

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): **September 27, 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, NY 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 27, 2021, SG Blocks, Inc. (the "Company") entered into an executive employment agreement with William Rogers (the "Rogers Employment Agreement") to employ Mr. Rogers as the Company's Chief Operating Officer for an initial term of two (2) years, which provides for an annual base salary of \$300,000, a discretionary bonus of up to 25% of his base salary upon achievement of objectives as may be determined by the Company's board of directors, term life insurance coverage equal to two (2) times annual base salary, three weeks' vacation and severance in the event of a termination without cause in amount equal to equal to one year's annual base salary and benefits.

The Rogers Employment Agreement also provides for the grant to Mr. Rogers of a restricted stock grant under the Company's Stock Incentive Plan, as amended (the "Plan"), of 37,500 shares of the Company's common stock, vesting upon issuance, and the grant to Mr. Rogers of a restricted stock grant under the Plan of 200,000 shares of the Company's common stock, vesting monthly over two years.

Mr. Rogers is subject to a one-year post-termination non-compete and non-solicit of employees and clients. He is also bound by confidentiality provisions.

On September 30, 2021, the Company entered into an executive employment agreement with Gerald Sheeran (the "Sheeran Employment Agreement") to employ Mr. Sheeran as the Company's Acting Chief Financial Officer for an initial term of two (2) years, which provides for an annual base salary of \$225,000, a discretionary bonus of up to 25% of his base salary upon achievement of objectives as may be determined by the Company's board of directors, a car allowance and severance in the event of a termination without cause in amount equal to equal to one year's annual base salary and benefits.

The Sheeran Employment Agreement also provides for the grant to Mr. Sheeran of a restricted stock grant under the Plan of 100,000 shares of the Company's common stock, vesting quarterly over two years.

Mr. Sheeran is subject to a one-year post-termination non-compete and non-solicit of employees and clients. He is also bound by confidentiality provisions

The descriptions of the Rogers Employment Agreement and Sheeran Employment Agreement do not purport to be complete and are qualified in its entirety by reference to the Rogers Employment Agreement and Sheeran Employment Agreement, copies of which are filed as Exhibit 10.1 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Employment Agreement, dated September 27, 2021, between SG Blocks, Inc. and William Rogers
10.2	Employment Agreement, dated September 30, 2021, between SG Blocks, Inc. and Gerald Sheeran
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

1

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: October 1, 2021

By: /s/ Paul Galvin

Name: Paul Galvin

Title: Chairman and Chief Executive Officer

2

EMPLOYMENT AGREEMENT

This AGREEMENT made as of September 27, 2021 (the "Effective Date"), by and between SG BLOCKS, INC., having its principal office at 195 Montague Street 14th Floor, Brooklyn, New York 11201 (hereinafter referred to as the "Company"), and William Rogers, currently residing at 191 Rock Avenue, Park Ridge, NJ 07656 (hereinafter referred to as "Executive").

WITNESSETH

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, pursuant to the terms and conditions hereof;

NOW THEREFORE, in consideration of the premises and of the mutual promises herein contained, the parties hereto agree as follows:

1. EMPLOYMENT. The Company hereby employs Executive, and Executive hereby agrees to be employed by the Company, subject to the terms and conditions hereinafter set forth.

2. TERM. Executive's employment shall commence as of the Effective Date and unless earlier terminated as provided herein, the initial term of this Agreement will be for a period of two (2) years, commencing on the date of this Agreement (the "Initial Term"); provided that thereafter this Agreement will be extended for additional one (1) year periods unless, no later than sixty (60) days prior to the expiration of the Initial Term or any such one (1) year extension period, as the case may be, either the Company or Executive provides notice to the other of its intent to terminate this Agreement upon the completion of the Initial Term or any such one (1) year extension period (the period of Executive's employment by the Company under this Agreement will be referred to as the "Term").

3. DUTIES. The Executive shall perform such duties and functions as the Chief Operating Officer of the Company as are determined from time to time by the Company's Chief Executive Officer. In the performance of his duties, Executive shall comply with the policies of and be subject to the reasonable direction of the Board of Directors of the Company. The Executive agrees to devote his entire working time, attention and energies to the performance of the business of the Company and of any of its subsidiaries or affiliates by which he may be employed; and Executive shall not, directly or indirectly, alone or as a member of any partnership, or as an officer, director or employee of any other corporation, partnership or other organization, be actively engaged in or concerned with any other duties or pursuits which interfere with the performance of his duties hereunder, or which, even if non-interfering, may be inimical to or contrary to the best interests of the Company. Executive's services shall be performed principally at the Company's headquarters in New York.

4. COMPENSATION. As compensation for the services to be rendered by Executive hereunder, the Company agrees to pay or cause to be paid to Executive, and Executive agrees to accept, an annual salary of Three Hundred Thousand Dollars (\$300,000) payable in bi-weekly installments on the 15th and last day of each month, commencing on September 01, 2021. The Executive shall also be entitled to receive, and the Company agrees it shall issue, the current earned-to-date restricted stock grant ("RSU's") under the Company's Stock Incentive Plan, as amended (the "Plan") for thirty-seven thousand five hundred (37,500) shares of the Company's common stock, as well as a grant of RSU's under the Plan for two hundred thousand (200,000) shares of the Company's common stock, vesting monthly over two years. In the event of the death of this Executive, there will be consideration of an accelerated vesting of his remaining RSU's subject to Compensation Committee and Board approval. If there is merger or buyout of the Company, the Executive will also receive and accelerated vesting of his remaining RSU's subject to approval of acquiring entity or Parties. If this contract is extended in one year increments this Executive will receive, subject to Compensation Committee and Board of Directors approval, a minimum of 100,000 RSU's for each one-year period.

6. ADDITIONAL COMPENSATION. The Executive shall be eligible for an annual discretionary bonus of up to twenty five percent (25%) of his annual Company salary payable in cash. Executive shall also be eligible for a discretionary bonus from the Company's affiliated development company. Any bonus awarded will be in the sole and absolute discretion of both the Compensation Committee and the Board of Directors of the Company. The amount of any such bonus shall depend on the achievement by the Executive and/or the Company of certain objectives as established by the Chief Executive Officer, along with such other factors the Board of Directors and Compensation Committee deems relevant. Any such bonus for a given fiscal year shall be payable in one lump sum upon approval by the Board of Directors of the Company or the Compensation Committee, which shall be obtained at the same time as the bonuses paid to other senior executive officers of the Company. The Company, and its subsidiaries and other affiliated entities, may also pay Executive such other additional compensation, including distributions and board fees, as may from time to time be determined solely by the Company and its subsidiaries and other affiliated entities.

7. EMPLOYEE BENEFITS. During the period Executive is employed hereunder, Executive shall receive a term life insurance benefit equal to two year's annual salary and be permitted to participate in all group health, hospitalization and disability insurance programs, pension plans and similar benefits that are now or may become available to similarly situated executives of the Company. During the period Executive is employed hereunder, Executive shall be entitled to vacations in accordance with the vacation policy of the Company. The Company shall also provide term life insurance benefits to Executive in an amount of coverage equal to two (2) times his annual salary. This Executive is currently due three weeks of vacation each year, increase of vacation time will be discussed prior to any extensions or the negotiation of a new contract.

8. REIMBURSEMENT OF EXPENSES. During the period Executive is employed hereunder, the Company shall reimburse Executive for reasonable and necessary out-of-pocket expenses advanced or expended by Executive or incurred by him for or on behalf of the Company in connection with his duties hereunder in accordance with its customary policies and practices; provided, however, that Executive shall not expend or incur any such expenses, individually or in the aggregate, in excess of Five Hundred Dollars (\$500.00) without the prior approval of the Company.

9. TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION.

(a) The Executive's employment hereunder may be terminated at any time upon written notice by the Company, upon the occurrence of any of the following events:

- (i) the death of Executive;
- (ii) the disability of Executive (as defined in paragraph (b)); or
- (iii) the determination that there is cause (as hereinafter defined) for such termination upon ten (10) days' prior written notice to Executive.

(b) For purposes hereof, the term "disability" shall mean the inability of Executive, due to illness, accident or any other physical or mental incapacity, to perform the normal functions of his job for a period of three (3) consecutive months or for a total of six (6) months (whether or not consecutive) in any twelve (12) month period during the term of this Agreement.

(c) For purposes hereof, "cause" shall mean and be limited to (i) Executive's conviction (which, through lapse of time or otherwise, is not subject to appeal) of any crime or offense involving money or other property of the Company or its subsidiaries or which constitutes a felony in the jurisdiction involved; (ii) Executive's performance of any act or his failure to act, for which if he were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries, or which would constitute a felony in the jurisdiction involved would have occurred, (iii) Executive's material breach of any of the representations, warranties or covenants set forth in this Agreement, or (iv) Executive's continuing, repeated, willful failure or refusal to perform, his duties required by this Agreement, provided that Executive shall have first received written notice from the Company stating with specificity the nature of such failure and refusal and affording Executive an opportunity, as soon as practicable, to correct the acts or omissions complained of. Whether or not "cause" shall exist in each case shall be determined by the Board of Directors of the Company in its sole discretion.

(d) The Executive's employment hereunder, may also be terminated by the Company at any time upon thirty (30) days prior written notice, without cause.

(e) In the event that the Executive's employment is terminated for cause, Executive will be entitled to only his accrued salary and vacation time through the termination date and nothing more. In the event the Executive's employment is terminated by the Company for any reason other than cause, Executive shall receive severance equal to one (1) year's salary and benefits. These severance benefits will include payment of COBRA health insurance, term life insurance, accelerated vesting of RSU's at the discretion of the Compensation Committee and Board of Directors, and the receipt of any earned bonus compensation from projects and performance goals as well as accrued vacation time.

10. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE. The Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts, restrictive covenants or other restrictions preventing the performance of his duties hereunder.

11. NON-COMPETITION.

(a) Executive agrees that if his employment is terminated for any reason or if he leaves the employ of the Company for any reason, for a period of one (1) years from the date of such termination of employment, he will not directly or indirectly, as owner, partner, joint venture, stockholder, employee, broker, agent, principal, trustee, corporate officer or director, licensor or in any capacity whatsoever engage in, become financially interested in, be employed by, render consulting services to, or have any connection with, any business which is competitive with the modular business activities of the Company or its subsidiaries ("Competitive Business"), in any geographic area where, during the time of his employment, the business of the Company or any of its subsidiaries is being or had been conducted in any manner whatsoever, or hire or attempt to hire for any Competitive Business any employee of the Company or any subsidiary thereof, or solicit, call on or induce others to solicit or call on, directly or indirectly, any customers or prospective customers of the Company for the purpose of inducing them to purchase or lease a product or service which may compete with any product or service of the Company; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent of any class of stock or securities of such company. This Executive will be allowed to seek employment in construction management and or real estate development immediately upon termination.

3

(b) If any portion of the restrictions set forth in paragraph (a) should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected.

(c) The Executive declares that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business of the Company. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of either said territorial or time limitation to such area or period which said court shall have deemed reasonable.

(d) The existence of any claim or cause of action by Executive against the Company or any subsidiary other than under this Agreement shall not constitute a defense to the enforcement by the Company or any subsidiary of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

12. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) The Executive shall not, during the term of this Agreement, and at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known, to any person, firm or corporation, any confidential information acquired by him during the course of or as an incident to his employment hereunder, relating to the Company or any of its subsidiaries, the directors of the Company or its subsidiaries, any client of the Company or any of its subsidiaries, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary information, trade secrets, know-how, market studies and forecasts, competitive analyses, the substance of agreements with clients and others, client lists and any other documents embodying such confidential information.

(b) All information and documents relating to the Company, its affiliates as hereinabove described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use his best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control shall be returned and left with the Company.

13. RIGHT TO INJUNCTION. The Executive recognizes that the services to be rendered by him hereunder are of a special, unique, unusual, extraordinary and intellectual character involving skill of the highest order and giving them peculiar value, the loss of which cannot be adequately compensated for in damages. In the event of a breach of this Agreement by Executive, the Company shall be entitled to injunctive relief or any other legal or equitable remedies. Executive agrees that the Company may recover by appropriate action the amount of the actual damage caused the Company by any failure, refusal or neglect of Executive to perform his agreements, representations and warranties herein contained. The remedies provided in this Agreement shall be deemed cumulative and the exercise of one shall not preclude the exercise of any other remedy at law or in equity for the same event or any other event.

4

14. AMENDMENT OR ALTERATION. No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

15. GOVERNING LAW. All matters concerning the validity, construction, interpretation and performance under this Agreement shall be governed by the laws of the State of New York, without giving effect to any conflict of laws principles thereunder.

16. SEVERABILITY. The holding of any provision of this Agreement to be illegal, invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

17. NOTICES. Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or sent by certified mail to the

addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or mailing.

18. WAIVER OR BREACH. It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by that same party.

19. ENTIRE AGREEMENT AND BINDING EFFECT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributees, successors and assigns.

20. ASSIGNMENT. This Agreement may not be transferred or assigned by either party without the prior written consent of the other party.

21. SURVIVAL. The termination of Executive's employment hereunder shall not affect the enforceability of Sections 11 and 12 hereof.

22. FURTHER ASSURANCES. The parties agree to execute and deliver all such further instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement.

23. HEADINGS. The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

5

24. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together, shall constitute one instrument.

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

SG BLOCKS, INC.

By: /s/ Paul Galvin
Name: Paul Galvin
Title: Chairman & CEO

EXECUTIVE:

/s/ William Rogers
William Rogers

6

EMPLOYMENT AGREEMENT

This AGREEMENT made as of September 30, 2021 (the "Effective Date"), by and between SG BLOCKS, INC., having its principal office at 195 Montague Street 14th Floor, Brooklyn, New York 11201 (hereinafter referred to as the "Company"), and Gerard Sheeran, currently residing at 243 Broadmoor Drive, Haslet Texas 76052 (hereinafter referred to as "Executive").

WITNESSETH

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company, pursuant to the terms and conditions hereof;

NOW THEREFORE, in consideration of the premises and of the mutual promises herein contained, the parties hereto agree as follows:

1. **EMPLOYMENT.** The Company hereby employs Executive and Executive hereby agrees to be employed by the Company, subject to the terms and conditions hereinafter set forth.

2. **TERM.** Executive's employment shall commence as of the Effective Date and unless earlier terminated as provided herein, the initial term of this Agreement will be for a period of two (2) years, commencing on the date of this Agreement (the "Initial Term"); provided that thereafter this Agreement will be extended for additional one (1) year periods unless, no later than sixty (60) days prior to the expiration of the Initial Term or any such one (1) year extension period, as the case may be, either the Company or Executive provides notice to the other of its intent to terminate this Agreement upon the completion of the Initial Term or any such one (1) year extension period (the period of Executive's employment by the Company under this Agreement will be referred to as the "Term").

3. **DUTIES.** The Executive shall perform such duties and functions as the Acting Chief Financial Officer and Controller of the Company as are determined from time to time by the Company's Chief Executive Officer, and following his or her appointment, if any, the Company's Chief Financial Officer. In the performance of his duties, Executive shall comply with the policies of and be subject to the reasonable direction of the Board of Directors of the Company. The Executive agrees to devote his entire working time, attention and energies to the performance of the business of the Company and of any of its subsidiaries or affiliates by which he may be employed; and Executive shall not, directly or indirectly, alone or as a member of any partnership, or as an officer, director or employee of any other corporation, partnership or other organization, be actively engaged in or concerned with any other duties or pursuits which interfere with the performance of his duties hereunder, or which, even if non-interfering, may be inimical to or contrary to the best interests of the Company. Executive's services shall be performed principally at the Company's offices in Texas.

4. **COMPENSATION.** As compensation for the services to be rendered by Executive hereunder, the Company agrees to pay or cause to be paid to Executive, and Executive agrees to accept, an annual salary of Two Hundred Twenty Thousand Dollars (\$225,000) payable in bi-weekly installments on the 15th and last day of each month, commencing on October 1, 2021. The Executive shall also be entitled to receive, and the Company shall issue, a restricted stock grant ("RSUs") under the Company's Stock Incentive Plan, as amended (the "Plan") for One Hundred Thousand (100,000) shares of the Company's common stock, vesting quarterly over two years.

6. **ADDITIONAL COMPENSATION.** The Executive shall be eligible for an annual discretionary bonus of up to twenty five percent (25%) of his annual salary payable in cash. Any bonus awarded will be in the sole and absolute discretion of both the Compensation Committee and the Board of Directors of the Company. The amount of any such bonus shall depend on the achievement by the Executive and/or the Company of certain objectives to be established by the Chief Executive Officer in consultation with the Executive, along with such other factors the Board and Compensation Committee deems relevant. Any such bonus for a given fiscal year shall be payable in one lump sum upon approval by the Board of Directors of the Company or the Compensation Committee, which shall be obtained at the same time as the bonuses paid to other senior executive officers of the Company. The Company may also pay Executive such other additional compensation as may from time to time be determined by the Company.

7. **EMPLOYEE BENEFITS.** During the period Executive is employed hereunder, Executive receive a term life insurance benefit equal to one year's annual salary and shall be permitted to participate in all group health, hospitalization and disability insurance programs, pension plans and similar benefits that are now or may become available to similarly situated executives of the Company. Executive shall also receive a monthly car allowance of \$500.00. During the period Executive is employed hereunder, Executive shall be entitled to vacations in accordance with the vacation policy of the Company.

8. **REIMBURSEMENT OF EXPENSES.** During the period Executive is employed hereunder, the Company shall reimburse Executive for reasonable and necessary out-of-pocket expenses advanced or expended by Executive or incurred by him for or on behalf of the Company in connection with his duties hereunder in accordance with its customary policies and practices; provided, however, that Executive shall not expend or incur any such expenses, individually or in the aggregate, in excess of Five Hundred Dollars (\$500.00) without the prior approval of the Company.

9. **TERMINATION OF EMPLOYMENT; EFFECT OF TERMINATION.**

(a) The Executive's employment hereunder may be terminated at any time upon written notice by the Company, upon the occurrence of any of the following events:

- (i) the death of Executive;
- (ii) the disability of Executive (as defined in paragraph (b)); or
- (iii) the determination that there is cause (as hereinafter defined) for such termination upon ten (10) days' prior written notice to Executive.

(b) For purposes hereof, the term "disability" shall mean the inability of Executive, due to illness, accident or any other physical or mental incapacity, to perform his duties in a normal manner for a period of three (3) consecutive months or for a total of six (6) months (whether or not consecutive) in any twelve (12) month period during the term of this Agreement.

(c) For purposes hereof, "cause" shall mean and be limited to (i) Executive's conviction (which, through lapse of time or otherwise, is not subject to appeal) of any crime or offense involving money or other property of the Company or its subsidiaries or which constitutes a felony in the jurisdiction involved; (ii) Executive's performance of any act or his failure to act, for which if he were prosecuted and convicted, a crime or offense involving money or property of the Company or its subsidiaries, or which would constitute a felony in the jurisdiction involved would have occurred, (iii) Executive's breach of any of the representations, warranties or covenants set forth in this Agreement, or (iv) Executive's continuing, repeated, willful failure or refusal to perform his duties required by this Agreement, provided that Executive shall have first received written notice from the Company stating with specificity the nature of such failure and refusal and affording Executive an opportunity, as soon as practicable, to correct the acts or

omissions complained of. Whether or not "cause" shall exist in each case shall be determined by the Board of Directors of the Company in its sole discretion.

(d) The Executive's employment hereunder, may also be terminated by the Company at any time upon thirty (30) days prior written notice, without cause.

(e) In the event that the Executive's employment is terminated for cause, Executive will be entitled to only his accrued salary through the termination date and nothing more. In the event the Executive's employment is terminated by the Company for any reason other than cause, Executive shall receive severance equal to one (1) year's salary and benefits.

10. REPRESENTATIONS AND AGREEMENTS OF EXECUTIVE. The Executive represents and warrants that he is free to enter into this Agreement and to perform the duties required hereunder, and that there are no employment contracts, restrictive covenants or other restrictions preventing the performance of his duties hereunder.

11. NON-COMPETITION.

(a) Executive agrees that if his employment is terminated for any reason or if he leaves the employ of the Company for any reason, for a period of one (1) years from the date of such termination of employment, he will not directly or indirectly, as owner, partner, joint venture, stockholder, employee, broker, agent, principal, trustee, corporate officer or director, licensor or in any capacity whatsoever engage in, become financially interested in, be employed by, render consulting services to, or have any connection with, any business which is competitive with the business activities of the Company or its subsidiaries ("Competitive Business"), in any geographic area where, during the time of his employment, the business of the Company or any of its subsidiaries is being or had been conducted in any manner whatsoever, or hire or attempt to hire for any Competitive Business any employee of the Company or any subsidiary thereof, or solicit, call on or induce others to solicit or call on, directly or indirectly, any customers or prospective customers of the Company for the purpose of inducing them to purchase or lease a product or service which may compete with any product or service of the Company; provided, however, that Executive may own any securities of any corporation which is engaged in such business and is publicly owned and traded but in an amount not to exceed at any one time one percent of any class of stock or securities of such company.

(b) If any portion of the restrictions set forth in paragraph (a) should, for any reason whatsoever, be declared invalid by a court of competent jurisdiction, the validity or enforceability of the remainder of such restrictions shall not thereby be adversely affected.

(c) The Executive declares that the foregoing territorial and time limitations are reasonable and properly required for the adequate protection of the business of the Company. In the event any such territorial or time limitation is deemed to be unreasonable by a court of competent jurisdiction, Executive agrees to the reduction of either said territorial or time limitation to such area or period which said court shall have deemed reasonable.

3

(d) The existence of any claim or cause of action by Executive against the Company or any subsidiary other than under this Agreement shall not constitute a defense to the enforcement by the Company or any subsidiary of the foregoing restrictive covenants, but such claim or cause of action shall be litigated separately.

12. NON-DISCLOSURE OF CONFIDENTIAL INFORMATION.

(a) The Executive shall not, during the term of this Agreement, and at any time following termination of this Agreement, directly or indirectly, disclose or permit to be known, to any person, firm or corporation, any confidential information acquired by him during the course of or as an incident to his employment hereunder, relating to the Company or any of its subsidiaries, the directors of the Company or its subsidiaries, any client of the Company or any of its subsidiaries, or any corporation, partnership or other entity owned or controlled, directly or indirectly, by any of the foregoing, or in which any of the foregoing has a beneficial interest, including, but not limited to, the business affairs of each of the foregoing. Such confidential information shall include, but shall not be limited to, proprietary information, trade secrets, know-how, market studies and forecasts, competitive analyses, the substance of agreements with clients and others, client lists and any other documents embodying such confidential information.

(b) All information and documents relating to the Company, its affiliates as hereinabove described (or other business affairs) shall be the exclusive property of the Company, and Executive shall use his best efforts to prevent any publication or disclosure thereof. Upon termination of Executive's employment with the Company, all documents, records, reports, writings and other similar documents containing confidential information, including copies thereof, then in Executive's possession or control shall be returned and left with the Company.

13. RIGHT TO INJUNCTION. The Executive recognizes that the services to be rendered by him hereunder are of a special, unique, unusual, extraordinary and intellectual character involving skill of the highest order and giving them peculiar value, the loss of which cannot be adequately compensated for in damages. In the event of a breach of this Agreement by Executive, the Company shall be entitled to injunctive relief or any other legal or equitable remedies. Executive agrees that the Company may recover by appropriate action the amount of the actual damage caused the Company by any failure, refusal or neglect of Executive to perform his agreements, representations and warranties herein contained. The remedies provided in this Agreement shall be deemed cumulative and the exercise of one shall not preclude the exercise of any other remedy at law or in equity for the same event or any other event.

14. AMENDMENT OR ALTERATION. No amendment or alteration of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto.

15. GOVERNING LAW. All matters concerning the validity, construction, interpretation and performance under this Agreement shall be governed by the laws of the State of New York, without giving effect to any conflict of laws principles thereunder.

16. SEVERABILITY. The holding of any provision of this Agreement to be illegal, invalid or unenforceable by a court of competent jurisdiction shall not affect any other provision of this Agreement, which shall remain in full force and effect.

4

17. NOTICES. Any notices required or permitted to be given hereunder shall be sufficient if in writing, and if delivered by hand or sent by certified mail to the addresses set forth above or such other address as either party may from time to time designate in writing to the other, and shall be deemed given as of the date of the delivery or mailing.

18. WAIVER OR BREACH. It is agreed that a waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by that same party.

19. ENTIRE AGREEMENT AND BINDING EFFECT. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, heirs, distributees, successors and assigns.

20. ASSIGNMENT. This Agreement may not be transferred or assigned by either party without the prior written consent of the other party.

21. SURVIVAL. The termination of Executive's employment hereunder shall not affect the enforceability of Sections 11 and 12 hereof.

22. FURTHER ASSURANCES. The parties agree to execute and deliver all such further instruments and take such other and further action as may be reasonably necessary or appropriate to carry out the provisions of this Agreement.

23. HEADINGS. The Section headings appearing in this Agreement are for purposes of easy reference and shall not be considered a part of this Agreement or in any way modify, amend or affect its provisions.

24. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together, shall constitute one instrument.

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

SG BLOCKS, INC.

EXECUTIVE:

By: /s/ Paul Galvin
Name: Paul Galvin
Title: Chairman & CEO

/s/ Gerald Sheeran
Gerald Sheeran