

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **July 14, 2021**

SG BLOCKS, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38037
(Commission File Number)

95-4463937
(I.R.S. Employer
Identification Number)

195 Montague Street, 14th Floor
Brooklyn, New York 11201
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: **(646) 240-4235**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01	SGBX	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On July 14, 2021, SGB Development Corp. ("SG DevCorp"), a subsidiary of SG Blocks, Inc., issued a Real Estate Lien Note, dated July 14, 2021, in the principal amount of \$2,000,000 (the "Note"), secured by a Deed of Trust, dated July 14, 2021 (the "Deed of Trust"), on its 50+ acre Lake Travis project site in Lago Vista, Texas and a related Assignment of Leases and Rents, dated July 8, 2021 ("Assignment of Rents"), for net loan proceeds of \$1,958,233 after fees. The Note has a term of one (1) year, provides for payments of interest only at a rate of twelve percent (12%) per annum and may be prepaid without penalty commencing nine (9) months after its issuance date. If the Note is prepaid prior to nine (9) months after its issuance date, a 0.5% prepayment penalty is due. SG DevCorp intends to use the proceeds of the Note for its development projects.

The foregoing description of the terms of the Note, Deed of Trust and Assignment of Rents do not purport to be complete and are subject to, and are qualified in their entirety by reference to the provisions of the Note, Deed of Trust and Assignment of Rents, copies of which are filed as Exhibits 10.1, 10.2 and 10.3 respectively to this Current Report on Form 8-K and are incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure provided under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1	Real Estate Lien Note, dated July 14, 2021, in the principal amount of \$2,000,000
Exhibit 10.2	Deed of Trust, dated July 14, 2021
Exhibit 10.3	Assignment of Leases and Rents, dated July 8, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SG Blocks, Inc.

Dated: July 19, 2021

By: /s/ Paul Galvin
Paul Galvin
Chairman and CEO

REAL ESTATE LIEN NOTE AND LOAN AGREEMENT NOTICE**** LOAN AGREEMENT NOTICE ****

NOTICE: THIS DOCUMENT AND ALL OTHER DOCUMENTS RELATING TO THIS LOAN CONSTITUTE A WRITTEN LOAN AGREEMENT WHICH REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS LOAN.

DATED: July 14, 2021

PAYEE:

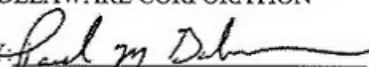
WEINRITTER REALTY, LP,
A TEXAS LIMITED PARTNERSHIP

BY: WEINRITTER INVESTMENTS, INC.
ITS GENERAL PARTNER

BY: _____
TIBOR RITTER, PRESIDENT

MAKER:

SGB DEVELOPMENT CORP.
A DELAWARE CORPORATION

BY: 
PAUL M. GALVIN
CHIEF EXECUTIVE OFFICER

**** REAL ESTATE LIEN NOTE ****

DATE: July 14, 2021

MAKER: SGB Development Corp., a Delaware corporation

MAKER'S MAILING ADDRESS: 195 Montague Street, 14th Floor, Brooklyn, NY 11201

MAKER'S EIN NO.: 87-1375590

PAYEE: WeinRitter Realty, LP, a Texas limited partnership

PAYEE'S MAILING ADDRESS

AND PLACE FOR PAYMENT: P. O. Box 782129, San Antonio, TX 78278-2129

PRINCIPAL AMOUNT: TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS

ANNUAL INTEREST RATE ON UNPAID PRINCIPAL FROM DATE OF FUNDING: 12.0%

In lieu of a higher regular interest rate, and in addition to the regular interest to be paid pursuant hereto, Maker shall prepay additional interest to Payee at initial disbursement of the

sum of FORTY THOUSAND AND NO/100 (\$40,000.00) DOLLARS which is equal to Two (2.0%) per cent of the Note.

TERMS OF PAYMENT (Principal and Interest): Interest only shall be due and payable monthly as it accrues, on the FOURTEENTH (14TH) day of each and every calendar month, beginning AUGUST 14, 2021, and continuing regularly and monthly thereafter until JULY 14, 2022, when the entire amount hereof, principal and interest then remaining unpaid, shall be then due and payable; interest being calculated on the unpaid principal to the date of each installment paid and the payment made credited first to the discharge of the interest accrued and the balance to the reduction of the principal.

In the event Maker wishes to extend this note at the time of maturity, an additional one-half (0.5%) per cent of the unpaid principal will be charged upon the extension of an additional six (6) months.

Partial Invalidity. In the event any portion of the sums hereby loaned cannot be lawfully secured by the Deed of Trust securing this Note, payments in reduction of such sums shall be applied first to those portions not secured by the Deed of Trust. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Note, or the Deed of Trust securing same, whether considered separately or together with other charges that are considered a part of this Note and the Deed of Trust securing same, violates such law by reason of the acceleration of the indebtedness herein set forth, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Payee in excess of the amounts permitted by applicable law shall be applied by Payee to reduce the principal of the indebtedness evidenced by this Note, or, at Payee's option, be refunded.

In the event this Note is prepaid in any amount within NINE (9) months from the date hereof, there will be a prepayment penalty of 0.5% of the prepaid principal. After NINE (9) months from date hereof, the Maker hereof reserves the right to prepay this Note in any amount at any time prior to maturity without penalty.

Maker shall advise Payee of its intent to prepay the Note balance by requesting a loan payoff statement at least 7 business days in advance of the anticipated Note payment date.

ANNUAL INTEREST RATE ON PAST DUE AMOUNTS: If a payment is past due and Payee has notified Maker of the payment being past due (such notice may be made by email, telecopier, US Postal Service or overnight delivery), principal and interest shall bear interest at the maximum rate allowable by law from the date of the sending of the notice (the "Maximum Rate"), or if there is no applicable Maximum Rate, then at eighteen per cent (18%) per annum.

SECURITY FOR PAYMENT: A Deed of Trust of even date herewith, executed by the Maker to Michael Baucum or Virginia W. Peterson or Laura Ann Baucum, Trustee, upon the hereinafter described real property, to-wit:

Being 59.3712 acres of land, more or less, out of the K. BALDWIN SURVEY NO. 600, ABSTRACT NO. 90, Travis County, Texas, and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being that same tract of land described in the deed to Northport Harbor, LLC, dated September 2,

2014, recorded in Document No. 2014131554, Official Public Records of Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

Maker promises to pay to the order of Payee at the place for payment and according to the terms of payment the principal amount plus interest at the rates stated above. All unpaid amounts shall be due by the final scheduled payment date.

If Maker defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to it, and the default continues after Payee gives Maker notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Payee may declare the unpaid principal balance and earned interest on this note immediately due. Maker and each surety, endorser, and guarantor waive all demands for payment, presentations for payment, notices of intention to accelerate maturity, notices of acceleration of maturity, protests, and notices of protest, to the extent permitted by law.

If this note or any instrument securing or collateral to it is given to an attorney for collection or enforcement, or if it is collected or enforced through probate, bankruptcy, or other judicial proceeding, then Maker shall pay Payee all costs of collection and enforcement, including reasonable attorney's fees and court costs, in addition to other amounts due. Reasonable attorney's fees shall be 10% of all amounts due unless either party pleads otherwise.

Each Maker is responsible for the entire amount of this note.

The terms Maker and Payee and other nouns and pronouns include the plural if more than one. The terms Maker and Payee also include their respective heirs, personal representatives, and assigns.

Nothing in this note shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Maker and Payee are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Payee for the use, forbearance, or detention of the money to be lent hereunder exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision hereof at the time such performance is due would involve transcending the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Payee shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing hereunder, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Maker and Payee.

This Note is not assumable. If all or any part of the real property herein described is sold, transferred, leased for a period longer than 3 years, or otherwise conveyed, including by contract of sale, without Payee's prior written consent, which consent may be withheld in Payee's sole discretion, then the Payee may at its option declare the outstanding principal balance of the Note, plus accrued interest, to be immediately due and payable.

IN THE EVENT ANY INSTALLMENT OF THE NOTE SHALL BECOME OVERDUE FOR A PERIOD OF TEN (10) DAYS A CHARGE OF FIVE (5%) PER CENT OF THE TOTAL MONTHLY PAYMENT FOR EACH MONTH SO OVERDUE MAY BE CHARGED BY THE PAYEE FOR THE PURPOSE OF DEFRAYING THE EXPENSE INCIDENT TO

HANDLING SUCH DELINQUENT PAYMENTS. THIS LATE CHARGE IS NOT A GRACE PERIOD, AND ALL INSTALLMENTS ARE DUE PROMPTLY ON THEIR DUE DATE. FAILURE TO PAY INSTALLMENTS PROMPTLY ON THEIR DUE DATE MAY CONSTITUTE A DEFAULT UNDER THE NOTE.

At closing the Maker shall furnish a one-year, paid-up insurance policy showing WeinRitter Realty, LP, as Mortgagee. The Maker of the Note agrees to furnish the Payee, on or before the date taxes are due, copies of tax receipts for taxes due on the property herein described reflecting that said taxes have been paid. Further, the Maker of the Note agrees to furnish the Payee up-to-date policies or renewals of policies of insurance in an amount of at least the Note, insuring all improvements upon the herein described real property against loss or damage by fire and windstorm, and any other hazard which Payee may reasonably require, and naming Payee in a mortgage indemnity clause. In the event Maker fails to furnish proof of payment of taxes and/or proof of payment of insurance as set forth above, then Payee may, at its sole discretion, charge Maker the sum of \$50 for its fees and costs incurred as the result of Maker's noncompliance with this paragraph.

PAYEE'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS: If Maker fails to pay as same become due and payable, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Payee may, at its option and without waiver of any other rights granted by this Note or the Deed of Trust securing same for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Payee shall immediately become due to Payee, together with interest thereon from the date on which said payments were made at the rate provided in this Note, and all such amounts shall be added to and become a part of the indebtedness secured by this Note.

Maker shall pay a charge of \$30 for any check returned for any reason.

Late charges, fees incurred for failure to furnish proof of insurance or taxes, and returned check charges will be deducted from monthly payments prior to the application of the payment received for principal and interest.

ALL PAYMENTS HEREUNDER SHALL BE APPLIED FIRST TO UNPAID FEES, COSTS AND EXPENSES THEN DUE AND PAYABLE UNDER THE NOTE OR DEED OF TRUST, SECOND TO ACCRUED INTEREST DUE AND PAYABLE UNDER THE NOTE, AND FINALLY TO REDUCE THE PRINCIPAL AMOUNT OUTSTANDING.

Notice Provision: Maker expressly covenants and agrees that its address for all notices shall be its address as set forth in the address paragraph of this document, and shall remain the address for notices unless Maker requests IN WRITING that the notice be sent to a different address.

Maker agrees that in consideration of the loan under this Note and the Deed of Trust securing same, it will at its sole cost provide an appraisal of the Property satisfactory to International Bank of

Commerce, prepared by an appraiser acceptable to International Bank of Commerce and dated within the time period required by International Bank of Commerce.

It is specifically agreed and understood that the creation of a lien against the property described herein for the purpose of paying ad valorem taxes on the property shall be a default hereunder and Payee may immediately commence proceedings to protect its lien position.

Transfer of Tax Liens. Borrower(s) shall not, without Payee's prior written consent, borrow money from any third party to pay ad valorem (property) taxes assessed against the Property nor transfer a tax lien against the Property pursuant to Section 32.06 of the Texas Tax Code, or any successor statute. Unless Payee shall give prior written consent thereto, any such authorization given by Borrowers shall be void and of no force or effect, and any transfer of tax lien under such authority, and/or any deed of trust executed by Borrowers for the benefit of the transferee of any such tax lien, shall likewise be void and of no force or effect. In order to be effective, written consent by the Payee under this paragraph must be duly executed by an officer of Payee and recorded prior to date of the authorization by Borrowers to which it relates in the real property records of each county in which the Property, or any portion thereof, is located.

If Maker defaults in the payment of this Note or in the performance of any obligation in any instrument securing or collateral to this note, Payee may declare the unpaid principal balance and earned interest and any other amounts owed on this Note immediately due. Notwithstanding any other provision of this Note, in the event of a default, before exercising any of Payee's remedies under this note or any instrument securing or collateral to it, Payee will first give Maker written notice of default and Maker will have ten (10) days after notice is given in which to cure the default. If the default is not cured ten (10) days after notice, Maker and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

SGB DEVELOPMENT CORP.
A DELAWARE CORPORATION

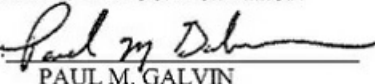
BY: 
PAUL M. GALVIN
CHIEF EXECUTIVE OFFICER

EXHIBIT "A"

3 Tracts of 23.76 acres, 18.219 acres, and 16.84 acres out of the James K. Baldwin Survey No 600, Abs. No. 90, in the City of Lago Vista, Travis County, Texas being the same tracts as conveyed to G&C/Peninsula, LP, called 23.72 acres in Document No. 2005114202, Travis County Official Public Records and called 18.231 acres and 16.84 acres in Document No. 2005114201, Travis County Official Public Records, and conveyed to G&G Peninsula, LP in Document No. 2008034575, Travis County Official Public Records, and being the same 59.3712 as conveyed by Northport Harbor, LLC to SGB Development Corp. by deed of record as Document No. 2021105945, Travis County Official Public Records.



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intentionally added for
electronic file stamp.

CHICAGO TITLE GF# 4300172100354 MB

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DEED OF TRUST

DATE: July 14, 2021

GRANTOR: SGB Development Corp., a Delaware corporation

GRANTOR'S ADDRESS: 195 Montague Street, 14th Floor, Brooklyn, NY 11201

TRUSTEE: Michael Baucum or Virginia W. Peterson or Laura Ann Baucum

TRUSTEE'S ADDRESS: 1100 NW Loop 410, # 801, San Antonio, TX 78213

BENEFICIARY: WeinRitter Realty, LP, a Texas limited partnership

BENEFICIARY'S ADDRESS: P. O. Box 782129, San Antonio, TX 78278-2129

NOTE(S):

NOTE DATE: July 14, 2021

NOTE AMOUNT: \$2,000,000.00

NOTE MAKER: SGB Development Corp., a Delaware corporation

NOTE PAYEE: WeinRitter Realty, LP, a Texas limited partnership

FINAL MATURITY DATE: As therein set forth

TERMS OF PAYMENT: As therein set forth

PROPERTY (INCLUDING ANY IMPROVEMENTS):

Being 59.3712 acres of land, more or less, out of the K. BALDWIN SURVEY NO. 600, ABSTRACT NO. 90, Travis County, Texas, and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being that same tract of land described in the deed to Northport Harbor, LLC, dated September 2, 2014, recorded in Document No. 2014131554, Official Public Records of Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

PRIOR LIENS (INCLUDING RECORDING INFORMATION): None.

OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY: None.

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and pays the note according to its terms, this deed of trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

GRANTOR'S OBLIGATIONS:

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve the lien's priority as it is established in this deed of trust;
4. if the property is improved, maintain, in a form acceptable to Beneficiary, an insurance policy that:
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
 - b. contains an 80 percent coinsurance clause;
 - c. provides all-risk coverage;
 - d. protects Beneficiary with a standard mortgage clause;
 - e. provides flood insurance at any time the Property is in a flood hazard area;
 - and
 - f. contains such other coverage as Beneficiary may reasonably require;
5. comply at all times with the requirements of the 80% coinsurance clause;
6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
7. keep any buildings occupied as required by the insurance policy; and
8. if this is not a first lien, pay all prior lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

BENEFICIARY'S RIGHTS:

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee. If Trustee or his successor or substitute shall have given notice of sale hereunder, any successor or substitute Trustee thereafter appointed may complete the sale and the conveyance of the property pursuant thereto as if such notice had been given by the successor or substitute Trustee conducting the sale.
2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid.
3. Beneficiary may apply any proceeds received under the insurance policy either to reduce the note or to repair or replace damaged or destroyed improvements covered by the policy.
4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payment at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, and the default continues after Beneficiary

gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Beneficiary may:

- a. declare the unpaid principal balance and earned interest on the note immediately due;
- b. request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- c. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note.

TRUSTEE'S DUTIES:

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
 - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
 - b. to Beneficiary, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;
 - c. any amounts required by law to be paid before payment to Grantor; and
 - d. the balance as provided by applicable law.

GENERAL PROVISIONS:

1. If any of the property is sold under this deed of trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.
5. Partial Invalidity. In the event any portion of the sums intended to be secured by this Deed of Trust cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected is interpreted so that any charge provided for in this Deed of Trust or in the Note, whether considered separately or together with other charges that are considered a part of this Deed of Trust and Note transaction, violates such law by reason of the acceleration of the indebtedness secured hereby, or for any other reason, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts of such interest or other charges previously paid to Beneficiary in excess of the amounts permitted by applicable law shall be applied by Beneficiary to reduce the principal of the indebtedness evidenced by the Note, or, at Beneficiary's option, be refunded.
6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from

damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such sums to reduce the note. Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums.

7. Grantor acknowledges the applicability of the Texas Assignment of Rents Act, Chapter 64, Texas Property Code to this financing ("TARA"). If Grantor defaults in payment of the note or performance of this deed of trust, Beneficiary shall avail itself of the provisions of TARA. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. The filing of this deed of trust constitutes a security agreement with respect to the rents and all personal property. In the event a separate Assignment of Leases and Rents agreement is executed as a part of this transaction, the separate agreement will prevail in the event of a conflict between this provision and the Assignment of Leases and Rents.

8. When the context requires, singular nouns and pronouns include the plural.

9. The term note includes all sums secured by this deed of trust.

10. This deed of trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

11. If Grantor and Maker are not the same person, the term Grantor shall include Maker.

12. Grantor represents that this deed of trust and the note are given for the following purposes:

The Note hereby secured represents and is given for the sum of \$2,000,000.00 this day advanced and paid in cash by WeinRitter Realty, LP to the Grantor herein at its special instance and request, the receipt of which is hereby acknowledged by Grantor.

13. The Note hereby secured is not assumable. If all or any part of the real property herein described is sold, transferred, leased for a period longer than 3 years, or otherwise conveyed, including by contract of sale, without Beneficiary's prior written consent, which consent may be withheld in Beneficiary's sole discretion, then Beneficiary may at its option declare the outstanding principal balance of the Note hereby secured, plus accrued interest, to be immediately due and payable.

14. Grantor agrees that in the event of any sale, voluntary, judicial, or made under the terms of this Deed of Trust, of the property herein described, the purchaser at such sale shall acquire title to all insurance policies thereon held by the Grantor, including all paid but unearned premiums on such policies and any moneys representing payment of claims under the policy, and Grantor appoints Beneficiary as its attorney-in-fact for the purpose of endorsing a draft or check received in payment of such a claim and for the purpose of applying such claim proceeds first to repairs of the insured premise and the excess, if any, to the unpaid balance of the note.

15. Nothing in the note hereby secured shall authorize the collection of interest in excess of the highest rate allowed by law. All agreements between Grantor and Beneficiary are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Beneficiary for the use, forbearance, or detention of the money lent exceed the maximum amount permissible under applicable law. If, from any circumstances whatsoever, fulfillment of any provision of the note hereby secured at the time such performance is due would involve transcending

the limit of validity prescribed by law, then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Beneficiary shall receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under said note hereby secured, or shall be refunded, but shall not be applied to payment of interest. The provisions of this paragraph will control all agreements between Grantor and Beneficiary.

16. At closing the Grantor shall furnish a one-year, paid-up insurance policy showing WeinRitter Realty, LP, as Mortgagee. The Grantor herein agrees to furnish the Beneficiary, on or before the date taxes are due, copies of tax receipts for taxes due on the property herein described reflecting that said taxes have been paid. Further, the Grantor herein agrees to furnish the Beneficiary up-to-date policies or renewals of policies of insurance in an amount of at least the Note, insuring all improvements upon the herein described real property against loss or damage by fire and windstorm, and any other hazard which Beneficiary may reasonably require, and naming Beneficiary in a mortgage indemnity cause. In the event Grantor fails to furnish proof of payment of taxes and/or proof of payment of insurance as set forth above, then Beneficiary may, at its sole discretion, charge Grantor the sum of \$50 for its fees and costs incurred as the result of Grantor's noncompliance with this paragraph.

17. **BENEFICIARY'S RIGHT TO PAY AD VALOREM TAXES AND INSURANCE PREMIUMS:** If Grantor fails to pay as same become due and payable, all taxes, assessments and other charges imposed, levied or assessed against said Property or to maintain the insurance coverage, all as herein provided, Beneficiary may, at its option and without waiver of any other rights granted by the Note hereby secured or this Deed of Trust for breach of the covenants contained herein, procure and pay for any such insurance coverage and pay any such taxes, assessments and other charges, including any sums that may be necessary to redeem the Property from tax sale, without obligation to inquire into the validity of any such taxes, assessments, charges and tax sales, the receipts of the proper officers being conclusive evidence of the validity and amount thereof. All amounts so paid by Beneficiary shall immediately become due to Beneficiary, together with interest thereon from the date on which said payments were made at the rate provided in the Note hereby secured, and all such amounts shall be added to and become a part of the indebtedness secured by this Deed of Trust.

18. It is specifically agreed and understood that the creation of a lien against the property described herein for the purpose of paying ad valorem taxes on the property shall be a default hereunder and Beneficiary may immediately commence proceedings to protect its lien position.

19. **Transfer of Tax Liens.** Grantor(s) shall not, without Beneficiary's prior written consent, borrow money from any third party to pay ad valorem (property) taxes assessed against the Property nor transfer a tax lien against the Property pursuant to Section 32.06 of the Texas Tax Code, or any successor statute. Unless Beneficiary shall give prior written consent thereto, any such authorization given by Grantor(s) shall be void and of no force or effect, and any transfer of tax lien under such authority, and/or any deed of trust executed by Grantor(s) for the benefit of the transferee of any such tax lien, shall likewise be void and of no force or effect. In order to be effective, written consent by the Beneficiary under this paragraph must be duly executed by an officer of Beneficiary and recorded prior to date of the authorization by Grantor(s) to which it relates in the real property records of each county in which the Property, or any portion thereof, is located.

20. **Notice Provision: Grantor expressly covenants and agrees that its address for all notices shall be its address as set forth on Page 1 of this document, and shall remain the**

address for notices unless Grantor requests IN WRITING that the notice be sent to a different address.

21. Grantor agrees that in consideration of the loan secured by the Note herein secured and this Deed of Trust, it will at its sole cost provide an appraisal of the Property satisfactory to International Bank of Commerce, prepared by an appraiser acceptable to International Bank of Commerce and dated within the time period required by International Bank of Commerce.

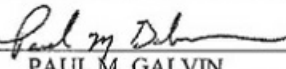
22. To the extent permitted by law, Guarantor expressly waives and relinquishes all rights and remedies of surety, including but not limited to, all rights and remedies under Sections 51.003, 51.004 and 51.005 of the Texas Property Code and Chapter 34 of the Business & Commerce Code of the State of Texas.

(a) In the event an interest in any of the Mortgaged Property is foreclosed upon pursuant to a judicial or nonjudicial foreclosure sale, Grantor agrees as follows: notwithstanding the provisions of Sections 51.003, 51.004, and 51.005 of the Property Code (as the same may be amended from time to time), and to the extent permitted by law, Grantor agrees that Bank shall be entitled to seek deficiency judgment from Grantor and/or any other party obligated on the Indebtedness equal to the difference between the amount owing on the Indebtedness and the amount for which the Mortgaged Property was sold pursuant to judicial or nonjudicial foreclosure sale. Grantor expressly recognizes that this constitutes a waiver of the above-cited provisions of the Property Code which would otherwise permit Grantor and other persons against whom recovery of deficiencies is sought or Guarantor independently (even absent the initiation of deficiency proceedings against them) to present competent evidence of the fair market value of the Mortgaged Property as of the date of the foreclosure sale and offset against any deficiency the amount by which the foreclosure sale price is determined to be less than such fair market value. Grantor further recognizes and agrees that this waiver creates an irrebuttable presumption that the foreclosure sale price is equal to the fair market value of the Mortgaged Property for purposes of calculating deficiencies owed by Grantor and/or others against whom recovery of a deficiency is sought.

(b) Alternatively, in the event the waiver provided for in Subsection (a) above is determined by a court of competent jurisdiction to be unenforceable, the following shall be the basis for the finder of fact's determination of the fair market value of the Mortgaged Property as of the date of the foreclosure sale in proceedings governed by Sections 51.003, 51.004 and 51.005 of the Property Code (as amended from time to time): (i) the Mortgaged Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Mortgaged Property will be repaired or improved in any manner before a resale of the Mortgaged Property after foreclosure; (ii) the valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Mortgaged Property for cash promptly (but not later than twelve [12] months) following the foreclosure sale; (iii) all reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Mortgaged Property, including, without limitation, brokerage commissions, title insurance, a survey of the Mortgaged Property, tax prorations, attorneys' fees, and marketing costs; (iv) the gross fair market value of the Mortgaged Property shall be further discounted to account for any estimated holding costs associated with maintaining the Mortgaged Property pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for in (iii) above), and other maintenance, operational and ownership expenses; and (v) any expert opinion testimony given or considered in connection with a determination of the fair market value of the Mortgaged Property must be given by persons having at least five (5) years experience in appraising property similar to the Mortgaged Property and who have conducted and

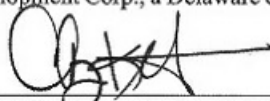
prepared a complete written appraisal of the Mortgaged Property taking into consideration the factors set forth above.

SGB DEVELOPMENT CORP.
A DELAWARE CORPORATION

BY: 
PAUL M. GALVIN
CHIEF EXECUTIVE OFFICER

THE STATE OF NEW YORK *
 *
COUNTY OF KINGS *

This instrument was acknowledged before me on the 12th day of July, 2021, by Paul M. Galvin, Chief Executive Officer of SGB Development Corp., a Delaware corporation, on behalf of said Corporation.

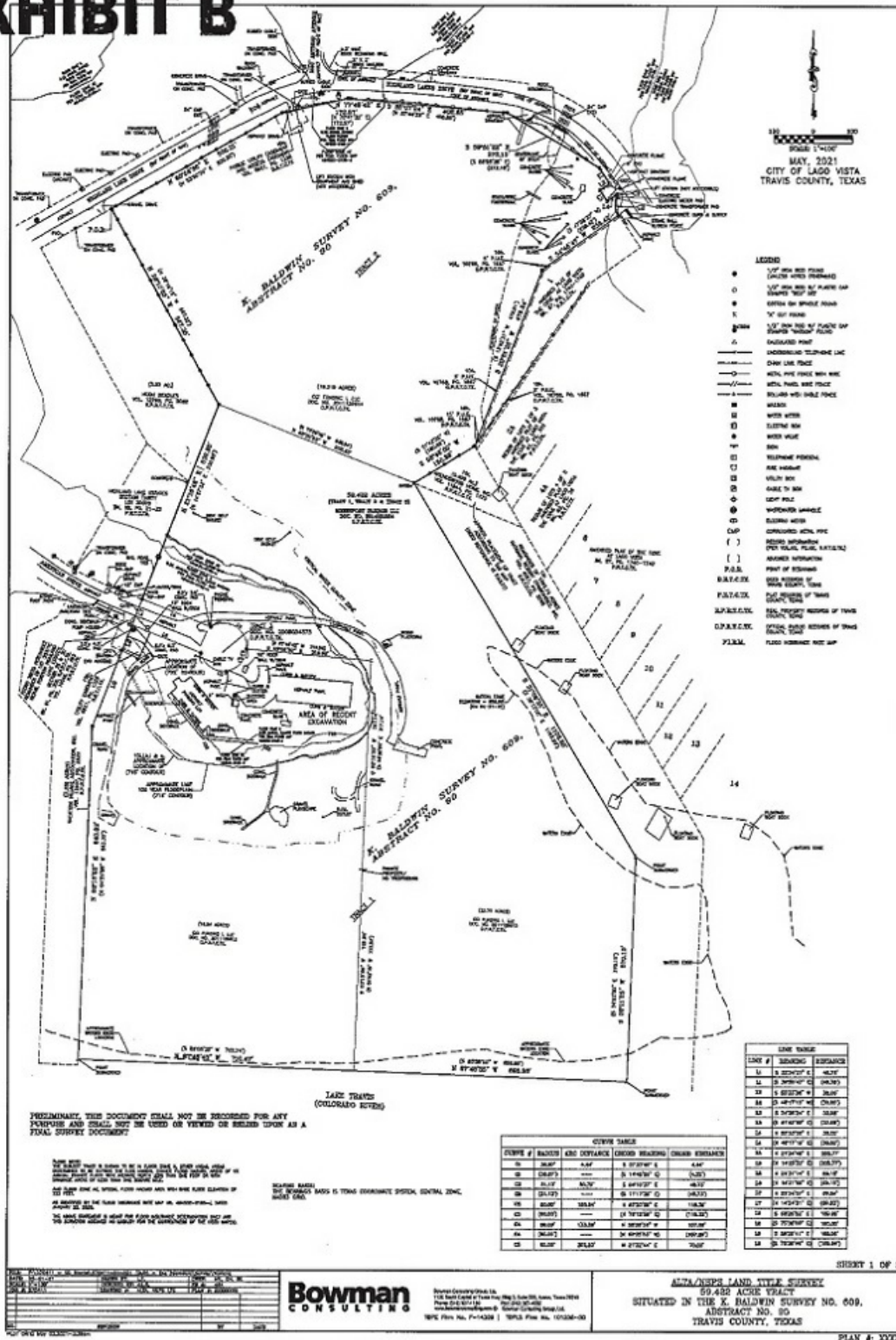


NOTARY PUBLIC, STATE OF NEW YORK

Christy K. Grean
Notary Public, State of New York
Qualified in Nassau County, No. 01GR0074275
Commission Expires June 4, 2023

EXHIBIT "A"

3 Tracts of 23.76 acres, 18.219 acres, and 16.84 acres out of the James K. Baldwin Survey No 600, Abs. No. 90, in the City of Lago Vista, Travis County, Texas being the same tracts as conveyed to G&C/Peninsula, LP, called 23.72 acres in Document No. 2005114202, Travis County Official Public Records and called 18.231 acres and 16.84 acres in Document No. 2005114201, Travis County Official Public Records, and conveyed to G&G Peninsula, LP in Document No. 2008034575, Travis County Official Public Records, and being the same 59.3712 as conveyed by Northport Harbor, LLC to SGB Development Corp. by deed of record as Document No. 2021105945, Travis County Official Public Records, and as further depicted on the survey attached as Exhibit "B"





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intentionally added for
electronic file stamp.

CHICAGO TITLE GF# 4300172100354 MB

ASSIGNMENT OF LEASES AND RENTS

This ASSIGNMENT OF LEASES AND RENTS (this "Assignment") made as of July 8, 2021 by and from SGB Development Corp., a Delaware corporation, whose address is 195 Montague Street, 14th Floor, Brooklyn, NY 11201, (collectively "Borrower") to WeinRitter Realty, LP having its main office and place of business at P. O. Box 782129, San Antonio, TX 78278-2129 ("Lender").

RECITALS:

1. Borrower is the owner of certain real property located in Lago Vista, Travis County, Texas, more particularly described as follows (the "Property"), to-wit:

Being 59.3712 acres of land, more or less, out of the K. BALDWIN SURVEY NO. 600, ABSTRACT NO. 90, Travis County, Texas, and out of a portion of Lot 1, AMENDED PLAT OF THE COVE AT LAGO VISTA, a subdivision in Travis County, Texas, according to the map or plat recorded in Volume 87, Page 174C, Plat Records of Travis County, Texas. Said 59.3712 acre tract being that same tract of land described in the deed to Northport Harbor, LLC, dated September 2, 2014, recorded in Document No. 2014131554, Official Public Records of Travis County, Texas, and more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof.

2. Borrower has executed and delivered to Lender a promissory note (the "Note") of even date herewith in the original principal amount of \$2,000,000.00 and a Deed of Trust (the "Security Instrument") of even date and recorded contemporaneously herewith, securing the obligations of Borrower under the Note and the Security Instrument (the "Obligations").

3. Borrower desires to transfer and assign to Lender all of its right, title and interest in, to and under the leases now or hereafter affecting the Property, the rents, income and profits due, or to become due thereunder, and the right to enforce any guarantees of the obligations owed Borrower thereunder.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and sufficient consideration, the receipt and sufficiency of which are hereby acknowledged, with intent to be legally bound hereby, Borrower does hereby absolutely and unconditionally GRANT, CONVEY, ASSIGN, TRANSFER and SET OVER unto Lender the following:

(a) all rights, title, interests, estates, powers, privileges, options and other benefits of Borrower in, to and under the lease agreements which now or hereafter cover or affect all or any portion of the Property, together with all renewals, extensions, modifications, amendments, subleases and assignments of such lease agreements (such lease agreements, renewals, extensions, modifications, amendments, subleases and assignments hereinafter called the "Lease" or "Leases"); and

(b) all of the rents, income, receipts, revenues, issues, profits and other sums of money (hereinafter collectively called the "Rent" or "Rents") that are now and/or at any time hereafter become due and payable to Borrower under the terms of the Leases or arising or issuing from or out of the Leases or from or out of the Property or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, deficiency rents and liquidated damages following default, payments in consideration for cancellation of a Lease, security deposits, advance rents, all proceeds payable under any policy of insurance covering

loss of rents resulting from untenantability caused by destruction or damage to the Property and all of Borrower's rights to recover monetary amounts from any lessee in bankruptcy including, without limitation, rights of recovery for use and occupancy and damage claims arising out of lease defaults, including rejections, under the Federal Bankruptcy Code, as amended including specifically the immediate and continuing right to collect and receive each and all of the foregoing; and

(c) any and all guaranties of payment of the Rent (hereinafter called the "Guaranties").

This Assignment is intended to be and is an absolute present assignment from Borrower to Lender and is not intended and does not constitute either additional security or the passage of a security interest. This Assignment is made by Borrower to provide a source of future payment of the Note and all indebtedness now or hereafter incurred or arising pursuant to the provisions of, or secured by, the Security Instrument; SUBJECT, HOWEVER, to the terms, provisions and conditions herein set forth.

Borrower further covenants and agrees as follows:

1. Lender as Creditor of Lessee. Upon execution of this Assignment, Lender, and not Borrower, shall be the creditor of the lessee under any Lease ("Lessee") in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting any such Lessee. However, Borrower, and not Lender, shall be the party obligated to make timely filings of claims in such proceedings or to otherwise pursue creditor's rights therein. Lender shall have the option to apply any monies received by it as such creditor to the reduction of the principal of or the prepayment premium, if any, or interest on the Obligations. In the event any Lessee under the Leases should be the subject of any proceeding under the Federal Bankruptcy Code, as amended, or any other federal, state or local statute which provides for the possible termination or rejection of any of the Leases assigned hereby, Borrower covenants and agrees that if any Lease is so rejected, no settlement for damages shall be made without the prior written consent of Lender, and any check in payment of damages for rejection of any such Lease will be made payable to both Borrower and Lender. Borrower hereby assigns any such payment to Lender and further covenants and agrees that upon the request of Lender, it will duly endorse to the order of Lender any such check, the proceeds of which will be applied to the Note and other indebtedness secured by the Security Instrument, principal, interest, attorneys' and collection fees and other amounts, in such order as Lender in its sole discretion may determine.

2. Notice of Default and Remedies of Lender. It shall constitute an "Event of Default" under this Assignment if (a) Borrower fails to perform any obligation or observe any condition under this Assignment or (b) an Event of Default occurs under the Security Instrument or the Note, or any other instrument to secure debt, deed of trust, mortgage, collateral mortgage, pledge, security deed, security agreement, guaranty, assignment of leases or rents, construction loan agreement, or any other instrument now or hereafter given to evidence or further secure the payment of any of the Obligations (all such documents, the "Loan Documents"). Until receipt from Lender of notice of an Event of Default (hereinafter called a "Notice of Default"), each Lessee under the Leases may pay Rent directly to Borrower and Borrower shall have the right to receive such Rent provided that Borrower shall hold such Rent as a trust fund to be applied as required by Lender. Borrower hereby covenants so to apply the Rent, before using any part of the same for any other purposes, (a) to the payment of taxes and assessments upon the Property before penalty or interest is due thereon, (b) to the cost of insurance, maintenance and repairs required by the terms of the Security Instrument, (c) to the satisfaction of all obligations specifically set forth in the Leases, and (d) to the payment of interest and principal becoming due on the Note and the Security Instrument. Upon receipt from

Lender of a Notice of Default, each Lessee under the Leases is hereby authorized and directed to pay directly to Lender all Rent thereafter accruing and the receipt of Rent by Lender shall be a release of such Lessee to the extent of all amounts so paid. The receipt by a Lessee of a Notice of Default shall be sufficient authorization for such Lessee to make all future payments of Rent directly to Lender and each such Lessee shall be entitled to rely on such Notice of Default and shall have no liability to Borrower for any Rent paid to Lender after receipt of such Notice of Default. Rent so received by Lender for any period prior to foreclosure under the Security Instrument or acceptance of a deed in lieu of such foreclosure shall be applied by Lender to the payment (in such order as Lender shall determine) of: (a) all expenses of managing the Property, including but not limited to the salaries, fees and wages of a managing agent and such other employees as Lender may deem necessary or desirable; all expenses of operating and maintaining the Property, including but not limited to all taxes, assessments, charges, claims, utility costs and premiums for insurance, and the cost of all alterations, renovations, repairs or replacements; and all expenses incident to taking and retaining possession of the Property and/or collecting the Rent due and payable under the Leases; and (b) the Note and other indebtedness secured by the Security Instrument, principal, interest, attorneys' and collection fees and other amounts, in such order as Lender in its sole discretion may determine. In no event will this Assignment reduce the indebtedness evidenced by the Note or otherwise secured by the Security Instrument, except to the extent, if any, that Rent is actually received by Lender and applied upon or after said receipt to such indebtedness in accordance with the preceding sentence. Without impairing its rights hereunder, Lender may, at its option, at any time and from time to time, release to Borrower Rent so received by Lender or any part thereof. As between Borrower and Lender, and any person claiming through or under Borrower, other than any Lessee under the Leases who has not received a Notice of Default pursuant to this Section, this Assignment is intended to be absolute, unconditional and presently effective and the provisions of this Section for notification of Lessees under the Leases upon the occurrence of an Event of Default specified in the Security Instrument are intended solely for the benefit of each such Lessee and shall never inure to the benefit of Borrower or any person claiming through or under Borrower, other than a Lessee who has not received such notice. It shall never be necessary for Lender to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section.

3. Assignment of Leases and Rents. When Borrower pays Lender for the full amount of the indebtedness secured by the Security Instrument, including the indebtedness evidenced by the Note, and such payment is evidenced by a recorded satisfaction or release of the Security Instrument, and if all of the covenants, warranties, undertakings and agreements made in this Assignment are kept and performed, Lender shall, upon written request by Borrower, transfer, set over, and assign to Borrower all right, title, and interest of Lender in, to, and under (a) the Leases and all amendments, extensions, modifications, replacements or renewals thereof, and (b) the Rents.

4. Collection of Rent. At any time during which Borrower is receiving Rent directly from Lessees under the Leases, Borrower shall, upon receipt of written direction from Lender, make demand and/or sue for all Rent due and payable under one or more Leases, as directed by Lender, as it becomes due and payable, including Rent which is past due and unpaid. In the event Borrower fails to take such action, or at any time during which Borrower is not receiving Rent directly from Lessees under the Leases, Lender shall have the right (but shall be under no duty) to demand, collect and sue for, in its own name or in the name of Borrower, all Rent due and payable under the Leases, as it becomes due and payable, including Rent which is past due and unpaid.

5. Assignment of Lender's Interest in Lease. If Borrower has defaulted under the Loan Documents, Lender shall then have the right to assign Lender's right, title and interest in and to the Leases to any person acquiring title to the Property through foreclosure or otherwise. Such assignee shall not be liable to account to Borrower for the rents, income and profits thereafter accruing.

6. Indemnification of Lender. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property, or any part thereof, or from any other act or omission of Lender under or relating to the Leases unless such loss is caused by the gross negligence or willful misconduct of Lender, nor shall Lender be obligated to perform or discharge any obligation, duty or liability under the Leases by reason of this instrument or the exercise of rights or remedies hereunder. Lender shall not be liable for its failure to collect, or its failure to exercise diligence in the collection of, Rent under the Leases, but shall be accountable only for Rent that Lender actually receives. Borrower will indemnify and hold harmless Lender (for purposes of this Section, the term "Lender" shall include the directors, officers, partners, employees and agents of Lender and any persons or entities owned or controlled by, owning or controlling, or under common control or affiliated with Lender) from and against, and reimburse Lender for, all claims, demands, liabilities, losses, damages, causes of action, judgments, penalties, costs and expenses (including, without limitation, reasonable attorney's fees) incurred under the Leases by reason of this instrument or the exercise of rights or remedies hereunder, or which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases, including specifically any obligation or responsibility for any security deposits or other deposits delivered to Borrower by any Lessee under any Lease and not assigned and delivered to Lender. THE INDEMNITIES CONTAINED IN THIS SECTION SHALL INCLUDE CLAIMS, DEMANDS, LIABILITIES, LOSSES, DAMAGES, CAUSES OF ACTION, JUDGMENTS, PENALTIES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES) RESULTING FROM THE NEGLIGENCE OF LENDER OR ANY STRICT LIABILITY, BUT NOT THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER. The foregoing indemnities shall not terminate upon release or other termination of this Assignment. Any amount to be paid under this Section by Borrower to Lender shall be a demand obligation owing by Borrower to Lender, shall bear interest from the date such amount becomes due until paid at the Default Rate of interest provided in the Note, and shall be secured by the Security Instrument and all other Loan Documents. THIS ASSIGNMENT SHALL NOT OPERATE TO PLACE RESPONSIBILITY UPON LENDER FOR THE CONTROL, CARE, MANAGEMENT OR REPAIR OF THE PROPERTY, NOR FOR THE CARRYING OUT OF ANY OF THE TERMS AND CONDITIONS OF THE LEASES; NOR SHALL IT OPERATE TO MAKE LENDER RESPONSIBLE OR LIABLE FOR ANY WASTE COMMITTED ON THE PROPERTY BY THE TENANTS OR BY ANY OTHER PARTIES OR FOR ANY DANGEROUS OR DEFECTIVE CONDITION OF THE PROPERTY, OR FOR ANY NEGLIGENCE IN THE MANAGEMENT, UPKEEP, REPAIR OR CONTROL OF THE PROPERTY RESULTING IN LOSS OR INJURY OR DEATH TO ANY TENANT, LICENSEE, EMPLOYEE OR STRANGER.

7. Quality of Borrower's Title to Leases. Borrower represents itself to be the absolute owner of the lessor's interest in the Leases, with absolute right and title to assign the Leases and the Rents. Borrower further represents that the Leases are valid and in full force and effect and have not been modified, amended or terminated, or any of the terms and conditions thereof waived, except as stated herein; that there are no outstanding assignments or pledges thereof or of the rents, income and profits due or to become due thereunder; that there are no outstanding lease commission payments due under the Leases for the initial term or for any extensions, renewals or expansions; that there are no existing defaults or any state of facts which, with notice or lapse of time, or both, would constitute a default under the provisions thereof on the part of either party; that no Lessee has any defense, set-off or counterclaim against Borrower; that each Lessee is in possession and paying rent and other charges under its Lease and as provided therein; that Borrower has not at any time prior to the date hereof exercised any right to subordinate any Lease to any deed of trust or mortgage or any other encumbrance of any kind; that Borrower has not executed any prior assignments of the Leases or the Rent thereunder; that no Rent for any period subsequent to the date of this Assignment has been

collected in advance of the time when the same became due under the terms of the applicable Lease; that Borrower has performed no act or executed any other instrument which might prevent Lender from enjoying and exercising any of its rights and privileges evidenced hereby; and that no rents, income or profits payable thereunder have been or will hereafter be anticipated, discounted, released, waived, compromised or otherwise discharged, except as may be expressly permitted by the Lease.

8. **New Leases, Amendments and Terminations.** Subject to the provisions of this Section 8, Borrower covenants not to cancel, abridge, surrender or terminate any Lease or change, alter or modify any Lease, either to reduce the amount of the rents, income and profits payable thereunder, or to otherwise change, alter, abridge or modify any Lease, or make any subsequent assignment or pledge of any Lease, or consent to subordination of the interest of any Lessee in any Lease, without the prior written consent of Lender; provided, however, that if no Event of Default has occurred, Borrower shall have the right, without the prior written consent of Lender: (a) to enter into new, bona-fide, arm's length leases (or renew existing Leases) with third party Lessees unaffiliated with Borrower, if such Leases are for space in the improvements on the Property, and provided that (i) such Leases are entered into in the ordinary course of the business of Borrower in the operation of the Property, and (ii) such Leases are on such terms and conditions as would be prudent and commercially reasonable; (b) to terminate in accordance with sound business practices the Lease of any Lessee in default of its lease; and (c) to amend the Lease of any Lessee, if the amendment does not increase the obligation of Borrower, as Lessor, or decrease or accelerate the Rent of such Lease or decrease the term of such Lease.

Except as otherwise provided in this Section 8, any attempt at cancellation, surrender, termination, change, alteration, modification, assignment, pledge or subordination of any Lease, without the written consent of Lender, shall be null and void. Subject to the foregoing, Borrower shall give Lender prompt notice of any Lease of the Property it enters into subsequent to the date hereof, together with a certified copy of such lease, and such lease shall be deemed included in this Assignment.

9. **Delivery of Necessary Instruments to Lender.** Borrower shall execute and deliver to Lender, and hereby irrevocably appoints Lender, its successors and assigns, as Borrower's attorney-in-fact, to execute and deliver during the term of this Assignment, all further instruments as Lender may deem necessary to make this Assignment and any further assignment effective, and to perfect and confirm Lender's rights with respect to the Leases and Rents, including but not limited to, upon the request of Lender, Lease Subordination, Non-disturbance and Attornment Agreements in form and content required by Lender, executed by each Lessee of each Lease now or hereafter affecting the Property or any part thereof. Borrower shall, upon demand, pay to Lender, or reimburse Lender for the payment of, any and all costs and expenses (including reasonable attorneys' fees) incurred in connection with the preparation and recording of such instruments. Any amounts due and owing by Borrower to Lender pursuant to this Assignment shall be secured by the Security Instrument and shall bear interest from the date such amount becomes due until paid at the Default Rate of interest as provided in the Note.

10. **Cancellation of Lease.** In the event that any Lease permits cancellation thereof on payment of consideration and said privilege of cancellation is exercised, the payments made or to be made by reason thereof are hereby assigned to Lender to be applied, at the election of Lender, to reduce the amount of the principal of the Obligations in the inverse order of maturity or to be held in trust by Lender as further security, without interest, for the payment of the principal and interest required to be paid by the Loan Documents.

11. Borrower to Ensure Continued Performance Under Leases. Borrower shall not execute any other assignment or pledge of the Leases, of any interest therein, or of any Rents payable thereunder. Borrower shall perform all of its covenants as lessor under the Leases, shall not take any actions that would, either presently or with the passage of time, cause a default by Borrower under the Leases, shall enforce the performance thereunder by all Lessees and shall not permit any release of liability of any Lessee or any withholding of rent payments by any Lessee. Borrower shall promptly deliver to Lender copies of any and all notices of default Borrower has sent to any Lessee. Borrower shall, upon Lender's request and at Borrower's expense, enforce the Leases and all remedies available to Borrower thereunder upon any Lessee's default. Borrower shall deliver to Lender copies of all papers served in connection with any such enforcement proceedings and shall consult with Lender, its agents and attorneys, with respect to the conduct thereof. Borrower shall not enter into any settlement of any such proceeding without Lender's prior written consent.

12. Changes in Loan Document Terms: Additions to and Replacement of Loan Documents. Notwithstanding any variation of the terms of the Loan Documents, including any increase or decrease in the principal amount thereof or in the rate of interest payable thereunder or any extension of time for payment thereunder or the release of any part of the Property subject to the Security Instrument, the Leases and the benefits hereby assigned shall continue in accordance with the terms of this Assignment.

13. Exercise of Lender's Rights. Nothing contained herein and no act done or omitted by Lender pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Note, the Security Instrument or the other Loan Documents, or a waiver or curing of any default hereunder or under the Note, the Security Instrument or the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms of the Note, the Security Instrument, or the other Loan Documents. The right of Lender to collect said principal sum, interest and indebtedness and to enforce any security therefor held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

14. Non-Exclusive Rights and Remedies. Borrower agrees that Lender may enforce this Assignment without first resorting to or exhausting any security or collateral securing the payment of the Note; provided however, that nothing herein contained shall prevent Lender from suing on the Note, foreclosing the Security Instrument or exercising any other right under any Loan Document securing the payment of the Note or at law or equity.

15. Severability. If any term of this Assignment, or the applications hereof to any person or set of circumstances, shall to any extent be invalid, illegal, or unenforceable, the remainder of this Assignment, or the application of such provision or part thereof to persons or circumstances other than those as to which it is invalid, illegal, or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent consistent with applicable law and this Assignment shall be interpreted and construed as though such invalid, illegal, or unenforceable term or provision (or any portion thereof) were not contained in this Assignment.

16. Captions. The captions or headings at the beginning of each section hereof are for the convenience of the parties only and are not part of this Assignment.

17. Counterparts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall be construed together and shall constitute one instrument. It shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart.

18. Notices. All notices required or permitted hereunder shall be given as provided in the Security Instrument.

19. Amendment, Modification or Cancellation of Assignment. No amendment, modification or cancellation of this Assignment or any part hereof shall be enforceable without Lender's prior written consent.

20. Entire Agreement. This Assignment contains the entire agreement concerning the assignment of the Leases and the Rent thereunder between the parties hereto. With respect to the assignment of Leases and Rents, the terms of this Assignment shall control to the extent of any conflicts with the terms of the Security Instrument. No variations, modifications or changes herein or hereof shall be binding upon any party hereto, unless set forth in a document duly executed by or on behalf of such party.

21. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Texas.

22. No Impairment of Lender's Rights. Lender may at any time and from time to time in writing (a) waive compliance by Borrower with any covenant herein made by Borrower to the extent and in the manner specified in such writing; (b) consent to Borrower doing any act which hereunder Borrower is prohibited from doing, or consent to Borrower failing to do any act which hereunder Borrower is required to do, to the extent and in the manner specified in such writing; or (c) release any part of the Property and/or the Leases, or any interest therein, from this Assignment. No such act shall in any way impair the rights of Lender hereunder except to the extent specifically agreed to by Lender in such writing. The rights and remedies of Lender hereunder shall not be impaired by any indulgence, including but not limited to (a) any renewal, extension or modification which Lender may grant with respect to any indebtedness secured by the Security Instrument, (b) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant in respect of the Property and/or the Leases or any part thereof or any interest therein, or (c) any release or indulgence granted to any endorser, guarantor or surety of any indebtedness secured by the Security Instrument. Lender may take or release any security for the payment of the Note and other indebtedness secured by the Security Instrument may release any party primarily or secondarily liable therefor and may apply any security held by it to the satisfaction of the Note and such other indebtedness without prejudice to any of its rights under this Assignment.

23. No Merger. Notwithstanding (a) the fact that any Lease or the leasehold estate created thereby may be held, directly or indirectly, by or for the account of any person or entity which shall have an interest in the fee estate of the Property, (b) the operation of law, or (c) any other event, Lessee's leasehold estate under such Lease shall not merge into the fee estate and the Lessee shall remain obligated under such lease as assigned by this Assignment.

24. Successors and Assigns. This Assignment and the terms, provisions, representations and warranties herein contained shall be binding upon Borrower and Borrower's heirs, executors, representatives, successors and assigns, and all subsequent owners of the Property and shall inure to the benefit of Lender and Lender's successors and assigns, including all subsequent holders of the Note and the Security Instrument. All references in this Assignment to Borrower or Lender shall be deemed to include all such successors and assigns of such respective party.

25. Construction of Provisions. Within this Assignment, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed

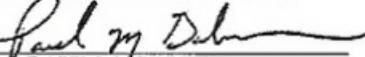
to include the plural and words in the plural number shall be held and construed to include the singular, unless the context otherwise requires.

26. No Third Party Beneficiaries. It is expressly agreed by the parties hereto that this Assignment shall not be construed or deemed made for the benefit of any third party or parties.

IN WITNESS WHEREOF, Borrower has duly executed this Assignment the date first above written.

BORROWER:

SGB DEVELOPMENT CORP.
A DELAWARE CORPORATION

BY: 
PAUL M. GALVIN
CHIEF EXECUTIVE OFFICER

THE STATE OF NEW YORK *
 *
COUNTY OF KINGS *

This instrument was acknowledged before me on the 12th day of July, 2021, by Paul M. Galvin, Chief Executive Officer of SGB Development Corp., a Delaware corporation, on behalf of said Corporation.


NOTARY PUBLIC, STATE OF NEW YORK

Christy K. Grzan
Notary Public, State of New York
Qualified in Nassau County, No. 01GR5074275
Commission Expires June 4, 2023

EXHIBIT "A"

3 Tracts of 23.76 acres, 18.219 acres, and 16.84 acres out of the James K. Baldwin Survey No 600, Abs. No. 90, in the City of Lago Vista, Travis County, Texas being the same tracts as conveyed to G&C/Peninsula, LP, called 23.72 acres in Document No. 2005114202, Travis County Official Public Records and called 18.231 acres and 16.84 acres in Document No. 2005114201, Travis County Official Public Records, and conveyed to G&G Peninsula, LP in Document No. 2008034575, Travis County Official Public Records, and being the same 59.3712 as conveyed by Northport Harbor, LLC to SGB Development Corp. by deed of record as Document No. 2021105945, Travis County Official Public Records.

