such Owner on the date hereof (or such subsequent date that a person becomes an Owner in accordance with this Agreement) shall be deemed a Transfer of the Interest of such Owner and, therefore, subject to all of the restrictions and provisions of this Agreement with respect to Transfers of Interests. In addition, any encumbrance, pledge or other collateral assignment of a direct or indirect ownership or other interest in an Owner that, if the pledgee or other assignee were to exercise its right to acquire such interest, would (taking into account any prior transfers or assignments described above and any prior pledges, encumbrances or collateral assignments) result in such Owner being controlled by a person or persons other than the person or persons that control such Owner on the date hereof (or such subsequent date that a person becomes an Owner in accordance with this Agreement) shall be deemed a Transfer of the entire Interest of such Owner and, therefore, subject to all of the restrictions and provisions of this Agreement with respect to Transfers of Interests.

10.2 Right of First Refusal. Before an Owner ("**Selling Owner**") Transfers or becomes obligated to Transfer to a person other than a Permitted Transferee, Selling Owner shall give the other Owners ("**Remaining Owners**") notice of the terms and conditions upon which Selling Owner would Transfer ("**Transfer Notice**"). The Remaining Owners shall have the first right ("**Right of First Refusal**"), exercisable within twenty (20) days after receipt of the Transfer Notice by delivery of notice to the Selling Owner, to consummate the Transfer on the terms and conditions stated in the Transfer Notice. If more than one Remaining Owner exercises the Right of First Refusal, each Remaining Owner exercising the Right of First Refusal ("**Remaining Owner Transferee**") shall be entitled to consummate the Transfer of such portion of the Interest or control as is equal to the Selling Owner's Pro Rata Share multiplied by a fraction, the numerator of which is the Pro Rata Share of such Remaining Owner Transferee, and denominator of which is the sum of the Pro Rata Shares of all of the Remaining Owner Transferees. The closing of any Transfer pursuant to the exercise of the Right of First Refusal shall occur within sixty (60) days after the delivery of the Transfer Notice to the Remaining Owners. If the Remaining Owners fail to timely exercise the Right of First Refusal, the Selling Owner shall have the right to Transfer the Interest or control which was the subject of the Transfer Notice at any time within six (6) months after the date of delivery of the Transfer Notice to the Remaining Owner(s), to a third party, on terms and conditions not materially more favorable to such third party than the terms and conditions set forth in the Transfer Notice, and for a Transfer price not less than 95.00 percent of the price in the Transfer Notice, after which period the Selling Owner shall again be obligated to comply with the provisions of this Section 10 in connection with any proposed Transfer. If Closing apportionments are not provided for in the Transfer Notice, at the closing of any Transfer any closing apportionments which are then usual and customary in the sale of commercial real estate in the State in which the Property is located, shall nevertheless be made between the parties as of the Transfer closing date.

10.3 Right of Partition. Subject to Section 10.4, the Owners agree generally that each Owner (and any of its successors-in-interest) shall have the right to file a complaint or institute any proceeding at law or in equity to have the Property partitioned in accordance with and to the extent provided by applicable Law. The Owners acknowledge and agree that partition of some or all of the Property may result in a forced sale by all of the Owners. To avoid the inequity of a forced sale and the potential adverse effect on the investment by the other Owners, the Owners agree that, as a condition precedent to filing a partition action, the Owner filing such action shall comply with all applicable procedures set forth in Sections 10.3.1 through 10.3.4.

10.3.1 Purchase Offer. Before the filing of a partition action described in Section 10.3, the Owner filing such action ("**Seller**") shall first (i) make a written offer (a "**Purchase Offer**") to sell its Interests to the other Owners at a price equal to the fair market value (determined in the manner prescribed in Section 10.3.3) of the Seller's Interest on the date the Purchase Offer is sent to the other Owners in the same manner in which notices are required to be given; and (ii) fulfill all of the other applicable obligations of the Seller in Sections 10.3.1 through 10.3.4.

10.3.2 Acceptance of Purchase Offer. The other Owners shall be entitled to purchase the Seller's Interest pursuant to a Purchase Offer in proportion to their Pro Rata Shares. If any Owner does not elect to purchase its proportionate share of the Seller's Interest, the other Owners shall be entitled to purchase additional Interests of the Seller in proportion to their Pro Rata Shares. The other Owners shall have twenty (20) days after delivery of the Purchase Offer to accept the Purchase Offer by notice given to the Seller. In the event more than one Owner elects, under this Section 10.3.2, to accept the Purchase Offer, then such Owners shall designate one party to represent all of such purchasing Owners in connection with the determination of the fair market value ("**Buyer's Representative**") and the Closing of the Purchase Offer hereunder. All references to the word "**Purchaser**" in this Section 10.3 shall be deemed to refer to the Owners who have timely given notice of their election to accept the Purchase Offer. If a Buyer's Representative is not promptly designated by agreement, the Purchaser who has the largest Pro Rata share of all of the Purchasers shall be the Buyer's Representative.

10.3.3 Determination of Fair Market Value. The fair market value of the Seller's Interest shall be the fair market value (without discount for a minority interest or premium for a majority or controlling interest) of the Property multiplied by the Seller's Pro Rata Share, at the time the Purchase Offer is sent. Fair market value shall be determined within sixty (60) days after the date the Transfer Notice is given, by two independent commercial real estate appraisers, each with at least ten years of experience appraising commercial real estate in a geographic market which includes the Property ("**Qualified Appraiser**"). One appraiser will be selected by the Seller, and the other by Buyer's Representative. If within forty-five (45) days after the date the Transfer Notice is given, a Seller or Buyer's Representative fail(s) to timely appoint a Qualified Appraiser and/or fail to give notice to the other Owners of the appointment, then the fair market value as determined by the Qualified Appraiser, timely appointed and given notice of, shall be determinative. If there are two Qualified Appraisers but they fail to agree in writing upon the fair market value within 60 days after the Purchase Offer is given, then the two Qualified Appraisers shall, within 75 days after the Purchase Offer is given, select a third Qualified Appraiser, who shall determine the fair market value within 120 days after the date the Purchase Offer is given; and the fair market value agreed to in writing by two of the three Qualified Appraisers within 135 days after the Transfer Notice is given or Purchase Offer sent shall be determinative, or if no two Qualified Appraisers agree in writing on the fair market value within 135 days after the Purchase Offer is given, then the mean average of all three Qualified Appraisers' fair market values shall be determinative. The fees and expenses of the Qualified Appraisers shall be borne by the Seller and the Purchasers in proportion to their Pro Rata Shares immediately prior to the closing of the Transfer.

10.3.4 Closing. The transactions contemplated by the applicable Purchase Offer shall be consummated at Closing at the then-current notice address pursuant to Section 17 of the Seller on the business day agreed upon by the Buyer's Representative and Seller, provided that such date shall be not less than thirty (30) days and not more than sixty (60) days after the determination of the fair market value. At the Closing, the purchase price shall be paid by the Purchasers to the Seller by wire transfer of immediately available funds to the account or accounts designated by the Seller. The Seller shall execute and deliver at the Closing a deed or other instrument appropriate to convey the entire Interest of the Seller to the Purchaser, and shall deliver to the Purchasers such evidence as the Purchasers may reasonably request showing that the Interest being sold is owned free and clear of any and all claims, liens and encumbrances of any kind or nature, other than the encumbrances which existed when the Property was originally acquired by the Owners and the encumbrances which the Owners thereafter consented to.

10.4. Procurement of Required Consents. In the event that a Transfer pursuant to Sections 10.1, 10.2 or 10.3 (including a Transfer to a Permitted Transferee) requires the consent of any Mortgage Lender or would cause the acceleration of the maturity date of any Mortgage Loan or any other indebtedness secured by the Property or any part thereof, the Selling Owner or Seller as applicable, shall be responsible for obtaining such consents, all at the expense of the Selling Owner or Seller as applicable; and if such consent is not obtained, the Transfer shall not be consummated and any deposits shall be refunded. If such consent is not obtained because the Selling Owner or Seller failed to make reasonable efforts to obtain the consent, then the abrogation of the Transfer shall not relieve the Selling Owner or Seller of any liability for failure to make such efforts.

10.5. “*Permitted Transferee*” means (a) with respect to an individual who is an Owner, or with respect to an individual owning any direct or indirect equity interest in an Owner, (i) the spouse or any adult issue of such individual, (ii) custodians or guardians for such individual or his/her spouse or any of his/her adult issue, and (iii) trusts in which each and all of the income beneficiaries and the remaindermen shall be members of the group composed of such individual, his/her spouse and/or his/her issue; or (b) with respect to an Owner which is an entity, such as a corporation, partnership, limited liability company, Delaware statutory trust, etc., any other entity which is controlled (as defined below) by (i) the principals of the Owner or their spouses or adult issue or (ii) the Selling Owner. “*Control*” or “*controlled*” means, with respect to an entity, possession, directly or indirectly, of the power to direct or cause the direction of management and policies of such entity whether through ownership of voting securities, contract or otherwise.

10.6. Upon (i) receipt of any required consent to a Transfer of Interests, (ii) exhaustion of any Right of First Refusal under Section 10.2 above; (iii) the passing of title to Interests, (iv) the assignment of the Selling Owner’s or Seller’s right, title and interest in this Agreement, (v) the written agreement of the assignee or other transferee to be bound by all of the terms and provisions of this Agreement and the ratification and approval of all prior acts of the Manager and the Owners, and (vi) the payment by the assignee or other transferee of all reasonable expenses in connection with such admission as a substitute Owner, including but not limited to the cost of the preparation, filing and publishing of any amendment of any assumed name or other certificate relating thereto, the assignee shall become an Owner with respect to the Interests Transferred, in place of the predecessor-in-interest. In the event of the Transfer of title to Interests, the successor-in-interest shall automatically be bound by the provisions of this Agreement. In the event of a dissolution of an Owner, the successors together will have all of the rights and obligations of the dissolving Owner and all rights will be exercised by a majority-in-interest of such successors in the absence of a written agreement between the successors to the contrary.

10.7. Notwithstanding any other provision of this Agreement or applicable Law, at no time shall there be more than thirty-five (35) Owners of the Interests.

11. Indemnification.

11.1. If a Mortgage Lender required or requires as a condition of funding its Mortgage Loan, that: (i) one or more Owners, be liable, jointly, and severally and not be limited in their financial exposure to their respective Pro Rata Shares, for any obligations under the Mortgage Loan Documents; (ii) one or more other persons acting on behalf of the Owners have personal liability for any obligations under any Mortgage Loan Documents, including, but not limited to, the exceptions to any non-recourse provisions and/or any environmental or hazardous materials indemnity agreement (“**Servant**”); and/or (iii) one or more Owners designate an individual or entity as a guarantor or indemnitor of any obligations under the Mortgage Loan Documents (collectively “**Guarantor**”); then as between the Owners the liability and obligation of each Owner will be limited to the applicable Owner’s Pro Rata Share. “**Indemnified Party**” means any person who is (1) an Owner who becomes obligated to a Mortgage Lender or person claiming through a Mortgage Lender (collectively “**Mortgagee Indemnitee**”), for any amount in excess of the applicable Owner’s Pro Rata Share of the total obligation owed to the Mortgagee Indemnitee, or (2) any Servant or Guarantor except an Owner, who becomes obligated to a Mortgagee Indemnitee. If there is an Indemnified Party, then the Owners which are not the Indemnified Parties (collectively “**Indemnifying Parties**”), jointly and severally, shall in proportion to the Indemnifying Parties’ respective Pro Rata Shares, promptly reimburse, indemnify and hold harmless: (x) the Owners who are Indemnified Parties to the extent of the amount in excess of such Indemnified Parties’ Pro Rata Shares of the total obligation owed to the Mortgagee Indemnitee; and (y) all other Indemnified Parties to the full extent of the Indemnified Parties’ liability to the Mortgagee Indemnitee. However, (A) Indemnifying Parties shall have no obligation to reimburse, indemnify or hold harmless any Indemnified Party, for any amount attributable to the gross negligence or willful misconduct of the Indemnified Party; and (B) under no circumstances shall the obligation of an Indemnifying Party to a Mortgage Lender plus the Indemnifying Party’s share of the reimbursement and indemnification obligation to the Indemnified Parties, exceed the Indemnifying Party’s Pro Rata Share thereof. The financial obligation of an Indemnifying Party with respect to any occurrence or claim pursuant to this Section 11.1 is referred to as “**Indemnity Payment**”. Notwithstanding the foregoing, an Owner shall not be obligated to indemnify any Servant or Guarantor if the basis for the recourse claim by the Mortgage Lender is solely due to the actions of one Owner, for example, a transfer of indirect interests in one Owner in contravention of the Mortgage Documents or the misappropriation or misapplication of rent in contravention of the Mortgage Documents by the Manager who is an affiliate of one Owner, and in such event the Owner responsible for the recourse trigger event shall be the sole Owner responsible to indemnify the Servant or Guarantor under this Section 11.1.

11.2.

(a) In the event any one or more Indemnifying Parties do not make all or any part of their Pro Rata Share of an Indemnity Payment (“**Non-Contributing Owners**”), the other Owners shall be given the opportunity to contribute the amount of the Indemnity Payment not made, in proportion to such the contributing Owners’ Pro Rata Shares, so that those Indemnifying Parties who contribute (“**Contributing Owners**”) collectively fund the Indemnity Payment. The Contributing Owners who contribute more than their Pro Rata Share of the Indemnity Payment shall be entitled to treat the amounts contributed pursuant to this Section 11.2 as a loan from the Contributing Owners to the Non-Contributing Owners, bearing interest at the Default Rate, secured by the Non-Contributing Owner’s Interests and payable on the 31st day after the date the Contributing Owner paid an unfunded portion of the Indemnity Payment.

(b) The provisions of Sections 2.6 through 2.9 of this Agreement are incorporated in this Section 11.2 by reference as if set forth at length in this Section 11.2; provided, however, that all terms defined in Section 2 shall be deemed replaced by any correlative terms defined in this Section 11.

12. Other Real Estate Investments and Activities. Neither the Owners' relationship with respect to the Property, nor any provision in this Agreement shall be construed or deemed to restrict in any way the freedom of any Owner or any principal or affiliate of any Owner, to invest in any other real estate or to conduct any other activities involving real estate, including, without limitation the acquisition, development, re-development, leasing, sale, operation or management of real property, **without accountability to any other Owner even if such investment or activity is similar to the activities contemplated by this Agreement, competes directly or indirectly with the business and activities of the Owners with respect to the Property, and/or is located in close proximity to the Property.**

13. Termination and Continuation.

13.1. Despite the existence of any material Default or other circumstance, no party shall have the right to terminate (i) this Agreement; or (ii) except as otherwise specifically provided for in this Agreement, the rights of any Owner under this Agreement.

13.2. In the event of the dissolution, assignment for the benefit of creditors, death or adjudication of bankruptcy or incompetency of an Owner ("**Terminating Owner**"), this Agreement shall not be terminated and dissolved, but shall continue and the legal representative, heirs or devisees of the Terminating Owner shall immediately and automatically succeed to and assume the Terminating Owner's obligations, rights, title and interest in this Agreement and the Terminating Owner's Interest; subject, however to the applicable provisions of Section 10 above.

14. Default:

14.1. Default: The following events shall constitute a "**Default**" under this Agreement:

If any Owner ("**Defaulting Party**") fails to fulfill its respective obligations under this Agreement or Mortgage Loan Documents and a Mortgage Lender, Owner, Guarantor or Manager ("**Curer**") gives the Defaulting Party notice specifying the breach, and the Defaulting Party fails to cure the breach within thirty (30) days after the date the notice specifying the breach is given; provided, however, that: (i) no notice of breach is required to be given in the case of any actual or apparent emergency or any breach of the Mortgage Loan Documents or any Lease for which there is no cure period; and (ii) if the breach is not reasonably susceptible of being cured within thirty (30) days after the date notice of the breach is given and if a breach under the Mortgage Loan Documents or Lease the cure period thereunder is extended consistent with this clause (ii), then the period to cure the breach shall be extended for such period of time as may reasonably be required, (not to exceed ninety (90) days after the date the notice of the breach is given) so long as the continued existence of the breach would create a default under any Lease or Mortgage Loan Documents, if the Defaulting Party commences the cure of the breach within thirty (30) days after the date the notice of breach is given and diligently pursues the cure of the breach to completion; provided, however, that only one (1) business days' notice is required for any failure to fulfill any obligation to be performed at or in connection with the Owners' closing of title to the Property.

14.2. **Curer's Right to Perform:** Upon the occurrence of any Default, the Curer shall have the right but not the obligation to fulfill the breached obligation or warranty of the Defaulting Party. In connection with the fulfillment of any such obligation or warranty and for such purpose, the Curer, its contractors, materialmen and other designees may (peacefully, not forcibly) enter upon the Property subject to the rights of occupants under the Leases, take control of the Gross Receipts and perform the obligation in question, without additional notice and without liability for trespass.

15. **Limited Liability.** Except for any recourse liability to any Mortgagee Indemnitee or any liability to indemnify an Indemnified Party pursuant to Section 11 above for any recourse liability to any Mortgagee Indemnitee, no Owner or Manager shall have any personal liability under this Agreement or the Management Agreement as a result of a Default, unless the Default: (i) consists of misappropriation of Gross Receipts; (ii) fraud; or (iii) arises out of the use, storage, sale, application or release of hazardous substances, hazardous waste, toxic substances or similar substances or waste. In the absence of personal liability, recourse shall be limited to an Owner's Interests, including the Owner's Pro Rata Share of Gross Receipts available for distribution.

16. **Dispute Resolution.** This Section sets out the exclusive means and forum for resolution of any Dispute. "**Dispute**" means any controversy, dispute or claim which arises out of this Agreement, or between the Owners and relates to or arises out of the Property, excepting only: (i) any arising out of any claim asserted against an Owner by any third party in which the Owner seeks to assert a third party complaint against another Owner or other party for contribution, indemnification or the like; (ii) any arising out of a dispute over fair market value which is to be determined by appraisal as provided for in Section 10.3; (iii) any claim which must be asserted in a bankruptcy court; and (iv) any suit to collect an Implied Loan Note or compel specific performance pursuant to Section 2.9 above. If there is a Dispute, the parties to the Dispute shall first make efforts to resolve the Dispute through good faith negotiation. If the Dispute is not settled through negotiation within fifteen (15) days after any party to the Dispute demands negotiation; then upon the demand of any party to the Dispute, the parties to the Dispute shall make efforts to resolve the Dispute in good faith by mediation administered by JAMS. If the Dispute is not resolved by mediation within sixty (60) days after any party to the Dispute demands mediation, then the sole and exclusive forum for resolution of such Dispute shall be a New Jersey or United States court having subject matter jurisdiction, that sits for Bergen County, New Jersey (an "**Authorized Court**") and any appellate court having jurisdiction to hear an appeal from an Authorized Court. Each Owner hereby irrevocably and unconditionally: (a) submits to the personal jurisdiction of each Authorized Court; (b) acknowledges that, aside from negotiation and mediation, the sole and exclusive venue for resolution of any Dispute is an Authorized Court; (c) waives any rights to object to the venue of an Authorized Court on any grounds including the availability of a more convenient forum; and (d) waives any right to object to the assertion of personal jurisdiction of an Authorized Court; provided, however, that this clause (d) does not waive any right to promptly object to a failure to serve a summons, complaint or other pleading in a manner authorized by Law. Each party to the Dispute shall pay an equal portion of the mediation fees and expenses, subject to the right of the prevailing Owner to an award of Litigation Expenses. However, nothing contained in this Section shall limit the right of any party to the Dispute during an ADR Period: (x) to seek and obtain any interim relief in the Authorized Courts, including without limitation intended, a temporary restraining order, preliminary injunction or receiver; or (y) commence any action or proceeding or otherwise assert any claim, if the failure to commence the action or proceeding or assert the claim during or immediately after the ADR Period would or might reasonably be construed to: (aa) create any bar or defense imposed by Law, including without limitation intended, any filing deadline or any defense based on the statute of limitations or (bb) violate applicable Law. "**JAMS**" shall mean Judicial Arbitration and Mediation Services, Inc. or any successor organization, or if none, any other nationally recognized organization providing quality mediation services. "**ADR Period**" means the period of time beginning on the date a Dispute arises and continuing through the period of time the Dispute must be negotiated or mediated pursuant to this Section.

17. Notices. All notices and other communications provided or permitted to be given under this Agreement (“**Notices**”) must be in writing and sent by: (i) deposit in the United States mail, addressed to the Owner to be notified, postage prepaid and registered or certified with return receipt requested; (ii) delivery to and acceptance by a reputable nationally recognized overnight courier or postal service for next or second business day delivery; (iii) fax with printed or PDF confirmation of successful transmission thereof (“**Fax Transmission Report**”); or (iv) e-mail with an acknowledgment of receipt by the addressee Owner or the addressee Owner’s lawyer (“**Email Acknowledgment**”) which Email Acknowledgment the addressee Owner hereby agrees to provide. Notices given in accordance with this Section shall be deemed given upon delivery to the address of the addressee Owner, or delivery attempted at the address of the addressee Owner during ordinary business hours; provided, however, that any notice given by fax or e-mail transmission shall be deemed given on the date the Fax Transmission Report or Email Acknowledgment is made, as applicable. For purposes of Notices, the addresses of the parties shall be as follows:

Any notice or other communication to Owner must be sent to:

Any notice or other communication to Owner must be sent to:

With respect to CPI East Hampton I LLC:

Attn: Michael M. Hanson
195 North Street, Suite 100
Teterboro, NJ 07608
email: mhanson@cpifunds.com

with copy to:

Cheryl Bozzelli, CPI Fund Manager LLC
195 North Street, Suite 100
Teterboro, NJ 07608
email: cbozzelli@cpifunds.com

With respect to CPI East Hampton II LLC:

Attn: Michael M. Hanson
195 North Street, Suite 100
Teterboro, NJ 07608
email: mhanson@cpifunds.com

with copy to:

Cheryl Bozzelli, CPI Fund Manager LLC
195 North Street, Suite 100
Teterboro, NJ 07608
email: cbozzelli@cpifunds.com

With respect to CPI East Hampton III LLC:

Attn: Jesse Prince
132 East 43rd Street, Suite 441
New York, New York 10017
email: jesse@myhappynest.com

with copy to:

Attn: Morris F. DeFeo, Jr.
Herrick, Feinstein LLP
Two Park Avenue
New York, NY 10016
email: mdefeo@herrick.com

Each Owner may change its address for Notices by giving ten (10) days prior notice thereof to the other Owners. The lawyers representing the Owners shall have the authority to give any Notice and receipt and acknowledgment of delivery of any Notice required or authorized by this Agreement.

18. Estoppel Certificates. Each Owner shall, from time to time upon not less than twenty (20) days' notice from a Manager, Owner or Mortgage Lender, execute and deliver to such other person a certificate stating that this Agreement is unmodified and in full force, or, if modified, that this Agreement is in full force and effect, as modified, and stating the modifications and stating whether or not, to the best of its knowledge, any specific Owner is in breach or default in any respect under is Agreement, and if in breach or default, specifying such breach or default. Any such certificate delivered pursuant to this Section may be relied upon by any prospective purchaser, assignee, lessee or Mortgage Lender.

19. Miscellaneous.

19.1. Governing Law: Except as otherwise specified in this Agreement or modified by this Agreement, this Agreement and the relationship of the Owners shall be governed by the laws of the State of New Jersey or, if the issues relate specifically to real property law, then by the internal law of the State in which the Property is located without resort to choice of law principles. The law of the State in which the Property is located shall also govern the ownership of the Property.

19.2. Partnership Not Created: The Owners are solely tenants in common, not partners nor joint venturers, and this Agreement shall not be construed as creating a partnership nor a joint venture between the Owners. Each Owner hereby covenants and agrees to report on its federal and state income tax returns all items of income, deduction and credits which result from its Interests. All such reporting shall be consistent with the exclusion of the Owners from Subchapter K of Chapter 1 of the Code. Each Owner further covenants and agrees not to notify the Commissioner of Internal Revenue that such Owner desires that Subchapter K of Chapter 1 of the Code apply to the Owners. Each Owner hereby agrees to indemnify, protect, defend and hold the other Owners free and harmless from all costs, liabilities, tax consequences and expenses (for example, taxes, interest and penalties), including attorneys' fees and costs, which may result from any Owner so notifying the Commissioner in violation of this Agreement or otherwise taking a contrary position on any tax return, report or other document. Although the Manager shall maintain all of the Owners' Funds in a single Owners' Account, there shall be a single casualty, liability and other insurance policies, and the Owners may have common ownership of other assets directly related to the Property; such commingling and common ownership is tolerated solely because of practical or administrative necessity or requirements of third parties; and each Owner shall at all times retain full ownership, dominion and control over its respective Pro Rata Share of such assets, subject to this Agreement.

19.3. Partial Invalidity. Each provision of this Agreement shall be construed as separable and divisible from every other provision and the enforceability of any one provision shall not limit the enforceability or applicability, in whole or in part, of any other provision of this Agreement. If any provision of this Agreement or its application to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by Law. If and to the extent that any provision in this Agreement violates any governing Law; in addition to the offending provision being deemed deleted to the extent of the violation, the governing Law shall automatically be deemed to be incorporated by reference into this Agreement as applicable, with the same force and effect as if set forth at length in this Agreement.

19.4. Further Assurances. All parties to this Agreement shall execute and deliver such other instruments and do such other acts as may be reasonably requested to carry out the intent and purposes of this Agreement.

19.5. Jurisdiction. The parties hereby consent to the jurisdiction of the courts of the State of New Jersey.

19.6. Consents and Approvals: Whenever this Agreement requires the consent or approval Owners, the person seeking the consent or approval shall provide the person(s) from whom consent or approval is sought with sufficient information for such person(s) to make an informed choice. If an Owner is given a request for consent or approval, and fails to give its consent or approval or notice of the specific reasons for withholding, delaying or conditioning its consent or approval, within fifteen (15) days after the date the Owner is given both (i) the request for consent or approval; and (ii) notice that failure to specify objections in a written response within fifteen (15) days after the request for consent or approval shall be deemed to constitute consent or approval, then the Owner from whom consent or approval is so requested, shall be deemed to have given its consent or approval. Any subsequent request for consent or approval shall be subject to the provisions of this Section. Giving consent or approval in any instance shall not be a waiver of any requirement to obtain consent or approval in any other instance.

19.7. Attorneys' Fees and Disbursements: If any Owner or Indemnified Party engages a lawyer (i) to collect any money due under this Agreement or otherwise enforce this Agreement (regardless of whether any arbitration, bankruptcy or judicial action or proceeding is commenced); or (ii) in connection with any arbitration, bankruptcy or judicial action or proceeding to enforce or construe this Agreement or the rights or obligations of the Owners as tenants in common, the prevailing party in such collection or enforcement effort, or action or proceeding shall be entitled to recover its Litigation Expenses. If different persons are the prevailing parties on different issues, the Litigation Expenses shall be apportioned in proportion to the value of the issues decided for and against the parties. "**Litigation Expenses**" means all reasonable costs and expenses whatsoever, paid or incurred by a person under or arising out of this Agreement or by reason of the Owner's legal relationship as tenants in common, in anticipation of, or during the prosecution, appeal, settlement or enforcement of any action or proceeding whatsoever, including without limitation intended, summary eviction proceeding, bankruptcy case, arbitration proceeding, appellate proceeding, supplemental proceeding and other post-judgment collection efforts. Litigation Expenses shall include without limitation intended, the amounts of judgments, awards and settlements; attorneys' fees and disbursements; expert witness', title search, title commitment, title insurance, stenographers', transcript, filing, printing, copying, marshals', sheriffs', and process servers' fees.

19.8. **Late Charge:** If any payment required by this Agreement or any arbitration award or money judgment entered pursuant to this Agreement, is not paid to the person entitled to payment or its designee within ten (10) days after the date the payment is due, then within thirty (30) days after a request made by the person entitled to payment or their designee, the person obligated to make the payment, shall pay a Late Charge. A Late Charge is imposed because it represents a fair and reasonable estimate of the costs that the person entitled to payment will incur by reason of the late payment. Late payments will cause the person entitled to payment, to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, loss of use of money, administrative, collection, processing and accounting charges, and late charges which may be imposed upon the person entitled to payment by terms of any contract, Mortgage Loan Documents or other relevant instrument. “**Late Charge**” means a charge equal to five percent (5.00%) of any payment required by this Agreement but not less than \$50.00.

19.9. **Default Interest:** If any payment required by this Agreement is not paid to the person entitled to payment or its designee within ten (10) days after the date the payment is due, then interest shall accrue at the Default Rate on the payment past due from the date payment was due until the date payment is collected by the person entitled to payment or their designee, and such interest shall be due and payable in full monthly in arrears on the first day of each calendar month commencing with the first day of the first calendar month which is more than thirty (30) days after the date the payment was due.

19.10. **Rules of Construction.** In this Agreement (except as otherwise expressly provided or unless the context otherwise requires) (i) terms defined in the singular shall have comparable meanings when used in the plural, and vice versa, (ii) any pronoun used shall be deemed to cover all genders, (iii) the words “hereof”, “herein” and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement, (iv) all references to particular paragraphs, sections, items, clauses, exhibits and schedules are references to the paragraphs, sections, items, clauses, exhibits and schedules of and to this Agreement, (v) all references to any person shall include such person's heirs, executors, administrators, successors and assigns, (vi) all references to the Mortgage Loan Documents, Leases, this Agreement or any other agreement, contract or instrument shall be deemed to include any amendments, supplements, extensions, waivers, modifications and replacements thereto and thereof which are made in accordance with this Agreement, (vii) the word “including” shall mean “including without limitation”, (viii) paragraph, and other headings used in this Agreement are intended for convenience only and shall not affect the meaning or construction of this Agreement, and (ix) capitalized terms in this Agreement which are not defined in this shall have the meanings given to them in any other agreement amongst the Owners in which the term is defined.

19.11. Modifications/Waivers. This Agreement cannot be changed nor can any provision of this Agreement, or any right or remedy of any Owner or other party, be waived orally. Waivers can only be made in writing and the waiver must be signed by the Owner or other party against whom the waiver is sought to be enforced. Any waiver of any provision of this Agreement, or any right or remedy, given on any one or more occasions shall not be deemed a waiver with respect to any other occasion. This Agreement cannot be changed without the written consent of all of the Owners. Except for the Owners, the only other parties entitled to enforce this Agreement are the Indemnified Parties and they are parties solely entitled to enforce Section 11 of this Agreement, as third party beneficiaries. For this reason, no amendment, modification or termination of Section 11 of this Agreement or this Section 19.11 shall be effective unless consented to in writing by the then current Indemnified Parties.

19.12. Successors. The rights and obligations of the Owners and other parties under this Agreement, shall inure to the benefit of and be binding upon the Owners and other parties to this Agreement and all persons who succeed to their respective rights and obligations, subject to the provisions of this Agreement governing, limiting and prohibiting Transfers. Except as otherwise provided in Section 19.11 above, this Agreement shall not be enforceable by any person not a party to the Agreement or their permitted successor in interest.

19.13. Entire Agreement. This Agreement is signed by the Owners and other parties as a final expression of all of the terms, covenants and conditions of their agreement concerning the subject matter of this Agreement and as a complete and exclusive statement of its terms, covenants and conditions and is intended to supersede all prior agreements and understandings concerning the subject matter of this Agreement.

19.14. Conflicts. To the extent the provisions of this Agreement conflict with the provisions of any Mortgage Loan Documents, the conflicting provisions of the Mortgage Loan Documents shall govern so long as the applicable Mortgage Loan has not been satisfied.

19.15. Counterparts. This Agreement may be executed in counterparts with the same force and effect as if all signatures were contained in a single original instrument. Fax, photostatic and digital copies of this Agreement and counterparts shall be given the same effect as originals.

19.16 Author of this Agreement; CONFLICTS OF INTEREST. This Agreement was prepared by Francis A. Ciabrone, Esq., who currently represents various entities in which Peter O. Hanson, Donald Hanson, Stuart Alpert and/or members of their immediate families are principals, including Roebing Investment Company Inc., CPI Medial Fund Manager LLC and SPC Acquisition Company LLC. Each of the Owners were and are strongly encouraged to obtain independent legal counsel to represent their interests before signing this Agreement.

19.17. Transfer Tax. If any Government imposes any tax upon any Transfer of any Interest after the date of this Agreement and a Transfer Notice does not provide otherwise, then the Owners which are parties to the applicable Transfer shall be solely responsible for payment of the tax in proportion to their respective Interests in the Transfer if more than two Owners are parties to the Transfer, or in equal shares if there are only two Owners are parties to the Transfer. The Owners responsible for payment of the tax shall also be responsible for payment of any interest or penalties which may be imposed as a result of the failure to pay the tax when due. By way of example only, if party X conveyed an Interest to Party Y and the State in which the Property is located imposed a transfer tax on the conveyance in the amount of \$1,000.00, then \$500.00 of the tax would be paid by party X and \$500.00 of the tax would be paid by Party Y.

19.18. Memorandum. Within 20 days after a request made by any Owner, the Owners shall execute and deliver a memorandum of this Agreement in form suitable for recording and sufficient to give record notice of this Agreement to each subsequent bona fide purchaser and mortgagee for value.

19.19. Jury Waiver. Each party to this Agreement hereby expressly **WAIVES ANY RIGHT TO TRIAL BY JURY** of any claim, demand, action or cause of action (a) arising under this Agreement or any other instrument, document or agreement executed or delivered in connection herewith, or (b) in any way connected with or incidental to the dealings of the parties hereto or any of them with respect to this Agreement or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether sounding in contract or tort or otherwise; **AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.** Nothing in this Section 19.19 is intended to affect the application of the exclusive dispute resolution provisions of Section 16 of this Agreement.

[Signatures on succeeding page(s)]

TENANCY IN COMMON AGREEMENT - 17

IN WITNESS WHEREOF, the Owners have executed, sealed and delivered this Agreement as of the date set forth above.

CPI East Hampton I, LLC

By: SPC Associates, L.L.C., its Manager

By: /s/ Michael M. Hanson

Name: Michael M. Hanson

Title: Authorized Agent

CPI East Hampton II, LLC

By: SPC Associates, L.L.C., its Manager

By: /s/ Michael M. Hanson

Name: Michael M. Hanson

Title: Authorized Agent

CPI East Hampton III, LLC

By: /s/ Jesse Prince

Name: Jesse Prince

Title: Manager

TENANCY IN COMMON AGREEMENT - 18

LOAN AGREEMENT

AGREEMENT made this 22 day of June, 2020, by and between **Centreville Bank**, a Rhode Island banking institution with a place of business located at 1218 Main Street, West Warwick, Rhode Island (the “Lender”) and **CPI East Hampton I, LLC (d/b/a SPC East Hampton I LLC)**, **CPI East Hampton II, LLC (d/b/a SPC East Hampton II LLC)**, and **CPI East Hampton III, LLC (d/b/a SPC East Hampton III LLC)**, all New Jersey limited liability companies with their principal place of business located at c/o SPC Associates, L.L.C., 195 North Street, Suite 100, Teterboro, New Jersey (individually and collectively, the “Borrower”).

I. DEFINITIONS

1.01. Certain Defined Terms. In addition to the definitions contained in the foregoing recital clause, the following terms shall have the meanings provided below:

“Access Laws” shall mean the Americans with Disabilities Act of 1990, all state and local laws and ordinances related to handicapped access and all rules, regulations and orders issued pursuant thereto, including without limitation, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities.

“Agreement” means this Agreement, as amended from time to time. “Applicable LIBOR Margin” shall mean, one and 80/100 percent (1.80%).

“Assignee” shall have the meaning set forth in Section 2.08(a) hereof.

“Business Day” shall mean any day other than a Saturday, Sunday or day which shall be in the State of Rhode Island a legal holiday or day on which banking institutions are required or authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” shall have the meaning ascribed to such term in the Mortgage.

“Collateral Assignment” means the Collateral Assignment of Leases and Rents by the Borrower to the Lender dated even date.

“Debt Service Coverage Ratio – Post-Distribution” shall mean net operating income (defined as net income plus interest expense, amortization and depreciation, less internally funded capital expenditures and distributions for the Premises) divided by annual debt service under the Note for the relevant accounting period.

“Debt Service Coverage Ratio – Pre-Distribution” shall mean net operating income (defined as net income plus interest expense, amortization and depreciation, and less internally funded capital expenditures for the Premises) divided by annual debt service under the Note for the relevant accounting period.

“Default” means any of the events specified in Article VIII hereof which with the passage of time or giving of notice or both would constitute an Event of Default.

“Event of Default” means an Event of Default described in Article VIII hereof.

“Governmental Authorities” means the United States, the state in which the Premises is located and any political subdivision, agency, department, commission, board, bureau or instrumentality of either of them, including any local authorities, which exercise jurisdiction over the Premises.

“GAAP” means generally accepted accounting principles in the United States.

“Guarantor” shall mean any guarantor of the Loan.

“Guaranty” shall mean the Guaranty of any Guarantor.

“Hazardous Waste Laws” shall mean any federal, state or local law governing the existence, release, generation, storage or disposal of any Hazardous Waste now or hereafter existing.

“Hazardous Waste” shall mean any “oil,” “hazardous material,” “hazardous wastes” or “hazardous substances” as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, as amended, or any similar statute, and the regulations adopted pursuant thereto and shall include without limitation (whether or not included in the definition contained in said laws), petroleum, solvents, asbestos and other chemicals which would be materially dangerous to the environment or to human beings.

“Indebtedness” means, for the Borrower (i) all indebtedness or other obligations of the Borrower for borrowed money or for the deferred purchase price of property or services, (ii) all indebtedness or other obligations of any other Person for borrowed money or for the deferred purchase price of property or services the payment or collection of which the Borrower has guaranteed (except by reason of endorsement for collection in the ordinary course of business) or in respect of which the Borrower is liable, contingently or otherwise, including, without limitation, liable by way of agreement to purchase, to provide funds for payment, to supply funds to or otherwise to invest in such other Person; or otherwise to assure a creditor against loss, (iii) all indebtedness or other obligations of any other Person for borrowed money or for the deferred purchase price of property or services secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance upon or in property (including, without limitation, accounts and contract rights) owned by the Borrower, whether or not the Borrower has assumed or become liable for the payment of such indebtedness or obligations and (iv) capitalized lease obligations of the Borrower.

“Leases” means any and all leases with respect to the Premises.

“LIBOR Banking Day” shall mean a day (other than a Saturday or Sunday) on which dealings in United States Dollars are carried on in the London interbank market.

“LIBOR Fixed Rate” shall mean a rate per annum equal to the LIBOR Rate plus the Applicable LIBOR Margin.

“LIBOR Interest Period” shall mean one month.

“LIBOR Rate” means, relative to any LIBOR Interest Period, the offered rate for U.S. Dollar deposits for a term co-extensive with the designated LIBOR Interest Period (i.e., a term of one (1) month), which the ICE Benchmark Administration (successor administrator to the British Bankers Association), or any successor administrator of LIBOR rates, fixes as its LIBOR rate as of 11:00 a.m. London time on the date that is two (2) LIBOR Banking Day prior to the commencement of the applicable LIBOR Interest Period. If for any reason the LIBOR Rate ceases to exist or becomes unavailable, and/or the Lender is unable to determine the LIBOR Rate for any LIBOR Interest Period, and/or any present or future law, regulation, treaty or directive, or any interpretation or application thereof, shall make it unlawful for the Lender to make or maintain the LIBOR Rate as an offered rate, the Lender may designate a substitute index and modify the spread above or below the newly designated index to equate to the interest rate in effect hereunder immediately prior to such newly designated index taking effect, and such spread shall remain in effect throughout the remaining term of the Loan. The Lender will notify the Borrower of any change in the index and the applicable spread prior to the modification of the interest rate taking effect. The Lender will treat the Borrower consistent with other commercial borrowers with respect to the designation of a new index hereunder.

“Loan” shall mean the loan of Three Million Seven Hundred Forty Thousand Dollars (\$3,740,000) from the Lender to the Borrower.

“Loan Documents” shall mean this Agreement, the Note and the Security Documents.

“Management Agreement” shall mean that certain Management Agreement dated on or about the date hereof between the Borrower and the Manager.

“Manager” shall mean NAI Hanson Management LLC.

“Maturity Date” shall mean ten (10) years from the date hereof.

“Mortgage” shall mean the Mortgage and Security Agreement by the Borrower to the Lender dated even date.

“Note” shall mean the Borrower’s secured promissory note in the form attached hereto as Exhibit A, which Note is hereby incorporated herein by reference and made a part hereof.

“Obligations” shall mean all obligations and all liabilities of the Borrower under this Agreement, the Note, the Security Documents and the Swap Contract.

“Participant” shall have the meaning set forth in Section 2.08(b) hereof. “Payment Date” shall mean the 20th day of the month.

“Permitted Encumbrances” shall mean those encumbrances, if any, permitted by the Lender on the property of the Borrower as set forth in Exhibit B attached hereto and incorporated herein by reference.

“Person” means and includes an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and a government or any department or agency thereof.

“Premises” means that certain parcel of land, with all buildings and improvements now or hereafter situated thereon, located at 118 Northampton Street, Easthampton, Massachusetts, and more particularly described in the Mortgage.

“Principal Payment” means the monthly principal payment determined by the Lender based upon the amount of the outstanding principal balance of the Loan on the date hereof, the rate of interest obtained under the Swap Contract and an amortization period equal to 360 months.

“Security Documents” means, among other things, the Mortgage, the Collateral Assignment, any Guaranty and any other agreement or instrument now or hereafter securing the Note.

“Swap Contract” means any agreement, whether or not in writing, relating to any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, interest cap, collar or floor transaction, currency swap, cross-currency rate swap, swap option, currency option or any other similar transaction (including any option to enter into the foregoing) or any combination of the foregoing, and, unless the context otherwise clearly requires, any form of master agreement published by the International Swaps and Derivatives Association, Inc., or any other master agreement, entered into between the Lender (or its affiliate) and the Borrower (or its affiliate) in connection with the Loan, together with any related schedules and confirmations, as amended, supplemented, superseded or replaced from time to time, relating to or governing any or all of the foregoing

1.02. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with GAAP. Notwithstanding the foregoing, the Borrower will not maintain any financial records or prepare any financial statements in accordance with GAAP. Records will be accurate and complete, but financial statements will be prepared in accordance with the method employed for federal income tax reporting purposes.

II. GENERAL TERMS

2.01. Amount of Loan. The Borrower has applied to the Lender for the Loan and the Lender has agreed to make the Loan to the Borrower subject to all the terms and conditions of this Agreement.

2.02. Note. The borrowing is to be evidenced by the Note.

2.03. Payments. All payments shall be made by the Borrower to the Lender at its address set forth above or such other place as the Lender may from time to time specify in writing in lawful currency of the United States of America in immediately available funds, without counterclaim or setoff and free and clear of, and without deduction or withholding for, any taxes or other payments. All payments shall be applied first to the payment of all fees, expenses and other amounts due to the Lender (excluding principal and interest), then to accrued interest, and the balance on account of outstanding principal; provided, however, that after the occurrence of an Event of Default, payments will be applied to the obligations of the Borrower to the Lender as the Lender determines in its sole discretion. If any payment hereunder or under the Note becomes due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day.

2.04. Prepayment. The Borrower may prepay the principal of the Note, in whole at any time, or in part from time to time, in accordance with the terms of the Note.

2.05. Security for the Note. The Note shall be secured by the Security Documents and by such additional security as shall be agreed to by the Lender and the Borrower from time to time.

2.06. Amortization Period. The Note is repayable on a thirty (30) year amortization basis.

2.07. Use of Proceeds. The Borrower will use the proceeds of the Loan only for the purposes authorized by the Lender.

2.08. Assignments and Participations. (a) The Lender shall have the unrestricted right at any time or from time to time, and without the Borrower's or any Guarantor's consent, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each an "Assignee"), and the Borrower and each Guarantor agrees that it shall execute, or cause to be executed, such documents, including, without limitation, amendments to this Agreement and to any other documents, instruments and agreements executed in connection herewith as the Lender shall deem necessary to effect the foregoing. In addition, at the request of the Lender and any such Assignee, the Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if the Lender has retained any of its rights and obligations hereunder following such assignment, to the Lender, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the promissory note held by the Lender prior to such assignment and shall reflect the amount of the respective commitments and loans held by such Assignee and the Lender after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Lender in connection with such assignment, and the payment by the Assignee of the purchase price agreed to by the Lender and such Assignee, such Assignee shall be a party to this Agreement and shall have all of the rights and obligations of the Lender hereunder (and under any and all other guaranties, documents, instruments and agreements executed in connection herewith) to the extent that such rights and obligations have been assigned by the Lender pursuant to the assignment documentation between the Lender and such Assignee, and the Lender shall be released from its obligations hereunder and thereunder to a corresponding extent. Despite anything in this Section 2.08 to the contrary, the Borrower shall have no obligation to execute any document, instrument or agreement which creates or modifies any Obligations, or deletes or modifies any of the rights of the Borrower under the Loan Documents or applicable law.

(b) The Lender shall have the unrestricted right at any time and from time to time, and without the consent of or notice to the Borrower or any Guarantor, to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in the Lender's obligations to lend hereunder and/or any or all of the loans held by the Lender hereunder. In the event of any such grant by the Lender of a participating interest to a Participant, whether or not upon notice to the Borrower, the Lender shall remain responsible for the performance of its obligations hereunder and the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations hereunder.

(c) The Lender may furnish any information concerning the Borrower in its possession from time to time to prospective Assignees and Participants, provided that the Lender shall require any such Assignee or Participant to agree in writing to maintain the confidentiality of such information.

2.09. Automatic Debit. The Borrower hereby authorizes the Lender to automatically deduct from any deposit account of the Borrower the amount of any loan payment including all payments of interest, principal and other sums due (“Automatic Payment”), from time to time, under this Agreement and/or the Note; and the Lender will thereafter notify the Borrower of the amount so charged. If the funds in the account are insufficient to cover any payment due, the Lender shall not be obligated to advance funds to cover the payment. The failure of the Lender so to charge any account or to give any such notice shall not affect the obligation of the Borrower to pay interest, principal or other sums as provided herein or under the Note. At any time and for any reason, the Lender may voluntarily terminate the Automatic Payment. Termination by the Borrower of the Automatic Payment is not permissible.

2.10. Interest Rate and Repayment.

(a) General. For the purposes of accruing interest charges, payments delivered to or received by the Lender after 2:00 p.m. Providence time will be credited on the next Business Day following receipt. All computations of interest shall be made on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

(b) Interest Rate. Interest under the Note shall accrue at LIBOR Fixed Rate.

(c) LIBOR Fixed Rate. In utilizing and establishing the LIBOR Fixed Rate, the following terms and conditions shall apply:

(i) LIBOR Interest Periods. There may be no more than one (1) separate LIBOR Interest Period in effect at any one time during the term hereof.

(ii) Rate Conversions. At the expiration of each LIBOR Interest Period, the principal amount of the LIBOR Tranche bearing interest under the LIBOR Fixed Rate shall automatically be converted to a new LIBOR Fixed Rate. The Lender shall not be required to notify the Borrower of any such automatic conversion.

(d) Payment Dates. Interest shall be paid monthly in arrears commencing on the second Payment Date next succeeding the date thereof, and continuing on the Payment Date of each succeeding month thereafter with a final payment of interest at the time the Loan is paid in full. Principal shall be repaid in monthly installments, each in the amount of the Principal Payment, commencing on the second Payment Date next succeeding the date thereof, and continuing on the Payment Date of each succeeding month thereafter, with a final payment of all unpaid principal and interest on the Maturity Date.

2.11. Swap Provisions. (a) The Borrower shall enter into a Swap Contract and in conjunction therewith, the Borrower shall deliver to the Swap Counterparty (as defined in the Swap Contract) the following documents and other items, executed and acknowledged as appropriate, all in form and substance satisfactory to the Lender and the Swap Counterparty: (i) Master Agreement in the form published by the International Swaps and Derivatives Association, Inc. and related schedule in the form agreed upon between the Borrower (or its affiliate) and the Swap Counterparty; (ii) a confirmation under the foregoing; (iii) the Guaranty; (iv) if the Borrower (or its affiliate) is anything other than a natural person, evidence of due authorization to enter into transactions under the Swap Contract with the Swap Counterparty, together with evidence of due authorization and execution of any Swap Contract; and (v) such other title endorsements, documents, instruments and agreements as the Lender and the Swap Counterparty may require to evidence satisfaction of the conditions set forth herein.

(b) To secure the Borrower's Obligations, the Borrower hereby transfers, assigns and transfers to the Lender, and grants to the Lender a security interest in, all of the Borrower's right, title and interest, but not its obligations, duties or liabilities for any breach, in, under and to any Swap Contract, any and all amounts received by the Borrower in connection therewith or to which the Borrower is entitled thereunder, and all proceeds of the foregoing. All amounts payable to the Borrower under any Swap Contract shall be paid to the Lender and shall be applied to pay interest or other amounts due and owing under the Note.

(c) [RESERVED].

(d) It shall be an Event of Default under this Agreement if any Event of Default occurs as defined under any Swap Contract as to which the Borrower (or its affiliate) is the Defaulting Party, or if any Termination Event occurs under any Swap Contract as to which the Borrower (or its affiliate) is an Affected Party. As used in this Section, the terms "Defaulting Party," "Termination Event" and "Affected Party" have the meanings ascribed to them in the Swap Contract.

(e) In addition to any and all other remedies to which the Lender and Swap Counterparty are entitled at law or in equity, the Swap Counterparty shall have the right, to the extent so provided in any Swap Contract or any Master Agreement relating thereto, (a) to declare an event of default, termination event or other similar event thereunder and to designate an Early Termination Date as defined under the Master Agreement, and (b) to determine net termination amounts in accordance with the Swap Contract and to setoff amounts between Swap Contracts. The Lender shall have the right at any time (but shall have no obligation) to take in its name or in the name of the Borrower (or its affiliate) such action as the Lender may at any time determine to be necessary or advisable to cure any default under any Swap Contract or to protect the rights of the Borrower (or its affiliate) or Swap Counterparty thereunder; provided, however, that before the occurrence of an Event of Default under this Agreement, the Lender shall give prior written notice to the Borrower before taking any such action. For this purpose, the Borrower hereby constitutes the Lender its true and lawful attorney-in-fact with full power of substitution, which power of attorney is coupled with an interest and irrevocable, to exercise, at the election of the Lender, any and all rights and remedies of the Borrower (or its affiliate) under the Swap Contract, including making any payments thereunder and consummating any transactions contemplated thereby, and to take any action that the Lender may deem proper in order to collect, assert or enforce any claim, right or title, in and to the Swap Contract hereby assigned and conveyed, and generally to take any and all such action in relation thereto as the Lender shall deem advisable. The Lender shall not incur any liability if any action so taken by the Lender or on its behalf shall prove to be inadequate or invalid. The Borrower expressly understands and agrees that the Lender is not hereby assuming any duties or obligations of the Borrower (or its affiliate) to make payments to the Swap Counterparty under any Swap Contract or under any other Loan document. Such payment duties and obligations remain the responsibility of the Borrower (or its affiliate) notwithstanding any language in this Agreement.

III. REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement and make the Loan, the Borrower represents and warrants to the Lender (which representations and warranties shall survive the delivery of the Note and the making of the Loan) that as of the date of this Agreement:

3.01. Financial Statements. Any financial statement previously furnished by the Borrower to the Lender is complete and correct in all material respects, and fully and accurately reflect the financial condition of the Borrower as of said dates, and the results of its operations, if any, for the period stated. To the best of the Borrower's knowledge and belief, the Borrower does not have any contingent obligations, liabilities for taxes, unusual long-term commitments or lease commitments except as specifically mentioned in such financial statement or the notes thereto and those which will be paid upon the disbursement of the Loan proceeds. Since the date of the most recent financial statements submitted to Lender there has been no material adverse change in the financial condition of the Borrower.

3.02. Organization and Qualification. The Borrower (i) is duly formed and validly existing under the laws of its state of organization, (ii) has the power and authority to own its properties and to carry on business as now being conducted and is qualified to do business in every jurisdiction where such qualification is necessary and (iii) has the power to execute and deliver this Agreement, to borrow hereunder and to execute and deliver to the Lender the Note, the Security Documents and any other instruments required hereunder.

3.03. No Conflict.

(a) The Borrower has taken all necessary action to authorize the borrowings on the terms and conditions of this Agreement and to authorize the Borrower's execution, delivery and performance of the Loan Documents and any other agreements referred to herein or related to the Loan.

(b) All consents, licenses, approvals or authorizations of, or registrations or declarations with, any governmental authority, bureau or agency which are required of the Borrower in connection with the execution, delivery, performance, validity or enforceability of the Loan Documents and any other agreements referred to herein have been duly obtained and are in full force and effect.

(c) The execution, delivery and performance of the Loan Documents and any other agreement referred to herein will not be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, any provision of any existing law or regulation or of any order or decree of any court or governmental authority, bureau or agency or of the operating agreement of the Borrower or of any mortgage, indenture, contract or other agreement to which the Borrower is a party or which purports to be binding upon it or upon any of its properties or assets, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of its properties or assets, except in favor of the Lender.

3.04. Litigation. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower which, if adversely determined, would have a material adverse effect on the business operations, properties, assets or condition (financial or otherwise) of the Borrower. The Borrower is not in default with respect to any order of any court, arbitrator or governmental body arising out of any action, suit or proceeding under any statute or other law.

3.05. No Default. The Borrower is not a party to any agreement or instrument or subject to any restriction known to the Borrower, significantly adversely affecting its business, properties or assets, operations or conditions, financial or otherwise. 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 to which it is a party or by which its assets may be bound, and no Default or Event of Default as hereinafter specified has occurred and is continuing hereunder.

3.06. Properties. The Borrower has good title to, or valid leasehold interests in, all of its properties and assets, real and personal, which are to the Borrower's knowledge free and clear of all mortgages, liens and encumbrances, except for the Permitted Encumbrances.

3.07. [Reserved]

3.08. Taxes. The Borrower has filed or caused to be filed all tax returns required to be filed by the Borrower, if any, and has paid all taxes shown to be due and payable on said returns or on any assessments made against the Borrower which the Borrower has knowledge of, and to the Borrower's knowledge no tax liens have been filed and no claims are being asserted, or proposed or threatened to be asserted, with respect to any taxes which are not reflected in the financial statements referred to in Section 3.01 hereof, and the Borrower is currently providing adequate reserves for all current taxes.

3.09. No Pending Insolvency. Any funds advanced to the Borrower under this Agreement do not and will not render the Borrower insolvent; the Borrower is not contemplating either the filing of a petition under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of its property and the Borrower has no knowledge of any Person contemplating the filing of any such petition against Borrower.

3.10. Statements. No statement of fact made by or on behalf of the Borrower in this Agreement or in any certificate or schedule furnished to the Lender pursuant hereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements contained therein or herein not misleading. There is no fact presently known to the Borrower which has not been disclosed to the Lender which materially affects adversely nor as far as the Borrower can foresee, will materially affect adversely the property, business, prospects or condition (financial or otherwise) of the Borrower.

3.11. Legally Enforceable Agreement. This Agreement, the Note, the Security Documents and any other documents executed by the Borrower in connection with the Loan, are the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and except as certain remedies thereunder may be subject to equitable principles.

3.12. Regulation U. The Borrower is not engaged principally, or as one of the Borrower's important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or Regulation G of the Board of Governors of the Federal Reserve System), and will not use the proceeds of the Loan so as to violate Regulation U or Regulation G as it may be amended or interpreted from time to time by the Board of Governors of the Federal Reserve System.

3.13. Patents, etc. The Borrower possesses all licenses and permits, and rights in respect of the foregoing, necessary for the conduct of its business substantially as now conducted without any known conflict with any rights of others.

3.14. Leases. The Leases are in full force and effect, there are no defaults under any of the provisions thereof and all conditions to the effectiveness and continuing effectiveness thereof required to be satisfied as of the date hereof have been satisfied.

3.15. Compliance with Laws and Other Instruments. The business and operations of the Borrower has been and is being conducted in accordance with all applicable laws, ordinances, and rules and regulations of all authorities, the violation of which, individually or in the aggregate, would materially and adversely affect the business or operations of the Borrower.

3.16. Embargoed Person. To the best of the Borrower’s knowledge, as of the date hereof and at all times throughout the term of the Loan, including after giving effect to any transfers of interests permitted pursuant hereto, (a) none of the funds or other assets of the Borrower and the Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated thereunder with the result that the investment in the Borrower or the Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law (an “Embargoed Person”); (b) no Embargoed Person has any interest of any nature whatsoever in the Borrower or the Guarantor, as applicable, with the result that the investment in the Borrower or the Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of the Borrower or the Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in the Borrower or the Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

3.17. Environmental. (a) The Borrower has never released, generated, stored or disposed of any Hazardous Waste on the Premises in violation of any Hazardous Waste Laws, (b) subject to disclosures in hazardous waste reports delivered to the Lender, the Borrower is not aware of the existence, release or threat of release of any Hazardous Waste on the Premises or on any properties adjacent to the Premises in violation of any Hazardous Waste Laws, and (c) subject to disclosures in hazardous waste reports delivered to the Lender, the Borrower has not received any notice, order, claim or demand from any governmental authority with respect to the existence, release or threat of release of any Hazardous Waste.

IV. CONDITIONS OF MAKING THE LOAN

The obligation of the Lender to make the Loan hereunder is subject to the following conditions precedent:

4.01. Representations. The representations and warranties set forth in Article III hereof shall be true and correct on and as of the date hereof and the date the Loan is made.

4.02. Certification. The Borrower shall have executed and delivered to the Lender, upon the execution of this Agreement, the following: (a) a certificate of the manager of the Borrower certifying to the votes of the members authorizing the execution and delivery of this Agreement, the Note, the Security Documents and any other documents related to the Loan, and (b) such other supporting documents as the Lender may reasonably request.

4.03. Legal Opinion. The Lender shall have received the favorable written opinion of counsel for the Borrower, dated the date of the Loan, satisfactory to the Lender and its counsel in scope and substance, with respect to, among other things, the matters set forth in Sections 3.02 and 3.03(a) and (c).

4.04. Good Standing. The Lender shall have received for the Borrower a Certificate of Legal Existence from the Massachusetts Secretary of State.

4.05. Legal Matters. All legal matters incident to the transactions hereby contemplated shall be satisfactory to counsel for the Lender.

4.06. No Default. No Default or Event of Default shall have occurred.

4.07. Commitment Letter. There shall be compliance with all terms of the commitment letter of the Lender to the Borrower dated March 16, 2020.

4.08. Identity. The Lender shall have received all due diligence materials it deems necessary with respect to verifying the Borrower's identity and background information in a manner satisfactory to the Lender.

V. AFFIRMATIVE COVENANTS

The Borrower covenants and agrees that, from the date hereof and until payment in full of the principal of, and interest on, the Note and any other Indebtedness of the Borrower to the Lender, whether now existing or arising hereafter, unless the Lender shall otherwise consent in writing, the Borrower will:

5.01. Maintenance of Properties; Insurance.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its rights, licenses, permits and any franchises and comply with all laws and regulations applicable to it; at all times maintain, preserve and protect any of the Borrower's franchises and trade names and preserve all the remainder of its property used or useful in the conduct of its business and keep the same in good repair, working order and condition, and from time to time, make, or cause to be made, all needful and proper repairs, renewals, replacements, betterments and improvements thereto, so that the business carried on in connection therewith may be properly and advantageously conducted at all times; and maintain or cause to be maintained insurance in accordance with the requirements of the Security Documents and the Leases.

(b) Comply with all applicable laws and regulations, whether now in effect or hereafter enacted or promulgated by any governmental authority having jurisdiction over the property which is the subject of the Security Documents.

5.02. Payment of Obligations and Taxes. Pay and discharge or cause to be paid and discharged all of its obligations and liabilities and all taxes, assessments and governmental charges or levies imposed upon it or upon its respective income and profits or upon any of its property, real, personal or mixed, or upon any part thereof, before the same shall become in default, as well as all lawful claims for labor, materials and supplies or otherwise, which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided that the Borrower shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and it shall have set aside on its books adequate reserves with respect to any such tax, assessment, charge, levy or claim, so contested or discharged the claim by bonding or deposit in the manner authorized by applicable law; and provided, further, that payment with respect to any such tax, assessment, charge, levy or claim which has not been discharged by bonding or deposit, shall be made within ten (10) days after entry of final judgment and before any of its property shall be seized or sold in satisfaction thereof.

5.03. Legal Proceedings. Give prompt written notice to the Lender of any proceedings instituted against the Borrower in any Federal or state court or before any commission or other regulatory body, Federal, state or local, which, if adversely determined, would have an adverse effect upon its business, operations, properties, assets, or condition, financial or otherwise.

5.04. Books, Records and Reports. At all times keep proper books of record and accounts in which full, true and correct entries will be made of its transactions in a manner satisfactory to the Lender. The Borrower hereby authorizes the Lender to make or cause to be made, at the Borrower's expense and in such reasonable manner and at such reasonable times as the Lender may require, but so long as there is no outstanding Event of Default not more often than once every 12 months at the Lender's expense and not more often than once at the Borrower's expense:

(a) Inspections and audits of any books, records and papers in the custody or control of the Borrower or others, relating to the Borrower's financial or business conditions, including the making of copies thereof and extracts therefrom, and

(b) Inspections and appraisals of any of the Borrower's assets.

5.05. Financial Statements. Furnish to the Lender:

(a) Within one hundred twenty (120) days of the end of each fiscal year, a copy of the Borrower's federal tax return for such fiscal year, including all schedules, duly prepared by a certified public accountant, provided however, if the tax return is on extension, a copy of the timely filed extension must be provided to the Lender along with an internally prepared income statement and balance sheet which shall be in form and substance satisfactory to the Lender. Once filed, copy of filed tax return shall be presented to the Lender within 10 days of filing.

(b) At least 30 days prior to entering an Extension Period (as defined in the Note), the Borrower shall provide the Lender with a certified rent roll in form and substance satisfactory to the Lender.

(c) Promptly, from time to time, such other information regarding its operations, assets, business, affairs and financial condition, as the Lender may reasonably request.

5.06. Adverse Changes. Promptly advise the Lender of (a) all litigation and proceedings affecting the Borrower in which the amount involving the Borrower is Thirty-Five Thousand Dollars (\$35,000) or more and is not covered by insurance; (b) any material adverse change in its condition, financial or otherwise, or (c) any Default described in Article VIII hereof or of the occurrence of any event which upon notice or lapse of time or both would constitute such an Event of Default.

5.07. Accounting. Maintain a standard system of accounting in accordance with the method employed by the Borrower for federal income tax reporting.

5.08. Depository. Use the Lender as the principal bank of account of the Borrower's funds. Said account shall be the account into which all rent payments due under Leases shall be deposited and said account shall be the account from which Automatic Payments shall be made as required by Section 2.09 hereof.

5.09. Additional Instruments. Promptly execute and deliver or cause to be executed and delivered to the Lender all such additional and/or supplemental other instruments and documents from time to time as the Lender deems necessary or appropriate for the performance of the Borrower's obligations under this Agreement, so long as such additional instruments do not create any additional liabilities or obligations of the Borrower or delete or lessen any rights of the Borrower.

5.10. Subordination of Debt. Subordinate all member debt to this Loan, pledge all such debt to the Lender as security for this Loan, make payments on account of such debt only from the cash flow available after all other costs and expenses of the Borrower which are then due and payable have been paid, and if there is any existing Default or Event of Default not make any payments on account of such debt without the prior written consent of the Lender.

5.11. Environmental. (a) The Borrower shall not release, generate or dispose of any Hazardous Waste on the Premises or on any properties adjacent to the Premises in violation of any Hazardous Waste Laws.

(b) In the event that any Hazardous Waste are found on the Premises in violation of Hazardous Waste Laws, the Borrower shall take, or cause to be taken, immediate steps to contain and remediate the same in compliance with all Hazardous Waste Laws.

(c) In general, the Borrower shall ensure, or cause to be ensured, that all of its properties and operations, and those of its lessees, are in compliance with all Hazardous Waste Laws.

5.12. Access Laws. Cause the Premises to at all times not be in violation with the requirements of the Access Laws. Notwithstanding any provisions set forth herein or in any other document regarding the Lender's approval of alterations to the Premises, the Borrower shall not alter the Premises in any manner which would increase the Borrower's responsibilities for compliance with the applicable Access Laws without the prior written approval of the Lender. The Borrower further agrees to give prompt written notice of the receipt by the Borrower of any complaints related to the violation of any Access Laws and of the Borrower's knowledge of the commencement of any proceedings or investigations which relate to compliance with applicable Access Laws.

5.13. Identity. In addition, at any time, and from time to time, upon request by the Lender, at the Borrower's expense, provide any and all further instruments, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to verify the Borrower's identity and background in a manner satisfactory to the Lender.

VI. FINANCIAL COVENANTS

The Borrower covenants and agrees that, from the date hereof and until payment in full of the principal of, and interest on, the Note and any other Indebtedness of the Borrower to the Lender, whether now existing or arising hereafter, unless the Lender shall otherwise consent in writing, the Borrower will:

6.01. Debt Service Coverage Ratio – Pre-Distribution. Maintain at all times a Debt Service Coverage Ratio of not less than 1.3:1.0, which shall be tested annually as of December 31.

6.02. Debt Service Coverage Ratio – Post-Distribution. Maintain at all times a Debt Service Coverage Ratio of not less than 1.0:1.0, which shall be tested annually as of December 31.

6.03. Loan to Value Ratio. Maintain at all times a loan to value ratio of not greater than seventy percent (70%). The value portion of this calculation shall be based upon the aggregate fair market value of the Premises as determined by appraisal satisfactory to the Lender. The loan portion of this calculation shall be the total indebtedness of the Borrower to the Lender.

VII. NEGATIVE COVENANTS

The Borrower covenants and agrees that, until payment in full of the principal of, and interest on, the Note and any other Indebtedness of the Borrower to the Lender, whether now existing or arising hereafter, unless the Lender shall otherwise consent in writing, Borrower will not, directly or indirectly:

7.01. Indebtedness. Incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any Indebtedness, liability or lease commitment, except upon such terms and conditions as may be mutually agreed upon in advance by the Borrower and the Lender and except:

(a) Indebtedness under this Agreement and/or any of the Security Documents and/or evidenced by the Note;

(b) Indebtedness with respect to trade obligations and other normal accruals in the ordinary course of business not yet due and payable in accordance with customary trade terms or with respect to which the Borrower is contesting in good faith the amount or validity thereof by appropriate proceedings and then only to the extent the Borrower has set aside on its books adequate reserves therefor;

(c) Indebtedness described in the financial statements and existing on the date hereof; provided that such Indebtedness is paid in accordance with its stated terms without renewal, extension or modification;

(d) Indebtedness to members (which shall be subject to Section 5.10) to cover any shortfall in costs or expenses of the Premises; and

(e) Lease commitments in the ordinary course of business.

7.02. Liens. Create, incur, make, assume or suffer to exist any assignment, mortgage, pledge, lien, charge, security interest or other encumbrance of any nature whatsoever on any of its property or assets, now or hereafter owned, other than in favor of the Lender or other than:

(a) liens securing the payment of taxes or assessments, either not yet due or the validity of which is being contested in good faith by appropriate proceedings, and as to which there shall have been set aside on its books adequate reserves or other provisions made in accordance with GAAP;

(b) liens securing the Note;

(c) any leasehold mortgage, assignment or security interest granted by a tenant in its leasehold estate;

(d) the Permitted Encumbrances; and

(e) Leases in the ordinary course of business.

7.03. Guaranties. Make any loans or advances to, or assume, guarantee, endorse or otherwise in any way become or be responsible for obligations of any other Person, whether by agreement to purchase the Indebtedness of any other Person, or agreement for the furnishing of funds to any other Person, firm, corporation or other enterprise, through purchase of goods, supplies or services, or by way of stock purchase, capital contribution, advance or loan, for the purpose of paying any Indebtedness or obligation of such other Person, or otherwise, except the endorsement of negotiable instruments for deposit or collection in the normal course of business.

7.04. Sale of Assets; Management. Convey, transfer or otherwise dispose of any or all of its properties, assets, rights, licenses and franchises to any Person, except in the ordinary course of its business, or except for the existing management agreement, turn over the management of, or enter a management contract with respect to, such properties, assets, rights, licenses, and franchises. No Borrower shall close a sale of its interest in the Premises without the prior written consent of the Lender.

7.05. Leasebacks. Enter into any arrangement, directly or indirectly, with any Person whereby the Borrower shall convey or transfer any property, real, personal or mixed, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property.

7.06. Investments. Purchase, invest in or otherwise acquire or hold securities, including, without limitation, capital stock and evidences of indebtedness of, or make loans or advances to, or enter into any arrangement for the purpose of providing funds or credit to, any other Person, except investments in short-term obligations of the United States or certificates of deposit of the Lender.

7.07. Fundamental Changes. Dissolve, liquidate, consolidate with, or merge with, or otherwise acquire all or substantially all of the assets or properties of, any other entity, or make any substantial change in its management, or permit any substantial change in its ownership, or engage, directly or indirectly, in any business substantially different from the business now being conducted. The following transfers are permitted without the Lender's consent provided the management of the Borrower is not changed: (i) up to 49.00 percent of the membership interests in the Borrower may be sold or transferred to any person; (ii) any transfer of membership interests as a result of death or divorce or to a trust or entity whose beneficiaries or equity holders are members of the family of the transferor; and (iii) any transfer of membership interests between or among existing members of the Borrower.

7.08. Distributions. Except for distributions of cash flow after payment of all costs and expenses then due and payable, make any distribution of cash or property, or both, to the members of the Borrower.

7.09. Acceleration of Other Indebtedness. Accelerate the maturity of any Indebtedness now or hereafter outstanding to any other bank, supplier, or other third party, or repay the same otherwise than in accordance with its regular amortization.

7.10. Hazardous Waste. Release, generate or dispose of any Hazardous Waste at the Premises or on any properties adjacent to the Premises in violation of any Hazardous Waste Laws. The Lender, at its election, upon a reasonable belief that there has been a violation of any Hazardous Waste Laws, and without notice, may at any time and from time to time, whether or not an Event of Default shall exist, cause one or more environmental site assessments of the Premises to be undertaken. Environmental site assessments may include a detailed visual inspection of the Premises, including, without limitation, all storage areas, storage tanks, drains, dry wells and leaching areas, as well as the taking of soil samples, surface water samples and ground water samples, and such other investigation or analysis as is necessary or appropriate for a complete assessment of the compliance of the Premises and the use and operation thereof with all Hazardous Waste Laws.

7.11. Transfer of Interests. Except as otherwise provided in Section 7.07, permit the transfer of any interest in the Borrower by any of its present members or the direct or indirect dilution of the percentage interest in the Borrower currently held by any present member without the prior written consent of the Lender.

VIII. DEFAULTS AND REMEDIES

8.01. Events of Default. The following shall constitute Events of Default:

(a) any representation or warranty made herein, or in any report, certificate, financial statement or other instrument furnished in connection with this Agreement, or the borrowing hereunder, shall prove to be false or misleading in any material respect on or as of the date made or deemed made;

(b) default in the payment of any monthly installment of the principal of, or interest on, the Note after the date when the same shall become due and payable, or default in the payment of principal of, or interest on the Note after the same shall be become due and payable on a date fixed for prepayment or by acceleration;

(c) default, after the expiration of any applicable grace periods, in the payment of any installment of the principal of, or fees or interest on, any other Indebtedness of the Borrower to the Lender after the date when the same shall become due and payable;

(d) default which continues for a period of twenty (20) days in the due observance or performance of any covenant, condition or agreement in Sections 6.01 and 6.02, and Sections 7.02 through 7.08;

(e) default in the due observance or performance of any other covenant, condition or agreement, on the part of the Borrower to be observed or performed pursuant to the terms hereof, and the continuance of such default for a period of thirty (30) days after the Lender gives the Borrower notice specifying the default; provided, however, that if the default is of a nature that a cure is not reasonably feasible within such thirty (30) day period and the Borrower has commenced and is diligently and continually pursuing a cure of the default, the thirty (30) day period shall, upon written notice being provided by the Borrower to the Lender of the need for additional time, automatically be extended for one (and only one) additional period of thirty (30) days;

(f) default, after the expiration of any applicable grace periods, in the due observance or performance of any covenant, promise or provision contained in any other agreement of the Borrower in favor of the Lender, including without limitation, any other loan agreement, mortgage deed or security document, or any Swap Contract;

(g) default with respect to any evidence of Indebtedness of the Borrower (other than the Note), if the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to the stated maturity thereof;

(h) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or any of its property, (ii) admit in writing inability to pay its debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent or (v) file a voluntary petition in bankruptcy, or a petition or an answer is filed by the Borrower seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against the Borrower in any proceeding under any such law;

(i) an order, judgment or decree shall be entered, without the application, approval or consent of the Borrower by any court of competent jurisdiction, approving a petition seeking reorganization of the Borrower or appointing a receiver, trustee or liquidator of the Borrower or of all or a substantial part of the assets of the Borrower, provided, however, with respect to such involuntary proceedings, the Borrower shall have sixty (60) days from the date of such order, judgment or decree to discharge or stay the same;

(j) final judgment for the payment of money in excess of an aggregate of Twenty-Five Thousand Dollars (\$25,000) which is not covered by insurance, shall be rendered against the Borrower and the same shall not be discharged, stayed or bonded for a period of thirty (30) consecutive days, during which execution shall not be effectively stayed;

(k) the occurrence of any attachment of any deposits or other property of the Borrower in the hands or possession of the Lender, or the occurrence of any attachment of any other property of the Borrower in an amount exceeding Thirty-Five Thousand Dollars (\$35,000) which shall not be discharged or stayed within thirty (30) days of the date of such attachment;

(l) any Event of Default shall occur and be continuing under any Guaranty;

(m) any Guarantor shall terminate his Guaranty;

(n) any Event of Default shall occur and be continuing under that certain Indemnity and Guaranty Agreement of even date provided by SPC Associates, L.L.C.

(o) loss, theft, damage or destruction of any material portion of the Collateral for which there is either no insurance coverage or for which, in the opinion of the Lender, there is insufficient insurance coverage, unless the Borrower deposits into the account maintained by the Borrower with the Lender, sufficient funds to cover the shortfall within 30 days after the date the Borrower is given notice by the Lender specifying such opinion on the part of Lender;

(p) if (i) any “notice of violation”, “notice of responsibility” or other similar order is issued by any one or more Governmental Authorities against the Premises or the Borrower under any applicable Hazardous Waste Law and remains undischarged for a period of sixty (60) days after the issuance thereof or such lesser period of time stated in said notice or in any Hazardous Waste Law or (ii) if any lien or claim is filed or arises against the Premises under any Hazardous Waste Law;

(q) the Security Documents shall at any time after their execution and delivery and for any reason cease (a) to create a valid and perfected mortgage and/or security interest in and to the property purported to be the subject thereof and/or in the priority agreed to by the parties thereto; or (b) to be in full force and effect or shall be declared null and void, or the validity or enforceability thereof shall be contested by the Borrower, or the Borrower shall deny it has any further liability or obligation under the Security Documents;

(r) a material default on the part of the Borrower shall have occurred under any of the Leases which remains uncured after the expiration of the applicable cure period under the Lease;

(s) any action is taken by the Manager under the Management Agreement with respect to the Premises, to terminate the Management Agreement; or

(t) if any easement which is not required pursuant to any existing Lease or any Lease hereafter consented to by the Lender, is granted over, across or under or otherwise affecting the Premises or any portion thereof (other than customary utility easements) shall be granted by the Borrower without the Lender's prior written consent.

8.02. Acceleration. Upon the occurrence of any such Event of Default and at any time thereafter during the continuance of such Event of Default, the Lender may declare the entire principal amount of the Note, and any and all other Indebtedness of the Borrower to the Lender, forthwith to be due and payable, whereupon the Note and/or such other Indebtedness shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Note or other evidence of such Indebtedness to the contrary notwithstanding.

8.03. Set-off. The Borrower hereby grants to the Lender the right at any time after the occurrence of an Event of Default to set off or otherwise apply by the Lender against the payment of all amounts owing in respect to this Agreement or of any other liabilities, Obligations and Indebtedness of the Borrower to the Lender, or any part thereof, whether or not due, in such order as it shall determine, all tangible and intangible personal property, credits, accounts, claims and balances of whatever nature of the Borrower at any time in the possession or control of or owing by the Lender or its agents (remittances and property to be deemed in possession of the Lender as soon as put in transit to it) including, without limitation, any balances on deposit in any account of the Borrower. ANY AND ALL RIGHTS TO REQUIRE THE LENDER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN EVIDENCED HEREBY AND BY THE NOTE, 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.

8.04. Other Remedies. The Lender may look to, utilize, and realize upon any item or portion of any security held by it hereunder or under the Security Documents, or other instrument securing the Loan or any other Indebtedness, liabilities, or Obligations of the Borrower to the Lender, whether now existing or hereafter contracted or acquired, in any order it may elect without obligation to equalize the burden between or among the separate items of security or portions thereof or between or among the owners thereof, or to marshal the same in any way, and the Lender may apply any proceeds of any security in such order as it shall determine, and after all Indebtedness, liabilities, and Obligations now or hereafter of the Borrower to the Lender have been paid in full, the Lender shall account for any security then remaining or any surplus proceeds of any security then remaining to the owner of such security.

IX. MISCELLANEOUS

9.01. Survival of Representations. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto, shall survive the making by the Lender of the Loan, the execution and delivery to the Lender of the Note and the Security Documents, and shall continue in full force and effect so long as the Note and any other Indebtedness of the Borrower to the Lender is outstanding and unpaid.

9.02. Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements in this Agreement contained, by or in behalf of the Borrower shall inure to the benefit of the respective successors and assigns of the Lender, provided that the Borrower may not transfer or assign any of its respective rights hereunder without the prior written consent of the Lender.

9.03. Lender's Expenses. The Borrower shall pay on demand all reasonable expenses of the Lender in connection with the preparation, administration, default, collection, waiver or amendment of loan terms, or in connection with the Lender's exercise, preservation or enforcement of any of its rights, remedies or options hereunder, including, without limitation, fees of outside legal counsel or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other similar professional fees or expenses, and any fees or expenses associated with travel or other costs relating to any appraisals or examinations conducted in connection with the Loan or the Collateral, and the amount of all such expenses shall, until paid, bear interest at the rate then applicable under the Note (including any default rate) and be an obligation secured by any Collateral. The Borrower has no obligation to pay for any travel expenses, appraisals, on-site examinations consulting fees or brokerage fees except (i) in the connection with the origination or modification of the Loan; (ii) an Event of Default which is continuing; or (iii) reasonably related to the Lender's reasonable belief of an existing violation of any Hazardous Waste Law.

9.04. Governing Law. This Agreement, the Note and the Security Documents (unless otherwise specified therein) shall be construed in accordance with and governed by the internal laws (and not the law of conflicts) of the State of Rhode Island.

9.08. Maximum Payments. If, at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by the Lender as compensation for fees, services or expenses incidental to the making, negotiating or collection of the Loan evidenced hereby, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum rate of interest permitted to be charged by the Lender to the Borrower under applicable law, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal. As used herein, the term “applicable law” shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Agreement shall be governed by such new law as of its effective date.

9.09. Jurisdiction. The Borrower, to the extent that it may lawfully do so, hereby consents to the jurisdiction of the courts of the State of Rhode Island and the United States District Court for the District of Rhode Island 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 arising hereunder or with respect to the transactions contemplated hereby, and expressly waives any and all objections it may have as to venue in any of such courts.

9.10. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

9.11. Gender. Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

9.12. Arm’s-Length Transaction. The Borrower and each Guarantor (by delivery of a Guaranty) recognize, stipulate and agree that the Lender’s actions and relationships with the parties hereto, including, but not limited to, those relationships created or referenced by or in this Agreement, the Note and the Security Documents, have been and constitute arm’s-length commercial transactions and that such actions and relationships shall at all times in the future continue to constitute arm’s-length commercial transactions and that the Lender or the Lender’s attorneys shall not at any time act, be obligated to act, or otherwise be construed or interpreted as acting as or being the agent, attorney, partner, employee or fiduciary of any such parties.

9.13. Negotiations. The Borrower and each Guarantor (by delivery of a Guaranty) stipulate and agree that each of this Agreement, the Note and the Security Documents are products of and result from lengthy arm's-length negotiations between the parties and that neither the Lender nor any other party has exerted or attempted to induce, through threats or otherwise, the execution or delivery of this Agreement, the Note or the Security Documents. Without in any way limiting the foregoing, the Borrower and each Guarantor stipulate and agree that at all times during the course of the negotiations surrounding the execution and delivery of this Agreement, the Note and the Security Documents, they have, to the extent deemed necessary or advisable in their sole discretion, been advised and assisted by competent counsel of their own choosing, that counsel has been present and actively participated in the negotiations surrounding this Agreement, the Note and the Security Documents, and that they have been fully advised by counsel of their choosing of the effect of each term, condition, provision and stipulation contained herein and therein. Therefore, any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, the Note, the Security Documents or any and all other documents executed in connection herewith or therewith.

9.14. No Offer. Neither the negotiations to date nor the preparation of this Agreement, the Note or the Security Documents shall be deemed an offer by any of the parties to the other. No such instrument, document or agreement shall be deemed binding on any party until such party has executed and delivered the same in writing.

9.15. Agreements Relating to Consideration. The Borrower and each Guarantor (by delivery of a Guaranty) hereby acknowledge and agree that the covenants and agreements of the Lender under this Agreement constitute full and fair consideration for the obligations, covenants and agreements of (a) the Borrower under this Agreement and (b) each Guarantor under the applicable Guaranty, and that, by virtue of such consideration, each of the parties hereto and thereto have received reasonably equivalent value in exchange for the covenants and agreements hereunder and thereunder.

9.16. No Joint Venture. Notwithstanding anything to the contrary contained herein, in the Note and/or in the Security Documents, the Lender, by entering into this Agreement with the Borrower, will not be deemed a partner or joint venturer with the Borrower or any Guarantor and the Borrower agrees to hold the Lender harmless from any damages and expenses resulting from such construction of the relationship of the parties or any assertion thereof.

9.17. Integration. This Agreement and the Security Documents contain the entire agreement between the parties relating to the subject matter hereof and thereof and supersede all oral statements and prior writings with respect thereto.

9.18. [RESERVED]

9.19. Relief from Stay. As further consideration for the Lender entering into this Agreement, the Borrower agrees that the Lender shall be entitled to immediate relief from the automatic stay should the Borrower file for protection under any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution, receivership or liquidation law or statute and, in this regard, the Borrower shall not object to or take any action contrary to any action of the Lender seeking relief from such automatic stay.

9.20. Jury Waiver. THE BORROWER AND THE LENDER 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 AGREEMENT 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 ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF THE LENDER RELATING TO THE ADMINISTRATION OF THE LOAN 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 BORROWER AND THE LENDER HEREBY WAIVE ANY RIGHT THEY MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY EXEMPLARY OR PUNITIVE DAMAGES AND ANY LOSS OF PROFITS, THEIR RECOURSE BEING LIMITED TO ACTUAL DAMAGES. THE BORROWER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OR BANK HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE LENDER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE LENDER TO ACCEPT THIS AGREEMENT AND MAKE THE LOAN.

9.21. Pledge to a Federal Reserve Bank. The Lender may at any time pledge all or any portion of its rights under this Agreement, the Note (or any portion thereof) or the Security Documents to any of the twelve (12) federal reserve banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. §341. No such pledge or enforcement thereof shall release the Lender from its obligations under any of said loan documents.

9.22. Replacement of Note. Upon receipt of an affidavit of an officer of the Lender 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 surrender and cancellation of such Note or other Security Document, the Borrower will issue, in lieu thereof, a replacement Note or other Security Document in the same principal amount thereof and otherwise of like tenor.

9.23. Commercial Transaction. The Borrower (a) acknowledges that the transaction of which this Agreement is a part is a commercial transaction and (b) to the extent permitted by any State or Federal law, waives the right it may have to prior notice of and a hearing on the right of any holder of the Note to any remedy or combination of remedies that enables said holder, by way of attachment, foreign attachment, garnishment or replevin, to deprive the Borrower of any property, at any time, prior to final judgment in any litigation instituted in connection with this Agreement.

9.24. Electronic Transmission of Data. The Lender and the Borrower agree that certain data related to the Loan (including confidential information, documents, applications and reports) may be transmitted electronically, including transmission over the Internet. This data may be transmitted to, received from or circulated among agents and representatives of the Borrower and/or the Lender and their affiliates and other Persons involved with the subject matter of this Agreement. The Borrower acknowledges and agrees that (a) there are risks associated with the use of electronic transmission and that the Lender does not control the method of transmittal or service providers, (b) the Lender has no obligation or responsibility whatsoever and assumes no duty or obligation for the security, receipt or third party interception of any such transmission, and (c) the Borrower will release, hold harmless and indemnify the Lender from any claim, damage or loss by the Borrower including that arising in whole or part from the Lender's strict liability or sole, comparative or contributory negligence, which is related to the electronic transmission of data.

9.25. USA Patriot Act Notice. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), the Lender 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 Lender to identify the Borrower in accordance with the Patriot Act.

9.26. Environmental Indemnity. The Borrower agrees to indemnify and hold the Lender, the Lender's parent, subsidiaries and affiliates, each of their respective shareholders, directors, officers, employees and agents, and the successors and assigns of any of them (individually and collectively, the "Indemnified Parties"), harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including without limitation, attorneys', consultants' and experts' fees and disbursements incurred in investigation, defending against, settling or prosecuting any claim, litigation or proceeding), which may at any time be imposed upon, incurred by or asserted or awarded against the Indemnified Parties, and arising directly or indirectly from or out of the following (hereinafter referred to as a "Loss"):

(a) any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, storing, escaping, leaching, dumping, vapor intrusion, or discarding, burying, abandoning, or disposing into the environment (a "Release") or a substantial likelihood of a Release which requires action to prevent or mitigate damage to the environment which may result from such Release (a "Threat of Release") of any Hazardous Waste on, in, under or affecting all or any portion of the Premises or any surrounding areas, regardless of whether or not caused by or within the control of the Borrower;

(b) the violation of any Hazardous Waste Laws relating to or affecting the Premises or the Borrower, whether or not caused by or within the control of Borrower;

(c) the violation of any Hazardous Waste Laws in connection with other real property of Borrower which gives or may give rise to any rights whatsoever in any party with respect to the Premises by virtue of any Hazardous Waste Laws; or

(d) the enforcement of this Section 9.26, including, without limitation, (i) the costs of assessment, containment and/or removal of any and all Hazardous Waste from all or any portion of the Premises or any surrounding areas, (ii) the costs of any actions taken in response to a Release or Threat of Release of any Hazardous Waste on, in, under or affecting all or any portion of the Premises or any surrounding areas to prevent or minimize such Release or Threat of Release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and (iii) costs incurred to comply with the Hazardous Waste Laws in connection with all or any portion of the Premises or any surrounding areas.

The indemnity set forth above shall survive the repayment of the Note and any exercise by the Lender of any remedies under the Security Documents, including, without limitation, the power of sale, or any other remedy in the nature of foreclosure, and shall not merge with any deed given by the Borrower to the Lender in lieu of foreclosure or any deed under a power of sale. It is further agreed and intended by the Borrower and the Lender that the indemnity set forth above may be assigned or otherwise transferred by the Lender to its successors and assigns and to any subsequent purchaser of all or any portion of the Premises by, through or under the Lender, without notice to the Borrower and without any further consent of the Borrower. To the extent consent of any such assignment or transfer is required by law, advance consent to any such assignment or transfer is hereby given by the Borrower in order to maximize the extent and effect of the indemnity given hereby. In no event shall the Borrower be liable in any manner under this Section 9.26 or Section 9.27 to the extent the matter or condition giving rise to any claim by the Indemnified Parties first arises or occurs after (as distinguished from having occurred before but is discovered after) the Lender or its successors or assigns forecloses the Mortgage or the Borrower delivers a deed in lieu of foreclosure to the Lender or its successors or assigns, or the Borrower otherwise transfers title to the Premises and improvements to an unrelated third party with the Lender's consent.

“Loss” shall not include: (a) any claims, costs, fees, expenses, judgments, costs, and expenses of investigation and defense, attorney’s fees and consulting fees which are related to a claim or defense asserted by the Lender against the Borrower and defeated; nor (b) any damages, claims, costs, expenses, judgments, penalties, fines, liabilities, encumbrances, liens, costs and expenses of investigation and defense or any claim, of whatever kind or nature, contingent or otherwise, matured or unmatured, foreseeable or unforeseeable, including, but not limited to, reasonable attorneys’ fees and disbursements and consultants’ fees to the extent: (i) resulting from the gross negligence or willful misconduct of the Lender, nor (ii) except for the interest payable on the Loan in the absence of an Event of Default, to any loss of profits incurred by the Lender, nor (iii) to any settlement payments made when there was no continuing Event of Default with respect to the subject of the settlement payments, nor (iv) to any settlement payments made if the Lender failed to tender the defense of the claim to the Borrower and the Guarantor, nor (v) to any settlement payments made without the consent of the Borrower and the Guarantor if the Borrower or the Guarantor has accepted the defense of the claim if the defense was tendered by the Lender to the Borrower and the Guarantor; nor (vi) to attorney’s fees and disbursements incurred as a result of the Lender’s failure to tender the defense of the claim to the Borrower and the Guarantor, nor (vi) of any fees or expenses of any investigation, environmental assessment, containment or remediation if there was no continuing Event of Default with respect to the investigation, environmental assessment or remediation of the Release or Threat of Release, nor (vii) if and to the extent that the Borrower or the Guarantor suffered prejudice as a result of the failure of the Lender to give the Borrower and the Guarantor immediate written notice of any basis for a claim under such indemnity or the failure of any of the Lender to cooperate fully with the Borrower, the Guarantor and their lawyers, consultants and experts.

Despite any other provision of this Agreement or any other Loan Documents to the contrary, so long as the Borrower or the Guarantor maintains a pollution liability or similar policy acceptable to the Lender on which the Lender is named as an additional insured (“Pollution Policy”), the Borrower shall have no obligations or liabilities under this Agreement with respect to any of the matters or claims actually covered by the Pollution Policy, except for any applicable deductible, co-insurance or self-insurance retention amount. For purposes of this paragraph and the previous paragraph only, the term “Guarantor” shall include SPC Associates, L.L.C., a New Jersey limited liability company, in its capacity as an “indemnitor” under that certain Indemnity and Guaranty Agreement of even date herewith given by SPC Associates, L.L.C. to the Lender.

9.27. Environmental Remedies. The Lender, at its election and in its sole discretion and without notice but only after an Event of Default, may (but shall not be obligated to) cure any failure on the part of the Borrower or any occupant of the Premises to comply with the Hazardous Waste Laws, including, without limitation, the following:

- (a) arrange for the cleanup or containment of Hazardous Waste found in, on or near the Premises in violation of Hazardous Waste Laws and pay for such cleanup and containment costs and costs associated therewith;
- (b) pay on behalf of the Borrower or any occupant of the Premises, any fines or penalties imposed on the Borrower or any occupant by any federal, state or local governmental agency or authority in connection with such Hazardous Waste; and

(c) make any other payment or perform any other act which may be reasonably required to prevent a release of Hazardous Waste in violation of Hazardous Waste Law, facilitate the cleanup thereof and/or prevent a lien from attaching to the Premises under any Hazardous Waste Law.

Any partial exercise by the Lender of the remedies hereinabove set forth or any partial undertaking on the part of the Lender to cure the failure of the Borrower or any occupant of the Premises to comply with the Hazardous Waste Laws, shall not obligate the Lender to complete the actions taken or require the Lender to expend further sums to cure the Borrower's or any such occupant's noncompliance; neither shall the exercise of any such remedies operate to place upon the Lender any responsibility for the operation, control, care, management or repair of the Premises, or make the Lender the "owner" or "operator" of the Premises or a "responsible party" within the meaning of the Hazardous Waste Laws.

Any reasonable amounts paid or costs incurred by the Lender as a result of any of the above, together with interest thereon at the rate set forth in the Note from the date of payment, shall be immediately due and payable by the Borrower to the Lender, and until paid shall be added to and become a part of the obligations secured hereby, and the same may be collected as part of said obligations in any suit herein or any other instrument included in the Collateral or upon a foreclosure of the Security Documents; and the Lender, by making any such payment or incurring any such costs, shall be subrogated to any rights of the Borrower or any occupant of the Premises to seek reimbursement from any third parties, including, without limitation, a predecessor in interest to the Borrower's title or a predecessor to the occupant's use of the Premises, who may be a "responsible party" under the Hazardous Waste Laws, in connection with the presence of such Hazardous Waste in, on or near the Premises.

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Agreement to be duly executed under seal all as of the day and year first above written.

WITNESS:

Centreville Bank

By: /s/Craig E. Schermerhorn

Craig E. Schermerhorn, Vice President

CPI East Hampton I, LLC

By: SPC Associates, L.L.C., its Manager

By: /s/ William C. Hanson

William C. Hanson, Manager

CPI East Hampton II, LLC

By: SPC Associates, L.L.C., its Manager

By: /s/ William C. Hanson

William C. Hanson, Manager

CPI East Hampton III, LLC

By: SPC Associates, L.L.C., its Authorized Agent

By: /s/ William C. Hanson

William C. Hanson, Manager
