

**Bidder's Packet**



# **PUBLIC AUCTION**

**SMUTTYNOSE BREWING COMPANY  
& HAYSEED RESTAURANT**



**Friday, March 9 at 2:00 PM  
105 Towle Farm Road, Hampton, NH**

Prepared by

**James R. St. Jean**  
**A U C T I O N E E R S**

45 Exeter Road, Epping, NH 03042

**603-734-4348**

**[www.jsjauctions.com](http://www.jsjauctions.com)**

NH Lic.  
#2279



**PUBLIC AUCTION**



## **Smuttynose Brewing Company & Hayseed Restaurant**

**FRIDAY, MARCH 9 AT 2:00 PM**

**105 TOWLE FARM ROAD, HAMPTON, NH**

★ ★ ★ *Business Opportunity to Purchase an Ongoing Enterprise* ★ ★ ★



**ID #18-126** • Operating 32,421± SF Craft Brewery built in 2013 with Krones/Steinecker 100-HL Brew-house, a 4,507± SF Restaurant built in 2014 in a retro-fitted Victorian-era farmhouse, and an unrenovated 2,432± SF 19th century barn • Industrial zoned 14.05± acre site in country setting • Prime NH Seacoast location close to I-95, Routes 101 & 1, and minutes to Hampton Beach Resort • LEED Gold Certified Development • Ample paved parking • Served by a full complement of public utilities • *One of the most highly regarded craft breweries in the Northeast!*



**SALE INCLUDES ALL REAL, PERSONAL, AND INTELLECTUAL PROPERTY, MACHINERY, EQUIPMENT, AND ALL BUSINESS ASSETS OF SMUTTYNOSE BREWERY WHICH ARE SUBJECT TO MORTGAGEE'S SECURITY INTEREST**



**Please call or visit our website for more information, bidder's packet, and appointment to inspect property**

*James R. St. Jean Auctioneers has attempted to provide accurate information and descriptions. We do not represent, warrant, or insure the accuracy of the information. Bidders must rely on their own independent evaluation and all bids submitted shall be based solely upon such evaluation.*

**James R. St. Jean**  
**A U C T I O N E E R S**  
**(603) 734-4348 ■ www.jsjauctions.com**

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**CONTINUED ON PAGE 2**

## ABOUT SMUTTYNOSE

### ■ *Brewing Fine Beers Since 1994*

The mission at Smuttynose has remained the same for all of those years: *to brew the best beer in a way to be proud of.* That includes honoring New England's rich beer-making history, respecting the environment, and playing an active role in the community. Smuttynose Brewing Company produces and distributes over two dozen different products totaling 35,000 BBL in 2017 (with much room to grow to it's capacity of 75,000 BBL) — the most popular which is Finestkind IPA.

### ■ *The Brewery*

The state-of-the-art 32,421± SF energy efficient facility comprised of corporate offices, production facility, warehouse, profitable retail store, and sampling bar. With the growth of beer tourism, many come to sample the Smuttynose products, shop at the retail store, and also visit the adjacent Hayseed Restaurant: a 95-seat "farm-to-table" restaurant with outdoor seasonal 70-person capacity beer garden showcasing fine beers brewed at Smuttynose.

### ■ *On-site Events & Functions*

The Towle Farm Campus hosts both public and private events, from large-scale events such as road races and music festivals to private parties, weddings, reunions, and corporate events. There is also a 9 hole disc-golf course on the property.

### ■ *Brewing Equipment at Smuttynose Features*

#### BREWHOUSE EQUIPMENT

100-HL (85 barrel) Kronos 4-vessel Combi-Cube Brewhouse has the capacity to produce up to 175,000 BBL/year with the installation of additional fermentation vessels.

#### FERMENTATION/CELLAR EQUIPMENT & CAPACITY

- (8) 275-barrel Mueller Fermenters
- (8) 200-barrel JV Northwest Fermenters
- (1) 60-barrel Mueller Fermenter
- (2) 275-barrel Mueller Bright Beer Tanks
- (2) 200-barrel JV Northwest Bright Beer Tanks
- (1) Westfalia Separator (centrifuge) Model HB-2

#### BOTTLING LINE EQUIPMENT

The line is capable of filling 300 bottles/minute (bpm), giving it an annual capacity of approximately 150,000 BBL/year.

- Kosme Monobloc Rinser/Filler
- Kosme Labeler



**TITLE INSURANCE & LEASEBACK AGREEMENT AVAILABLE**

**REAL ESTATE ASSESSMENT & TAX DATA:** Mortgage Ref: Rockingham County Registry of Deeds Book 5343, Page 001 and Security Agreement dated May 11, 2005. Tax Map 122, Lot 1-2. Assessed value: \$6,980,700. 2017 taxes: \$114,274.

**PREVIEW:** Thursday, February 1 & Thursday, February 15 from 2:00 PM to 4:00 PM (pre-registration required) and by appointment with auctioneers.

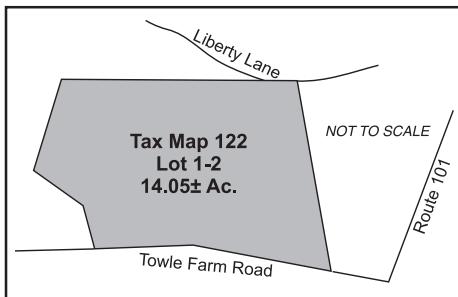
**DIRECTIONS:** NH Route 101 to exit 13. At end of exit follow Route 27 east for just over 1 mile to a right onto Towle Farm Road for .6 mile. Smuttynose will be on your right.

**COUNSEL:** Sale per order of Mortgagee by its Attorneys: Nixon Peabody LLP, Manchester, NH; Daniel W. Sklar, Esquire.

**TERMS:** \$250,000 deposit by cash, certified check, or bank check to bid. Closing in 55 days. Purchase Price shall be paid in cash, certified or bank check, by wire transfer or funds acceptable to the Bank at the Closing. Other terms may be announced at time of sale.

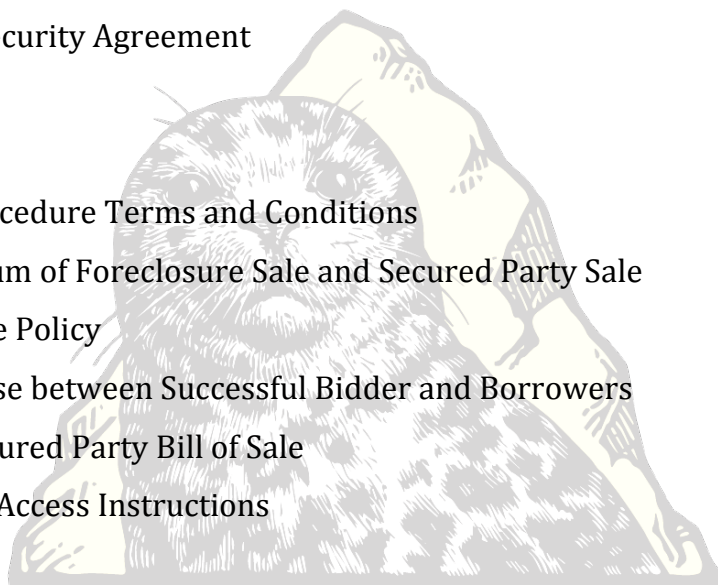
#### **AUCTIONEER'S NOTE:**

*Smuttynose Brewery continues to brew its high quality beer and expects to do so through the orderly transition to the new buyer*



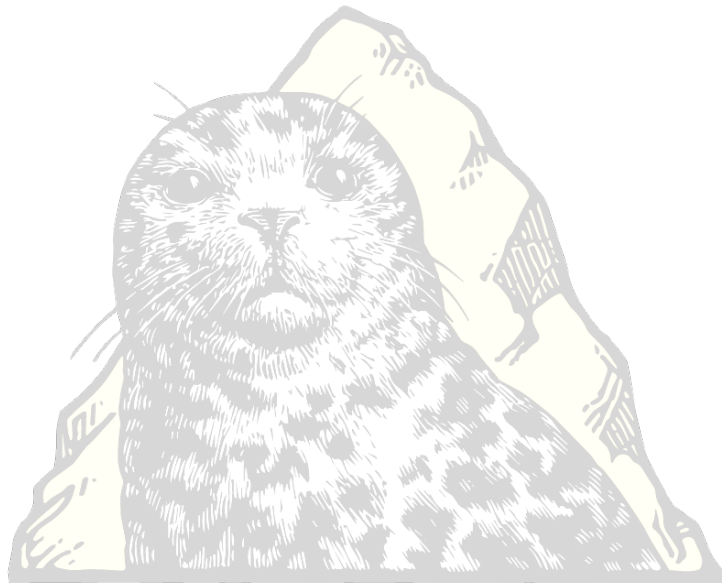
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SMUTTYNOSE  
BREWING COMPANY

Notice of Foreclosure Sale of Real and Personal Property



**SMUTTYNOSE**  
BREWING COMPANY

## **LEGAL NOTICE**

### **NOTICE OF FORECLOSURE SALE OF REAL AND PERSONAL PROPERTY**

By virtue of a Power of Sale contained in that certain Commercial Mortgage, Security Agreement and Assignment of Leases and Rents given by **Sustainable Ales, LLC** (the “Mortgagor”) to **The Provident Bank**. (the “Mortgagee”) dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 001 (the “Mortgage”), pursuant to and in execution of said Power, for breach of the conditions of the Mortgage, to satisfy the amounts due thereon, together with all costs, expenses and attorneys’ fees incurred by the Mortgagee in connection with the sale, and expressly for the purposes of foreclosing all rights of the Mortgagor with respect to the property sold, the Mortgagee will sell on the mortgaged premises (street address: 105 Towle Farm Road) in Hampton, Rockingham County, New Hampshire (the “Mortgaged Premises”) at

### **PUBLIC AUCTION**

on March 9, 2018, at 2:00 P.M., local time, all of said Mortgagee’s right, title and interest in and to the Mortgaged Premises as described in Exhibit A attached hereto.

This foreclosure sale will be made for the purpose of foreclosure of all rights of redemption of the Mortgagor therein possessed by the Mortgagor and any and all persons, firms, corporations, or agencies claiming by, from or under the Mortgagor.

### **NOTICE**

TO THE MORTGAGOR AND ALL INTERESTED PARTIES YOU ARE HEREBY NOTIFIED THAT YOU HAVE THE RIGHT TO PETITION THE SUPERIOR COURT FOR THE COUNTY IN WHICH THE MORTGAGED PREMISES ARE SITUATED, WITH SERVICE UPON THE MORTGAGEE, AND UPON SUCH BOND AS THE COURT MAY REQUIRE, TO ENJOIN THE SCHEDULED FORECLOSURE SALE.

**Personal Property Sale:** Contemporaneously with the foreclosure sale of the Mortgaged Premises, the Mortgagee, in accordance with RSA 382-A:9-610, will also sell at PUBLIC AUCTION, for conditions broken, some or all of Mortgagor's personal property and the personal property of Smuttynose Brewing Company, Inc., located at the Mortgaged Premises, if any (the "Personal Property"), pursuant to the security interest in said Personal Property granted by the Mortgagor to the Mortgagee in the Mortgage, as further described therein and as granted by Smuttynose to the Mortgagee in that certain Loan and Security Agreement dated May 11, 2005. ("Security Agreement")

**Liens and Encumbrances:** The Mortgaged Premises and the Personal Property will be sold subject to all unpaid real estate taxes and other municipal assessments and liens therefor, whether or not of record, and all other liens, easements, rights and encumbrances of any and every nature which are or may be entitled to precedence over the Mortgage or the Security Agreement.

**No Warranties:** The Mortgaged Premises and the Personal Property will be sold by the Mortgagee and accepted by the successful bidder "AS IS", "WHERE IS" and with all faults. Except for warranties arising by operation of law, if any, the conveyance of the Mortgaged Premises and the Personal Property will be made by the Mortgagee and accepted by the successful bidder without any other express or implied warranties whatsoever, including without limitation, any WARRANTY OF MERCHANTABILITY, any WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, any representations or warranties as to the accuracy of any statement contained in the aforesaid description of the Mortgaged Premises or the Personal Property or with respect to title, possession, permits, approvals, recitation of acreage, hazardous

materials, and physical condition. All risk or damage to the Mortgaged Premises and the Personal Property shall be assumed and borne by the successful bidder immediately after the close of the bidding.

**Terms of Sale:** To qualify to bid, bidders must register to bid and present to the Mortgagee or its agent the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) in cash or by certified check or other form of payment acceptable to the Mortgagee or its agent prior to the commencement of the public auction. The balance of the purchase price shall be paid in full in cash or by certified check upon tender of the Mortgagee's Foreclosure Deed and Bill of Sale within fifty-five (55) days after the sale, time being of the essence. The successful bidder shall execute a Memorandum of Foreclosure Sale immediately after the close of the bidding. If the successful bidder fails to complete the purchase of the Mortgaged Premises or the Personal Property, the Mortgagee may, at its option, retain the deposit as liquidated damages. Deposits of unsuccessful bidders shall be returned at the conclusion of the public auction. The Mortgagee reserves the right to solicit separate or combined bids on the Mortgaged Premises, the Personal Property and any other property securing the underlying indebtedness by announcement made prior to or at the sale. Any portion of the Mortgaged Premises or the Personal Property not sold at the public auction shall be and remain subject to the lien of the Mortgage and Security Agreement, notwithstanding the sale of any portion of the Mortgaged Premises or the Personal Property. Other terms may be announced at sale.

**Reservations of Rights:** The Mortgagee further reserves the right to (i) cancel or continue the public auction to such subsequent date or dates as the Mortgagee may deem necessary or desirable; (ii) bid upon and purchase the Mortgaged Premises and some or all of the Personal Property at the public auction without producing any deposit; (iii) reject any and all



bids for the Mortgaged Premises and the Personal Property in Mortgagee's sole discretion; (iv) sell some or all of the Personal Property apart from the Mortgaged Premises; (v) amend or change the terms of sale set forth herein by announcement, written or oral, made before or during the foreclosure sale and such change(s) or amendment(s) shall be binding on all bidders; and/or (vi) convey the Mortgaged Premises, the Personal Property and/or and any other property securing the underlying indebtedness to the next highest bidder should any successful bidder default.

Further information concerning this sale may be obtained from the auctioneers, James R. St. Jean Auctioneers, having an address of 45 Exeter Road, PO Box 400, Epping, New Hampshire 03042, whose telephone number is (603) 734-4348. The Mortgaged Premises may be open for inspection prior to the date of sale upon prior reservation with the Mortgagee.

Dated this 23<sup>rd</sup> day of January, 2018.

THE PROVIDENT BANK

By Its Attorneys,

NIXON PEABODY LLP

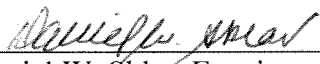
By:   
Daniel W. Sklar, Esquire  
900 Elm Street  
Manchester, NH 03101  
(603) 628-4000

EXHIBIT A

A certain plot of land with buildings thereon, situated in the Town of Hampton, Rockingham County, New Hampshire, bounded and described as follows:

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein conveyed, said lot being shown as "Proposed Lot 2" on a plan entitled, "S1 - Subdivision Plan, Tax Map 122 - Lot 1 for Smuttynose Brewery, land of Gregory & Jennifer Sancoff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

thence running North  $18^{\circ} 10' 10''$  West a distance of one hundred sixty one and eighty two hundredths (161.82) feet along land of the grantor to an iron rod set;

thence turning and running North  $69^{\circ} 07' 37''$  West a distance of two hundred twenty nine and sixty hundredths (229.60) feet along land of the grantor to an iron rod set at land now or formerly of Asset Title Holding, Inc.;

thence turning and running North  $00^{\circ} 18' 20''$  West a distance of three hundred forty seven and twenty seven hundredths (347.27) feet to a stonewall;

thence turning and running North  $80^{\circ} 12' 50''$  East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

thence turning and running North  $78^{\circ} 50' 29''$  East a distance of seven hundred eighty nine and nine hundredths (789.09) feet to a drill hole;

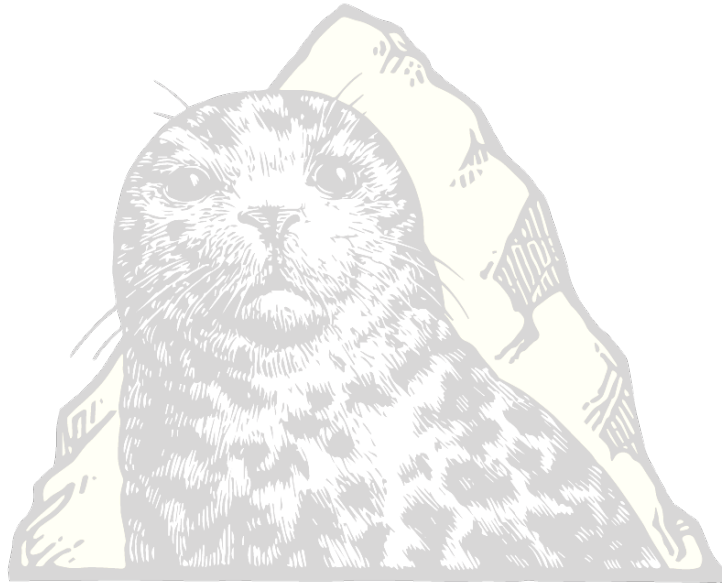
thence turning and running South  $26^{\circ} 34' 44''$  East a distance of seven hundred seventeen and eleven hundredths (717.11) feet to an iron rod on the northerly side of Towle Farm Road;

thence turning and running South  $88^{\circ} 22' 35''$  West a distance of one hundred eighty and twenty seven hundredths (180.27) feet along the northerly sideline of Towle Farm Road to a NH highway bound;

thence turning and running along the northerly sideline of Towle Farm Road South  $85^{\circ} 24' 51''$  West a distance of three hundred eighty and fifty three hundredths (380.53) feet to a NH highway bound; and

thence turning and running South  $78^{\circ} 24' 18''$  West a distance of three hundred eighty four and ninety three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.

Notice of Secured Party's Disposition of Collateral



**SMUTTYNOSE**  
BREWING COMPANY

[LETTERHEAD  
OF THE PROVIDENT BANK]

February \_\_, 2018

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**  
**AND FIRST CLASS MAIL**

To each of the Persons  
listed on **Appendix 1** attached hereto and incorporated herein by reference

**Re: NOTICE**  
**OF FORECLOSURE SALE**

**Property for Sale: Smuttynose Brewing Company**  
**and Hayseed Restaurant**  
**105 Towle Farm Road, Hampton, NH 03842**

Ladies and Gentlemen:

Reference is made to the following (collectively, the "**Security Documents**" and each singly, as a "**Security Document**"):

1. a certain Commercial Mortgage, Security Agreement and Assignment of Leases and Rents, dated as of August 3, 2012 (as the same may have been amended, restated, modified or supplemented, from time to time, the "**Mortgage**"), from SUSTAINABLE ALES, LLC, a New Hampshire limited liability company ("**Sustainable Ales**") in favor of THE PROVIDENT BANK, a Massachusetts savings bank (the "**Bank**"), which was recorded in the Registry of Deeds for Rockingham County, New Hampshire (the "**Registry**"), in Book 5343, at Page 001 and pursuant to which, among other things, Sustainable Ales granted to the Bank a mortgage lien and security interest on certain real estate located at 105 Towle Farm Road, Hampton, New Hampshire that is more particularly described on **Exhibit A** attached hereto (the "**Land**"), together with the building and all of the other improvements, fixtures and personal property of Sustainable Ales located thereon, all as more particularly described therein (together with the Land, hereinafter referred to collectively, the "**Real Property**"); and

2. a certain Loan and Security Agreement, dated as of May 11, 2005 (as the same may have been amended, restated, modified or supplemented, from time to time, the "**Loan and Security Agreement**"), by and between SMUTTYNOSE BREWING COMPANY, INC., a New Hampshire corporation ("**Smuttynose**") (Sustainable Ales and Smuttynose are hereinafter sometimes referred to collectively as the "**Borrowers**") and the Bank, pursuant to which, among other things, Smuttynose granted to the Bank a security interest on substantially all of its assets, all as more particularly described therein (the "**Personal Property**") (the Real Property and the Personal Property are hereinafter sometimes referred to collectively as the "**Property**").

All capitalized terms not defined herein but defined in the Security Documents shall have the meanings given to such terms in the Security Documents, and if not defined in the Security Documents, then the meanings given to such terms in the Uniform Commercial Code, as in effect in the State of New Hampshire (the "**UCC**").

As stated in notices, dated as of January 25, 2017 and December 7, 2017, respectively, from the Bank to Sustainable Ales, Smuttynose, Portsmouth Brewery, Inc., Peter R. Egelston and 50/52 Market Street Realty Trust (collectively, the "**Obligors**"), the Bank (a) notified the Obligors that certain Events of Default have occurred and are continuing under the Loan Documents, and (b) in accordance with the applicable provisions of the Loan Documents, declared all indebtedness of the Obligors to the Bank under the Loan Documents to be immediately due and payable in full. As a result thereof, all such indebtedness of the Obligors to the Bank under the Loan Documents is now due and payable in full.

In accordance with the provisions of Section 4.2(d) of the Mortgage, Section 6.2 of the Loan and Security Agreement and applicable law (including the provisions of Section 9-611 of the UCC), NOTICE IS HEREBY given by the Bank to each of you of the following:

1. Pursuant to the statutory power of sale provided to the Bank in the Mortgage in accordance with RSA 479:25 and exercising its rights as a mortgagee and a secured party under the Security Documents, the Bank is selling all of the Property to the highest registered bidder at a foreclosure sale (the "**Foreclosure Sale**") to be conducted the Bank's auctioneer, James R. St. Jean Auctioneers (the "**Auctioneer**") at the following date, time and place:

<b><u>Date and Time</u></b>	<b><u>Place</u></b>
Friday, March 9, 2018 at 2:00 p.m. (prevailing Eastern time)	105 Towle Farm Road, Hampton, NH 03842

and towards that end, is now soliciting bids from prospective bidders. The Foreclosure Sale will be a public disposition (within the meaning of Section 9-610 of the UCC) of all of the Personal Property.

2. To participate as a bidder in this Foreclosure Sale, you must, prior to the commencement of the Foreclosure Sale, (a) contact and register with the Auctioneer and (b) deliver to the Auctioneer a deposit in the amount of TWO HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$250,000.00) (the "**Deposit**"). The Deposit must be in the form of cash, certified check or cashier's check in U.S. funds, payable to the order of Nixon Peabody LLP as escrow agent for the Bank. For any such registered bidder who does not submit a bid to the Bank or whose bid is not accepted by the Bank, such bidder's Deposit will be returned promptly to such bidder after the Foreclosure Sale. For the registered bidder whose bid is accepted by the Bank, such bidder's Deposit will be credited to the purchase price for the Property. A record of the registered bidders and bidding at the Foreclosure Sale will be maintained by the Auctioneer for the exclusive and sole use of the Bank

3. All of the other terms and conditions of the Foreclosure Sale are more particularly described in a bid package (the "**Bid Package**") which may be obtained from the Auctioneer. All bids must be submitted to the Auctioneer at the Foreclosure Sale.

4. If you wish to obtain a Bid Package from the Auctioneer, then please contact the Auctioneer as follows:

James R. St. Jean Auctioneers  
45 Exeter Road  
P.O. Box 400  
Epping, NH 03042  
Attention: Mr. James R. St. Jean

Telephone No. 603-734-4348

E-Mail: jim@jsjauctions.com

5. The Bank reserves the right to extend, postpone or otherwise cancel this Foreclosure Sale at any time.

6. The Property is being sold at the Foreclosure Sale strictly on an **“AS IS AND WHERE IS” BASIS, AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES (WHETHER EXPRESSED OR IMPLIED) OF ANY KIND (INCLUDING WITHOUT LIMITATION, WITHOUT ANY WARRANTY OF HABITABILITY, WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE) MADE BY THE BANK, THE AUCTIONEER OR ANY OTHER PERSON ACTING FOR OR ON BEHALF OF THE BANK OR THE AUCTIONEER AND ALL WITHOUT ANY RECOURSE WHATSOEVER AGAINST THE BANK, THE AUCTIONEER OR ANY OTHER PERSON ACTING FOR OR ON BEHALF OF THE BANK OR THE AUCTIONEER.**

7. **NEITHER THE BANK NOR THE AUCTIONEER MAKES ANY REPRESENTATIONS WITH RESPECT TO ANY INFORMATION THAT MAY BE AVAILABLE ABOUT THE PROPERTY (WHETHER PUBLICLY AVAILABLE OR OBTAINED FROM THE BANK, THE AUCTIONEER OR ANOTHER SOURCE), AND NEITHER THE BANK NOR THE AUCTIONEER ASSUMES ANY RESPONSIBILITY WHATSOEVER FOR THE CONTENTS, ACCURACY, COMPLETENESS OR SUFFICIENCY OF ANY INFORMATION ABOUT THE PROPERTY (WHETHER PUBLICLY AVAILABLE OR OBTAINED FROM THE BANK, THE AUCTIONEER OR ANOTHER SOURCE).**

8. Pursuant to applicable provisions of the UCC, you are entitled to an accounting of the proceeds received by the Bank from the Foreclosure Sale. You may request such an accounting by contacting Bonnie K. Bacon, The Provident Bank, 25 Maplewood Avenue, Portsmouth, NH 03801 (telephone no. 603-758-1636; facsimile no. 603-758-1635; e-mail: bbacon@theprovidentbank.com).

THE PROVIDENT BANK

By: \_\_\_\_\_

Name:

Title:

Attachments

LIST OF ADDRESSEES

**Appendix 1**

<b><u>No.</u></b>	<b><u>Name and Address</u></b>
1.	American Packaging Capital, Inc. 391 Diablo Road, Suite C Danville, CA 94526
2.	Banc of California, N.A. 18500 Von Karman Avenue, Suite 1100 Irvine, CA 92612
3.	The Business Finance Authority of New Hampshire 2 Pillsbury Street, Suite 201 Concord, NH 03301
4.	Coastal Economic Development Corporation 4 Merrill Industrial Drive, Box 698 North Hampton, NH 03862
5.	Corporation Service Company, as Representative P.O. Box 2576 Springfield, IL 62708
6.	General Electric Capital Corporation P.O. Box 35701 Billings, MT 59107
7.	Granite State Economic Development Corporation P.O. Box 1491 Portsmouth, NH 03802
8.	Little Realty Trust 31 Locust Road Ipswich, MA 01938
9.	Portsmouth Brewery, Inc. 105 Towle Farm Road Hampton, NH 03842
10.	Regional Economic Development Center of Southern New Hampshire 37 Industrial Drive, Suite F2 Exeter, NH 03833
11.	Susquehanna Commercial Finance, Inc. 2 Country View Road, Suite 300 Malvern, PA 19355
12.	TCF Equipment Finance, a division of TCF National Bank 11100 Wayzata Boulevard, Suite 801 Minnetonka, MN 55305
13.	Timepayment Corporation 16 New England Executive Park, Suite 200 Burlington, MA 01803
14.	U.S. Small Business Administration c/o Granite State Economic Development Corporation P.O. Box 1491 Portsmouth, NH 03802

## DESCRIPTION OF LAND

### Exhibit A

A certain plot of land with buildings thereon, situated in the Town of Hampton, Rockingham County, New Hampshire, bounded and described as follows:

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein conveyed, said lot being shown as "Proposed Lot 2" on a plan entitled, "SI - Subdivision Plan, Tax Map 122 - Lot I for Smutrynose Brewery, land of Gregory & Jennifer Sancioff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

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thence turning and running North 69° 07' 37" West a distance of two hundred twenty-nine and sixty hundredths (229.60) feet along land of the grantor to an iron rod set at land now or formerly of Asset Title Holding, Inc.;

thence turning and running North 00° 18' 20" West a distance of three hundred forty-seven and twenty-seven hundredths (347.27) feet to a stonewall;

thence turning and running North 80° 12' 50" East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

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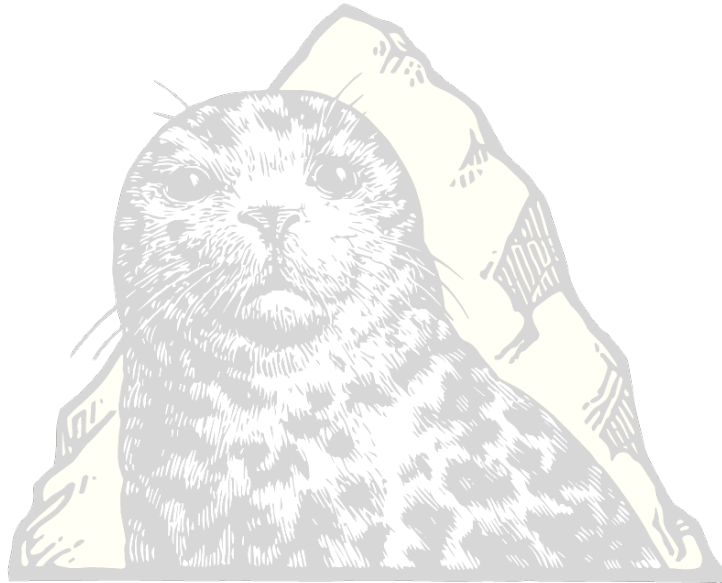
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thence turning and running along the northerly sideline of Towle Farm Road South 85° 24' 51" West a distance of three hundred eighty and fifty-three hundredths (380.53) feet to a NH highway bound; and

thence turning and running South 78° 24' 18" West a distance of three hundred eighty-four and ninety-three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.



Commercial Mortgage, Security Agreement and Assignment of Leases  
and Rents



**SMUTTYNOSE**  
BREWING COMPANY

After recording return to:  
Boeen & Associates, PLLC  
86 Chestnut Street  
Portsmouth, NH 03801

BK 5343 PG 0001

4-19910



038881

COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS

This COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") is entered into at Amesbury, Massachusetts, as of August 3, 2012, between Sustainable Ales, LLC, a New Hampshire limited liability company, with an address of 225 Heritage Avenue, Portsmouth, New Hampshire 03801 (the "Mortgagor") and The Provident Bank, a Massachusetts savings bank, with an address of 5 Market Street, P.O. Box 37, Amesbury, Massachusetts 01913 (the "Bank").

The real property which is the subject matter of this Mortgage has the following address(es): 105 Towle Farm Road, Hampton, New Hampshire 03842 (the "Address(es)").

1. MORTGAGE, OBLIGATIONS AND FUTURE ADVANCES

1.1 Mortgage. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby irrevocably and unconditionally mortgages, grants, bargains, transfers, sells, conveys, sets over and assigns to the Bank and its successors and assigns forever, with MORTGAGE COVENANTS, all of Mortgagor's right, title and interest in and to the "Property" described below, to secure the prompt payment and performance of the Obligations (as hereinafter defined), including without limitation, all amounts due and owing to the Bank and all obligations respecting that certain Construction and Permanent Note, dated August 3, 2012, by Sustainable Ales, LLC in favor of the Bank in the original principal amount of \$5,700,000.00 (the "Note"); and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents", and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Mortgage total \$5,700,000.00 as of the date of this Mortgage but this Mortgage shall nevertheless secure payment and performance of all Obligations.

1.2 Security Interest in Property. As continuing security for the Obligations the Mortgagor hereby pledges, assigns and grants to the Bank, and its successors and assigns, a security interest in any of the Property (as hereinafter defined) constituting personal property or fixtures. This Mortgage is and shall be

2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

deemed to be a security agreement and financing statement pursuant to the terms of the Uniform Commercial Code of New Hampshire (the "Uniform Commercial Code") as to any and all personal property and fixtures and as to all such property the Bank shall have the rights and remedies of a secured party under the Uniform Commercial Code in addition to its rights hereunder. This Mortgage constitutes a financing statement filed as a fixture filing under Section 9-502(c) of the Uniform Commercial Code covering any Property which now is or later may become a fixture. This Mortgage secures the financing of construction on the Property and is a "Construction Mortgage" within the meaning of Section 9-334(h) of the Uniform Commercial Code.

**1.3 Collateral Assignment of Leases and Rents.** The Mortgagor hereby irrevocably and unconditionally assigns to the Bank, and its successors and assigns, as collateral security for the Obligations all of the Mortgagor's rights and benefits under any and all Leases (as hereinafter defined) and any and all rents and other amounts now or hereafter owing with respect to the Leases or the use or occupancy of the Property. This collateral assignment shall be absolute and effective immediately, but the Mortgagor shall have a license, revocable by the Bank, to continue to collect rents owing under the Leases until an Event of Default (as hereinafter defined) occurs and the Bank exercises its rights and remedies to collect such rents as set forth herein.

**1.4 Conditions to Grant.** The Bank shall have and hold the above granted Property unto and to the use and benefit of the Bank, and its successors and assigns, forever; provided, however, the conveyances, grants and assignments contained in this Mortgage are upon the express condition that, if Mortgagor shall irrevocably pay and perform the Obligations in full, including, without limitation, all principal, interest and premium thereon and other charges, if applicable, in accordance with the terms and conditions in the Loan Documents and this Mortgage, shall pay and perform all other Obligations as set forth in this Mortgage and shall abide by and comply with each and every covenant and condition set forth herein and in the Loan Documents, the conveyances, grants and assignments contained in this Mortgage shall be appropriately released and discharged.

**1.5 Property.** The term "Property," as used in this Mortgage, shall mean that certain parcel of land and the fixtures, structures and improvements and all personal property constituting fixtures, as that term is defined in the Uniform Commercial Code, now or hereafter thereon located at the Address(es), as more particularly described in Exhibit A attached hereto, together with: (i) all rights now or hereafter existing, belonging, pertaining or appurtenant thereto; (ii) the following categories of assets as defined in the Uniform Commercial Code: goods (including inventory, equipment and any accessions thereto), instruments (including promissory notes), documents, accounts (including health-care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, general intangibles (including payment intangibles and software), supporting obligations and any and all proceeds of any thereof, whether now owned or hereafter acquired, that are located on or used in connection with, or that arise in whole or in part out of the Mortgagor's use of or business conducted on or respecting, the Property and any substitutions, replacements, accessions and proceeds of any of the foregoing; (iii) all judgments, awards of damages and settlements hereafter made as a result or in lieu of any Taking, as hereinafter defined; (iv) all of the rights and benefits of the Mortgagor under any present or future leases and agreements relating to the Property, including, without limitation, rents, issues and profits, or the use or occupancy thereof together with any extensions and renewals thereof, specifically excluding all duties or obligations of the Mortgagor of any kind arising thereunder (the "Leases"); and (v) all contracts, permits and licenses respecting the use, operation or maintenance of the Property.

**1.6 Obligations.** The term "Obligation(s)," as used in this Mortgage, shall mean without limitation all loans, advances, indebtedness, notes, liabilities and amounts, liquidated or unliquidated, now or hereafter owing by the Mortgagor to the Bank at any time, of each and every kind, nature and description; whether arising under this Mortgage or otherwise, and whether secured or unsecured, direct or indirect (that is, whether the same are due directly by the Mortgagor to the Bank; or are due indirectly by the Mortgagor to the Bank as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due,

now existing or hereafter contracted, including, without limitation, payment of all amounts outstanding when due pursuant to the terms of any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Mortgagor or due from the Mortgagor to the Bank from time to time and all advances, costs and expenses referred to in this Mortgage, including without limitation the costs and expenses (including reasonable attorney's fees) of enforcement of the Bank's rights hereunder or pursuant to any document or instrument executed in connection herewith.

1.7 Cross-Collateral and Future Advances. It is the express intention of the Mortgagor that this Mortgage secure payment and performance of all of the Obligations, whether now existing or hereinafter incurred by reason of future advances by the Bank or otherwise, and regardless of whether such Obligations are or were contemplated by the parties at the time of the granting of this Mortgage. Notice of the continuing grant of this Mortgage shall not be required to be stated on the face of any document evidencing any of the Obligations, nor shall such documents be required to otherwise specify that they are secured hereby.

## 2. REPRESENTATIONS, WARRANTIES, COVENANTS

2.1 Representations and Warranties. The Mortgagor represents and warrants that:

- (a) This Mortgage has been duly executed and delivered by the Mortgagor and is the legal, valid and binding obligation of the Mortgagor enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally;
- (b) The Mortgagor is the sole legal owner of the Property, holding good and marketable fee simple title to the Property, subject to no liens, encumbrances, leases, security interests or rights of others, other than as set forth in detail in Exhibit B hereto (the "Permitted Encumbrances");
- (c) The Mortgagor is the sole legal owner of the entire lessor's interest in Leases, if any, with full power and authority to encumber the Property in the manner set forth herein, and the Mortgagor has not executed any other assignment of Leases or any of the rights or rents arising thereunder;
- (d) As of the date hereof, there are no Hazardous Substances (as hereinafter defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Bank; and
- (e) Each Obligation is a commercial obligation and does not represent a loan used for personal, family or household purposes and is not a consumer transaction.

2.2 Recording; Further Assurances. The Mortgagor covenants that it shall, at its sole cost and expense and upon the request of the Bank, cause this Mortgage, and each amendment, modification or supplement hereto, to be recorded and filed in such manner and in such places, and shall at all times comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the interest of the Bank in the Property and the rights of the Bank under this Mortgage. Mortgagor will from time to time execute and deliver to the Bank such documents, and take or cause to be taken, all such other or further action, as the Bank may request in order to effect and confirm or vest more securely in the Bank all rights contemplated by this Mortgage (including, without limitation, to correct clerical errors) or to vest more fully in, or assure to the Bank the security interest in, the Property or to comply with applicable statute or law. To the extent permitted by applicable law, Mortgagor authorizes the Bank to file financing statements, continuation statements or amendments, and any such financing statements, continuation statements or amendments may be filed at any time in any jurisdiction. The Bank may at any time and from time to time file financing statements, continuation statements and amendments thereto that describe the Property as defined in this Mortgage and which contain any other information required by Article 9 of the Uniform Commercial Code for the sufficiency or filing office

acceptance of any financing statement, continuation statement or amendment, including whether Mortgagor is an organization, the type of organization and any organization identification number issued to Mortgagor; Mortgagor also authorizes the Bank to file financing statements describing any agricultural liens or other statutory liens held by the Bank. Mortgagor agrees to furnish any such information to the Bank promptly upon request. In addition, Mortgagor shall at any time and from time to time, take such steps as the Bank may reasonably request for the Bank (i) to obtain an acknowledgment, in form and substance satisfactory to the Bank, of any bailee having possession of any of the Property that the bailee holds such Property for the Bank, and (ii) otherwise to insure the continued perfection and priority of the Bank's security interest in any of the Property and the preservation of its rights therein. Mortgagor hereby constitutes the Bank its attorney-in-fact to execute and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until this Mortgage terminates in accordance with its terms, all Obligations are paid in full and the Property is released.

**2.3 Restrictions on the Mortgagor.** The Mortgagor covenants that it will not, nor will it permit any other person to, directly or indirectly, without the prior written approval of the Bank in each instance:

- (a) Sell, convey, assign, transfer, mortgage, pledge, hypothecate, lease or dispose of all or any part of any legal or beneficial interest in the Mortgagor or the Property or any part thereof or permit any of the foregoing, except as expressly permitted by the terms of this Mortgage;
- (b) Permit the use, generation, treatment, storage, release or disposition of any oil or other material or substance constituting hazardous waste or hazardous materials or substances under any applicable Federal or state law, regulation or rule ("Hazardous Substances"); or

**2.4 Operation of Property.** The Mortgagor covenants and agrees as follows:

- (a) The Mortgagor will not permit the Property to be used for any unlawful or improper purpose, will at all times comply with all Federal, state and local laws, ordinances and regulations, and the provisions of any Lease, easement or other agreement affecting all or any part of the Property, and will obtain and maintain all governmental or other approvals relating to the Mortgagor, the Property or the use thereof, including without limitation, any applicable zoning or building codes or regulations and any laws or regulations relating to the handling, storage, release or cleanup of Hazardous Substances, and will give prompt written notice to the Bank of (i) any violation of any such law, ordinance or regulation by the Mortgagor or relating to the Property, (ii) receipt of notice from any Federal, state or local authority alleging any such violation and (iii) the presence or release on the Property of any Hazardous Substances;
- (b) The Mortgagor will at all times keep the Property insured for such losses or damage, in such amounts and by such companies as may be required by law and which the Bank may require, provided that, in any case, the Mortgagor shall maintain: (i) physical hazard insurance on an "all risks" basis in an amount not less than 100% of the full replacement cost of the Property; (ii) flood insurance if and as required by applicable Federal law and as otherwise required by the Bank; (iii) comprehensive commercial general liability insurance; (iv) rent loss and business interruption insurance; and (v) such other insurance as the Bank may require from time to time, including builder's risk insurance in the case of construction loans. All policies regarding such insurance shall be issued by companies licensed to do business in the state where the policy is issued and also in the state where the Property is located, be otherwise acceptable to the Bank, provide deductible amounts acceptable to the Bank, name the Bank as mortgagee, loss payee and additional insured, and provide that no cancellation or material modification of such policies shall occur without at least Thirty (30) days prior written notice to the Bank. Such policies shall include (i) a mortgage endorsement determined by the Bank in good faith to be equivalent to the "standard" mortgage endorsement so that the insurance, as to the interest of the Bank, shall not be invalidated by any act or neglect of the Mortgagor or the owner of the Property, any foreclosure or other proceedings or notice of sale relating to the

Property, any change in the title to or ownership of the Property, or the occupation or use of the Property for purposes more hazardous than are permitted at the date of inception of such insurance policies; (ii) a replacement cost endorsement; (iii) an agreed amount endorsement; (iv) a contingent liability from operation endorsement; and (v) such other endorsements as the Bank may request. The Mortgagor will furnish to the Bank upon request such original policies, certificates of insurance or other evidence of the foregoing as are acceptable to the Bank. The terms of all insurance policies shall be such that no coinsurance provisions apply, or if a policy does contain a coinsurance provision, the Mortgagor shall insure the Property in an amount sufficient to prevent the application of the coinsurance provisions;

- (c) Mortgagor will not enter into or modify the Leases in any material respect without the prior written consent of the Bank, execute any assignment of the Leases except in favor of the Bank, or accept any rentals under any Lease for more than one month in advance and will at all times perform and fulfill every term and condition of the Leases;
- (d) Mortgagor will at all times (i) maintain complete and accurate records and books regarding the Property in accordance with generally accepted accounting principles and (ii) permit the Bank and the Bank's agents, employees and representatives, at such reasonable times as the Bank may request, to enter and inspect the Property and such books and records; and
- (e) Mortgagor will at all times keep the Property in good and first-rate repair and condition (damage from casualty not excepted) and will not commit or permit any strip, waste, impairment, deterioration or alteration of the Property or any part thereof.

2.5 Payments. The Mortgagor covenants to pay when due: all Federal, state, municipal, real property and other taxes, betterment and improvement assessments and other governmental levies, water rates, sewer charges, insurance premiums and other charges on the Property; this Mortgage or any Obligation secured hereby that could, if unpaid, result in a lien on the Property or on any interest therein. If and when requested by the Bank, the Mortgagor shall deposit from time to time with the Bank sums determined by the Bank to be sufficient to pay when due the amounts referred to in this Section. The Mortgagor shall have the right to contest any notice, lien, encumbrance, claim, tax, charge, betterment assessment or premium filed or asserted against or relating to the Property; provided that it contests the same diligently and in good faith and by proper proceedings and, at the Bank's request, provides the Bank with adequate cash security, in the Bank's reasonable judgment, against the enforcement thereof. The Mortgagor shall furnish to the Bank the receipted real estate tax bills or other evidence of payment of real estate taxes for the Property within thirty (30) days prior to the date from which interest or penalty would accrue for nonpayment thereof. The Mortgagor shall also furnish to the Bank evidence of all other payments referred to above within fifteen (15) days after written request therefor by the Bank. If Mortgagor shall fail to pay such sums, the Bank may, but shall not be obligated to, advance such sums. Any sums so advanced by the Bank shall be added to the Obligations, shall bear interest at the highest rate specified in any note evidencing the Obligations, and shall be secured by the lien of this Mortgage.

2.6 Notices; Notice of Default. The Mortgagor will deliver to the Bank, promptly upon receipt of the same, copies of all notices or other documents it receives that affect the Property or its use, or claim that the Mortgagor is in default in the performance or observance of any of the terms hereof or that the Mortgagor or any tenant is in default of any terms of the Leases. The Mortgagor further agrees to deliver to the Bank written notice promptly upon the occurrence of any Event of Default hereunder or event that with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder.

2.7 Takings. In case of any condemnation or expropriation for public use of, or any damage by reason of the action of any public or governmental entity or authority to, all or any part of the Property (a "Taking"), or the commencement of any proceedings or negotiations that might result in a Taking, the Mortgagor shall immediately give written notice to the Bank, describing the nature and extent thereof. The Bank may, at its option, appear in any proceeding for a Taking or any negotiations relating to a Taking and the Mortgagor shall immediately give to the Bank copies of all notices, pleadings,

determinations and other papers relating thereto. The Mortgagor shall in good faith and with due diligence and by proper proceedings file and prosecute its claims for any award or payment on account of any Taking. The Mortgagor shall not settle any such claim without the Bank's prior written consent. The Mortgagor shall hold any amounts received with respect to such awards or claims, by settlement, judicial decree or otherwise, in trust for the Bank and immediately pay the same to the Bank. The Mortgagor authorizes any award or settlement due in connection with a Taking to be paid directly to the Bank in amounts not exceeding the Obligations. The Bank may apply such amounts to the Obligations in such order as the Bank may determine.

2.8 Insurance Proceeds. The proceeds of any insurance resulting from any loss with respect to the Property shall be paid to the Bank and, at the option of the Bank, be applied to the Obligations in such order as the Bank may determine; provided, however, that if the Bank shall require repair of the Property, the Bank may release all or any portion of such proceeds to the Mortgagor for such purpose. Any insurance proceeds paid to the Mortgagor shall be held in trust for the Bank and promptly paid to it.

2.9 Statutory Conditions. This Mortgage is granted with the benefit of the STATUTORY CONDITIONS.

### 3. CERTAIN RIGHTS OF THE BANK

3.1 Legal Proceedings. The Bank shall have the right, but not the duty, to intervene or otherwise participate in any legal or equitable proceeding that, in the Bank's reasonable judgment, might affect the Property or any of the rights created or secured by this Mortgage. The Bank shall have such right whether or not there shall have occurred an Event of Default hereunder.

3.2 Appraisals/Assessments. The Bank shall have the right, at the Mortgagor's sole cost and expense, to obtain appraisals, environmental site assessments or other inspections of the portions of the Property that are real estate at such times as the Bank deems necessary or as may be required by applicable law, or its prevailing credit or underwriting policies.

3.3 Financial Statements. The Bank shall have the right, at the Mortgagor's sole cost and expense, to require delivery of financial statements in form and substance acceptable to the Bank from the Mortgagor or any guarantor of any of the Obligations and the Mortgagor hereby agrees to deliver such financial statements and/or cause any such guarantor to so deliver any such financial statement when required by the Bank.

3.4 Leases and Rent Roll. The Mortgagor shall deliver to the Bank (i) during each calendar year and at such other times as the Bank shall request a rent roll for the Property, in form acceptable to the Bank, listing all tenants and occupants and describing all of the Leases; and (ii) at such times as the Bank shall request executed copies of all the Leases.

### 4. DEFAULTS AND REMEDIES

4.1 Events of Default. Event of Default shall mean the occurrence of any one or more of the following events:

- (a) default of any liability, obligation, covenant or undertaking of the Mortgagor or any guarantor of the Obligations to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Mortgagor or any guarantor of the Obligations under any other Loan Document or any other agreement with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default;

- (b) failure by the Mortgagor or any guarantor of the Obligations to perform, observe or comply with any of the covenants, agreements, terms or conditions set forth in this Mortgage or the Loan Documents continuing for 30 days;
- (c) the (i) occurrence of any material loss, theft, damage or destruction of, or (ii) issuance or making of any levy, seizure, attachment, execution or similar process on a material portion of the Property;
- (d) failure of the Mortgagor or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days;
- (e) default of any material liability, obligation or undertaking of the Mortgagor or any guarantor of the Obligations to any other party continuing for 30 days;
- (f) if any statement, representation or warranty heretofore, now or hereafter made by the Mortgagor or any guarantor of the Obligations in connection with this Mortgage or in any supporting financial statement of the Mortgagor or any guarantor of the Obligations shall be determined by the Bank to have been false or misleading in any material respect when made;
- (g) if the Mortgagor or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property;
- (h) the death of the Mortgagor or any guarantor of the Obligations and, if the Mortgagor or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member;
- (i) the institution by or against the Mortgagor or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 et seq. or any other law in which the Mortgagor or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Mortgagor or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Mortgagor or any guarantor of the Obligations of a trust mortgage for the benefit of creditors;
- (j) the service upon the Bank of a writ in which the Bank is named as trustee of the Mortgagor or any guarantor of the Obligations;
- (k) a judgment or judgments for the payment of money shall be rendered against the Mortgagor or any guarantor of the Obligations, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution;
- (l) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Mortgagor or any guarantor of the Obligations;
- (m) the termination or revocation of any guaranty of the Obligations; or
- (n) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Mortgagor or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Mortgagor or any guarantor of the Obligations to the Bank has been or may be impaired.



4.2 Remedies. On the occurrence of any Event of Default the Bank may, at any time thereafter, at its option and, to the extent permitted by applicable law, without notice, exercise any or all of the following remedies:

- (a) Declare the Obligations due and payable, and the Obligations shall thereupon become immediately due and payable, without presentment, protest, demand or notice of any kind, all of which are hereby expressly waived by the Mortgagor except for Obligations due and payable on demand, which shall be due and payable on demand whether or not an event of default has occurred hereunder;
- (b) Enter, take possession of, manage and operate the Property (including all personal property and all records and documents pertaining thereto) and any part thereof and exclude the Mortgagor therefrom, take all actions it deems necessary or proper to preserve the Property and operate the Property as a mortgagee in possession with all the powers as could be exercised by a receiver or as otherwise provided herein or by applicable law; provided, however, the entry by the Bank upon the Property for any reason shall not cause the Bank to be a mortgagee in possession, except upon the express written declaration of the Bank;
- (c) With or without taking possession or the appointment of a receiver, receive and collect all rents, income, issues and profits ("Rents") from the Property (including all real estate and personal property and whether past due or thereafter accruing), including as may arise under the Leases, and the Mortgagor appoints the Bank as its true and lawful attorney with the power for the Bank in its own name and capacity to demand and collect Rents and take any action that the Mortgagor is authorized to take under the Leases. The Bank shall (after payment of all costs and expenses incurred) apply any Rents received by it to the Obligations in such order as the Bank determines, or in accordance with any applicable statute, and the Mortgagor agrees that exercise of such rights and disposition of such funds shall not be deemed to cure any default or constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach thereof. The Bank shall be liable to account only for such Rents actually received by the Bank. Lessees under the Leases are hereby authorized and directed, following notice from the Bank, to pay all amounts due the Mortgagor under the Leases to the Bank, whereupon such lessees shall be relieved of any and all duty and obligation to the Mortgagor with respect to such payments so made;
- (d) In addition to any other remedies, to sell the Property or any part thereof or interest therein pursuant to exercise of its power of sale or otherwise at public auction on terms and conditions as the Bank may determine, or otherwise foreclose this Mortgage in any manner permitted by law, and upon such sale the Mortgagor shall execute and deliver such instruments as the Bank may request in order to convey and transfer all of the Mortgagor's interest in the Property, and the same shall operate to divest all rights, title and interest of the Mortgagor in and to the Property. In the event this Mortgage shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Bank shall, in its sole and exclusive discretion and to the extent permitted by applicable law, be empowered to foreclose upon any such portion without impairing its right to foreclose subsequently upon any other portion or the entirety of the Property from time to time thereafter. In addition, the Bank may in its sole and exclusive discretion subordinate this Mortgage to one or more Leases for the sole purpose of preserving any such Lease in the event of a foreclosure or the appointment of a receiver;
- (e) Cause one or more environmental assessments to be taken, arrange for the cleanup of any Hazardous Substances or otherwise cure the Mortgagor's failure to comply with any statute, regulation or ordinance relating to the presence or cleanup of Hazardous Substances, and the Mortgagor shall provide the Bank or its agents with access to the Property for such purposes; provided that the exercise of any of such remedies shall not be deemed to have relieved the Mortgagor from any responsibility therefor or given the Bank "control" over the Property or cause the Bank to be considered to be a mortgagee in possession, "owner" or "operator" of

the Property for purposes of any applicable law, rule or regulation pertaining to Hazardous Substances; and

- (f) Take such other actions or proceedings as the Bank deems necessary or advisable to protect its interest in the Property and ensure payment and performance of the Obligations, including, without limitation, appointment of a receiver (and the Mortgagor hereby waives any right to object to such appointment) and exercise of any of the Bank's remedies provided herein or in any other document evidencing, securing or relating to any of the Obligations or available to a secured party under the Uniform Commercial Code or under other applicable law.
- (g) The Bank or its successors or assigns shall have the **STATUTORY POWER OF SALE** and, upon compliance with the requirements of the New Hampshire laws respecting a Power of Sale mortgage foreclosure of real estate, may sell the Real Estate, or any part thereof at public auction at some place in the city or town where the land is situated or at the principal office of the Bank or any other location at the Bank's election, in one or more lots, at one or several sales, to the highest bidder, and Mortgagor hereby appoints the Bank, as Mortgagor's agent, the attorney-in-fact to sell and convey the property so sold to the purchaser by indefeasible title, discharged of all rights of redemption by Mortgagor or its successors and assigns, or any other person claiming under them;

The Bank shall apply the proceeds of said sale or sales in payment first to all costs and expenses incurred by it in the sale, including reasonable attorney's fees, then to any liens of record senior to this Mortgage, then to the Obligations secured by this Mortgage, then to any liens of record junior to this Mortgage, and shall thereupon pay over the balance, if any, to Mortgagor or Mortgagor's legal representative, and Mortgagor does hereby for itself and for its successors and assigns, covenant with the Bank, and its successors and assigns, that in case a sale or sales shall be made under the foregoing power, it will upon request execute, acknowledge and deliver to the purchasers a deed or deeds of release confirming such sale.

It is agreed that said the Bank, its successors and assigns, or any person in their behalf, may purchase at any sale or sales made as aforesaid.

In addition to the **STATUTORY POWER OF SALE**, the Bank shall be entitled to the appointment of a receiver of the profits of all of the Property, including without limitation, all Property consisting of real estate and/or personalty, as a matter of right and without notice, with power to collect issues and profits of said real estate due and becoming due during the pendency of such foreclosure, such profits being hereby expressly assigned and pledged as additional security for the payment of the Obligations secured by this Mortgage, without regard to the value of the real estate or the solvency of any person or persons liable for the payment of the Obligations. Mortgagor and any subsequent owner hereby waive any and all defenses to the application for a receiver as above and hereby specifically consent to such appointment without notice, but nothing herein contained is to be construed to deprive the Bank of any other right, remedy or privilege the Bank may now have under the law to have a receiver appointed. The provision for the appointment of a receiver of the profits and the assignment of profits is made an express condition upon which the Obligations hereby secured are made.

This Mortgage is upon the **STATUTORY CONDITIONS**, for any breach of which the Bank shall have the **STATUTORY POWER OF SALE**.

In addition, the Bank shall have all other remedies provided by applicable law, including, without limitation, the right to pursue a judicial sale of the Property or any portion thereof by deed, assignment or otherwise.

The Mortgagor agrees and acknowledges that the acceptance by the Bank of any payments from either the Mortgagor or any guarantor after the occurrence of any Event of Default, the exercise by the

Bank of any remedy set forth herein or the commencement, discontinuance or abandonment of foreclosure proceedings against the Property shall not waive the Bank's subsequent or concurrent right to foreclose or operate as a bar or estoppel to the exercise of any other rights or remedies of the Bank. The Mortgagor agrees and acknowledges that the Bank, by making payments or incurring costs described herein, shall be subrogated to any right of the Mortgagor to seek reimbursement from any third parties, including, without limitation, any predecessor in interest to the Mortgagor's title or other party who may be responsible under any law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances.

4.3 Advances. If the Mortgagor fails to pay or perform any of its obligations respecting the Property, the Bank may in its sole discretion do so without waiving or releasing Mortgagor from any such obligation. Any such payments may include, but are not limited to, payments for taxes, assessments and other governmental levies, water rates, insurance premiums, maintenance, repairs or improvements constituting part of the Property. Any amounts paid by the Bank hereunder shall be, until reimbursed by the Mortgagor, part of the Obligations and secured by this Mortgage, and shall be due and payable to the Bank, on demand, together with interest thereon to the extent permitted by applicable law, at the highest rate permitted under any of the notes evidencing the Obligations.

4.4 Cumulative Rights and Remedies. All of the foregoing rights, remedies and options (including without limitation the right to enter and take possession of the Property, the right to manage and operate the same, and the right to collect Rents, in each case whether by a receiver or otherwise) are cumulative and in addition to any rights the Bank might otherwise have, whether at law or by agreement, and may be exercised separately or concurrently and none of which shall be exclusive of any other. The Mortgagor further agrees that the Bank may exercise any or all of its rights or remedies set forth herein without having to pay the Mortgagor any sums for use or occupancy of the Property.

4.5 Mortgagor's Waiver of Certain Rights. To the extent permitted by applicable law, the Mortgagor hereby waives the benefit of all present and future laws (i) providing for any appraisal before sale of all or any portion of the Property or (ii) in any way extending the time for the enforcement of the collection of the Obligations or creating or extending a period of redemption from any sale made hereunder.

#### 5. MISCELLANEOUS

5.1 Costs and Expenses. To the extent permitted by applicable law, the Mortgagor shall pay to the Bank, on demand, all reasonable expenses (including attorneys' fees and expenses and reasonable consulting, accounting, appraisal, brokerage and similar professional fees and charges) incurred by the Bank in connection with the Bank's interpretation, recordation of this Mortgage, exercise, preservation or enforcement of any of its rights, remedies and options set forth in this Mortgage and in connection with any litigation, proceeding or dispute whether arising hereunder or otherwise relating to the Obligations, together with interest thereon to the extent permitted by applicable law, until paid in full by the Mortgagor at the highest rate set forth in any of the notes evidencing the Obligations. Any amounts owed by the Mortgagor hereunder shall be, until paid, part of the Obligations and secured by this Mortgage, and the Bank shall be entitled, to the extent permitted by law, to receive and retain such amounts in any action for a deficiency against or redemption by the Mortgagor, or any accounting for the proceeds of a foreclosure sale or of insurance proceeds.

5.2 Indemnification Regarding Leases. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold the Bank and each of its directors, officers, employees, agents and attorneys (each an "indemnitee") harmless from all losses, damages, claims, costs or expenses (including attorneys' fees and expenses) resulting from the assignment of the Leases and from all demands that may be asserted against such Indemnitees arising from any undertakings on the part of the Bank to perform any obligations under the Leases. It is understood that the assignment of the Leases shall not operate to place responsibility for the control or management of the Property upon the Bank or any Indemnitee or make them liable for performance of any of the obligations of the Mortgagor under Leases, respecting any condition of the Property or any other agreement or arrangement, written or oral, or applicable law.

5.3 Indemnification Regarding Hazardous Substances. The Mortgagor hereby agrees to defend, and does hereby indemnify and hold harmless each indemnitee from and against any and all losses, damages, claims, costs or expenses, including, without limitation, litigation costs and attorneys' fees and expenses and fees or expenses of any environmental engineering or cleanup firm incurred by such Indemnitee and arising out of or in connection with the Property or resulting from the application of any current or future law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances on or affecting the Property. The Mortgagor agrees its obligations hereunder shall be continuous and shall survive termination or discharge of this Mortgage and/or the repayment of all debts to the Bank including repayment of all Obligations.

5.4 Indemnitee's Expenses. If any indemnitee is made a party defendant to any litigation or any claim is threatened or brought against such indemnitee concerning this Mortgage or the Property or any part thereof or therein or concerning the construction, maintenance, operation or the occupancy or use thereof by the Mortgagor or other person or entity, then the Mortgagor shall indemnify, defend and hold each Indemnitee harmless from and against all liability by reason of said litigation or claims, including attorneys' fees and expenses incurred by such Indemnitee in connection with any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. The within indemnification shall survive payment of the Obligations, and/or any termination, release or discharge executed by the Bank in favor of the Mortgagor.

5.5 Waivers. The Mortgagor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Bank in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretion (all of which are hereinafter collectively referred to as "the Bank's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Bank of any default of the Mortgagor hereunder or of any demand shall operate as a waiver of any other default hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Bank, which consent makes explicit reference to this Mortgage. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Bank and the Mortgagor at any time (whether before, during or after the effective date or term of this Mortgage) shall be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under this Mortgage (nor shall anything in this Mortgage be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under any such other agreement or transaction) but all the Bank's rights and remedies not only under the provisions of this Mortgage but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

5.6 Waiver of Homestead. To the maximum extent permitted under applicable law, the Mortgagor hereby waives and terminates any homestead rights and/or exemptions respecting the Property under the provisions of any applicable homestead laws, including without limitation, Chapter 480 of the Revised Statutes Annotated of New Hampshire.

5.7 Joint and Several. If there is more than one Mortgagor, each of them shall be jointly and severally liable for payment and/or performance of all obligations secured by this Mortgage and the term "Mortgagor" shall include each as well as all of them.

5.8 Severability. If any provision of this Mortgage or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Mortgage (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

5.9 Complete Agreement. This Mortgage and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter

hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

5.10 Binding Effect of Agreement. This Mortgage shall run with the land and be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until all Obligations are fully and indefeasibly paid. The Bank may transfer and assign this Mortgage and deliver any collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Mortgage and such collateral. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Mortgage or the other Loan Documents.

5.11 Notices. Any notices under or pursuant to this Mortgage shall be deemed duly received and effective if delivered in hand to any officer or agent of the Mortgagor or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Mortgagor or Bank at the address set forth in this Mortgage or as any party may from time to time designate by written notice to the other party.

5.12 Governing Law. This Mortgage shall be governed by the laws of the State of New Hampshire.

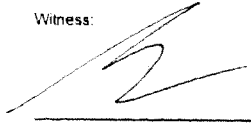
5.13 Reproductions. This Mortgage and all documents which have been or may be hereinafter furnished by the Mortgagor to the Bank may be reproduced by the Bank by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

5.14 Jurisdiction and Venue. The Mortgagor irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in New Hampshire, over any suit, action or proceeding arising out of or relating to this Mortgage. The Mortgagor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum.

5.15 JURY WAIVER. THE MORTGAGOR AND THE BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS MORTGAGE, THE OBLIGATIONS, ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HEREWITH AND (B) AGREE NOT TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CAN NOT BE, OR HAS NOT BEEN WAIVED. THE MORTGAGOR CERTIFIES THAT NEITHER THE BANK NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE BANK WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.

EXECUTED under seal as of the date first above written.

Witness:



Mortgagor:


Sustainable Ales, LLC

By:

  
Peter R. Egelston, Manager

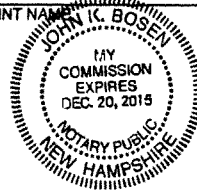
STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM, SS.

The foregoing instrument was acknowledged before me this 3 day of August, 2012, by Peter R. Egelston, Manager of Sustainable Ales, LLC, a New Hampshire Limited Liability Company, on behalf of such Limited Liability Company.

  
NOTARY PUBLIC

MY COMMISSION EXPIRES: \_\_\_\_\_

TYPE OR PRINT NAME



## EXHIBIT A

A certain plot of land with buildings thereon, situated in the Town of Hampton, Rockingham County, New Hampshire, bounded and described as follows:

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein conveyed, said lot being shown as "Proposed Lot 2" on a plan entitled, "S1 - Subdivision Plan, Tax Map 122 - Lot 1 for Smuttynose Brewery, land of Gregory & Jennifer Sancoff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

thence running North 18° 10' 10" West a distance of one hundred sixty one and eighty two hundredths (161.82) feet along land of the grantor to an iron rod set;

thence turning and running North 69° 07' 37" West a distance of two hundred twenty nine and sixty hundredths (229.60) feet along land of the grantor to an iron rod set at land now or formerly of Asset Title Holding, Inc.;

thence turning and running North 00° 18' 20" West a distance of three hundred forty seven and twenty seven hundredths (347.27) feet to a stonewall;

thence turning and running North 80° 12' 50" East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

thence turning and running North 78° 50' 29" East a distance of seven hundred eighty nine and nine hundredths (789.09) feet to a drill hole;

thence turning and running South 26° 34' 44" East a distance of seven hundred seventeen and eleven hundredths (717.11) feet to an iron rod on the northerly side of Towle Farm Road;

thence turning and running South 88° 22' 35" West a distance of one hundred eighty and twenty seven hundredths (180.27) feet along the northerly sideline of Towle Farm Road to a NH highway bound;

thence turning and running along the northerly sideline of Towle Farm Road South 85° 24' 51" West a distance of three hundred eighty and fifty three hundredths (380.53) feet to a NH highway bound; and

thence turning and running South 78° 24' 18" West a distance of three hundred eighty four and ninety three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.

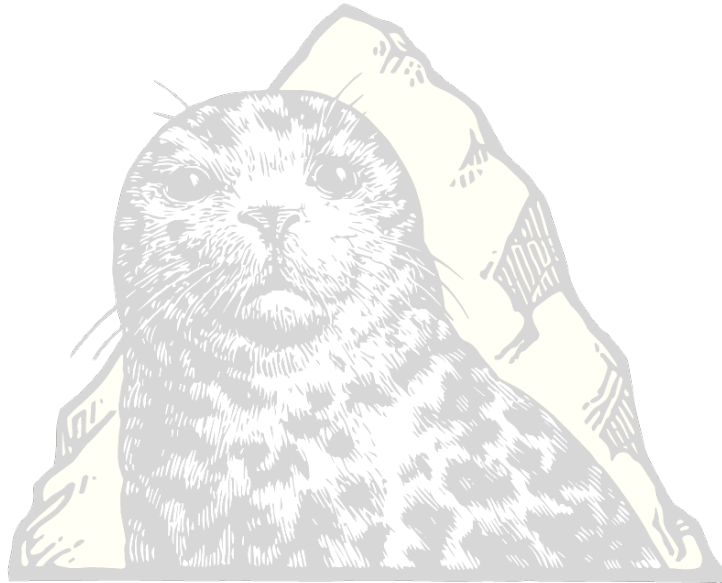
EXHIBIT "B"

Permitted Encumbrances

None



Loan and Security Agreement



**SMUTTYNOSE**  
BREWING COMPANY

COPY



Loan No. 40008240

Loan No. 40008253

## LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT (this "Agreement") entered into at Amesbury, Massachusetts, as of May 11, 2005, between Smuttynose Brewing Company, Inc., a New Hampshire corporation, with its chief executive office located at 225 Heritage Avenue, Portsmouth, New Hampshire 03801 (the "Borrower") and The Provident Bank, a Massachusetts savings bank, with an address of 5 Market Street, P.O. Box 37, Amesbury, Massachusetts 01913 (the "Bank").

FOR VALUE RECEIVED, and in consideration of the granting by the Bank of financial accommodations to or for the benefit of the Borrower, including without limitation respecting the Obligations (as hereinafter defined), the Borrower represents and agrees with the Bank, as of the date hereof and as of the date of each loan, credit and/or other financial accommodation, as follows:

### 1. THE LOANS

- 1.1 Loan(s). Bank agrees, from time to time, in its sole discretion, to make loans (collectively, the "Loans") to or for the account of Borrower, upon Borrower's request therefor, in such amounts as shall be mutually agreed upon, subject to the terms and conditions set forth herein. Loans shall be evidenced by one or more notes issued by the Borrower in favor of the Bank (collectively, and each a "Note"). This Agreement, each Note and any and all other documents, amendments or renewals executed and delivered in connection with any of the foregoing are collectively hereinafter referred to as the "Loan Documents".
- 1.2 Revolving Loans. Bank agrees, in its sole discretion, to make revolving loans (the "Revolving Loans") to or for the account of Borrower, upon Borrower's request therefor, in such amounts as may from time to time be established by Bank, subject to the terms and conditions set forth herein, but in no event in excess of the Borrowing Base, as such term is hereinafter defined and as calculated in a borrowing base certificate in the form of Exhibit A, attached hereto, and delivered to the Bank prior to each advance under the Revolving Loan or as otherwise required by the Bank.
- 1.3 Revolving Loan Account. An account shall be opened on the books of Bank in which account a record will be kept of all Revolving Loans, and all payments thereon and other appropriate debits and credits as provided by this Agreement.
- 1.4 Interest. Interest respecting the Revolving Loans will be charged to Borrower on the principal amount from time to time outstanding at the rate specified in the Revolving Note in accordance with the terms of the Revolving Note. If not specified in the Revolving Note, interest will be charged at the highest rate per annum charged by Bank to Borrower on any other Obligation based on a 360-day year and the actual days elapsed.
- 1.5 Demand and Annual Review. All loans and advances made respecting the Revolving Loans shall be payable to Bank on DEMAND, notwithstanding the inclusion of events of default in this Agreement or in any other Loan Document and whether or not any event of default has occurred under this Agreement or any of the Loan Documents. Notwithstanding that all loans and advances made by Bank to Borrower under or pursuant to this Agreement respecting the Revolving Loans shall be due and payable ON DEMAND, the Bank's agreement to advance funds respecting the Revolving Loans shall be subject to annual review; and there shall be no further advances respecting the Revolving Loans unless the Bank, in its sole discretion, determines that it shall continue to make advances after any such annual review; provided, that notwithstanding such annual review as provided in this paragraph, all loans and advances made shall be due and payable ON DEMAND.
- 1.6 Overadvances. Any Revolving Loans that may be made, at the Bank's sole discretion, in excess of the Revolving Loan Amount shall not affect the obligations of Borrower or any of the Bank's rights or remedies hereunder or under the Loan Documents or otherwise; all such Revolving Loans shall be secured by the Collateral, as hereinafter defined, and shall be due and payable to the Bank in accordance with the terms of the Revolving Note, and shall bear interest at the rate set forth in the Revolving Note. All checks or other items paid by Bank which cause an overdraft in any deposit account maintained by Borrower with Bank shall, at the option of the Bank, constitute an advance to Borrower pursuant to this Agreement respecting the Revolving Loans, repayable on demand, and shall be secured by all Collateral.
- 1.7 Authorized Persons: Advances. Any person duly authorized by a general borrowing resolution of the Borrower, or in the absence of such a resolution, the President, Treasurer or any Vice President of the Borrower, or any person otherwise authorized in this paragraph, may request discretionary loans hereunder, either orally or otherwise, but the Bank at its option may require that all requests for loans hereunder shall be in writing. The Bank shall incur no liability to the Borrower in acting upon any request referred to herein which the Bank believes in good faith to have been made by an authorized person or persons. Each loan hereunder may be credited by Bank to any deposit account of Borrower with Bank or with any other bank with which Borrower maintains a deposit account, or may be paid to Borrower (or as Borrower instructs) or may be applied to any Obligations, as Bank may in each instance elect.

1.8 Monthly Statement. At the option of the Bank, after the end of each month, Bank will render to Borrower a statement of the Revolving Loan account, showing all applicable credits and debits. Each statement shall be considered correct and to have been accepted by Borrower and shall be conclusively binding upon Borrower in respect of all charges, debits and credits of whatsoever nature contained therein respecting the Revolving Loans, and the closing balance shown therein, unless Borrower notifies Bank in writing of any discrepancy within twenty (20) days from the mailing by Bank to Borrower of any such monthly statement.

## 2. GRANT OF SECURITY INTEREST

2.1 Grant of Security Interest. In consideration of the Bank's extending credit and other financial accommodations to or for the benefit of the Borrower, the Borrower hereby grants to the Bank a security interest in, a lien on and pledge and assignment of the Collateral (as hereinafter defined). The security interest granted by this Agreement is given to and shall be held by the Bank as security for the payment and performance of all Obligations, including, without limitation, all amounts outstanding pursuant to the Loan Documents.

2.2 Definitions. The following definitions shall apply:

- (a) "Accounts Receivable" shall mean all Borrower's accounts, accounts receivable, instruments, documents, chattel paper, payment intangibles and all other debts, obligations and liabilities in whatever form owing to Borrower from any Person (as hereinafter defined) for goods sold by it or for services rendered by it, or however otherwise established or created, all supporting obligations with respect thereto, all right, title and interest of Borrower in the goods or services which gave rise thereto, including rights to reclamation and stoppage in transit and all rights of any unpaid seller of goods or services; whether any of the foregoing be now existing or hereafter arising, now or hereafter received by or owing or belonging to Borrower.
- (b) "Borrowing Base" shall mean an amount not to exceed the following as shown on Bank's records at any time and as reported by the Borrower at the time of each loan request and, at least monthly in a Borrowing Base Certificate as required by this Agreement:
  - (i) 75% of the unpaid face amount of all Eligible Accounts (as hereinafter defined) of Smuttynose Brewing Company, Inc. not more than 60 days from the date of invoice for which invoices have been issued and are payable less fifty percent (50%) of the outstanding balance of the term loan.
- (c) "Code" shall mean the New Hampshire Uniform Commercial Code (RSA, Chapter 382-A) as amended from time to time.
- (d) "Collateral" shall mean (1) a purchase money security interest in the equipment being purchased listed on Addendum A attached hereto, (2) a first priority lien on all Accounts Receivable of the Borrower, and (3) a junior priority lien in all the Borrower's present and future right, title and interest in and to any and all of the personal property of Borrower, whether such property is now existing or hereafter created, acquired or arising and wherever located from time to time, including without limitation: (i) accounts; (ii) chattel paper; (iii) goods; (iv) inventory; (v) equipment; (vi) farm products; (vii) instruments; (viii) investment property; (ix) documents; (x) commercial tort claims; (xi) deposit accounts; (xii) letter-of-credit rights; (xiii) general intangibles; (xiv) supporting obligations; and (xv) proceeds and products.
- (e) "Debtors" shall mean the Borrower's customers who are indebted to the Borrower.
- (f) "Eligible Account" shall mean an Account Receivable which initially and at all times until collected in full:
  - (i) arose in the ordinary course of business from the domestic performance of services or the outright sale of goods; such services have been performed or such goods have been shipped to the account debtor; and in the case of goods, Borrower has possession of or has delivered to Bank shipping and delivery receipts evidencing shipment;
  - (ii) is not owed by an account debtor who is a supplier, employee or parent, subsidiary or other affiliate of Borrower;
  - (iii) is not evidenced by a promissory note or other instrument, is subject to a first priority perfected security interest in favor of Bank, is not subject to any other lien or other encumbrance and has not been sold or factored;
  - (iv) is not owed by an account debtor whose principal place of business is located outside of the United States of America; provided, however, that such account may constitute an Eligible Account if it is payable in US Dollars and (i) if foreign credit insurance (satisfactory to Bank in all respects) is obtained for such account listing the Bank as an additional insured, or (ii) if it is supported by letter(s) of credit, in form and substance satisfactory to the Bank, issued to Borrower by financial institution(s) acceptable to Bank, assigned by Borrower to the Bank and the original of which has been delivered to the Bank;
  - (v) is a non-contingent obligation that is not subject to set-off, credit, defense, warranty claim, allowance or adjustment by the account debtor except normal discount allowed in the ordinary course for prompt payment, and such account debtor has not complained as to its liability thereon nor returned any of the subject goods;
  - (vi) did not arise out of any sale with respect to which goods are placed on consignment, guaranteed sale, sale or return, sale on approval, bill and hold, or other terms making the payment by the account debtor conditional;
  - (vii) did not arise out of any sale made on an advanced billing, bill and hold, dating or delayed shipment basis;
  - (viii) did not arise out of any sale respecting which the Borrower's obligations have been bonded or to the extent such sale is subject to any retainage requirement;
  - (ix) is owed by an account debtor as to which Borrower has received no notice and has no knowledge of bankruptcy, insolvency or other facts which make collection doubtful, and has not been turned over to a collection agency or attorney;

- (x) respecting which the account debtor is not located in any state denying creditors access to its courts in the absence of such creditor's qualification to conduct business as a foreign corporation in such state or complying with other filing or reporting requirements, unless Borrower has made all legally required filings and reports, obtained any necessary authorizations or certificates to do business, and paid any applicable taxes and/or fees to the applicable state agency in such state;
- (xi) if owed by the United States of America, has upon Bank's request therefor, been properly assigned to the Bank pursuant to the Federal Assignment of Claims Act, and is not subject to any right of offset or other claims; and
- (xii) has not been designated by Bank in its reasonable discretion as unacceptable for any reason by notice to Borrower setting forth the reason for such designation.
- (g) "Obligation(s)" shall mean, without limitation, all loans, advances, indebtedness, notes, liabilities and amounts, liquidated or unliquidated, owing by the Borrower to the Bank at any time, of each and every kind, nature and description, whether arising under this Agreement or otherwise, and whether secured or unsecured, direct or indirect (that is, whether the same are due directly by the Borrower to the Bank; or are due indirectly by the Borrower to the Bank as endorser, guarantor or other surety, or as borrower of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due, now existing or hereafter arising or contracted, including, without limitation, payment when due of all amounts outstanding respecting any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Borrower or due from the Borrower to the Bank from time to time and all costs and expenses referred to in this Agreement.
- (h) "Person" or "party" shall mean individuals, partnerships, corporations, limited liability companies and all other entities.

All words and terms used in this Agreement other than those specifically defined herein shall have the meanings accorded to them in the Code.

2.3 Ordinary Course of Business. The Bank hereby authorizes and permits the Borrower to hold, process, sell, use or consume in the manufacture or processing of finished goods, or otherwise dispose of inventory for fair consideration, all in the ordinary course of the Borrower's business, excluding, without limitation, sales to creditors or in bulk or sales or other dispositions occurring under circumstances which would or could create any lien or interest adverse to the Bank's security interest or other right hereunder in the proceeds resulting therefrom. The Bank also hereby authorizes and permits the Borrower to receive from the Debtors all amounts due as proceeds of the Collateral at the Borrower's own cost and expense, and also liability, if any, subject to the direction and control of the Bank at all times; and the Bank may at any time, without cause or notice, and whether or not a default has occurred or demand has been made, terminate all or any part of the authority and permission herein or elsewhere in this Agreement granted to the Borrower with reference to the Collateral, and notify Debtors to make all payments due as proceeds of the Collateral to the Bank. Until Bank shall otherwise notify Borrower, all proceeds of and collections of Collateral shall be retained by Borrower and used solely for the ordinary and usual operation of Borrower's business. From and after notice by Bank to Borrower, all proceeds of and collections of the Collateral shall be held in trust by Borrower for Bank and shall not be commingled with Borrower's other funds or deposited in any bank account of Borrower; and Borrower agrees to deliver to Bank on the dates of receipt thereof by Borrower, duly endorsed to Bank or to bearer, or assigned to Bank, as may be appropriate, all proceeds of the Collateral in the identical form received by Borrower.

2.4 Allowances. The Borrower may grant such allowances or other adjustments to Debtors (exclusive of extending the time for payment of any item which shall not be done without first obtaining the Bank's written consent in each instance) as the Borrower may reasonably deem to accord with sound business practice, including, without limiting the generality of the foregoing, accepting the return of all or any part of the inventory (subject to the provisions set forth in this Agreement with reference to returned inventory).

2.5 Inspection. The Bank, or its representatives, at any time and from time to time, shall have the right at the sole cost and expense of Borrower, and the Borrower will permit the Bank and/or its representatives: (a) to examine, check, make copies of or extracts from any of the Borrower's books, records and files (including, without limitation, orders and original correspondence); (b) to perform field exams or otherwise inspect and examine the Collateral and to check, test or appraise the same as to quality, quantity, value and condition; and (c) to verify the Collateral or any portion or portions thereof or the Borrower's compliance with the provisions of this Agreement.

2.6 Purchase Money Security Interests. To the extent Borrower uses proceeds of any loans to purchase Collateral, the repayment of such loans shall be on a "first-in-first-out" basis so that the portion of the loan used to purchase a particular item of Collateral shall be repaid in the order in which Borrower purchased such item of Collateral.

2.7 Search Reports. Bank shall receive prior to the date of this Agreement UCC search results under all names used by the Borrower during the prior five (5) years, from each jurisdiction where any Collateral is located, from the State, if any, where Borrower is organized and registered (as such terms are used in the Code), and the State where Borrower's chief executive office is located. The search results shall confirm that the security interest in the Collateral granted Bank hereunder is prior to all other security interests in favor of any other Person.

### 3. REPRESENTATIONS AND WARRANTIES

3.1 Organization and Qualification. Borrower is a duly organized and validly existing corporation under the laws of the State of its incorporation with the exact legal name set forth in the first paragraph of this Agreement. Borrower is in good standing under the laws of said State, has the power to own its property and conduct its business as now conducted and as currently proposed to be conducted, and is duly qualified to do business under the laws of each state where the nature of the business done or property owned requires such qualification.

3.2 Subsidiaries. Borrower has no subsidiaries other than those listed on Schedule 3.2, if any, and the Borrower has never consolidated, merged or acquired substantially all of the assets of any other entity or person other than those listed on Schedule 3.2, if any.

3.3 Corporate Records. Borrower's corporate charter, articles of organization or incorporation and all amendments thereto have been duly filed and are in proper order. All outstanding capital stock issued by the Borrower was and is properly issued and all books and records of the Borrower, including but not limited to its minute books, bylaws and books of account, are accurate and up to date and will be so maintained.

3.4 Title to Properties; Absence of Liens. Borrower has good and clear record and marketable title to all of its properties and assets, and all of its properties and assets including the Collateral are free and clear of all mortgages, liens, pledges, charges, encumbrances and setoffs, other than the security interest therein granted to the Bank hereby and (a) the mortgages, deeds of trust and security interests as set forth on Schedule 3.4, if any, and (b) the leases of personal property as set forth on Schedule 3.4, if any.

3.5 Places of Business. Borrower's chief executive office is correctly stated in the preamble to this Agreement, and Borrower shall, during the term of this Agreement, keep the Bank currently and accurately informed in writing of each of its other places of business, and shall not change the location of such chief executive office or open or close, move or change any existing or new place of business without giving the Bank at least thirty (30) days prior written notice thereof.

3.6 Valid Obligations. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary corporate action and each represents a legal, valid and binding obligation of Borrower and is fully enforceable according to its terms, except as limited by laws relating to the enforcement of creditors' rights.

3.7 Financial Statements. The Borrower has furnished to the Bank the following Financial Statements (the "Financial Statements"): balance sheet as of **December 31, 2004**, and statement of profit and loss for the period ending **December 31, 2004**. The balance sheet fairly presents the condition of the Borrower at the date thereof and the statement of profit and loss fairly presents the results of the operations of the Borrower for the period indicated, all in conformity with generally accepted accounting principles, consistently applied.

3.8 Changes. Since the date of the Financial Statements, there have been no changes in the assets, liabilities, financial condition or business of the Borrower, other than changes in the ordinary course of business, the effect of which have, in the aggregate, been materially adverse.

#### 4. AFFIRMATIVE COVENANTS

4.1 Financial Statements. Borrower will furnish to Bank:

- (a) as soon as available to Borrower, but in any event within 30 days after the close of each quarterly period of its fiscal year, a full and complete signed copy of financial statements, which shall include a balance sheet of the Borrower, as at the end of such quarter, and statement of profit and loss of the Borrower reflecting the results of its operations during such quarter and shall be prepared by the Borrower and certified by Borrower's chief financial officer as to correctness in accordance with generally accepted accounting principles, consistently applied, subject to year-end adjustments;
- (b) as soon as available to Borrower, but in any event within 120 days after the close of each fiscal year, a full and complete signed copy of financial statements, prepared by certified public accountants acceptable to Bank, which shall include a balance sheet of the Borrower, as at the end of such year, statement of cash flows and statement of profit and loss of the Borrower reflecting the results of its operations during such year, bearing the opinion of such certified public accountants and prepared on an audited basis in accordance with generally accepted accounting principles, consistently applied together with any so-called management letter;
- (c) within 30 days after the close of each quarterly fiscal period of Borrower, an Accounts Receivable aging report in form satisfactory to Bank showing the total amount due from each account debtor, the month in which each Account Receivable was created, as well as such other information as Bank shall request;
- (d) Borrower's filed Federal tax returns, including all schedules thereto, for the prior year within 120 days of the end of Borrower's Fiscal Year each such year or by such other date approved by the Bank;
- (e) within 120 days after end of each fiscal year Borrower shall deliver The Borrower shall provide the Bank with the additional financial reporting to include the Management prepared financial statements and Federal Income Tax Return of 50-52 Market Street Realty Trust;
- (f) from time to time, such financial data and information about Borrower as Bank may reasonably request; and
- (g) any financial data and information about any guarantors of the Obligations as Bank may reasonably request.

4.2 Financial Statements of Portsmouth Brewery, Inc. Borrower will cause Portsmouth Brewery, Inc. to furnish to Bank:

- (a) as soon as available to Portsmouth Brewery, Inc., but in any event within 120 days after the close of each fiscal year, a full and complete signed copy of financial statements, prepared by certified public accountants acceptable to Bank, which shall include a balance sheet of Portsmouth Brewery, Inc., as at the end of such year, statement of cash flows and statement of profit and loss of Portsmouth Brewery, Inc. reflecting the results of Portsmouth Brewery, Inc.'s operations during such year, bearing the opinion of such certified public accountants and prepared on an audited basis in accordance with generally accepted accounting principles, consistently applied together with any so-called management letter;
- (b) as soon as available to Portsmouth Brewery, Inc., but in any event within 30 days after the close of each quarterly period of Portsmouth Brewery, Inc.'s fiscal year, a full and complete signed copy of financial statements, which shall include a

balance sheet of Portsmouth Brewery, Inc., as at the end of such quarter, and statement of profit and loss of Portsmouth Brewery, Inc. reflecting the results of Portsmouth Brewery, Inc.'s operations during such quarter and shall be prepared by such party and certified by such party's chief financial officer as to correctness in accordance with generally accepted accounting principles, consistently applied, subject to year-end adjustments;

- (c) Portsmouth Brewery, Inc.'s filed Federal tax returns, including all schedules thereto, for the prior year within 120 days of the end of such party's Fiscal Year each such year or by such other date approved by the Bank; and
- (d) from time to time, such financial data and information about Portsmouth Brewery, Inc. as Bank may reasonably request.

4.3 Financial Statements of Peter R. Egelston. Borrower will cause Peter R. Egelston to furnish to Bank:

- (a) as soon as available to Peter R. Egelston, but in any event within 120 days of the end of Borrower's Fiscal Year in any year and upon request therefor, with personal financial statements addressed to the Bank in form satisfactory to the Bank;
- (b) Peter R. Egelston's filed Federal tax returns, including all schedules thereto, for the prior year within 120 days of the end of such party's Fiscal Year each such year or by such other date approved by the Bank; and
- (c) from time to time, such financial data and information about Peter R. Egelston as Bank may reasonably request.

4.4 Overdue Financial Reporting. Notwithstanding anything to the contrary in any of the Loan Documents, in the event the Borrower fails to deliver when due any financial reports required to be delivered under this Agreement, the Borrower shall pay to the Bank, in addition to all amounts otherwise due under the Loan Documents, a financial reporting late fee equal to 2% of all amounts otherwise due and payable under the Loan Documents until such time Borrower has delivered all such delinquent reports. Notwithstanding the payment of any late fees under this paragraph, the failure to deliver when due any financial reports required to be delivered under this Agreement shall constitute an Event of Default under this Agreement.

4.5 Operating and Deposit Accounts. The Borrower shall maintain with the Bank its primary operating and deposit accounts. At the option of the Bank, all loan payments and fees will automatically be debited from the Borrower's primary operating account and all advances will automatically be credited to the Borrower's primary operating account.

4.6 Insurance. Borrower will maintain in force property and casualty insurance on all Collateral and any other property of the Borrower, if any, against risks customarily insured against by companies engaged in businesses similar to that of the Borrower containing such terms and written by such companies as may be satisfactory to the Bank, such insurance to be payable to the Bank as its interest may appear in the event of loss and to name the Bank as insured pursuant to a standard loss payee clause; no loss shall be adjusted thereunder without the Bank's approval; and all such policies shall provide that they may not be canceled without first giving at least Thirty (30) days written notice of cancellation to the Bank. In the event that the Borrower fails to provide evidence of such insurance, the Bank may, at its option, secure such insurance and charge the cost thereof to the Borrower. At the option of the Bank, all insurance proceeds received from any loss or damage to any of the Collateral shall be applied either to the replacement or repair thereof or as a payment on account of the Obligations. From and after the occurrence of an Event of Default, the Bank is authorized to cancel any insurance maintained hereunder and apply any returned or unearned premiums, all of which are hereby assigned to the Bank, as a payment on account of the Obligations.

## 5. NEGATIVE COVENANTS

5.1 Financial Covenants. The Borrower will not at any time or during any fiscal period (as applicable) fail to be in compliance with any of the financial covenants in this section.

- (a) Debt Service Covenant. The Bank will require minimum debt service coverage of 1.20x to be tested annually on the combined results of Smuttynose Brewing Co., Inc., Portsmouth Brewery, Inc., and 50-52 Market Street Realty Trust based on tax returns as follows:

[Net Income + depreciation expense + interest expense – dividends, distributions, and/or draws +/- changes in related party accounts with additions not to exceed officer salary] divided by [Total annual debt service requirement of Borrower and related entities, which shall include interest on the line of credit based on an assumption of average line usage of 50% or the line outstanding for the year, or actual interest paid on the line of credit, whichever is greater].

5.2 Limitations on Indebtedness. Borrower shall not issue any evidence of indebtedness or create, assume, guarantee, become contingently liable for, or suffer to exist indebtedness in addition to indebtedness to the Bank, except indebtedness or liabilities of Borrower, other than for money borrowed, incurred or arising in the ordinary course of business.

5.3 Sale of Interest. There shall not be any sale or transfer of ownership of any interest in the Borrower without the Bank's prior written consent.

5.4 Loans or Advances. Borrower shall not make any loans or advances to any individual, firm or corporation, including without limitation its officers and employees; provided, however, that Borrower may make advances to its employees, including its officers, with respect to expenses incurred or to be incurred by such employees in the ordinary course of business which expenses are reimbursable by Borrower; and provided further, however, that Borrower may extend credit in the ordinary course of business in accordance with customary trade practices.

5.5 Dividends and Distributions. Borrower shall not, without prior written consent of the Bank, pay any dividends on or make any distribution on account of any class of Borrower's capital stock in cash or in property (other than additional shares of such stock), or redeem, purchase or otherwise acquire, directly or indirectly, any of such stock, except, so long as Borrower is not in default hereunder, if Borrower is a Subchapter S corporation, under the regulations of the Internal Revenue Service of the United States, distributions to

the Shareholders of Borrower in such amounts as are necessary to pay the tax liability of such Shareholders due as a result of such Shareholders' interest in the Borrower.

5.6 Investments. The Borrower shall not make investments in, or advances to, any individual, partnership, corporation, limited liability company, trust or other organization or person. The Borrower will not purchase or otherwise invest in or hold securities, nonoperating real estate or other nonoperating assets or purchase all or substantially all the assets of any entity.

5.7 Merger. Borrower will not merge or consolidate or be merged or consolidated with or into any other entity.

5.8 Capital Expenditures. The Borrower shall not, directly or indirectly, make or commit to make capital expenditures by lease, purchase, or otherwise, except in the ordinary and usual course of business for the purpose of replacing machinery, equipment or other personal property which, as a consequence of wear, duplication or obsolescence, is no longer used or necessary in the Borrower's business.

5.9 Sale of Assets. Borrower shall not sell, lease or otherwise dispose of any of its assets, except in the ordinary and usual course of business and except for the purpose of replacing machinery, equipment or other personal property which, as a consequence of wear, duplication or obsolescence, is no longer used or necessary in the Borrower's business, provided that fair consideration is received therefor; provided, however, in no event shall the Borrower sell, lease or otherwise dispose of any equipment purchased with the proceeds of any loans made by the Bank.

5.10 Restriction on Liens. Borrower shall not grant any security interest in, or mortgage of, any of its properties or assets including the Collateral. Borrower shall not agree with any person other than the Bank to not grant any security interest in, or mortgage of, any of its properties or assets including the Collateral.

5.11 Other Business. Borrower shall not engage in any business other than the business in which it is currently engaged or a business reasonably allied thereto.

5.12 Change of Name. Borrower shall not change its legal name or the State of its organization, without giving the Bank at least 30 days prior written notice thereof.

## 6. DEFAULT

6.1 Default. "Event of Default" shall mean the occurrence of one or more of any of the following events: (a) default of any liability, obligation or undertaking of the Borrower or any guarantor of the Obligations to the Bank, hereunder or otherwise, including, without limitation, failure to pay in full and when due any installment of principal or interest or default of the Borrower or any guarantor of the Obligations under any other Loan Document or any other agreement with the Bank continuing for 10 days with respect to the payment of money or continuing for 30 days with respect to any other default; (b) failure of the Borrower or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Bank continuing for 30 days; (c) default of any material liability, obligation or undertaking of the Borrower or any guarantor of the Obligations to any other party continuing for 30 days; (d) if any statement, representation or warranty heretofore, now or hereafter made by the Borrower or any guarantor of the Obligations in connection with this Agreement or in any supporting financial statement of the Borrower or any guarantor of the Obligations shall be determined by the Bank to have been false in any material respect when made; (e) if the Borrower or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property; (f) the death of the Borrower or any guarantor of the Obligations and, if the Borrower or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member; (g) the institution by or against the Borrower or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Borrower or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Borrower or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Borrower or any guarantor of the Obligations of a trust mortgage for the benefit of creditors; (h) the service upon the Bank of a writ in which the Bank is named as trustee of the Borrower or any guarantor of the Obligations; (i) a judgement or judgements for the payment of money shall be rendered against the Borrower or any guarantor of the Obligations, and any such judgement shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution; (j) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Borrower or any guarantor of the Obligations; (k) the termination or revocation of any guaranty of the Obligations; or (l) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Borrower or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Borrower or any guarantor of the Obligations to the Bank has been or may be impaired.

6.2 Acceleration. If an Event of Default shall occur, at the election of the Bank, all Obligations shall become immediately due and payable without notice or demand, except with respect to Obligations payable on DEMAND, which shall be due and payable on DEMAND, whether or not an Event of Default has occurred.

The Bank is hereby authorized, at its election, after an Event of Default or after Demand, without any further demand or notice except to such extent as notice may be required by applicable law, to take possession and/or sell or otherwise dispose of all or any of the Collateral at public or private sale; and the Bank may also exercise any and all other rights and remedies of a secured party under the Code or which are otherwise accorded to it in equity or at law, all as Bank may determine, and such exercise of rights in compliance with the requirements of law will not be considered adversely to affect the commercial reasonableness of any sale or other disposition of the Collateral. If notice of a sale or other action by the Bank is required by applicable law, unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Borrower agrees that ten (10) days written notice to the Borrower, or the shortest period of written notice permitted by such law, whichever is smaller, shall be sufficient notice; and that to the extent permitted by law, the Bank, its officers, attorneys and agents may bid and become purchasers at any such

sale, if public, and may purchase at any private sale any of the Collateral that is of a type customarily sold on a recognized market or which is the subject of widely distributed standard price quotations. Any sale (public or private) shall be without warranty and free from any right of redemption, which the Borrower shall waive and release after default upon the Bank's request therefor, and may be free of any warranties as to the Collateral if Bank shall so decide. No purchaser at any sale (public or private) shall be responsible for the application of the purchase money. Any balance of the net proceeds of sale remaining after paying all Obligations of the Borrower to the Bank shall be returned to such other party as may be legally entitled thereto; and if there is a deficiency, the Borrower shall be responsible for repayment of the same, with interest. Upon demand by the Bank, the Borrower shall assemble the Collateral and make it available to the Bank at a place designated by the Bank which is reasonably convenient to the Bank and the Borrower. The Borrower hereby acknowledges that the Bank has extended credit and other financial accommodations to the Borrower upon reliance of the Borrower's granting the Bank the rights and remedies contained in this Agreement including without limitation the right to take immediate possession of the Collateral upon the occurrence of an Event of Default or after DEMAND with respect to Obligations payable on DEMAND and the Borrower hereby acknowledges that the Bank is entitled to equitable and injunctive relief to enforce any of its rights and remedies hereunder or under the Code and the Borrower hereby waives any defense to such equitable or injunctive relief based upon any allegation of the absence of irreparable harm to the Bank.

The Bank shall not be required to marshal any present or future security for (including but not limited to this Agreement and the Collateral subject to the security interest created hereby), or guarantees of, the Obligations or any of them, or to resort to such security or guarantees in any particular order; and all of its rights hereunder and in respect of such securities and guarantees shall be cumulative and in addition to all other rights, however existing or arising. To the extent that it lawfully may, Borrower hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Bank's rights under this Agreement or under any other instrument evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or guaranteed, and to the extent that it lawfully may do so, Borrower hereby irrevocably waives the benefits of all such laws. Except as required by applicable law, the Bank shall have no duty as to the collection or protection of the Collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto beyond the safe custody thereof.

6.3 Power of Attorney. The Borrower hereby irrevocably constitutes and appoints the Bank as the Borrower's true and lawful attorney, with full power of substitution, at the sole cost and expense of the Borrower but for the sole benefit of the Bank, upon the occurrence of an Event of Default or after DEMAND with respect to Obligations payable on DEMAND, to convert the Collateral into cash, including, without limitation, completing the manufacture or processing of work in process, and the sale (either public or private) of all or any portion or portions of the inventory and other Collateral; to enforce collection of the Collateral, either in its own name or in the name of the Borrower, including, without limitation, executing releases or waivers, compromising or settling with any Debtors and prosecuting, defending, compromising or releasing any action relating to the Collateral; to receive, open and dispose of all mail addressed to the Borrower and to take therefrom any remittances or proceeds of Collateral in which the Bank has a security interest; to notify Post Office authorities to change the address for delivery of mail addressed to the Borrower to such address as the Bank shall designate; to endorse the name of the Borrower in favor of the Bank upon any and all checks, drafts, money orders, notes, acceptances or other instruments of the same or different nature; to sign and endorse the name of the Borrower on and to receive as secured party any of the Collateral, any invoices, freight or express receipts, or bills of lading, storage receipts, warehouse receipts, or other documents of title of the same or different nature relating to the Collateral; to sign the name of the Borrower on any notice of the Debtors or on verification of the Collateral; and to sign, if necessary, and file or record on behalf of the Borrower any financing or other statement in order to perfect or protect the Bank's security interest. The Bank shall not be obliged to do any of the acts or exercise any of the powers hereinabove authorized, but if the Bank elects to do any such act or exercise any such power, it shall not be accountable for more than it actually receives as a result of such exercise of power, and it shall not be responsible to the Borrower except for its own gross negligence or willful misconduct. All powers conferred upon the Bank by this Agreement, being coupled with an interest, shall be irrevocable so long as any Obligation of the Borrower or any guarantor or surety to the Bank shall remain unpaid or the Bank is obligated under this Agreement to extend any credit to the Borrower.

6.4 Nonexclusive Remedies. All of the Bank's rights and remedies not only under the provisions of this Agreement but also under any other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

## 7. MISCELLANEOUS

7.1 Waivers. The Borrower waives notice of intent to accelerate, notice of acceleration, notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations, and all other notices, consents to any renewals or extensions of time of payment thereof, and generally waives any and all suretyship defenses and defenses in the nature thereof.

7.2 Waiver of Homestead. To the maximum extent permitted under applicable law, the Borrower hereby waives and terminates any homestead rights and/or exemptions respecting any of its property under the provisions of any applicable homestead laws, including without limitation, Chapter 480 of the Revised Statutes Annotated of New Hampshire.

7.3 Severability. If any provision of this Agreement or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Agreement (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

7.4 Deposit Collateral. The Borrower hereby grants to the Bank a continuing lien and security interest in any and all deposits or other sums at any time credited by or due from the Bank (or any of its banking or lending affiliates, or any bank acting as a participant under any loan arrangement between the Bank and the Borrower, or any third party acting on the Bank's behalf (collectively, the "Bank Affiliates")) to the Borrower and any cash, securities, instruments or other property of the Borrower in the possession of the Bank or any Bank Affiliate, whether for safekeeping or otherwise, or in transit to or from the Bank or any Bank Affiliate (regardless of the reason the



Bank or Bank Affiliate had received the same or whether the Bank or Bank Affiliate has conditionally released the same) as security for the full and punctual payment and performance of all of the liabilities and obligations of the Borrower to the Bank or any Bank Affiliate and such deposits and other sums may be applied or set off against such liabilities and obligations of the Borrower to the Bank or any Bank Affiliate at any time, whether or not such are then due, whether or not demand has been made and whether or not other collateral is then available to the Bank or any Bank Affiliate.

7.5 Costs and Expenses. The Borrower shall pay to the Bank on demand any and all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements, court costs, litigation and other expenses) incurred or paid by the Bank in establishing, maintaining, protecting or enforcing any of the Bank's rights or the Obligations, including, without limitation, any and all such costs and expenses incurred or paid by the Bank in defending the Bank's security interest in, title or right to the Collateral or in collecting or attempting to collect or enforcing or attempting to enforce payment of the Obligations.

7.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one agreement.

7.7 Complete Agreement. This Agreement and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

7.8 Binding Effect of Agreement. This Agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until terminated as to future transactions by written notice from either party to the other party of the termination hereof; provided that any such termination shall not release or affect any Collateral in which the Bank already has a security interest or any Obligations incurred or rights accrued hereunder prior to the effective date of such notice (as hereinafter defined) of such termination. Notwithstanding any such termination, the Bank shall have a security interest in all Collateral to secure the payment and performance of Obligations arising after such termination as a result of commitments or undertakings made or entered into by the Bank prior to such termination. The Bank may transfer and assign this Agreement and deliver the Collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Agreement and the Collateral. The Borrower may not assign or transfer any of its rights or obligations under this Agreement. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

7.9 Further Assurances. Borrower will from time to time execute and deliver to Bank such documents, and take or cause to be taken, all such other or further action, as Bank may request in order to effect and confirm or vest more securely in Bank all rights contemplated by this Agreement and the other Loan Documents (including, without limitation, to correct clerical errors) or to vest more fully in or assure to the Bank the security interest in the Collateral granted to the Bank by this Agreement or to comply with applicable statute or law and to facilitate the collection of the Collateral (including, without limitation, the execution of stock transfer orders and stock powers, endorsement of promissory notes and instruments and notifications to obligors on the Collateral). To the extent permitted by applicable law, Borrower authorizes Bank to file financing statements, continuation statements or amendments without Borrower's signature appearing thereon, and any such financing statements, continuation statements or amendments may be signed by Bank on behalf of Borrower, if necessary, and may be filed at any time in any jurisdiction. Bank may at any time and from time to time file financing statements, continuation statements and amendments thereto which contain any information required by the Code for the sufficiency or filing office acceptance of any financing statement, continuation statement or amendment, including whether Borrower is an organization, the type of organization and any organization identification number issued to Borrower. Borrower agrees to furnish any such information to Bank promptly upon request. In addition, Borrower shall at any time and from time to time take such steps as Bank may reasonably request for Bank (i) to obtain an acknowledgement, in form and substance satisfactory to Bank, of any bailee having possession of any of the Collateral that the bailee holds such Collateral for Bank, (ii) to obtain "control" (as defined in the Code) of any Collateral comprised of deposit accounts, electronic chattel paper, letter of credit rights or investment property, with any agreements establishing control to be in form and substance satisfactory to Bank, and (iii) otherwise to insure the continued perfection and priority of Bank's security interest in any of the Collateral and the preservation of its rights therein. Borrower hereby constitutes Bank its attorney-in-fact to execute, if necessary, and file all filings required or so requested for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; and such power, being coupled with an interest, shall be irrevocable until this Agreement terminates in accordance with its terms, all Obligations are paid in full and the Collateral is released.

7.10 Amendments and Waivers. This Agreement may be amended and Borrower may take any action herein prohibited, or omit to perform any act herein required to be performed by it, if Borrower shall obtain the Bank's prior written consent to each such amendment, action or omission to act. No course of dealing and no delay or omission on the part of Bank in exercising any right hereunder shall operate as a waiver of such right or any other right and waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy of Bank on any future occasion.

7.11 Terms of Agreement. This Agreement shall continue in full force and effect so long as any Obligations or obligation of Borrower to Bank shall be outstanding, or the Bank shall have any obligation to extend any financial accommodation hereunder, and is supplementary to each and every other agreement between Borrower and Bank and shall not be so construed as to limit or otherwise derogate from any of the rights or remedies of Bank or any of the liabilities, obligations or undertakings of Borrower under any such agreement, nor shall any contemporaneous or subsequent agreement between Borrower and the Bank be construed to limit or otherwise derogate from any of the rights or remedies of Bank or any of the liabilities, obligations or undertakings of Borrower hereunder, unless such other agreement specifically refers to this Agreement and expressly so provides.

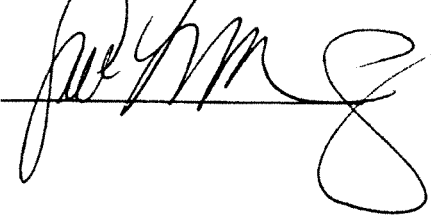
7.12 Notices. Any notice under or pursuant to this Agreement shall be a signed writing or other authenticated record (within the meaning of Article 9 of the Code). Any such notice shall be deemed duly received and effective (i) if delivered in hand to, or received by, any officer or agent of the Borrower or the Bank, upon such delivery or receipt, or (ii) if mailed by registered or certified mail, return receipt requested, postage prepaid, and properly addressed to the Borrower or the Bank, two (2) business days after being so mailed. A party's proper address is that set forth for such party in this Agreement or such address as that party may from time to time hereafter designate by notice to the other party.

7.13 Governing Law. This Agreement shall take effect as a sealed instrument and has been executed or completed and/or is to be performed in New Hampshire, and it and all transactions thereunder or pursuant thereto shall be governed as to interpretation, validity, effect, rights, duties and remedies of the parties thereunder and in all other respects by the laws of New Hampshire.

7.14 JURY WAIVER. THE BORROWER AND BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS AGREEMENT, THE OBLIGATIONS, ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HEREWITH AND (B) AGREE NOT TO SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE, OR HAS NOT BEEN, WAIVED. THE BORROWER CERTIFIES THAT NEITHER THE BANK NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE BANK WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.

Executed as an instrument under seal as of May 11, 2005.

Witness:



Borrower:  
Smuttynose Brewing Company, Inc.

By:   
Peter R. Egelston, President

Accepted: The Provident Bank

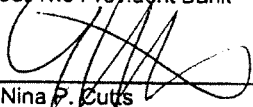
By:   
Name: Nina P. Cutts  
Title: Vice President

Exhibit A  
BORROWING BASE CERTIFICATE

To: The Provident Bank ("the Bank")  
 Re: Revolving Loan evidenced by that certain Revolving Demand Note, dated May 11, 2005, by Smuttynose Brewing Company, Inc. in favor of the Bank in the face amount of \$100,000 (the "Revolving Note").

Computation of Borrowing Base

Smuttynose Brewing Company, Inc.:

a	Total Accounts Receivable as of _____	\$ _____	
	Less: Related Accounts Receivable _____	\$ _____	
	Less: A/R over 60 days past due _____	\$ _____	
b	Total Ineligible Accounts Receivable _____	\$ _____	
c	Eligible Accounts Receivable: (a - b) _____	\$ _____	
d	75% of Eligible Accounts Receivable (c x 0.75) _____	\$ _____	
e	Less: 50% of current balance of term note dated 5/11/05 _____	\$ _____	
f	<b>Advance Limit (Borrowing Base) (d - e)</b> _____	\$ _____	
g	Total Amount of Line of Credit: _____	\$ _____	
h	Current Outstanding Line Balance as of _____	\$ _____	
	<b>Net Amount of Line Available (Due): ((Lesser of f or g) - h)</b> _____	\$ _____	

In connection with the Revolving Loans, the undersigned Smuttynose Brewing Company, Inc. has executed and delivered a certain Loan and Security Agreement, dated May 11, 2005 (the "Loan Agreement"), pursuant to which Bank has agreed to make the Revolving Loans on the conditions set forth in the Loan Agreement including, without limitation, that the undersigned execute and deliver to the bank this Certificate from time to time. Terms used in this Certificate shall have the same meaning as ascribed thereto in the Loan Agreement. For purposes of inducing The Provident Bank to make Revolving Loans pursuant to the terms of the Loan Agreement, the undersigned hereby certifies that the foregoing statement is true and correct and in accordance with the books and records of the Smuttynose Brewing Company, Inc. and such collateral is available as acceptable Collateral for Revolving Loans in accordance with the representations and warranties set forth in the Loan Agreement and as of the date hereof no Event of Default, or event which after notice or lapse of time or both would be an Event of Default under the Revolving Note or the Loan Agreement has occurred. The outstanding Revolving Loan Amount reflects our indebtedness under the Loan /

Witness \_\_\_\_\_

Smuttynose Brewing Company, Inc.  
 By: Peter R. Egelston, President

## ADDENDUM A

1. 35 Ton Carrier Chiller with pump package piped into existing tank, 85 GMP with 3 inch S & R piping from chiller to tank, Serial # \_\_\_\_\_
2. 12" wide Four-Roller Mill
3. Two(2) 50 Barrel Fermentation Vessels, serial #'s 0411-FV01 and 0411-FV02
4. Labeler



**DISCLOSURE OF FINANCE CHARGES**

Pursuant to New Hampshire RSA 399-B

**\$100,000.00 Loan by The Provident Bank**

**Maker(s):** Smuttynose Brewing Company, Inc., a New Hampshire corporation, with an address of 225 Heritage Avenue, Portsmouth, New Hampshire 03801 (the "Borrower")

**GUARANTOR(S):** Portsmouth Brewery, Inc.  
Peter R. Egelston

**Amount of Loan:** One Hundred Thousand Dollars and Zero Cents (\$100,000.00)

**Payable:** On the 11th day of each month

**Maturity Date:** ON DEMAND

**Interest Rate:** 1.00% above the Wall Street Journal Prime Rate

Interest shall be calculated on the basis of actual number of days elapsed and a 360-day year.

**Payments:** Interest shall be payable monthly in arrears on the 11th day of each month, commencing June 11, 2005

**Late Fees:** After demand, interest shall accrue at a rate per annum equal to the aggregate of 5.0% plus the rate provided for in the Note. If any payment due under the Note is unpaid for 10 days or more, the Borrower(s) shall pay, in addition to any other sums due under the Note (and without limiting the holder's other remedies on account thereof), a late charge equal to 4.0% of such unpaid amount.

**Commitment Fees and Other Charges:** None

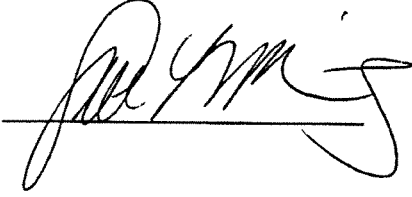
**Legal Fees and Expenses:** Borrowers shall pay all costs and expenses incurred in closing, monitoring and enforcing the Note and related loan documents executed and delivered in connection with the Note, including legal fees, title insurance costs, filing fees, and inspection fees.

Borrower(s) and Guarantor(s) acknowledge receipt of a copy of this Disclosure.

Date Signed:

May 11, 2005

Witness:

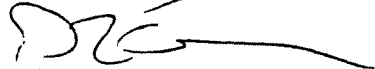


A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.

Borrower:

Smuttynose Brewing Company, Inc.

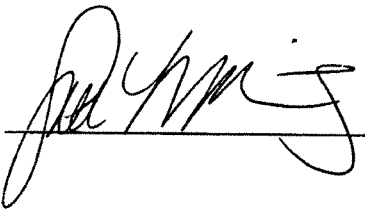
By:



A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.

Peter R. Egelston, President

Witness



A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.

Guarantor:

Portsmouth Brewery, Inc.

By:



A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.


Peter R. Egelston, President

Witness



A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.

Guarantor:



A handwritten signature in cursive script, appearing to be 'P. R. Egelston', written over a horizontal line.

Peter R. Egelston, individually

## CERTIFICATE AS TO OIL AND HAZARDOUS MATERIALS

Date: **May 11, 2005**

Bank: **The Provident Bank  
5 Market Street, P.O. Box 37  
Amesbury, Massachusetts  
01913**

Indemnitor: **Smuttynose Brewing Company, Inc.  
225 Heritage Avenue  
Portsmouth, New Hampshire  
03801**

Indemnitor: **Portsmouth Brewery, Inc.  
225 Heritage Avenue  
Portsmouth, New Hampshire  
03801**

Indemnitor: **Peter R. Egelston  
374 River Road  
Eliot, Maine  
03903**

Loan: **Three Year Adjustable Term Note, dated May 11, 2005 by Smuttynose Brewing Company, Inc. in favor of the Bank in the original principal amount of \$100,000.00.**

Loan: **Revolving Demand Note, dated May 11, 2005 by Smuttynose Brewing Company, Inc. in favor of the Bank in the original principal amount of \$100,000.00.**

In consideration of Bank making the loans referenced above to or for the benefit of Indemnitors and knowing that Bank will rely hereon, each Indemnitor represents and warrants, to the best of such Indemnitor's knowledge, that:

1. As of the date hereof neither Indemnitors nor any of the Indemnitors' agents, employees or independent contractors:
  - 1.1 have caused or are aware of a release or threat of release of materials on any of the premises or personal property owned or controlled by any Indemnitor, including without limitation on all properties and addresses owned or controlled by any Indemnitor and set forth above (collectively, the "Controlled Property"), or on any abutting property, which could give rise to liability under any Environmental Law.
  - 1.2 have arranged for the transport of or transported any materials in a manner so as to violate, or result in potential liabilities under, any Environmental Law.
  - 1.3 have received any notice, order or demand from the Environmental Protection Agency or any other Federal, state or local agency under any Environmental Law.
  - 1.4 have incurred any liability under any Environmental Law in connection with the mismanagement, improper disposal or release of Hazardous Materials.
  - 1.5 are aware of any inspection or investigation of any of the Controlled Property or abutting property by any Federal, state or local agency for possible violations of any Environmental Law.
2. No prior owner or tenant of any Controlled Property committed or omitted any act that caused the release of Hazardous Materials on such Controlled Property that could give rise to a lien thereon by any Federal, state or local government.
3. No notice or statement of claim or lien affecting any Controlled Property has been recorded or

filed in any public records by any Federal, state or local government for costs, penalties, fines or other charges as to such Controlled Property.

The term "Hazardous Materials" includes but is not limited to any and all substances (whether solid, liquid or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Law or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, lead, radon, radioactive materials, flammables and explosives.

The term "Environmental Law" means any present and future Federal, state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, relating to protection of human health or the environment, relating to Hazardous Materials, relating to liability for or costs of remediation or prevention of releases of Hazardous Materials or relating to liability for or costs of other actual or threatened danger to human health or the environment. The term "Environmental Law" includes, but is not limited to, the following statutes, as amended, any successor thereto, and any regulations promulgated pursuant thereto, and any state or local statutes, ordinances, rules, regulations and the like addressing similar issues: the Comprehensive Environmental Response, Compensation and Liability Act; the Emergency Planning and Community Right-to-Know Act; the Hazardous Materials Transportation Act; the Resource Conservation and Recovery Act (including but not limited to Subtitle I relating to underground storage tanks); the Solid Waste Disposal Act; the Clean Water Act; the Clean Air Act; the Toxic Substances Control Act; the Safe Drinking Water Act; the Occupational Safety and Health Act; the Federal Water Pollution Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Endangered Species Act; the National Environmental Policy Act; the River and Harbors Appropriation Act; and New Hampshire RSA 125-A, 125-C, 146-A, 146-C, 147-A, 147-B, 149-E and 149-I.

Each Indemnitor agrees to indemnify and hold Bank harmless from all liability, loss, cost, damage and expense, including attorney fees and costs of litigation, arising from any and all of its violations of the Environmental Law (including those arising from any lien by any Federal, state or local government arising from the presence of Hazardous Materials) or from the presence of Hazardous Materials located on or emanating from any Controlled Property or abutting property. Each Indemnitor further agrees to reimburse Bank upon demand for any costs incurred by Bank in connection with the foregoing. Each Indemnitor agrees that its obligations hereunder shall be continuous and shall survive the repayment of all debts to Bank.

This agreement shall inure to the benefit of the Bank and its successors and assigns and shall bind each Indemnitor and its successors and assigns.

Executed under seal as of the date first above written.

Witness:

Indemnitor:



Smuttynose Brewing Company, Inc.

By:



Peter R. Egelston, President



Witness:



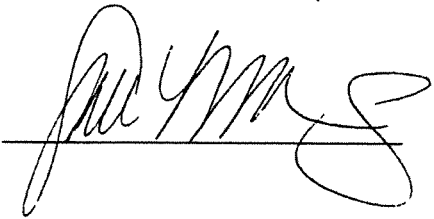
A handwritten signature in cursive script, appearing to read 'JRM', is written over a horizontal line.

Indemnitor:

Portsmouth Brewery, Inc.

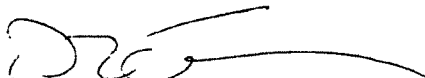
By:   
Peter R. Egelston, President

Witness:

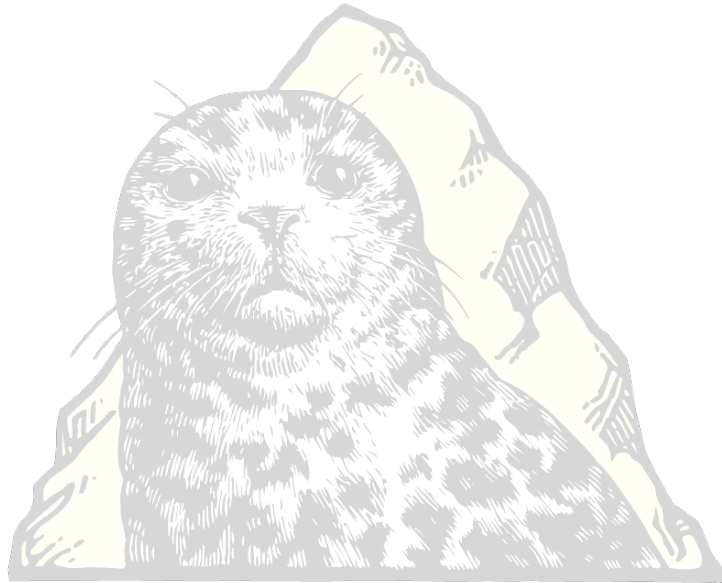


A handwritten signature in cursive script, appearing to read 'JRM', is written over a horizontal line.

Indemnitor:

  
Peter R. Egelston, individually

Tax Bill



**SMUTTYNOSE**  
BREWING COMPANY

**Town of Hampton**

100 Winnacunnet Rd.  
 Hampton, NH 03842  
 PH: (603) 926-6769

**Office Hours:**

Monday-Thursday 8am-5pm  
 Friday 8am-12pm

**Tax Statement**

**Statement Date:** 1/23/2018  
**Map / Lot:** 122-1-2  
**Account ID:** 84273  
**Interest Thru:** 3/9/2018

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

<b>Property Location</b>	105 TOWLE FARM RD	<b>Assessed Value:</b>	
<b>Property Class</b>	1000	Land	,554,200.00
<b>Taxable Value</b>	6,980,700.00	Building	,424,100.00
<b>Exemptions</b>	0.00	Current Use	2,400.00
<b>Net Taxable Value</b>	\$6,980,700.00		
<b>Tax Credits</b>	0.00		

**Tax Year 2017**

<u>Invoice</u>	<u>Date</u>	<u>Due Date</u>	<u>Description</u>	<u>Billed</u>	<u>Due</u>
2017-1-1028148	05/26/2017	07/03/2017	2017-1-0-2017 TAX WARRANT	\$56,125.00	\$60,719.57
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	05/26/2017	Tax Bill	\$56,125.00	\$0.00	\$4,594.57
2017-2-1076090	11/13/2017	12/13/2017	2017-2-0-2017 TAX WARRANT	\$58,149.00	\$59,793.11
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	11/13/2017	Tax Bill	\$58,149.00	\$0.00	\$1,644.11

**Total Due For Tax Year 2017: \$120,512.68**

**Town of Hampton**

100 Winnacunnet Rd.  
 Hampton, NH 03842  
 PH: (603) 926-6769

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Monday-Thursday 8am-5pm  
 Friday 8am-12pm

**Tax Statement**

Statement Date: 1/23/2018

Map / Lot: 122-1-2

Account ID: 84273

Interest Thru: 3/9/2018

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

**Tax Year 2016**

Invoice	Date	Due Date	Description	Billed	Due
2016-1-901043	05/23/2016	07/01/2016	2016-1-0-TAX WARRANT	\$64,352.00	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	05/23/2016	Tax Bill	\$64,352.00	\$0.00	\$0.00
	05/12/2016	Payment	(\$745.94)	\$0.00	\$0.00
	09/28/2016	Interest	\$1,861.13	\$0.00	\$0.00
	09/28/2016	Payment	(\$18,138.87)	\$0.00	\$0.00
	10/17/2016	Interest	\$284.01	\$0.00	\$0.00
	10/17/2016	Payment	(\$45,224.98)	\$0.00	\$0.00
	04/03/2017	Interest	\$13.37	\$0.00	\$0.00
	04/03/2017	Payment	(\$242.21)	\$0.00	\$0.00
	04/03/2017	Costs	\$19.00	\$0.00	\$0.00
2016-2-945807	11/01/2016	12/01/2016	2016-2-0-TAX WARRANT	\$47,898.00	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	11/01/2016	Tax Bill	\$47,898.00	\$0.00	\$0.00
	04/03/2017	Interest	\$1,936.92	\$0.00	\$0.00
	04/03/2017	Payment	(\$12,788.50)	\$0.00	\$0.00
	05/04/2017	Liquidate Invoice	(\$35,109.50)	\$0.00	\$0.00
	05/04/2017	Interest	\$357.83	\$0.00	\$0.00
	05/04/2017	Costs	\$18.50	\$0.00	\$0.00
2016-1038223	05/04/2017	05/04/2017	2016 Tax Lien 122-1-2	\$35,485.83	\$39,394.58
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	05/04/2017	Tax Bill	\$35,485.83	\$38.00	\$3,870.75
	09/25/2017	Interest	\$1,536.72	\$0.00	\$0.00

**Total Due For Tax Year 2016: \$39,394.58**

**Town of Hampton**

100 Winnacunnet Rd.  
 Hampton, NH 03842  
 PH: (603) 926-6769

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 Friday 8am-12pm

**Tax Statement**

**Statement Date:** 1/23/2018  
**Map / Lot:** 122-1-2  
**Account ID:** 84273  
**Interest Thru:** 3/9/2018

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

**Tax Year 2015**

<u>Invoice</u>	<u>Date</u>	<u>Due Date</u>	<u>Description</u>	<u>Billed</u>	<u>Due</u>
2015-1-800841	05/14/2015	07/01/2015	2015-1-0-2015 TAX WARRANT	\$61,497.00	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	05/14/2015	Tax Bill	\$61,497.00	\$0.00	\$0.00
	09/21/2015	Interest	\$1,657.89	\$0.00	\$0.00
	09/21/2015	Payment	(\$3,342.11)	\$0.00	\$0.00
	11/04/2015	Interest	\$841.25	\$0.00	\$0.00
	11/04/2015	Payment	(\$4,158.75)	\$0.00	\$0.00
	11/16/2015	Interest	\$213.03	\$0.00	\$0.00
	11/16/2015	Payment	(\$4,786.97)	\$0.00	\$0.00
	12/30/2015	Interest	\$711.85	\$0.00	\$0.00
	12/30/2015	Payment	(\$3,669.49)	\$0.00	\$0.00
	01/07/2016	Interest	\$119.78	\$0.00	\$0.00
	01/07/2016	Payment	(\$4,703.46)	\$0.00	\$0.00
	04/14/2016	Interest	\$1,315.71	\$0.00	\$0.00
	04/14/2016	Payment	(\$40,836.22)	\$0.00	\$0.00
	04/14/2016	Costs	\$19.00	\$0.00	\$0.00
2015-2-849369	11/02/2015	12/02/2015	2015-2-0-2015 TAX WARRANT	\$67,206.00	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	11/02/2015	Tax Bill	\$67,206.00	\$0.00	\$0.00
	12/30/2015	Interest	\$618.66	\$0.00	\$0.00
	01/07/2016	Interest	\$176.76	\$0.00	\$0.00
	04/14/2016	Interest	\$2,165.32	\$0.00	\$0.00
	04/14/2016	Payment	(\$67,206.00)	\$0.00	\$0.00

**Total Due For Tax Year 2015: \$0.00**

**Town of Hampton**

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**Tax Statement**

**Statement Date:** 1/23/2018  
**Map / Lot:** 122-1-2  
**Account ID:** 84273  
**Interest Thru:** 3/9/2018

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

SUSTAINABLE ALES LLC  
 105 TOWLE FARM RD  
 HAMPTON, NH 03842

**Tax Year 2014**

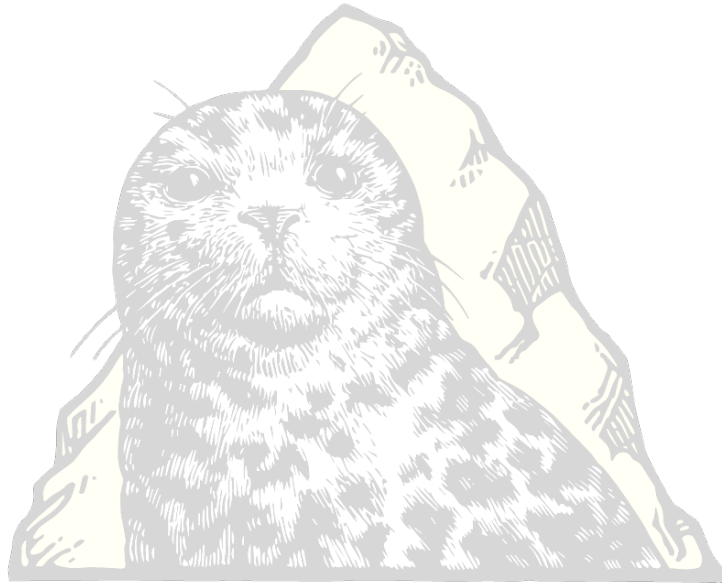
Invoice	Date	Due Date	Description	Billed	Due
2014-1-705290	05/30/2014	07/01/2014	2014-1-0-2014 TAX WARRANT	\$57,943.83	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	05/30/2014	Tax Bill	\$57,943.83	\$0.00	\$0.00
	11/13/2014	Interest	\$2,571.75	\$0.00	\$0.00
	11/13/2014	Payment	(\$17,428.25)	\$0.00	\$0.00
	02/18/2015	Interest	\$1,292.06	\$0.00	\$0.00
	02/18/2015	Payment	(\$40,515.58)	\$0.00	\$0.00
2014-2-751733	11/10/2014	12/10/2014	2014-2-0-2014 TAX WARRANT	\$57,943.83	\$0.00
<b>Billing Detail</b>			<b>Principal</b>	<b>Costs</b>	<b>Interest Due</b>
	11/10/2014	Tax Bill	\$57,943.83	\$0.00	\$0.00
	02/18/2015	Interest	\$1,333.50	\$0.00	\$0.00
	02/18/2015	Payment	(\$57,943.83)	\$0.00	\$0.00

**Total Due For Tax Year 2014: \$0.00**

**STATEMENT SUMMARY**

Total Principal:	\$149,759.83
Total Costs:	\$38.00
Total Interest as of 3/9/2018:	\$10,109.43
<b>Total Currently Due:</b>	<b>\$159,907.26</b>

Tax Card



**SMUTTYNOSE**  
BREWING COMPANY

Property Location: 105 TOWLE FARM RD

MAP ID: 122/ 1/ 2/ 1

Bldg Name:

State Use: 3260

Vision ID: 1614

Account # 1614

Bldg #: 1 of 2

Sec #: 1 of 1 Card 1 of 2

Print Date: 01/17/2018 16:56

CURRENT OWNER		TOPO.	UTILITIES	STRT./ROAD	LOCATION	CURRENT ASSESSMENT			
SUSTAINABLE ALES LLC		1 Level	2 Public Water	1 Paved	3 Rural	Description	Code	Appraised Value	Assessed Value
105 TOWLE FARM RD		4 Rolling	3 Public Sewer			COMMERC.	3260	5,387,100	5,387,100
HAMPTON, NH 03842		8 View				COM LAND	3260	1,554,200	1,554,200
Additional Owners:		SUPPLEMENTAL DATA				COMMERC.	3260	37,000	37,000
		Other ID: 0122 0001 0000				CU FARM	6000	20,000	900
		OLD DATA TWN NS P				CU FOREST	7110	80,000	1,500
		TAX CLASS 1000							
GIS ID: 122-0010-0020		ASSOC PID#						Total 7,078,300	6,980,700

2215 HAMPTON, NH

VISION

RECORD OF OWNERSHIP					BK-VOL/PAGE	SALE DATE	q/u	vi	SALE PRICE	V.C.	PREVIOUS ASSESSMENTS (HISTORY)					
SUBORDINATION AGREEMENT					5576/0847	11/10/2014	U	I		35	Yr.	Code	Assessed Value	Yr.	Code	Assessed Value
SUSTAINABLE ALES LLC					5370/1814	10/25/2012	U	I	0	31	2017	3260	5,387,100	2016	3260	5,387,100
SUSTAINABLE ALES LLC					4943/2668	08/18/2008	U	I	1,600,000	29	2017	3260	1,554,200	2016	3260	1,554,200
SANCOFF, GREGORY E & JENNIFER L					4560/2673	10/06/2005	U	I	1,366,000	00	2017	3260	37,000	2016	3260	37,000
SSI PROPERTIES INC					4550/2589	09/19/2005	U	I	1,350,000	00	2017	6000	900	2015	6000	900
DISCRETIONARY PRESERVATION EASEMENT AC					4156/2486	09/23/2003	U	I		1N	2017	7110	1,500	2015	7110	1,500
											Total:	6,980,700	Total:	6,980,700	Total:	6,717,300

EXEMPTIONS			OTHER ASSESSMENTS				
Year	Type	Description	Amount	Code	Description	Number	Amount
Total:							

This signature acknowledges a visit by a Data Collector or Assessor

ASSESSING NEIGHBORHOOD				
NBHD/ SUB	NBHD Name	Street Index Name	Tracing	Batch
0001/A				

APPRAISED VALUE SUMMARY

Appraised Bldg. Value (Card)	4,844,700
Appraised XF (B) Value (Bldg)	0
Appraised OB (L) Value (Bldg)	37,000
Appraised Land Value (Bldg)	1,554,200
Special Land Value	80,000
Total Appraised Parcel Value	7,078,300
Valuation Method:	C
Adjustment:	0
Net Total Appraised Parcel Value	7,078,300

NOTES	
SMUTTY NOSE BREWERY UNDER CONSTRCTION	10.5 ACRES RE IN CU W BARN PREV EASMT
ASSESSMENT FOR 2013 REFLEXS UNFINISHED	BARN 38X66 PRESV ESMT EXPD IN 2013
2003:ADD BARN PRESERVATION EASEMENT	RESTAURANT ADDRESSED AS 103 TOWLE FARM
2009:CORRECT LAND AREA PER SUBD.	
2013:BREWERY NOW UNDER CONST. REMOVED	
3 ADD ACRES FROM CU (PRIM SITE NOW 4 AC)	

BUILDING PERMIT RECORD									
Permit ID	Issue Date	Type	Description	Amount	Insp. Date	% Comp.	Date Comp.	Comments	
15-17738	10/14/2015	EL	Electric	1,500		50		INSTALLATION AND	
15-17358	08/12/2015	MEC	MECHANICAL	3,000		50		GAS LINE FOR FIRE	
15-17333	08/10/2015	EL	Electric	1,000		50		ELECTRICAL WIRING	
15-Y-4056	02/17/2015	CO	CO ISSUED	0		100		C/O ISSUED FOR 2 ST	
14-15714	10/22/2014	EL	Electric	148,410	02/18/2015	100		EL FOR NEW RESTAU	
14-15695	10/21/2014	PL	Plumbing	111,000	02/18/2015	100		DWV & DOMESTIC W.	
14-15704	10/21/2014	MEC	MECHANICAL	165,559	02/18/2015	100		GAS PIPING FOR DON	

VISIT/ CHANGE HISTORY

Date	Type	IS	ID	Cd.	Purpose/Result
10/04/2011			PM	01	M & L
03/15/2011			CG	BP	BLDG PERMIT
01/29/2010			NC	02	MEASURE ONLY

LAND LINE VALUATION SECTION																			
B #	Use Code	Use Description	Zone	D	Front	Depth	Units	Unit Price	I. Factor	S.A.	Acre Disc	C. Factor	ST. Idx	Adj.	Notes- Adj	Special Pricing	S Adj Fact	Adj. Unit Price	Land Value
1	3260	REST/CLUBS MDL-94	I	I			174,240	SF	4.43	1.7500	8	1.0000	1.00	70	1.15		1.00	8.92	1,554,200
1	7110	FOR PINE NO DOC	I	I			8.00	AC	10,000.00	1.0000	0	1.0000	1.00	0.00		CU	1.00	10,000.00	80,000

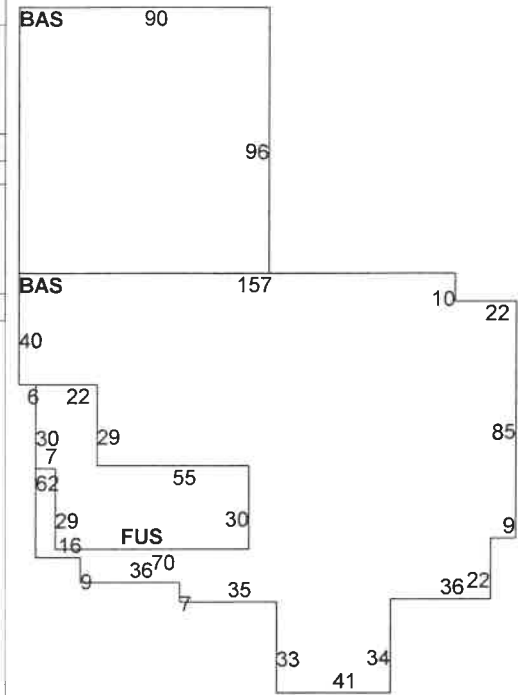
Total Card Land Units: 12.00 AC Parcel Total Land Area: 14 AC Total Land Value: 1,634,200



CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)				
Element	Cd.	Ch.	Description	Element	Cd.	Ch.	Description
Style	45		Brewery/Winery				
Model	94		Commercial				
Grade	10		Very Good +10				
Stories	2						
Occupancy	1						
Exterior Wall 1	21		Stone/Masonry				
Exterior Wall 2	27		Pre-finish Metl				
Roof Structure	03		Gable/Hip				
Roof Cover	03		Asph/F Gls/Cmp				
Interior Wall 1	05		Drywall/Sheet				
Interior Wall 2							
Interior Floor 1	11		Ceram Clay Til				
Interior Floor 2	03		Concr-Finished				
Heating Fuel	03		Gas				
Heating Type	04		Forced Air-Duc				
AC Type	03		Central				
Use	3260		REST/CLUBS MDL-94				
Total Rooms	10						
Total Bedrms	0						
Total Baths	10						
Heat/AC	02		HEAT/AC SPLIT				
Frame Type	05		STEEL				
Baths/Plumbing	03		ABOVE AVERAGE				
Ceiling/Wall	06		CEIL & WALLS				
Rooms/Prtns	03		ABOVE AVERAGE				
Wall Height	12						
% Comn Wall	100						

MIXED USE		
Code	Description	Percentage
3260	REST/CLUBS MDL-94	100

COST/MARKET VALUATION		
Adj. Base Rate:		158.97
		5,153,966
Net Other Adj:		0.00
Replace Cost		5,153,966
AYB		2013
EYB		2013
Dep Code		G
Remodel Rating		
Year Remodeled		
Dep %		6
Functional ObsInc		0
External ObsInc		0
Cost Trend Factor		1
Condition		
% Complete		
Overall % Cond		94
Apprais Val		4,844,700
Dep % Ovr		0
Dep Ovr Comment		
Misc Imp Ovr		0
Misc Imp Ovr Comment		
Cost to Cure Ovr		0
Cost to Cure Ovr Comment		



**OB-OUTBUILDING & YARD ITEMS(L) / XF-BUILDING EXTRA FEATURES(B)**

Code	Description	Sub	Sub Descript	L/B	Units	Unit Price	Yr	Gde	Dp	Rt	Cnd	%Cnd	Apr Value
BRN3	1 STORY W/L			L	2,432	28.00	1989		0			25	17,000
PAV1	PAVING-ASPH			L	20,000	2.00	1990		0			50	20,000

**BUILDING SUB-AREA SUMMARY SECTION**

Code	Description	Living Area	Gross Area	Eff. Area	Unit Cost	Undeprec. Value
BAS	First Floor	29,676	29,676	29,676	158.97	4,717,594
FUS	Upper Story, Finished	2,745	2,745	2,745	158.97	436,373
<b>Ttl. Gross Liv/Lease Area:</b>		<b>32,421</b>	<b>32,421</b>	<b>32,421</b>		<b>5,153,966</b>



CURRENT OWNER		TOPO.	UTILITIES	STRT./ROAD	LOCATION	CURRENT ASSESSMENT			
SUSTAINABLE ALES LLC		1 Level	2 Public Water	1 Paved	3 Rural	Description	Code	Appraised Value	Assessed Value
105 TOWLE FARM RD		4 Rolling	3 Public Sewer			COMMERC.	3260	5,387,100	5,387,100
HAMPTON, NH 03842		8 View				COM LAND	3260	1,554,200	1,554,200
Additional Owners:		SUPPLEMENTAL DATA				COMMERC.	3260	37,000	37,000
		Other ID: 0122 0001 0000				CU FARM	6000	20,000	900
		OLD DATA TWN NS P				CU FOREST	7110	80,000	1,500
		TAX CLASS 1000				Total		7,078,300	6,980,700
GIS ID: 122-0010-0020		ASSOC PID#							

2215  
HAMPTON, NH

**VISION**

RECORD OF OWNERSHIP		BK-VOL/PAGE	SALE DATE	q/u	w/i	SALE PRICE	V.C.	PREVIOUS ASSESSMENTS (HISTORY)								
SUBORDINATION AGREEMENT		5576/0847	11/10/2014	U	I		35	Yr.	Code	Assessed Value	Yr.	Code	Assessed Value	Yr.	Code	Assessed Value
SUSTAINABLE ALES LLC		5370/1814	10/25/2012	U	I	0	31	2017	3260	5,387,100	2016	3260	5,387,100	2015	3260	5,223,800
SUSTAINABLE ALES LLC		4943/2668	08/18/2008	U	I	1,600,000	29	2017	3260	1,554,200	2016	3260	1,554,200	2015	3260	1,474,100
SANCOFF, GREGORY E & JENNIFER L		4560/2673	10/06/2005	U	I	1,366,000	00	2017	3260	37,000	2016	3260	37,000	2015	3260	17,000
SSI PROPERTIES INC		4550/2589	09/19/2005	U	I	1,350,000	00	2017	6000	900	2016	6000	900	2015	6000	900
DISCRETIONARY PRESERVATION EASEMENT AC		4156/2486	09/23/2003	U	I		1N	2017	7110	1,500	2016	7110	1,500	2015	7110	1,500
		Total:								6,980,700	Total:		6,980,700	Total:		6,717,300

EXEMPTIONS				OTHER ASSESSMENTS			
Year	Type	Description	Amount	Code	Description	Number	Amount
Total:							

This signature acknowledges a visit by a Data Collector or Assessor

ASSESSING NEIGHBORHOOD				
NBHD/SUB	NBHD Name	Street Index Name	Tracing	Batch
0001/A				

**APPRAISED VALUE SUMMARY**

Appraised Bldg. Value (Card)	538,900
Appraised XF (B) Value (Bldg)	3,500
Appraised OB (L) Value (Bldg)	0
Appraised Land Value (Bldg)	0
Special Land Value	20,000
Total Appraised Parcel Value	7,078,300
Valuation Method:	C
Adjustment:	0
<b>Net Total Appraised Parcel Value</b>	<b>7,078,300</b>

**NOTES**  
 RESTAURANT LISTED AS 103 TOWLE FARM RD TOWN OF HAMPTON PUMP STATION ON PROP.  
 HAYSEED RESTAURANT PUMP STATION KNOWN AS 105A TOWLE FARM RD  
 2015 CONST NOW COMPLETE YR BLT = COMPLT  
 RENOVATION/CONVERSION OF EXISTING FARM  
 HOUSE INTO RESTAURANT W/STUDIO APARTMENT

BUILDING PERMIT RECORD									
Permit ID	Issue Date	Type	Description	Amount	Insp. Date	% Comp.	Date Comp.	Comments	

VISIT/CHANGE HISTORY					
Date	Type	IS	ID	Cd.	Purpose/Result
10/04/2011			PM	01	M & L
03/15/2011			CG	BP	BLDG PERMIT
01/29/2010			NC	02	MEASURE ONLY

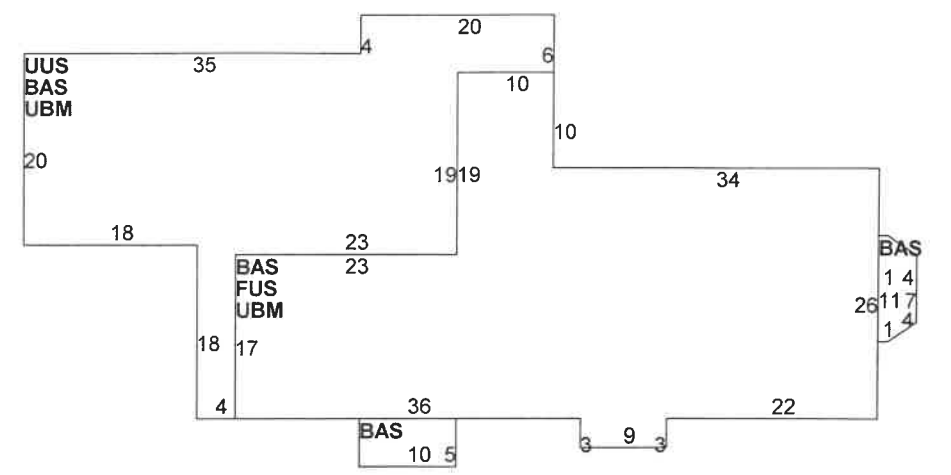
LAND LINE VALUATION SECTION																			
B #	Use Code	Use Description	Zone	D	Front	Depth	Units	Unit Price	I. Factor	S.A.	Acre Disc	C. Factor	ST. Idx	Adj.	Notes- Adj	Special Pricing	S Adj Fact	Adj. Unit Price	Land Value
2	3260	REST/CLUBS MDL-94	I	1			0.00 AC	10,000.00	1.0000	5	1.0000	1.00	60	1.10			.00	11,000.00	0
2	6000	CU FARMLAND	I	1			2.00 AC	10,000.00	1.0000	0	1.0000	1.00		0.00		CU	1.00	10,000.00	20,000

Total Card Land Units: 2.00 AC Parcel Total Land Area: 14 AC Total Land Value: 20,000

CONSTRUCTION DETAIL			CONSTRUCTION DETAIL (CONTINUED)				
Element	Cd.	Ch.	Description	Element	Cd.	Ch.	Description
Style	30		Restaurant				
Model	94		Commercial				
Grade	06		Good				
Stories	2						
Occupancy	1						
Exterior Wall 1	11		Clapboard				
Exterior Wall 2							
Roof Structure	03		Gable/Hip				
Roof Cover	03		Asph/F Gls/Cmp				
Interior Wall 1	05		Drywall/Sheet				
Interior Wall 2							
Interior Floor 1	12		Hardwood				
Interior Floor 2	11		Ceram Clay Til				
Heating Fuel	03		Gas				
Heating Type	04		Forced Air-Duc				
AC Type	03		Central				
Use	3260		REST/CLUBS MDL-94				
Total Rooms							
Total Bedrms	1						
Total Baths	5						
Heat/AC	01		HEAT/AC PKGS				
Frame Type	02		WOOD FRAME				
Baths/Plumbing	03		ABOVE AVERAGE				
Ceiling/Wall	06		CEIL & WALLS				
Rooms/Prtns	02		AVERAGE				
Wall Height	8						
% Comn Wall							

MIXED USE		
Code	Description	Percentage
3260	REST/CLUBS MDL-94	100

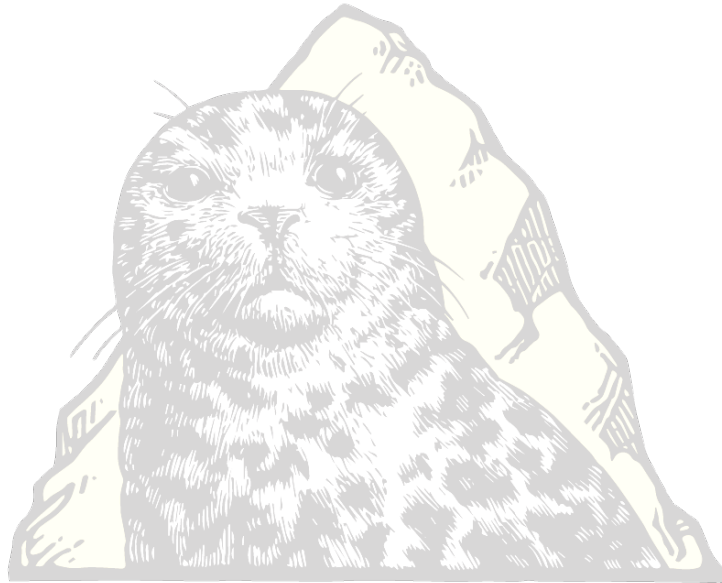
COST/MARKET VALUATION	
Adj. Base Rate:	131.65
	792,545
Net Other Adj:	0.00
Replace Cost	792,545
AYB	1900
EYB	1984
Dep Code	VG
Remodel Rating	
Year Remodeled	
Dep %	32
Functional Obslnc	
External Obslnc	
Cost Trend Factor	
Condition	
% Complete	
Overall % Cond	68
Apprais Val	538,900
Dep % Ovr	0
Dep Ovr Comment	
Misc Imp Ovr	0
Misc Imp Ovr Comment	
Cost to Cure Ovr	0
Cost to Cure Ovr Comment	



OB-OUTBUILDING & YARD ITEMS(L) / XF-BUILDING EXTRA FEATURES(B)												
Code	Description	Sub	Sub Descript	L/B	Units	Unit Price	Yr	Gde	Dp Rt	Cnd	%Cnd	Apr Value
HRT	HEARTH			B	2	2,000.00	2010		2		100	3,500

BUILDING SUB-AREA SUMMARY SECTION						
Code	Description	Living Area	Gross Area	Eff. Area	Unit Cost	Undeprec. Value
BAS	First Floor	2,845	2,845	2,845	131.65	374,550
FUS	Upper Story, Finished	1,662	1,662	1,662	131.65	218,806
UBM	Basement, Unfinished	0	2,757	965	46.08	127,044
UUS	Upper Story, Unfinished	0	1,095	548	65.89	72,145
<b>Ttl. Gross Liv/Lease Area:</b>		<b>4,507</b>	<b>8,359</b>	<b>6,020</b>		<b>792,545</b>

## Bidding Procedure Terms and Conditions



**SMUTTYNOSE**  
BREWING COMPANY

## TERMS AND CONDITIONS OF SALE

### THE PROVIDENT BANK

105 Towle Farm Road, Hampton, New Hampshire

March 9, 2018  
at 2:00 p.m.

**THE PROVIDENT BANK** (the “Holder”), will conduct a public auction in order to sell certain real estate located at 105 Towle Farm Road, Town of Hampton, Rockingham County, State of New Hampshire and the fixtures located thereon (the “Real Property”), together with any personal property upon which the Holder has a security interest (collectively, the “Property”) as more particularly described in that certain Commercial Mortgage Security Agreement and Assignment of Leases and Rents, from **SUSTAINABLE ALES, LLC**, a New Hampshire limited liability company, having an address of 105 Towle Farm Road, Hampton, New Hampshire, dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds (the “Registry”) at Book 5343, Page 001 (the “Mortgage”) and that certain Security Agreement dated as of May 11, 2005 from Smuttynose Brewing Company, Inc. (the “Borrowers”), to Holder. The Property is more particularly described in the Mortgage.

1. **Date/Place of Sale.** The Property shall be sold on March 9, 2018 at 2:00 p.m. at the Real Property (the “Sale”).

2. **Nature of Sale.** The Holder is foreclosing the Mortgage, which was granted by the Borrower. The public sale will be conducted pursuant to the Statutory Power of Sale provided in the Mortgage pursuant to RSA 479:25 and conducting a secured party sale of the personal property at public auction pursuant to section 9-604 of the UCC as adopted by the State of New Hampshire.

3. **Terms of Sale.**

a. The Sale is subject to all of those terms set forth in the notice of Foreclosure Sale of Real and Personal Property dated as of \_\_\_\_\_ (the “Notice of Sale”), published in the *Union Leader* on \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, including, without limitation, the terms set forth below.

b. The Property may be sold as one lot or parcel subject to, and with the benefit of, all easements, appurtenances, restrictive covenants, rights of way of record or which are visible upon the face of the earth.

c. The Property is being sold “**AS IS, WHERE IS AND WITH ALL FAULTS.**” In addition, the Property is being sold WITHOUT RECOURSE AGAINST HOLDER OR SPECIAL SERVICER AND WITHOUT ANY REPRESENTATIONS AND WARRANTIES (WHETHER EXPRESS OR IMPLIED) OF ANY KIND. The

Holder, and its agents and subagents (including the Special Servicer), assume no liability for errors or omissions in these Terms and Conditions of Sale or in any property listings, advertisements, promotional or publicity statements, signs or other materials. Although information has been obtained from sources deemed reliable, the auctioneer makes no guaranties as to the accuracy of the information herein contained or in any property listings, advertisements, promotional or publicity statements, signs or other materials. Any information provided to bidders by the auctioneer, the Holder and/or the Special Servicer is for informational purposes only, and cannot be relied upon for any purpose. No representations or warranties are made regarding any matter, including, without limitation, the accuracy or completeness of any information or materials provided or any comments made by the auctioneer, the Holder and/or the Special Servicer regarding the environmental, structural or mechanical condition of the Property.

d. A deposit to bid of \$250,000 for the Property must be given to the auctioneer prior to the Sale. Each deposit must be in the form of cash, certified check or cashier's check in U.S. funds, payable to Nixon Peabody LLP. The deposit to bid is nonrefundable as to the highest bidder for the Property. Unsuccessful bidder's checks or cash will be returned immediately after the auction. The successful bidder's deposit will be credited to the purchase price for the Property.

e. The balance of the purchase price shall be due on or before that day which is fifty-five (55) days after the date of the Sale and shall be payable in cash or by certified check or other check acceptable to Holder in U.S. funds.

f. The Property shall be conveyed by Foreclosure Deed. The high bidder shall, at his or her sole cost and expense, pay all real estate transfer taxes (including the Holder's share), whether assessed to the purchaser or the Holder.

g. The Sale of the Property shall be without warranties and subject to: (i) prior liens, restrictions, senior encumbrances, tenancies, declarations, covenants, recorded or unrecorded leases, utility easements, rights of way whether recorded or unrecorded and/or visible on the face of the earth, encumbrances which maintain validity at the date of conveyance and any other conditions a title search would reveal; (ii) any unpaid taxes or assessments; (iii) any facts which an accurate survey or inspection of the Property might show; (iv) any bankruptcy proceedings; (v) all provisions of applicable zoning, subdivision and land use regulations; and (vi) any rights of parties in possession, if any.

h. The Sale shall be subject to all of the terms set forth in the Purchase and Sale Agreement, the form of which is included in the bidder's package, distributed by the auctioneer to all registered bidders at the time of registration and, unless otherwise expressly provided herein, must be executed by the highest bidder at the conclusion of the Sale.

i. If the highest bidder fails to close pursuant to the Purchase and Sale Agreement, the Holder shall be entitled to retain the full deposit as damages, in addition to any other remedy available to the Holder at law or in equity. In addition, if the highest

bidder fails to complete the purchase of the Property in accordance with the Purchase and Sale Agreement, the Property will be sold to the next highest bidder willing to purchase the Property or readvertised for sale in the Holder's sole discretion.

j. The Holder reserves the right to: (i) cancel or continue the foreclosure sale to such later date as the Holder may deem desirable; (ii) bid on and purchase the Property at the foreclosure sale; (iii) make multiple and successive bids on its own behalf during the sale; (iv) refuse to qualify a prospective bidder to bid and to refuse to accept the bid of a bidder the Holder, in its sole discretion, deems unacceptable; (v) reject any and all bids for the Property; (vi) sell the Property to the second highest bidder without reopening the auction in the event the successful bidder fails to execute the purchase and sale agreement or fails to close this transaction by the date specified in the notice of foreclosure sale and the purchase and sale agreement; (vii) dispense with the reading of the Notice of Sale if prior to the commencement of sale, each registered bidder is provided with a true and complete copy of the Notice of Sale for examination by hand or by conspicuous posting; and (viii) amend or alter the terms of sale stated in this notice by oral or written announcement made at any time before or during the foreclosure sale. Such changes or amendments shall be binding on all bidders.

k. A record of the bidding at the Sale will be maintained by the Holder and/or the auctioneer for its own use. All persons present at the Sale and wishing to submit a bid must register and sign in with the auctioneer, and submit the requisite deposit in cash or by certified or cashier's check prior to the commencement of bidding. The Holder disclaims any responsibility for providing notice of any kind to any person or persons subsequent to the Sale on March 9, 2018.

l. The Holder, and its assigns and nominees, reserves the right to bid without making the required deposit or signing a Purchase and Sale Agreement. In addition, if the Holder, or its assigns or nominees, is the highest bidder, to pay all or a portion of the purchase price with a credit against the indebtedness owed by the Borrower.

4. **Auction Procedure.** Open and verbal. Unless otherwise announced, announcements made on the day of the Sale will be subject to all printed material. Method, order of sale and bidding increments shall be at the sole discretion of the auctioneer. Reopening of tie bids shall be determined by the auctioneer. The Holder reserves the right to modify the terms and structure of the Sale. In addition to any rights reserved by the Holder hereby or in the Notice of Sale, the Holder reserves the right to add or change any terms or conditions of the Sale, to add or withdraw properties and to adjourn or recess the Sale at any time before or during the auction.

5. **Disclaimer.** All bidders are invited to inspect the Property and the public records with respect to the Property prior to making a bid. No warranties, guaranties or representations of any kind are made, and all warranties are disclaimed with respect to any improvements located on the Property, including improvements located underground, the location and/or boundaries of the Property or improvements thereon, title to the Property, environmental compliance, or its compliance with any applicable restrictive covenants and/or zoning, land use

or hazardous waste regulations, laws or ordinances. The buyer shall assume responsibility for any title search, title examination and title insurance obtained for buyer. **THE HOLDER EXPRESSLY AND SPECIFICALLY MAKES NO, AND SHALL MAKE NO, REPRESENTATIONS OR WARRANTIES REGARDING HAZARDOUS OR TOXIC MATERIALS OR WASTE, AS THOSE TERMS MAY FROM TIME TO TIME BY APPLICABLE STATE, LOCAL OR FEDERAL LAWS, STORED OR OTHERWISE LOCATED ON THE PROPERTY.** The Holder specifically disclaims, and buyer acknowledges that the Holder shall not be responsible for or obligated now or at any time in the future to, protect, exonerate, defend, indemnify, and save buyer or its successors or assigns, harmless from and against any and all loss, damage, cost, expense, cleanup or liability, including, without limitation, attorneys' fees and court costs, and including, without limitation, such loss, damage, cost, expense or liability, based on personal injury, death, loss or damage to property suffered or incurred by any person or entity, which may arise out of the presence of any such hazardous or toxic substance, material or waste on the Property.

6. **Risk of Loss.** The risk of loss with respect to the Property shall be with the successful bidder.

7. **Possession.** The buyer shall only be entitled to possession of the Property after consummation of the closing in accordance with the Purchase and Sale Agreement. The Property may be occupied by third parties at the time of the Sale and closing, and the Property is sold subject to any claims such third parties may have to continue possession pursuant to various lease agreements or otherwise.

8. **Applicable Law.** The Sale is being conducted subject to New Hampshire law.

9. **Bidder's Card.** By signing for a bid number, the bidder has signed a written and binding contract agreeing to all of the terms and conditions set forth herein. If you do not agree with any of the terms or conditions set forth herein, please return your bid number to the auctioneer immediately. Proxy bids are subject to all terms and conditions of Sale as listed herein, in the Notice of Sale, the Purchase and Sale Agreement or announced at the Sale. Any party submitting a proxy bid must be available, or have a representative available, to execute a Purchase and Sale Agreement at the time of the Sale, in the form provided at the Sale, and such representative must provide documentation satisfactory to the Holder that the representative is duly and appropriately authorized to act on behalf of the parties submitting the proxy bid.

10. **Conflict with Purchase and Sale Agreement.** In the event of a conflict between these Terms and Conditions of Sale and the terms of the Purchase and Sale Agreement executed by the Holder and the successful bidder, the Purchase and Sale Agreement shall control.



11. **Auctioneer.** The name, address and phone number of the auctioneer is as follows:

James R. St. Jean Auctioneers  
45 Exeter Road  
P.O. Box 400  
Epping, NH 03042

Phone: (603) 734-4348

DATED: January \_\_\_\_, 2018

**THE PROVIDENT BANK**

By its attorneys,

NIXON PEABODY LLP

By: /s/ Daniel W. Sklar  
Daniel W. Sklar  
900 Elm Street  
Manchester, NH 03101  
(603) 628-4000

**SECURED PARTY SALE AGREEMENT AND  
MEMORANDUM OF FORECLOSURE SALE**

The Provident Bank, a Massachusetts banking association, having an address of 25 Maplewood Avenue, Portsmouth, New Hampshire, 03801 (the "Bank"), as:

(i) holder of that certain Commercial Mortgage, Security Agreement and Assignment of Lease and Rents from Sustainable Ales, LLC (the "Mortgagor") to the Bank, dated August 3, 2012, and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 0001 (the "Mortgage"), with respect to certain real estate of the Mortgagor located at 105 Towle Farm Road in the Town of Hampton, Rockingham County, New Hampshire, as more particularly described in the Mortgage and published notice of sale (the "Premises"), and with respect to certain personal property of the Mortgagor, if any, located at the Premises (the "Personal Property") as more particularly described in the Mortgage and published notice of sale, and

(ii) the secured party under that certain Loan and Security Agreement between the Secured Party and Smuttynose Brewing Company, Inc. ("Smuttynose"), dated May 11, 2005, pursuant to which Smuttynose has granted the Secured Party a security interest in all personal property of Smuttynose (the "Security Agreement"),

has this day, pursuant to the power of sale contained in the said Mortgage and pursuant to its rights as a secured creditor under the Mortgage and under the Security Agreement and pursuant to applicable New Hampshire law, conducted by public auction a foreclosure sale of the mortgaged Premises in accordance with notices given as required by statute and by said Mortgage and conducted a secured party sale of certain personal property of the Mortgagor and of Smuttynose (collectively referred to herein as the "Personal Property") with notices given as required by statute and by said Mortgage and Security Agreement.

It is hereby acknowledged that the highest bid made at said sale, collectively, for the Premises and any Personal Property located at the Premises (collectively referred to herein as the "Property") was made by:

Purchaser:

Address:

Telephone No.: \_\_\_\_\_

(hereinafter the "Purchaser") and that the terms of sale are as follows:

**1. Bid.** The Purchaser acknowledges that, prior to making its bid, the Purchaser understood that its bid was irrevocable and subject to the terms and conditions of the Notice of Sale of Real and Personal Property, the Notice of Secured Party's Disposition of Collateral, and

this Memorandum of Foreclosure Sale (hereinafter the “Agreement”).

2. **Purchase Price.** The total purchase price for the Property shall be \_\_\_\_\_ and No/100ths Dollars (\$\_\_\_\_\_) (the (“Purchase Price”), which is that amount bid by the Purchaser at the foreclosure sale. Unless otherwise agreed by the Bank and Purchaser in writing at the Closing, \$\_\_\_\_\_ of the Purchase Price shall be allocable to the Personal Property and the remainder of the Purchase Price shall be allocable to the Premises. The Bank and the Purchaser agree that in accordance with the published terms of sale, the Purchaser has deposited with the Bank, or its agent, the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) (the “Deposit”), receipt of which is hereby acknowledged. The balance of the Purchase Price shall be paid in cash, certified or bank check, by wire transfer or funds acceptable to the Bank at the Closing.

3. **Title and Deed.** At the Closing, upon payment of the balance due under Paragraph 2, above, the Bank shall convey the Premises to the Purchaser, or its assignee, by foreclosure deed in accordance with N.H. RSA 477:31 and 479:26, and shall, as secured party, convey the Personal Property to the Purchaser by Bill of Sale in the form attached hereto as **Exhibit A**.

4. **Closing.** The Closing shall be held at the offices of Nixon Peabody LLP, 900 Elm Street, Manchester, New Hampshire within fifty-five (55) days of the date hereof (i.e. \_\_\_\_\_, 2018) at 11:00 a.m. In the event such date shall fall on a weekend or legal holiday, then the date of Closing shall be the next business day. The parties agree that TIME IS OF THE ESSENCE to this Agreement.

5. **Prorations.** There shall be no proration of any expense or income associated with the Premises. In particular, and without limitation, there shall be no proration of utility expenses, water expenses, fuel expenses, electricity expenses, real estate taxes or any other expense associated with the Property, and the Purchaser shall be solely responsible for paying any and all such expenses.

6. **Recording Fees and Revenue Stamps.** At Closing, the Purchaser shall pay all of the revenue stamps assessed under New Hampshire RSA Chapter 78-B. The Purchaser shall pay the fees associated with the recording of the foreclosure deed and related documents.

7. **Warranties and Representations.**

a. By execution hereof, the Purchaser hereby acknowledges that the Premises and other Property are being sold subject to any unpaid real estate taxes and other municipal assessments and liens therefor, and all other liens, easements, rights and encumbrances of any and every nature, including, without limitation, hazardous waste liens, if any, and the rights of tenants in possession, if any, whether or not of record, which may be entitled to precedence over the Bank’s Mortgage or Security Agreement. The Purchaser also acknowledges that Purchaser shall be responsible for the payment of any debts arising out of the aforementioned taxes, liens, easements, rights and encumbrances (the “debts”) in addition to the total Purchase Price set forth in Paragraph 2, above.

b. The Bank makes and shall make no warranties or representations of any kind, express or implied, in connection with the Premises or other Property, including without limitation any WARRANTY OF HABITABILITY, WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. In particular, and without limiting the foregoing, the Bank makes and shall make no warranty or representation regarding the present or future use or occupation of the Premises or other Property, the subdivision of the Premises, compliance of the Premises with any easements or other matters of record affecting the Premises or applicable zoning ordinances, building codes, or other applicable laws or regulations, the validity of any permits affecting the Premises, compliance of the Premises with any permits affecting the Premises, the condition, fitness or structural soundness of the Premises or other Property, the existence or non-existence of hazardous material, lead paint or radon gas at the Premises, the acreage of the Premises, title to the Premises, the rent roll of the Premises, the validity of any lease affecting the Premises or any other matter. The Premises and all other Property shall be conveyed "AS IS", "WHERE IS", and "WITH ALL FAULTS."

c. The Purchaser expressly acknowledges that any warranty or representation other than those contained herein made by any person is without authority.

d. By execution hereof, the Purchaser acknowledges receipt of a certain notification made pursuant to New Hampshire RSA 477:4-a, 4-c, and 4-d prior to executing this Agreement, including without limitation the following notifications:

(i) "Radon Gas. Radon gas, the product of decay of radioactive materials in rock may be found in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water."

(ii) "Lead Paint: Before 1977, paint containing lead may have been used in structures. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead is present."

e. The Purchaser acknowledges and represents, and shall, at the Closing, acknowledge and represent, that the Purchaser has duly inspected the Premises, the title thereto, the occupancy thereof, and all other matters in connection with the purchase of the Premises by itself and by such experts as the Purchaser deems reasonable and prudent.

f. The Purchaser agrees to indemnify and hold the Bank harmless from all claims or injuries, however arising, from any potential defects, hidden or otherwise, in or with respect to the Premises and other Property, and further agrees to indemnify and hold the Bank harmless from any actions, claims or cause of action by any person whatsoever brought or made after the Closing.

g. PURCHASER SPECIFICALLY ACKNOWLEDGES THAT THE BANK HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES REGARDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R.,

PART 261, OR THE DISPOSAL OR EXISTENCE, IN, ON OR UNDER THE LAND AND/OR IMPROVEMENTS, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. THE PURCHASER ACKNOWLEDGES AND AGREES THAT THE BANK HAS NOT ASSUMED OR UNDERTAKEN, AND SHALL NOT HAVE, ANY RESPONSIBILITY WITH RESPECT TO CONTINUED OCCUPANCY OF THE PREMISES OR ANY PART THEREOF BY ANY TENANT OR TENANTS NOW IN POSSESSION.

h. Purchaser's representations and acknowledgements in this Section 7 shall survive the Closing.

**8. Real Estate Commission.** Each party represents to the other that no real estate broker, agent or finder's fee is due with respect to the sale of the Premises or other Property except the fee to the auctioneer which the Bank shall pay. The Purchaser agrees to hold the Bank harmless from the claims of any broker or finder provided the claims are based upon having shown the Premises or other Property to the Purchaser or having interested the Purchaser in the Premises or other Property.

**9. Default.**

a. In the event of the Bank's default in its obligations hereunder for any reason whatsoever, upon the return of the Deposit to the Purchaser, the Bank will have no further obligation to the Purchaser and this Agreement will be null and void.

b. In the event of the Purchaser's default hereunder, the Bank may, at its option, retain the Deposit as full liquidated damages, or may hold said Deposit on account of the damages actually sustained by the Bank, and may enforce all of its rights in law or in equity that it may have as a result of the Purchaser's default.

c. In the event of a default by the Purchaser, the Bank may, at its option, and in lieu of all other remedies hereunder:

- i. retain the Deposit;
- ii. effect and receive an assignment of the Purchaser's rights hereunder to itself, or to another bidder from the auction sale; and
- iii. acquire the Premises and Property as purchaser, or sell the Premises and other Property to another bidder from the auction sale, for a price equal to the Purchase Price, against which price the Deposit may be credited.

**10. Purchaser's Statement of Non-Relatedness.** Purchaser hereby represents to the Bank, as follows:

I/we \_\_\_\_\_ hereby state that I/we are not employed by The Provident Bank or any of its subsidiaries or affiliated corporations, including Bank, nor am I/we related in any way with attorneys or agents retained by or on behalf of the aforementioned entities in relation to the property that is the subject of this transaction and confirm that I/we am dealing at arm's length with the aforementioned parties.

To the extent that any such relationships exist, the relationships are as follows:

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**11. Miscellaneous.**

a. Notices. All notices required under this Agreement shall be deemed given when received and shall be mailed by United States mail, postage prepaid, certified, return receipt requested, and shall be sent to the parties at the addresses first set forth above.

b. Governing Law. This Agreement is made in and shall be interpreted and enforced according to New Hampshire law.

c. Integration. This Agreement sets forth in full all the agreements of the parties with respect to the subject matter hereof. All prior discussions are merged herein. Any amendment hereto shall be effective only if executed with all the formalities hereof by the party against whom the amendment is asserted.

d. Captions. The captions in this Agreement are inserted for convenience or reference only and do not define, describe, or limit the scope or intent of this Agreement or any of its terms.

e. Successors and Assigns. This Agreement shall insure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, the rights of the Purchaser hereunder are not assignable or transferable without the prior written consent of the Bank.

f. Gender and Number. All words denoting gender or number shall be construed to include any other gender or number as the context and facts require.

g. Prior Statements: All representations, statements, and agreements, if any, heretofore made between Purchaser and the Bank or its agents are merged in this Agreement, which alone fully and completely expresses their respective obligations. This Agreement shall not be altered or modified except by written agreement signed and dated by both the Bank and the Purchaser.

IN WITNESS WHEREOF, the parties have duly executed this Agreement this \_\_\_\_\_ day of April, 2018, to duplicate original counterparts hereof.

SELLER:

THE PROVIDENT BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Hereunto Duly Authorized

BUYER(S):

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT A**  
**Form of Bill of Sale**

**BILL OF SALE**

KNOW ALL PERSONS by these presents that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, The Provident Bank, (the "Bank"), having an address of 25 Maplewood Avenue, Portsmouth, New Hampshire, 03801, as Secured Party under certain security agreements given by Smuttynose Brewing Company, Inc. and Sustainable Ales, LLC (referred to together as the "Debtors"), does hereby:

**QUITCLAIM** and **RELEASE** to \_\_\_\_\_ (the "Purchaser") all of the Bank's right, title and interest in and to the following personal property, if any, of the Debtors located as of the time of delivery of this Bill of Sale at the premises known as 105 Towle Farm Road, Hampton, New Hampshire (the "Premises") (such personal property being referred to collectively herein as the "Personal Property"):

Any and all furniture, fixtures, equipment, appliances, inventory, tooling, fuel in storage, artwork, goods and decorations, including without limitation all tradenames, trademarks, goodwill and general intangibles, of the Debtors located at the Premises including the items listed on Exhibit A hereto to the extent each item is located at or in the Premises but excluding herefrom any and all commercial tort claims and choses in action. Bank does not warrant the accuracy of or completeness of Exhibit A and Purchaser does hereby acknowledge that it was provided with a copy of Exhibit A prior to the sale and given an ample opportunity to examine the same while inspecting the Premises.

**The above referenced Personal Property is sold "AS IS", "WHERE IS", and "WITH ALL FAULTS", and without any warranty express or implied of any nature whatsoever, including, without limitation, any WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. Without limiting the generality of the foregoing, the Bank makes no warranty relating to title, possession, quiet enjoyment or the like in this disposition.**

The Personal Property hereby conveyed does not include any assets of any of the Debtors not specifically identified above including, but not limited to, commercial tort claims. This Bill of Sale is made pursuant to and subject to the terms of that certain Memorandum of Foreclosure Sale between the Bank and the Purchaser dated on or about April 10, 2014.

DATED: April \_\_\_\_, 2018

THE PROVIDENT BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



Memorandum of Foreclosure Sale and Secured  
Party Sale



**SMUTTYNOSE**  
BREWING COMPANY

**SECURED PARTY SALE AGREEMENT AND  
MEMORANDUM OF FORECLOSURE SALE**

The Provident Bank, a Massachusetts banking association, having an address of 25 Maplewood Avenue, Portsmouth, New Hampshire, 03801 (the "Bank"), as:

(i) holder of that certain Commercial Mortgage, Security Agreement and Assignment of Lease and Rents from Sustainable Ales, LLC (the "Mortgagor") to the Bank, dated August 3, 2012, and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 0001 (the "Mortgage"), with respect to certain real estate of the Mortgagor located at 105 Towle Farm Road in the Town of Hampton, Rockingham County, New Hampshire, as more particularly described in the Mortgage and published notice of sale (the "Premises"), and with respect to certain personal property of the Mortgagor, if any, located at the Premises (the "Personal Property") as more particularly described in the Mortgage and published notice of sale, and

(ii) the secured party under that certain Loan and Security Agreement between the Secured Party and Smuttynose Brewing Company, Inc. ("Smuttynose"), dated May 11, 2005, pursuant to which Smuttynose has granted the Secured Party a security interest in all personal property of Smuttynose (the "Security Agreement"),

has this day, pursuant to the power of sale contained in the said Mortgage and pursuant to its rights as a secured creditor under the Mortgage and under the Security Agreement and pursuant to applicable New Hampshire law, conducted by public auction a foreclosure sale of the mortgaged Premises in accordance with notices given as required by statute and by said Mortgage and conducted a secured party sale of certain personal property of the Mortgagor and of Smuttynose (collectively referred to herein as the "Personal Property") with notices given as required by statute and by said Mortgage and Security Agreement.

It is hereby acknowledged that the highest bid made at said sale, collectively, for the Premises and any Personal Property located at the Premises (collectively referred to herein as the "Property") was made by:

Purchaser:

Address:

Telephone No.: \_\_\_\_\_

(hereinafter the "Purchaser") and that the terms of sale are as follows:

1. **Bid.** The Purchaser acknowledges that, prior to making its bid, the Purchaser understood that its bid was irrevocable and subject to the terms and conditions of the Notice of Sale of Real and Personal Property, the Notice of Secured Party's Disposition of Collateral, and

this Memorandum of Foreclosure Sale (hereinafter the "Agreement").

2. **Purchase Price.** The total purchase price for the Property shall be \_\_\_\_\_ and No/100ths Dollars (\$ \_\_\_\_\_) (the ("Purchase Price")), which is that amount bid by the Purchaser at the foreclosure sale. Unless otherwise agreed by the Bank and Purchaser in writing at the Closing, \$ \_\_\_\_\_ of the Purchase Price shall be allocable to the Personal Property and the remainder of the Purchase Price shall be allocable to the Premises. The Bank and the Purchaser agree that in accordance with the published terms of sale, the Purchaser has deposited with the Bank, or its agent, the sum of Two Hundred Fifty Thousand Dollars (\$250,000.00) (the "Deposit"), receipt of which is hereby acknowledged. The balance of the Purchase Price shall be paid in cash, certified or bank check, by wire transfer or funds acceptable to the Bank at the Closing.

3. **Title and Deed.** At the Closing, upon payment of the balance due under Paragraph 2, above, the Bank shall convey the Premises to the Purchaser, or its assignee, by foreclosure deed in accordance with N.H. RSA 477:31 and 479:26, and shall, as secured party, convey the Personal Property to the Purchaser by Bill of Sale in the form attached hereto as **Exhibit A**.

4. **Closing.** The Closing shall be held at the offices of Nixon Peabody LLP, 900 Elm Street, Manchester, New Hampshire within fifty-five (55) days of the date hereof (i.e. \_\_\_\_\_, 2018) at 11:00 a.m. In the event such date shall fall on a weekend or legal holiday, then the date of Closing shall be the next business day. The parties agree that TIME IS OF THE ESSENCE to this Agreement.

5. **Prorations.** There shall be no proration of any expense or income associated with the Premises. In \_\_\_\_\_ particular, and without limitation, there shall be no proration of utility expenses, water expenses, fuel expenses, electricity expenses, real estate taxes or any other expense associated with the Property, and the Purchaser shall be solely responsible for paying any and all such expenses.

6. **Recording Fees and Revenue Stamps.** At Closing, the Purchaser shall pay all of the revenue stamps assessed under New Hampshire RSA Chapter 78-B. The Purchaser shall pay the fees associated with the recording of the foreclosure deed and related documents.

7. **Warranties and Representations.**

a. By execution hereof, the Purchaser hereby acknowledges that the Premises and other Property are being sold subject to any unpaid real estate taxes and other municipal assessments and liens therefor, and all other liens, easements, rights and encumbrances of any and every nature, including, without limitation, hazardous waste liens, if any, and the rights of tenants in possession, if any, whether or not of record, which may be entitled to precedence over the Bank's Mortgage or Security Agreement. The Purchaser also acknowledges that Purchaser shall be responsible for the payment of any debts arising out of the aforementioned taxes, liens, easements, rights and encumbrances (the "debts") in addition to the total Purchase Price set forth in Paragraph 2, above.

b. The Bank makes and shall make no warranties or representations of any kind, express or implied, in connection with the Premises or other Property, including without limitation any WARRANTY OF HABITABILITY, WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. In particular, and without limiting the foregoing, the Bank makes and shall make no warranty or representation regarding the present or future use or occupation of the Premises or other Property, the subdivision of the Premises, compliance of the Premises with any easements or other matters of record affecting the Premises or applicable zoning ordinances, building codes, or other applicable laws or regulations, the validity of any permits affecting the Premises, compliance of the Premises with any permits affecting the Premises, the condition, fitness or structural soundness of the Premises or other Property, the existence or non-existence of hazardous material, lead paint or radon gas at the Premises, the acreage of the Premises, title to the Premises, the rent roll of the Premises, the validity of any lease affecting the Premises or any other matter. The Premises and all other Property shall be conveyed "AS IS", "WHERE IS", and "WITH ALL FAULTS."

c. The Purchaser expressly acknowledges that any warranty or representation other than those contained herein made by any person is without authority.

d. By execution hereof, the Purchaser acknowledges receipt of a certain notification made pursuant to New Hampshire RSA 477:4-a, 4-c, and 4-d prior to executing this Agreement, including without limitation the following notifications:

(i) "Radon Gas. Radon gas, the product of decay of radioactive materials in rock may be found in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water."

(ii) "Lead Paint: Before 1977, paint containing lead may have been used in structures. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead is present."

e. The Purchaser acknowledges and represents, and shall, at the Closing, acknowledge and represent, that the Purchaser has duly inspected the Premises, the title thereto, the occupancy thereof, and all other matters in connection with the purchase of the Premises by itself and by such experts as the Purchaser deems reasonable and prudent.

f. The Purchaser agrees to indemnify and hold the Bank harmless from all claims or injuries, however arising, from any potential defects, hidden or otherwise, in or with respect to the Premises and other Property, and further agrees to indemnify and hold the Bank harmless from any actions, claims or cause of action by any person whatsoever brought or made after the Closing.

g. PURCHASER SPECIFICALLY ACKNOWLEDGES THAT THE BANK HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES REGARDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R.,

PART 261, OR THE DISPOSAL OR EXISTENCE, IN, ON OR UNDER THE LAND AND/OR IMPROVEMENTS, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER. THE PURCHASER ACKNOWLEDGES AND AGREES THAT THE BANK HAS NOT ASSUMED OR UNDERTAKEN, AND SHALL NOT HAVE, ANY RESPONSIBILITY WITH RESPECT TO CONTINUED OCCUPANCY OF THE PREMISES OR ANY PART THEREOF BY ANY TENANT OR TENANTS NOW IN POSSESSION.

h. Purchaser's representations and acknowledgements in this Section 7 shall survive the Closing.

**8. Real Estate Commission.** Each party represents to the other that no real estate broker, agent or finder's fee is due with respect to the sale of the Premises or other Property except the fee to the auctioneer which the Bank shall pay. The Purchaser agrees to hold the Bank harmless from the claims of any broker or finder provided the claims are based upon having shown the Premises or other Property to the Purchaser or having interested the Purchaser in the Premises or other Property.

**9. Default.**

a. In the event of the Bank's default in its obligations hereunder for any reason whatsoever, upon the return of the Deposit to the Purchaser, the Bank will have no further obligation to the Purchaser and this Agreement will be null and void.

b. In the event of the Purchaser's default hereunder, the Bank may, at its option, retain the Deposit as full liquidated damages, or may hold said Deposit on account of the damages actually sustained by the Bank, and may enforce all of its rights in law or in equity that it may have as a result of the Purchaser's default.

c. In the event of a default by the Purchaser, the Bank may, at its option, and in lieu of all other remedies hereunder:

- i. retain the Deposit;
- ii. effect and receive an assignment of the Purchaser's rights hereunder to itself, or to another bidder from the auction sale; and
- iii. acquire the Premises and Property as purchaser, or sell the Premises and other Property to another bidder from the auction sale, for a price equal to the Purchase Price, against which price the Deposit may be credited.

**10. Purchaser's Statement of Non-Relatedness.** Purchaser hereby represents to the Bank, as follows:

I/we \_\_\_\_\_ hereby state that I/we are not employed by The Provident Bank or any of its subsidiaries or affiliated corporations, including Bank, nor am I/we related in any way with attorneys or agents retained by or on behalf of the aforementioned entities in relation to the property that is the subject of this transaction and confirm that I/we am dealing at arm's length with the aforementioned parties.

To the extent that any such relationships exist, the relationships are as follows:

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**11. Miscellaneous.**

a. Notices. All notices required under this Agreement shall be deemed given when received and shall be mailed by United States mail, postage prepaid, certified, return receipt requested, and shall be sent to the parties at the addresses first set forth above.

b. Governing Law. This Agreement is made in and shall be interpreted and enforced according to New Hampshire law.

c. Integration. This Agreement sets forth in full all the agreements of the parties with respect to the subject matter hereof. All prior discussions are merged herein. Any amendment hereto shall be effective only if executed with all the formalities hereof by the party against whom the amendment is asserted.

d. Captions. The captions in this Agreement are inserted for convenience or reference only and do not define, describe, or limit the scope or intent of this Agreement or any of its terms.

e. Successors and Assigns. This Agreement shall insure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns; provided, however, the rights of the Purchaser hereunder are not assignable or transferable without the prior written consent of the Bank.

f. Gender and Number. All words denoting gender or number shall be construed to include any other gender or number as the context and facts require.

g. Prior Statements: All representations, statements, and agreements, if any, heretofore made between Purchaser and the Bank or its agents are merged in this Agreement, which alone fully and completely expresses their respective obligations. This Agreement shall not be altered or modified except by written agreement signed and dated by both the Bank and the Purchaser.

IN WITNESS WHEREOF, the parties have duly executed this Agreement this \_\_\_\_\_ day of April, 2018, to duplicate original counterparts hereof.

SELLER:

THE PROVIDENT BANK

\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Hereunto Duly Authorized

BUYER(S):

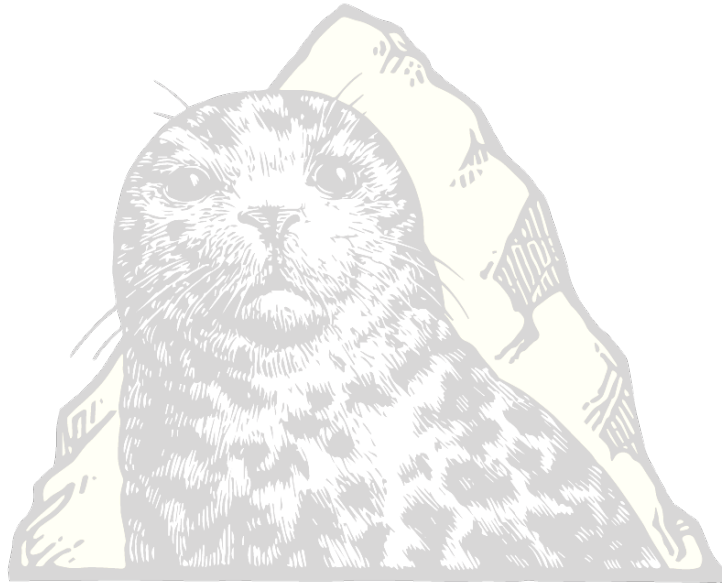
\_\_\_\_\_  
Witness

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Witness


By: \_\_\_\_\_  
Name: \_\_\_\_\_

## Sample Title Policy



**SMUTTYNOSE**  
BREWING COMPANY



 <b>First American Title™</b>	<b>Commitment for Title Insurance</b>
	ISSUED BY <b>First American</b>
<b>Commitment</b>	

**FIRST AMERICAN**, a Nebraska corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements, all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

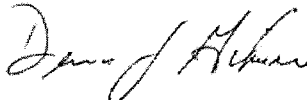
All liability and obligation under this Commitment shall cease and terminate 180 days after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

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In Witness Whereof, First American Title Insurance Company has caused its corporate name to be affixed by its duly authorized officers on the date shown in Schedule A.

**First American Title Insurance Company**



Dennis J. Gilmore  
President



Jeffrey S. Robinson  
Secretary


(This Commitment is valid only when Schedules A and B are attached)

This jacket was created electronically and constitutes an original document

Copyright 2006-2009 American Land Title Association. All rights reserved. The use of this form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

## CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. *The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at <<http://www.alta.org/>>.*

 <b>First American Title™</b>	<b>Commitment for Title Insurance</b>
	ISSUED BY <b>First American</b>
<b>Schedule A</b>	

File No.: 61050-013

1. Effective Date: January 10, 2018 at 04:00 PM

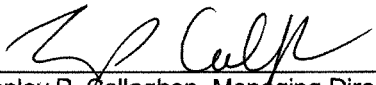
2. Policy (or Policies) to be issued:	<u>AMOUNT</u>
a. ALTA Owners Policy (10/17/92)	TBD
Proposed Insured: TBD	


3. The estate or interest in the land described or referred to in this Commitment is  
Fee Simple

4. Title to the Fee Simple estate or interest in the land is at the Effective Date vested in:  
Sustainable Ales, LLC

5. The land referred to in this Commitment is described as follows:  
105 Towle Farm Road, Hampton, NH

Granite State Title Services, LLC

  
 \_\_\_\_\_  
 Tenley P. Callaghan, Managing Director  
 Authorized Countersignature  
 (This Schedule A valid only when Schedule B is attached)

 <b>First American Title™</b>	<b>Commitment for Title Insurance</b>
	ISSUED BY <b>First American</b>
<b>Schedule BI</b>	

File No.: 61050-013

**REQUIREMENTS**

The following requirements must be satisfied:

1. Payment of the necessary consideration for the estate or interest to be insured.
2. Pay all premiums, fees and charges for the policy.
3. Documents satisfactory to us creating the interest in the land and/or the mortgage to be insured must be signed, delivered and recorded.
4. Payment of all taxes and/or assessments levied against the subject premises which are due and payable.
5. Properly executed Foreclosure Sale by The Provident Bank on the Mortgage from Sustainable Ales, LLC to The Provident Bank dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 001, in the original principal amount of \$5,700,000.00.
6. Properly executed Foreclosure Deed from Provident Bank to [Buyer TBD] to be recorded in the Rockingham County Registry of Deeds.
7. The following will be terminated/discharged upon completion of proper Foreclosure Sale:

Mortgage from Sustainable Ales, LLC to Granite State Economic Development Corporation dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 31, in the original principal amount of \$4,682,000.00, as assigned to the U.S. Small Business Administration by Assignment recorded at Book 5599, Page 2288.

Conditional Assignment of Leases and Rents from Sustainable Ales, LLC to Granite State Economic Development Corporation dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 37 (re: \$4,682,000 Mortgage), as assigned to the U.S. Small Business Administration by Assignment recorded at Book 5599, Page 2288.


Mortgage from Sustainable Ales, LLC to The Business Finance Authority dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 041, in the original principal amount of \$500,000.00.

UCC Financing Statement between Sustainable Ales, LLC and The U.S. Small Business Administration recorded August 6, 2012 in the Rockingham County Registry of Deeds at Book 5343, Page 57, as amended by UCC at Book 5598, page 1512 and further affected by UCC Continuation recorded at Book 5838, Page 1692.

Third Party Lender Agreement between Sustainable Ales, LLC, Provident Bank and Granite State Economic Development Corporation dated February 13, 2015 and recorded in the Rockingham County Registry of Deeds at Book 5599, Page 2280, as assigned to the U.S. Small Business Administration by Assignment recorded at Book 5599, Page 2285.
8. Payment and Release of Real Estate Tax Lien, to be recorded in the Rockingham County Registry of Deeds, by

**SCHEDULE BI**  
(Continued)

the Town of Hampton, said Lien dated May 4, 2017 and recorded in the Rockingham County Registry of Deeds at Book 5817, Page 756.in the original amount of \$35,485.83.

 <b>First American Title™</b>	<b>Commitment for Title Insurance</b>
	ISSUED BY <b>First American</b>
<b>Schedule BII</b>	POLICY NUMBER

File No.: 61050-013

**EXCEPTIONS**

The policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:


1. Any facts, rights, interests, or claims which are not shown in the public records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession of the Land.
2. Any, encroachment, encumbrance, violation, variation or adverse circumstance affecting the title, including discrepancies, conflicts in boundary lines, shortages in area, or any other facts that would be disclosed by an accurate and complete land survey of the Land, and that are not shown in the public records.
3. Any lien or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown in the public records.
4. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the Effective Date but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment.
5. Real estate taxes and municipal charges as follows:
6. IF THE INSURED PREMISES IS A CONDOMINIUM UNIT: Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, and limitations on title, created by the laws of the State of the insured premises or set forth in the Master Deed or Declaration of Condominium, in the related By-Laws, in the Declaration of Trust, or Site Plans and Floor Plans as duly recorded in the appropriate land records office and as the same may have been lawfully emended, and in any instrument creating the estate or interest insured by this policy.
7. Title to and rights of the public in and to those portions of the insured premises lying within the bounds of adjacent streets, ways and rights of way.
8. Notice of Current Use Taxation filed with the Town of Hampton dated July 12, 1976 and recorded in the Rockingham County Registry of Deeds at Book 2261, Page 701, as affected by Partial Release/Land Use Change Tax dated February 18, 2015 and recorded at Book 5595, Page 2155 (10 acres remaining in current use).
9. Discretionary Preservation Easement Agreement to the Town of Hampton dated August 27, 2003, recorded in the Rockingham County Registry of Deeds at Book 4156, Page 2486.
10. Any and all matters shown or referenced on a certain plan entitled "Plan of Land of Heirs of Samuel A. Towle in Hampton, N.H.", dated August 1976 and recorded in the Rockingham County Registry of Deeds as Plan #C-6231.
11. Any and all matters as shown or referenced on a certain plan entitled "S1- Subdivision Plan, Tax Map 122-Lot 1 for Smuttynose Brewery, Land of Gregory & Jennifer Sancoff, 105 Towle Farm Road, Town of Hampton, County of Rockingham, State of New Hampshire", dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc. and recorded in the Rockingham County Registry of Deeds as Plan #D-35574.
12. Any and all matters as shown or referenced on a certain plan entitled "Site Plan Tax Map 122-Lot 1", dated

## SCHEDULE BII

(Continued)

November 1, 2010 and recorded in the Rockingham County Registry of Deeds as Plan #D-36647.

13. Commercial Mortgage, Security Agreement and Assignment of Leases and Rents from Sustainable Ales, LLC to The Provident Bank dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 001, in the original principal amount of \$5,700,000.00. NOTE: This mortgage is part of Foreclosure Sale and will be deleted from the final policy.
14. Mortgage from Sustainable Ales, LLC to Granite State Economic Development Corporation dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 31, in the original principal amount of \$4,682,000.00. NOTE: This will be extinguished due to the Foreclosure Sale and will not appear on the final policy.
15. Conditional Assignment of Leases and Rents from Sustainable Ales, LLC to Granite State Economic Development Corporation dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 37 (re: \$4,682,000 Mortgage), as assigned to the U.S. Small Business Administration by Assignment recorded at Book 5599, Page 2288. NOTE: This will be extinguished by Foreclosure Sale and will not appear on final policy.
16. Mortgage and Security Agreement from Sustainable Ales, LLC to The Business Finance Authority dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 041, in the original principal amount of \$500,000.00. NOTE: This will be extinguished due to the Foreclosure Sale and will not appear on the final policy.
17. Lease Agreement between Sustainable Ales, LLC and Smuttynose Brewing Company, Inc. as evidenced by Notice of Real Estate Lease dated August 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5343, Page 55.
18. UCC Financing Statement between Sustainable Ales, LLC and The U.S. Small Business Administration recorded August 6, 2012 in the Rockingham County Registry of Deeds at Book 5343, Page 57, as amended by UCC at Book 5598, page 1512 and further affected by UCC Continuation recorded at Book 5838, Page 1692. NOTE: This will be extinguished due to Foreclosure Sale and will not appear on final policy.
19. Easement between Sustainable Ales, LLC and Unitil Energy Systems dated October 3, 2012 and recorded in the Rockingham County Registry of Deeds at Book 5370, Page 1814.
20. Third Party Lender Agreement between The Provident Bank and Granite State Economic Development Corporation dated February 13, 2015 and recorded in the Rockingham County Registry of Deeds at Book 5599, Page 2280, as assigned to the U.S. Small Business Administration by Assignment recorded at Book 5599, Page 2285. NOTE: This will be extinguished as part of the Foreclosure Sale and will not appear on the final title policy.
21. Real estate tax lien by the Town of Hampton against Sustainable Ales, LLC dated May 4, 2017 and recorded in the Rockingham County Registry of Deeds at Book 5817, Page 756, in the original principal amount of \$35,485.83.

 <b>First American Title™</b>	<b>Commitment for Title Insurance</b>
	ISSUED BY <b>First American</b>
<b>Exhibit A</b>	

File No.: 61050-013

EXHIBIT A

105 Towle Farm Road, Hampton, Rockingham County, New Hampshire

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein, said lot being shown as "Proposed Lot 2" on a plan entitled, "S1 – Subdivision Plan, Tax Map 122 – Lot 1 for Smuttynose Brewery, Land of Gregory & Jennifer Sancoff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

Thence running North 18° 10' 10" West a distance of one hundred sixty one and eighty two hundredths (161.82) feet along land of 'grantor' to an iron rod set;

Thence turning and running North 69° 07' 37" West a distance of two hundred twenty nine and sixty hundredths (229.60) feet along land of the 'grantor' to an iron rod set at land now or formerly of Asset Title Holding, Inc.

Thence turning and running North 00° 18' 20" West a distance of three hundred forty seven and twenty seven hundredths (347.27) feet to a stonewall;

Thence turning and running North 80° 12' 50" East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

Thence turning and running North 78° 50' 29" East a distance of seven hundred eighty nine and nine hundredths (789.09) feet to a drill hole;

Thence turning and running South 26° 34' 44" East a distance of seven hundred seventeen and eleven hundredths (717.11) feet to an iron rod on the northerly side of Towle Farm Road;

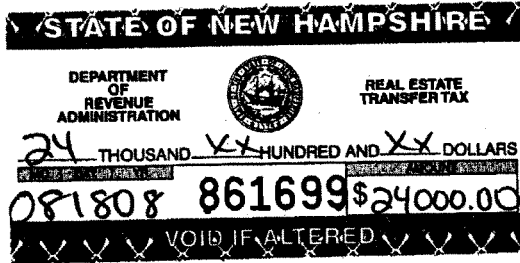
Thence turning and running South 88° 22' 35" West a distance of one hundred eighty and twenty seven hundredths (180.27) feet along the northerly sideline of Towle Farm Road to a NH highway bound; and

Thence turning and running along the northerly sideline of Towle Farm Road South 85° 24' 51" West a distance of three hundred eighty and fifty three hundredths (380.53) feet to a NH highway bound; and

Thence turning and running South 78° 24' 18" West a distance of three hundred eighty four and ninety three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.



C/H  
L-CHIP  
ROA004692



Return: Attorney Thomas M. Keane (Box)  
Keane & Macdonald, P.C.  
1000 Market Street, Building 1, Suite 202  
Portsmouth, New Hampshire 03801

### Warranty Deed

We, Gregory E. Sancoff and Jennifer L. Sancoff, husband and wife, of North Hampton, Rockingham County, New Hampshire for consideration paid, grant to Sustainable Ales, LLC, a New Hampshire Limited Liability Company, of 225 Heritage Road, Portsmouth, NH, a certain plot of land with buildings thereon, situated in the Town of Hampton, County of Rockingham, State of New Hampshire, bounded and described below:

SEE DESCRIPTION ATTACHED HERETO AS EXHIBIT A  
AND INCORPORATED HEREIN AS IF SET FORTH IN FULL

Being a portion of premise conveyed to the Grantors herein by Deed dated October 3, 2005 and recorded on October 6, 2005 at the Rockingham County Registry of Deeds at Book 4560, Page 2673.

HOMESTEAD RIGHTS DO NOT APPLY.

EXECUTED as a sealed instrument on August 15, 2008

GREGORY E. SANCOFF

JENNIFER L. SANCOFF

STATE OF NEW HAMPSHIRE

Rockingham County

On August 15, 2008, before me, the undersigned Commissioner of Deeds, personally appeared Gregory E. Sancoff and Jennifer L. Sancoff, proved to me through satisfactory evidence of identification, which were their driver's licenses, to be the persons whose names are signed on this document, and acknowledged to me that they signed it voluntarily for its stated purpose.

Peter L. Hatem,

New Hampshire Commissioner of Deeds  
My Commission Expires May 3, 2011

PETER L. HATEM  
COMMISSIONER OF DEEDS  
State of New Hampshire  
My Commission Expires  
May 3, 2011

040575

Property Address: 105 Towle Farm Road, Hampton, New Hampshire

2008 AUG 18 PM 12:38

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

**EXHIBIT A**

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein conveyed, said lot being shown as "Proposed Lot 2" on a plan entitled, "S1 - Subdivision Plan, Tax Map 122 - Lot 1 for Smuttynose Brewery, land of Gregory & Jennifer Sancoff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

*thence* running North 18°10'10" West a distance of one hundred sixty one and eighty two hundredths (161.82) feet along land of the grantor to an iron rod set;

*thence* turning and running North 69°07'37" West a distance of two hundred twenty nine and sixty hundredths (229.60) feet along land of the grantor to an iron rod set at land now or formerly of Asset Title Holding, Inc.

*thence* turning and running North 00°18'20" West a distance of three hundred forty seven and twenty seven hundredths (347.27) feet to a stonewall;

*thence* turning and running North 80°12'50" East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

*thence* turning and running North 78°50'29" East a distance of seven hundred eighty nine and nine hundredths (789.09) feet to a drill hole;

*thence* turning and running South 26°34'44" East a distance of seven hundred seventeen and eleven hundredths (717.11) feet to an iron rod on the northerly side of Towle Farm Road;

*thence* turning and running South 88°22'35" West a distance of one hundred eighty and twenty seven hundredths (180.27) feet along the northerly sideline of Towle Farm Road to a NH highway bound;

*thence* turning and running along the northerly sideline of Towle Farm Road South 85°24'51" West a distance of three hundred eighty and fifty three hundredths (380.53) feet to a NH highway bound; and

*thence* turning and running South 78°24'18" West a distance of three hundred eighty four and ninety three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.

Said lot contains 14.0521 acres, according to said plan.

15828

CURRENT USE TAXATION

For Land Located In Hampton

2261-0701

Instructions: If town has tax map, show coordinates in description column.  
If town does not have tax map, enter accurate description of property using less than twenty (20) spaces.

JUL 14 10 16 AM '76  
REC'D ROCKINGHAM COUNTY  
REGISTER OF DEEDS

<u>Name</u>		<u>Description</u>
<u>Last</u>	<u>First</u>	<u>(Less than 20 Spaces)</u>
1	<u>Barkley, Ruth H.</u>	<u>75:19-21; 137-60; 241:6&amp;8</u>
2	<u>Batchelder, Horace M.</u>	<u>390-2; 400-27</u>
3	<u>Bryer, Deborah G.</u>	<u>330-14</u>
4	<u>Fitzgerald, Francis H.</u>	<u>270-1; 280-14, 32, 37 &amp; 39</u>
5	<u>Grenier, Richard R.</u>	<u>37B-7; 400-24; 443-2</u>
6	<u>Hurd, Geary A.</u>	<u>360-4 &amp; 9</u>
7	<u>James, Roger M.</u>	<u>350-6; 441-2</u>
8	<u>Lanzley, Kenneth W.</u>	<u>127-53</u>
9	<u>Penniman, Marion L.</u>	<u>65-7</u>
10	<u>Perkins, Harold G.</u>	<u>37-1 &amp; 4; 37A-14</u>
11	<u>Shaines, Robert A.</u> <u>Tucker, James W. Jr.</u>	<u>113-132</u>
12	<u>Tonry, Herbert &amp; Alice</u>	<u>331-17, 27, 28 &amp; 29</u>
13	<u>Towle, Samuel A.</u>	<u>380-23; 400-29; 410-10</u>
14	<u>Waters, Charles &amp; Mima</u>	<u>380-29</u>
15	<u>Woods, Barbara G.</u> <u>Garland, David S.</u>	<u>75-17</u>

Signature of Selectmen / Assessors

THIS FORM MUST BE TYPEWRITTEN  
AND SIGNED IN BLACK INK.

Francis H. Fitzgerald  
Allen W. Haydel  
Robert J. [Signature]  
Clifford H. [Signature]

Dated: July 12, 1976

FOR REGISTER OF DEEDS USE ONLY

BK 5595 P6 2155

*Brewery*

005899

FORM  
**A-5**

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**LAND USE CHANGE TAX**

**STEP 1 PROPERTY OWNER(S) AND RESPONSIBLE PARTY (if applicable)**

PLEASE TYPE OR PRINT	LAST NAME <i>Sustainable Ales, LLC</i>	FIRST NAME	INITIAL
	LAST NAME	FIRST NAME	INITIAL
	RESPONSIBLE PARTY, IF OTHER THAN PROPERTY OWNER (RSA 78-A:7V(e))		
	STREET ADDRESS <i>225 Heritage Rd</i>		
	ADDRESS (continued)		
TOWN/CITY <i>Portsmouth</i>	STATE <i>N.H.</i>	ZIP CODE <i>03801</i>	

**STEP 2 PROPERTY LOCATION**

PLEASE TYPE OR PRINT	STREET <i>105 Towle Farm Rd</i>					
	TOWN/CITY <i>Hampton</i>			COUNTY <i>Rockingham</i>		
	NUMBER OF ACRES <i>13.05</i>		CHECK ONE: PARTIAL RELEASE <input checked="" type="checkbox"/> FULL RELEASE <input type="checkbox"/>		BOOK# <i>4943</i>	PAGE# <i>2668</i>
	MAP# <i>122</i>	LOT# <i>1-2</i>	MAP#	LOT#	MAP#	LOT#

**STEP 3 LOCAL IDENTIFICATION OF LAND BEING DISQUALIFIED**

(a) Owners Name of Record When Land Was First Classified <i>Philip A. Towle</i>	Book # <i>2261</i>	Page # <i>0701</i>
(b) Number of Acres Originally Classified	<i>86.00</i>	
(c) Number of Acres Previously Disqualified	<i>72.95</i>	
(d) Acres Disqualified per this Assessment	<i>3.00</i>	
(e) Number of Acres Remaining in Current Use [3(b) minus 3(c) and 3(d)]	<i>10.05</i>	

**STEP 4 ASSESSMENT OF LAND USE CHANGE TAX**

(a) Narrative description of the disqualification: <i>3 Acres removed to support Commercial Construction</i>	
(b) Actual Date of Change in Use (MMDD/YYYY)	<i>8-1-2012</i>
(c) Full and True value at Time of Change in Use	\$ <i>1,325,600</i>
(d) Land Use Change Tax (Step 4(c) x 10%)	\$ <i>132,560</i>

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS  
2015 FEB 20 AM 9:59

FORM  
**A-5**

NEW HAMPSHIRE DEPARTMENT OF REVENUE ADMINISTRATION  
**LAND USE CHANGE TAX**

**STEP 5 SIGNATURES OF A MAJORITY OF SELECTMEN/ASSESSORS**

TYPE OR PRINT NAME (in black ink) Richard E. Nichols	SIGNATURE (in black ink) 	DATE 9/23/13
TYPE OR PRINT NAME (in black ink) Michael Pierce	SIGNATURE (in black ink) 	DATE 9/23/13
TYPE OR PRINT NAME (in black ink) Philip Bean	SIGNATURE (in black ink) 	DATE 9/23/13
TYPE OR PRINT NAME (in black ink) Mary-Louise Woolsey	SIGNATURE (in black ink) 	DATE 9/23/13
TYPE OR PRINT NAME (in black ink) Michael Plouffe	SIGNATURE (in black ink) 	DATE 9/23/13

**STEP 6 LAND USE CHANGE TAX NOTICE (TO BE COMPLETED BY LOCAL ASSESSING OFFICIALS)**

PLEASE TYPE OR PRINT	LAST NAME Sustainable AIFS, LLC	FIRST NAME
	ADDRESS 225 HERITAGE RD	
	ADDRESS (continued)	
	TOWNCITY Portsmouth	STATE N.H.
(a) Date of Release (MM/DD/YYYY)	08/01/2010	
(b) Date of Bill (MM/DD/YYYY)	Sept 23, 2013	
(c) Full and True Value at Time of Change in Use	\$ 1,325,600	
(d) Total Tax Due	\$ 132,560	

**STEP 7 CHECKS PAYABLE TO AND MAILED TO (TO BE COMPLETED BY TAX COLLECTOR)**

(a) Make Check Payable to:	TOWN OF HAMPTON		
(b) Mail To:	NAME	100 Winnacunnet Rd	
	ADDRESS	Hampton	NH 03842
	TOWNCITY	STATE	ZIP CODE
(c) Tax Collector's Office Location:	SAME		
(d) Tax Collector's Office Hours:	M-TH 9AM-5PM Friday 9AM-12pm		
(e) Include a separate check in the amount of \$	18.00		
	Payable to TOWN OF HAMPTON for recording fee at County Register of Deeds.		
(f) Payment of this tax is due no later than 30 days after mailing of this bill. Interest, at the rate of 18% per annum, shall be due if this tax is not paid on or before	10/23/13		

**STEP 8 ACKNOWLEDGMENT OF PAYMENT**

SIGNATURE (in black ink) OF TAX COLLECTOR 	DATE PAID 2/18/15
---	----------------------

BK 4156 PG 2486

**DISCRETIONARY PRESERVATION  
EASEMENT AGREEMENT**

KNOW ALL BY THESE PRESENTS that Philip A. Towle, of 105 Towle Farm Road, Town of Hampton, County of Rockingham, and State of New Hampshire, (hereinafter "Grantor") for consideration paid grants to The Town of Hampton, of 100 Winnacunnet Road, Hampton, County of Rockingham and State of New Hampshire (hereinafter "Grantee") a discretionary preservation easement for an historic agricultural structure, located at 105 Towle Farm Road, Town of Hampton, County of Rockingham, and State of New Hampshire, and further described as follows:

This easement shall be for the preservation of a barn, which was built in 1873, having a ground area of approximately twenty-five hundred and eight (2,508) square feet. It was used for agricultural products such as salt marsh hay. The local tax map and lot number(s) for the land and historic agricultural structure being classified is: 122-001-000. This easement also includes the land necessary for the function of the barn.

For title purposes, please deed from S. Allan Towle and Murray A. Towle to Phillip A. Towle, dated April 30, 1996, and May 6, 1996, and recorded in the Rockingham County Registry of Deeds at Book 3154, Page 2120.

Grantor agrees to maintain this barn in keeping with its historic integrity and character during the term of this easement to preserve its public benefit under RSA 79-D:3 and to further the purposes of RSA Ch. 79-D.

In the event that the structure is destroyed by fire, storm or other unforeseen circumstances not within the control of the Grantor, this preservation easement shall be released without penalty in accordance with N.H. RSA 79-D:8,V. However, if the Grantor shall fail to maintain the structure in conformity with this agreement, or shall cause the structure to significantly deteriorate or be demolished or removed, this preservation easement shall be terminated and a penalty assessed in accordance with N.H. RSA 79-D:8, I(a) and (b).

Under the guidelines of N.H. RSA 79-D:7 the method of assessment for discretionary preservation easement structures shall fall within a range of between seventy-five (75%) percent and twenty-five (25%) percent. The local governing body has determined, through application of the criteria set forth in RSA 79-D:3, II and in the guidelines of the New Hampshire Historic agricultural Structures Advisory Committee, that Grantee will allow a seventy-five (75%) percent decrease in assessment of the barn and the land necessary for the function of the barn for the duration of this easement "to encourage the preservation of historic agricultural structures and prevent the loss of historic agricultural structures due to property taxation at values incompatible with their

117168

2003 SEP 23 PM 3:17

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

BK4156PG2487

preservation." N.H. RSA 79-D:1. This percentage off is multiplied by the full value assessment of the qualifying structure and land.

This easement shall be in effect for a period of ten (10) tax years starting with the 2003 tax year. Upon the expiration of the terms of this discretionary easement, the owner may apply for a renewal, and the owner and local governing body shall have the same rights and duties with respect to the renewal application as they did with respect to the original application.

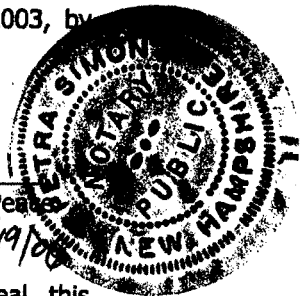
This easement constitutes a burden upon the above real property of Grantor and shall bind all transferees and assignees of such property. This easement shall not be assigned, transferred, or released by the municipality without the consent of the owner, except as provided in RSA 79-D:8.

In witness whereof, Grantor has set forth his hands and seals, this 27 day of August, 2003.

Philip A. Towle  
Philip A. Towle

Subscribed and sworn to before me this 27 day of August, 2003, by Philip A. Towle.

Petra Simon  
Notary Public/Justice of the Peace  
My Commission Expires: 9/19/06



In witness whereof, Grantee Town of Hampton has set forth its hand and seal, this 27<sup>th</sup> day of August, 2003.

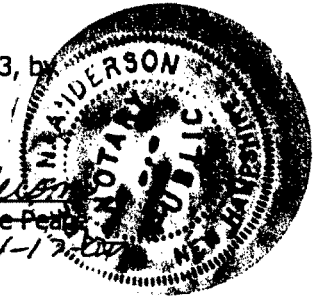
Town of Hampton  
By its Board of Selectmen

Brian C. Warburton  
Brian C. Warburton, Chairman  
Town of Hampton  
Board of Selectmen

BK 4156 PG 2488

Subscribed and sworn to before me this 22 day of September, 2003, by  
Brian C. Warburton.

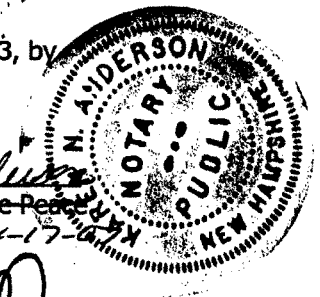
Karen M. Anderson  
Notary Public/Justice of the Peace  
My Commission Expires: 4-17-07



Virginia B. Bridle  
Virginia B. Bridle, Vice-Chair  
Town of Hampton  
Board of Selectmen

Subscribed and sworn to before me this 22 day of September, 2003, by  
Virginia B. Bridle.

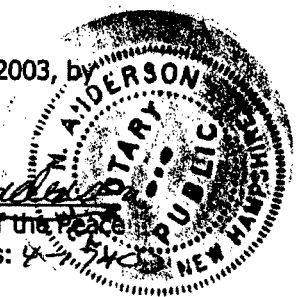
Karen M. Anderson  
Notary Public/Justice of the Peace  
My Commission Expires: 4-17-07



William H. Sullivan  
William H. Sullivan, Selectman  
Town of Hampton

Subscribed and sworn to before me this 22 day of September, 2003, by  
William H. Sullivan.

Karen M. Anderson  
Notary Public/Justice of the Peace  
My Commission Expires: 4-17-07




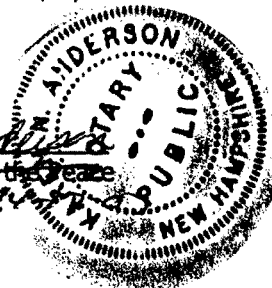
James A. Workman  
James A. Workman, Selectman  
Town of Hampton



BK4156PG2489

Subscribed and sworn to before me this 22 day of September, 2003, by  
James A. Workman.

  
Notary Public/Justice of the Peace  
My Commission Expires:



\_\_\_\_\_  
Cliff Pratt, Selectman  
Town of Hampton

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2003, by  
Cliff Pratt.

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

76 SEP-3 4 5:49  
RECORDING COUNTY  
REGISTRY DEEDS

# PLAN OF LAND FOR HEIRS OF SAMUEL A. TOWLE



**HAMPTON, N. H.**  
SCALE: 1" = 100' AUGUST 1976  
PARKER SURVEY ASSOC. INC.  
EXETER & SEABROOK, N. H.



FOR RECORDING PURPOSES ONLY  
HAMPTON PLANNING BOARD  
DATE: \_\_\_\_\_

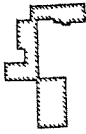
This plan is given as a representation of a survey.  
The commissioner of the seal of the surveyor and  
the surveyor are not responsible for the accuracy of  
the information shown on this plan. The surveyor  
is not responsible for the accuracy of the information  
shown on this plan. The surveyor is not responsible  
for the accuracy of the information shown on this  
plan. The surveyor is not responsible for the  
accuracy of the information shown on this plan.

N/F  
WHEELABRATOR-FRYE INC.  
SEE NOTE I

N/F WHEELABRATOR - FRYE INC.

NOTE I: SEE "PLAN OF LAND FOR WHEELABRATOR-FRYE INC.  
IN HAMPTON, N.H. SCALE: 1" = 200' APRIL 1972.  
REVISED & REDRAFTED JULY 1974  
PARKER SURVEY ASSOC. INC. SEABROOK, N.H.  
UPDATED & FINALIZED DEC. 1974 SHEET 2 OF 2  
PLAN #1191

17.1 ACRES ±  
(6.90 HECTARES ±)  
PROBATE #15759



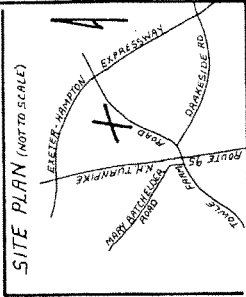
ROAD  
FORMER TOWLE FARM ROAD  
TOWLE FARM  
TOWLE

N/F STATE OF N.H.  
R.C.R. 2195-1603

NOTE I: SEE "N.H. HIGHWAY LAYOUT  
PROJECT PLANS SEABROOK, HAMPTON  
FALLS, HAMPTON LS-1931(2)  
P-1235-A, SHEETS 35, 36 OF 57

NOTE: HIGHWAY BOUNDS HELD  
DESPITE DISCREPANCIES WITH  
LAYOUT DIMENSIONS IN  
LACK OF APPROPRIATE MEANS OF  
REPRODUCING SIDELINE.

*The Hampton Planning Board approved  
this plan for recording purposes only.  
Louis Williams, Chairman, Sept. 1976*



C-6231

3015-3



**AMBIT ENGINEERING, INC.**  
Civil Engineers & Land Surveyors  
225 W. Main Street, Suite 214  
North Hampton, NH 03862  
Tel: (603) 883-2285  
Fax: (603) 883-2285

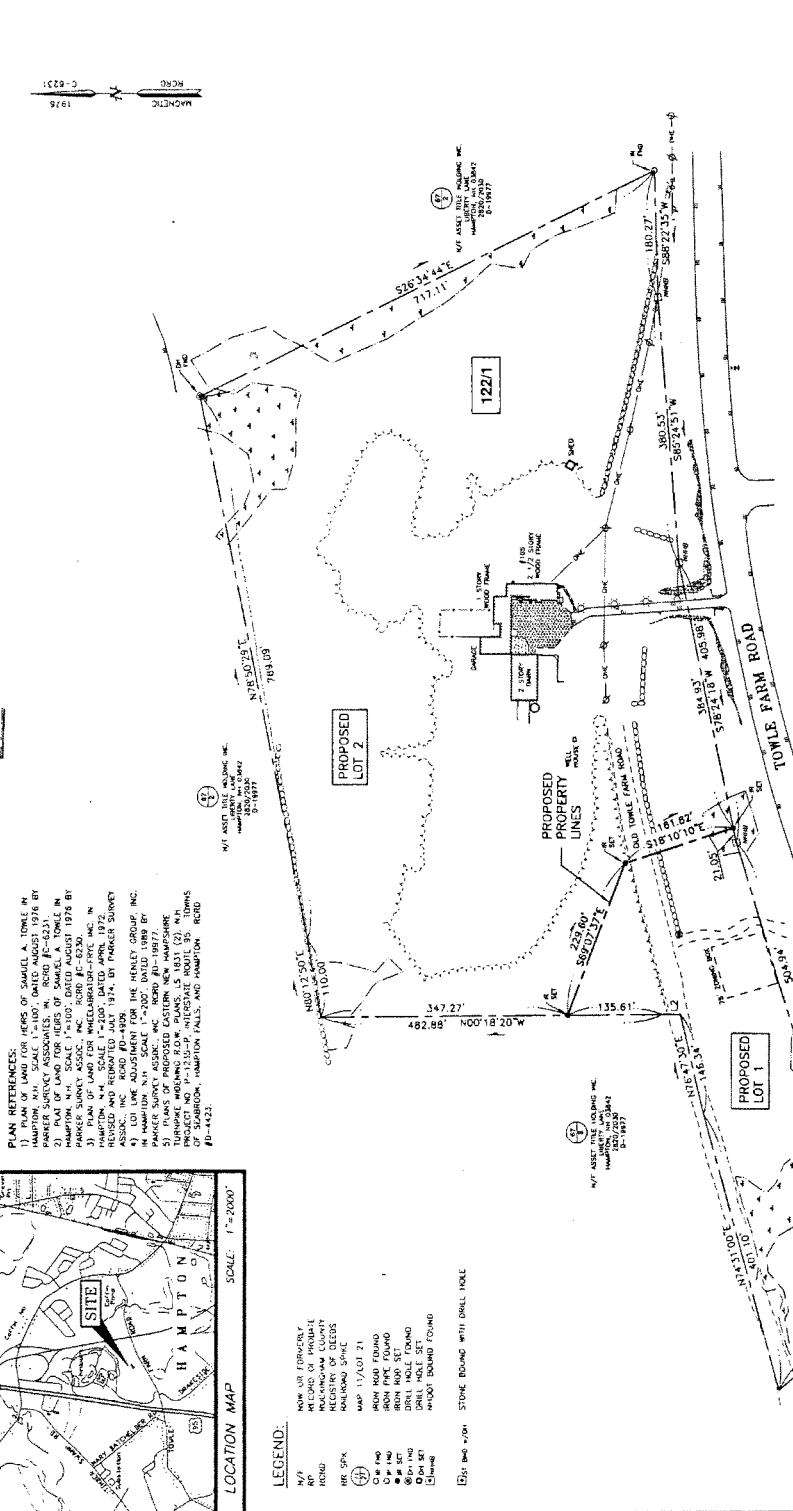
**NOTES:**  
1) PARCEL IS SHOWN ON THE TOWN OF HAMPTON ASSESSOR'S MAP 122 AS LOT 1.  
2) OWNERS OF RECORD:  
GREGORY & JENNIFER L. SANCOFF  
NORTH HAMPTON, NH 03862  
C-2021  
C-2021

**APPROVED:**  
SMUTTYNOSE BREWERY  
235 HERFAGE AVENUE  
FARMINGTON, NH 03825

1) PARCEL IS SHOWN ON THE TOWN OF HAMPTON ASSESSOR'S MAP 122 AS LOT 1.  
2) OWNERS OF RECORD:  
GREGORY & JENNIFER L. SANCOFF  
NORTH HAMPTON, NH 03862  
C-2021  
C-2021

1) PARCEL IS SHOWN ON THE TOWN OF HAMPTON ASSESSOR'S MAP 122 AS LOT 1.  
2) OWNERS OF RECORD:  
GREGORY & JENNIFER L. SANCOFF  
NORTH HAMPTON, NH 03862  
C-2021  
C-2021

**S1 - SUBDIVISION PLAN**  
**TAX MAP 122 - LOT 1**  
FOR  
**SMUTTYNOSE BREWERY**  
LAND OF  
**GREGORY & JENNIFER SANCOFF**  
105 TOWLE FARM ROAD  
TOWN OF HAMPTON  
COUNTY OF ROCKINGHAM  
STATE OF NEW HAMPSHIRE  
DECEMBER 2007  
SCALE 1"=60'

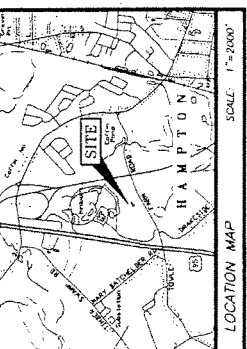


**LENGTH TABLE**

LINE	BEARING	DISTANCE
L1	S80°20'05"W	12.04'
L2	N02°18'21"W	23.30'



**PLAN REFERENCES:**  
1) PLAN OF LAND FOR HEIRS OF SAMUEL A. TOWLE JR. PARKER SURVEY ASSOCIATES, INC. RECORD E-26233, 11/17/94.  
2) PLAN OF LAND FOR HEIRS OF SAMUEL A. TOWLE JR. PARKER SURVEY ASSOCIATES, INC. RECORD J.C.-6234, 11/17/94.  
3) PLAN OF LAND FOR WHEELABRATOR-PTC, INC. IN THE TOWNSHIP OF HAMPTON, NEW HAMPSHIRE. PROJECT NO. 13-53-P, INTERSTATE ROUTE 25, TOWNSHIP OF HAMPTON, HAMPTON FALLS, AND HAMPTON, RECORD E-44241.

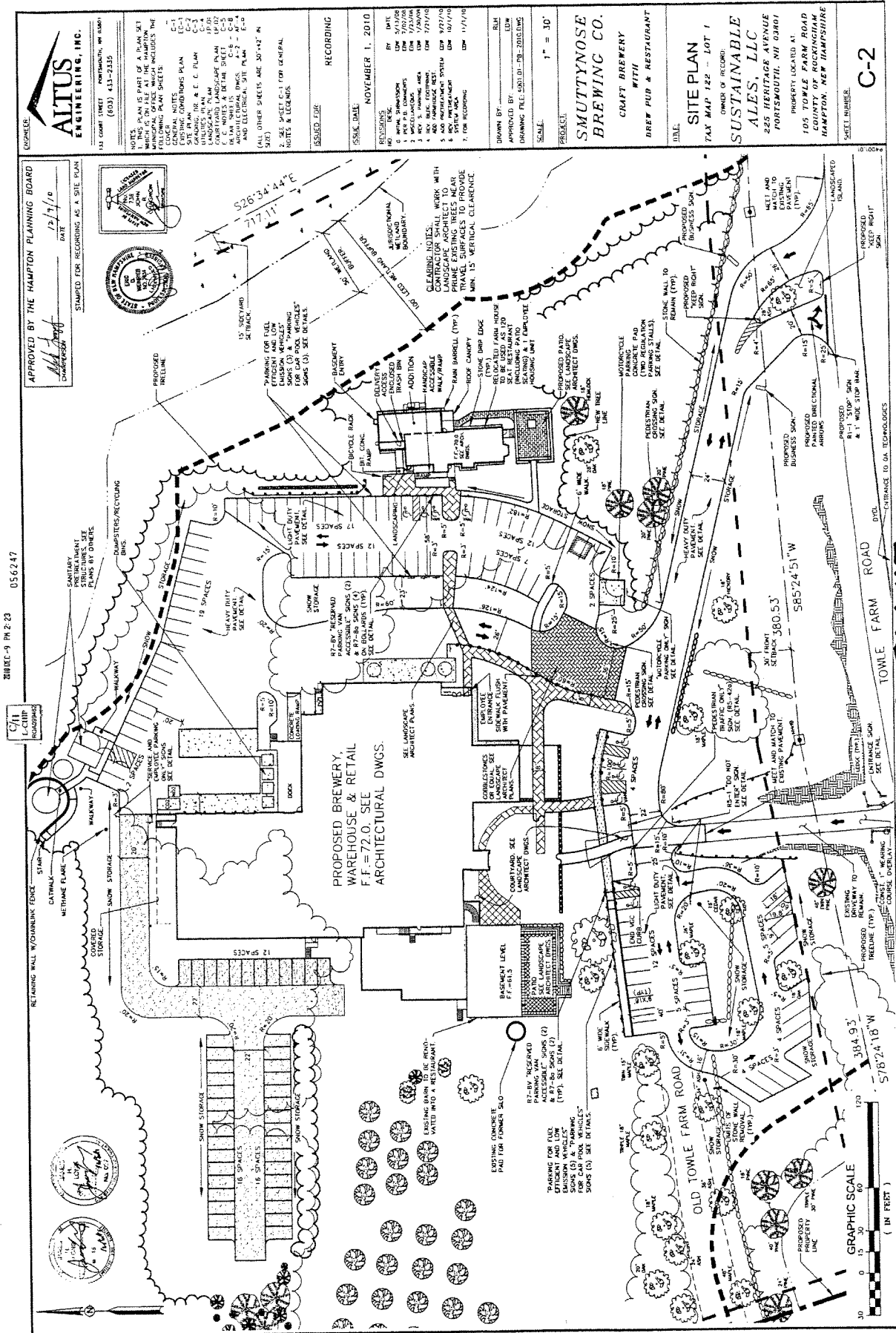


**D-35574**

APPROVED BY THE HAMPTON PLANNING BOARD  
*[Signature]*  
CHAIRPERSON

3884612 PH2-32 039715

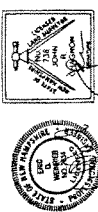




D-36647

056247

APPROVED BY THE HAMPTON PLANNING BOARD  
 DATE: 12/17/10  
 STAMPED FOR RECORDING AS A SITE PLAN



GRAPHIC SCALE  
 ( IN FEET )  
 0 15 30 45 60 75 90 105 120

After recording return to:  
Bosen & Associates, PLLC  
86 Chestnut Street  
Portsmouth, NH 03801



038881

**COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS**

This COMMERCIAL MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS (this "Mortgage") is entered into at Amesbury, Massachusetts, as of August 3, 2012, between Sustainable Ales, LLC, a New Hampshire limited liability company, with an address of 225 Heritage Avenue, Portsmouth, New Hampshire 03801 (the "Mortgagor") and The Provident Bank, a Massachusetts savings bank, with an address of 5 Market Street, P.O. Box 37, Amesbury, Massachusetts 01913 (the "Bank").

The real property which is the subject matter of this Mortgage has the following address(es): 105 Towle Farm Road, Hampton, New Hampshire 03842 (the "Address(es)").

**1. MORTGAGE, OBLIGATIONS AND FUTURE ADVANCES**

1.1 Mortgage. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor hereby irrevocably and unconditionally mortgages, grants, bargains, transfers, sells, conveys, sets over and assigns to the Bank and its successors and assigns forever, with MORTGAGE COVENANTS, all of Mortgagor's right, title and interest in and to the "Property" described below, to secure the prompt payment and performance of the Obligations (as hereinafter defined), including without limitation, all amounts due and owing to the Bank and all obligations respecting that certain Construction and Permanent Note, dated August 3, 2012, by Sustainable Ales, LLC in favor of the Bank in the original principal amount of \$5,700,000.00 (the "Note"; and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents"), and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Mortgage total \$5,700,000.00 as of the date of this Mortgage but this Mortgage shall nevertheless secure payment and performance of all Obligations.

1.2 Security Interest in Property. As continuing security for the Obligations the Mortgagor hereby pledges, assigns and grants to the Bank, and its successors and assigns, a security interest in any of the Property (as hereinafter defined) constituting personal property or fixtures. This Mortgage is and shall be

2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

PREPARED BY AND RETURN TO:  
Schwartz & Roman PLLC  
P.O. Box 799  
Durham, New Hampshire 03824-0799



038883

**MORTGAGE**  
**(Participation)**

This mortgage made and entered into this 3<sup>rd</sup> day of August, 2012, by and between Sustainable Ales, LLC, a New Hampshire limited liability company, (hereinafter referred to as Mortgagor), 225 Heritage Ave., Portsmouth, New Hampshire 03801 and Granite State Economic Development Corporation (hereinafter referred to as Mortgagee), who maintains an office and place of business at One Cate Street, Portsmouth, New Hampshire 03801.

WITNESSETH, that for the consideration hereinafter stated, receipt of which is hereby acknowledged, the mortgagor does hereby mortgage, sell, grant, assign, and convey unto the mortgagee, his successors and assigns, all of the following described property situated and being in the Town/City of Hampton, County of Rockingham, State of New Hampshire.

**For property description, see Exhibit/Schedule A attached hereto.**

**THIS IS NOT HOMESTEAD PROPERTY.**

This mortgage is subject to a prior mortgage to The Provident Bank.

Together with and including all buildings, all fixtures, including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the mortgagor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, all rights of redemption, and the rents, issues, and profits of the above described property (provided, however, that the mortgagor shall be entitled to the possession of said property and to collect and retain the rents, issues, and profits until default hereunder). To have and to hold the same unto the mortgagee and the successors in interest of the mortgagee forever in fee simple or such other estate, if any, as is stated herein.

The mortgagor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the claims of all persons whomsoever.

This instrument is given to secure the payment of a promissory note of even date in the principal sum of \$4,682,000.00 signed by Peter R. Egelston as duly authorized Manager on behalf of Sustainable Ales, LLC.

2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

PREPARED BY AND RETURN TO:  
Schwartz & Roman PLLC.  
P.O. Box 799  
Durham, New Hampshire 03824-0799

038884

CONDITIONAL ASSIGNMENT OF LEASES

THIS AGREEMENT, executed and delivered this 3rd day of August, 2012, by Sustainable Ales, LLC (hereinafter referred to as "ASSIGNOR"), with an address of 225 Heritage Ave., Portsmouth, New Hampshire, 03801 and Granite State Economic Development Corporation with an address of One Cate Street, Portsmouth, New Hampshire 03801 (hereinafter referred to as "ASSIGNEE").

WHEREAS, ASSIGNOR has this date executed a Promissory Note in the amount of \$4,682,000.00, payable to the order of ASSIGNEE (the "Note"), the payment and performance of which is secured by a certain Mortgage of this date (the "Mortgage") in favor of the ASSIGNEE relating to real estate numbered as and located at 105 Towle Farm Road, Hampton, County of Rockingham and State of New Hampshire (the "Property"), the metes and bounds of which are described in Exhibit/Schedule A hereto annexed; and,

WHEREAS, the ASSIGNOR desires to more fully secure to the ASSIGNEE the payment of the principal and interest due upon the Note and the performance of the covenants and conditions of the Mortgage.

NOW THEREFORE, in consideration of the granting of the aforesaid loan as evidenced by the Note and the Mortgage, the ASSIGNOR does hereby assign, transfer, set over and convey unto the ASSIGNEE and to its successors and assigns, all rents, issues, avails and all proceeds which may now, or in the future, be due and forthcoming on account of any and all leases and tenancies now or in the future outstanding with respect to the Property (the "Leases"). The Leases, for the purposes hereof, shall include, without limitations, all rents as they may accrue under any lease or other tenancy agreement relating to the occupancy of any of all of the Property. The ASSIGNOR hereby authorizes ASSIGNEE, its successors and assigns, or any agent or attorney of ASSIGNEE, to take possession of the Property for the purpose of collecting under the Leases, and to take charge of a contract for the management and rental of the Property, to collect all rent which may be due under the Leases, to rent or lease the Property, or any thereof, from time to time, upon such terms as the ASSIGNEE may deem necessary and reasonable, and, after payment to the ASSIGNEE of reasonable compensation for the collection of rent and other payments due under the Leases, together with all costs incurred in collecting same, to apply the net proceeds from the lease in satisfaction of the covenants and agreements contained in the Note and Mortgage, first toward the payment of costs, then to interest and then principal under the Note until all delinquencies, advances and the said indebtedness are paid in full. In exercising its rights hereunder, ASSIGNEE shall be responsible to ASSIGNOR only for ASSIGNEE'S willful neglect or default.

Notwithstanding the foregoing, however, ASSIGNEE, by its acceptance hereof, for itself and its successors and assigns, hereby agrees that for so long as the ASSIGNOR shall keep and perform timely all

2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

BK 5599 PG 2288

*EW 2/18*

MAIL TO

~~PREPARED BY AND RETURN TO:~~  
~~Schwartz & Roman PLLC~~  
~~P.O. Box 799~~  
Durham, New Hampshire 03824-0799

008161

2015 MAR -9 AM 11:42

**ASSIGNMENT OF MORTGAGE AND CONDITIONAL ASSIGNMENT OF LEASES**

TO SECURE ALL OF THE OBLIGATIONS EVIDENCED BY ITS DEBENTURES in the amount of \$4,682,000.00 to be issued for sale in connection with the U.S. Small Business Administration's authorization for a loan guarantee, Loan No. 51392150-03 and in consideration therefore, the GRANITE STATE ECONOMIC DEVELOPMENT CORPORATION located at One Cate Street, 3rd Floor, Portsmouth, New Hampshire 03801 holder of a certain Note, Mortgage and Conditional Assignment of Leases from Sustainable Ales, LLC, dated August 3, 2012, the Mortgage recorded in Official Records Book 5343 at Page 31, and the Conditional Assignment of Leases recorded in Official Records Book 5343 at Page 37 of the Public Records of Rockingham County, New Hampshire, HEREBY ASSIGNS to the U.S. Small Business Administration, located at the Cleveland Federal Building, 55 Pleasant Street, Room 3101, Concord, New Hampshire 03301 the above mentioned Mortgage and Conditional Assignment of Leases.

Dated this 26 day of February, 2015.

GRANITE STATE ECONOMIC  
DEVELOPMENT CORPORATION

*[Handwritten signature]*

Witness

By:

*[Handwritten signature]*  
Alan Abraham, President

STATE OF NEW HAMPSHIRE  
COUNTY OF STRAFFORD

On this 26 day of February, 2015, then personally appeared Alan Abraham, known to me or satisfactorily proven to be the person who executed the foregoing instrument, as the duly authorized President of Granite State Economic Development Corporation, and acknowledged that he executed the same for the purposes therein expressed.

Before me,

*[Handwritten signature]*  
Notary Public

File Reference: Smuttynose Brewing Company, Inc.  
Client No.: 200-12-170  
Property Address: 105 Towle Farm Road, Hampton, New Hampshire, 03842

**KENDRA L. FINCH**  
Notary Public, State of New Hampshire  
My Commission Expires November 9, 2016

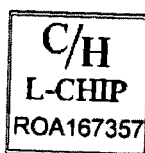
ROCKINGHAM COUNTY  
REGISTRY OF DEEDS



Return to:

John K. Bosen, Esq  
Bosen & Associates, PLLC  
96 Chestnut Street  
Portsmouth, NH 03801

038885



2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

**MORTGAGE AND SECURITY AGREEMENT**

**Sustainable Ales, LLC**, a New Hampshire limited liability company with a principal place of business at 225 Heritage Avenue, Portsmouth, New Hampshire 03801 (the "Mortgagor"), for consideration paid, grants to **Business Finance Authority of the State of New Hampshire**, a public body corporate and agency of the State of New Hampshire with a principal place of business at 2 Pillsbury Street, Suite 201, Concord, New Hampshire 03301 (the "Mortgagee"), with MORTGAGE COVENANTS, to secure (i) the payment of Five Hundred Thousand Dollars (\$500,000) with interest and other charges as provided in the Mortgagor's Promissory Note of even date and any and all amendments, deferrals, extensions, renewals and thereof and therefor (collectively, the "Note"), including without limitation, the future advances and readvances evidenced by the Note; (ii) the payment of all other sums with interest thereon advanced in accordance herewith to protect the security and priority of this Mortgage and Security Agreement (the "Mortgage"); and (iii) the performance of all of the Mortgagor's agreements, obligations and covenants as contained in the Note, the Mortgage, a certain Construction Loan Agreement of even date by and between the Mortgagor and the Mortgagee (the "Loan Agreement") and certain security instruments described with more particularity in the Loan Agreement (the "Security Instruments"), (the Note, the Loan Agreement and the Security Instruments are collectively the "Loan Documents") the following:

Certain tracts or parcels of land together with all buildings and improvements thereon and appurtenances thereto located in Hampton, Rockingham County, New Hampshire, more particularly described in Schedule A, attached hereto and made a part hereof (the "Premises"); together with all fixtures, machinery and all other tangible personal property intended for use in the building and other improvements on said premises, now or hereafter owned by the Mortgagor

BK 5343 PG 0055

MAIL TO

~~PREPARED BY AND RETURN TO:~~

~~Schwartz & Roman PLLC~~

~~P.O. Box 799~~

~~Durham, New Hampshire 03824-0799~~

038886

NOTICE OF REAL ESTATE LEASE  
(Pursuant to R.S.A. 477:7-a)

BY AND BETWEEN

Sustainable Ales, LLC

AND

Smuttynose Brewing Company, Inc.

1. Parties - Names and Addresses

This Lease executed on 8/3, 2012 is made and entered into by and between Sustainable Ales, LLC of 225 Heritage Ave., Portsmouth, New Hampshire, hereinafter "Lessor," and Smuttynose Brewing Company, Inc. of 105 Towle Farm Road, Hampton, New Hampshire, hereinafter "Lessee."

2. Description of Leased Premises

Lessor hereby leases to the Lessee and the Lessee hereby leases from the Lessor certain premises in the Town of Hampton, County of Rockingham and State of New Hampshire, consisting of land and buildings located at 105 Towle Farm Road, Hampton, New Hampshire.

3. Term of Lease and Commencement Date

The term of this Lease shall be twenty-one (21) years with ( - ) year renewals, beginning upon receipt of Certificate of Occupancy - 2012.

2012 AUG -6 AM 11:53

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

BK 5343 P6 0056

DATED: 8/3, 2012

LESSOR  
Sustainable Ales, LLC

[Signature]  
Witness

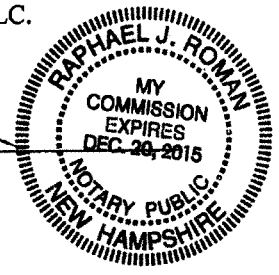
By: [Signature]  
Peter R. Egelston, Manager

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this 3rd day of August, 2012, personally appeared the above-named Peter R. Egelston as Manager of Sustainable Ales, LLC, known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing and acknowledged that he executed the same voluntarily for the purposes contained therein on behalf of Sustainable Ales, LLC.

Before me,

[Signature]  
Notary Public



DATED: 8/3, 2012

LESSEE  
Smuttynose Brewing Company, Inc.

[Signature]  
Witness

By: [Signature]  
Peter R. Egelston, President

STATE OF NEW HAMPSHIRE  
COUNTY OF ROCKINGHAM

On this 3rd day of August, 2012, personally appeared the above-named Peter R. Egelston as President of Smuttynose Brewing Company, Inc., known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing and acknowledged that he executed the same voluntarily for the purposes contained therein on behalf of Smuttynose Brewing Company, Inc..

Before me,

[Signature]  
Notary Public



UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Schwartz & Roman PLLC  
 PO Box 799  
 Durham, New Hampshire 03824

MAIL TO

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

038887

2012 AUG -6 AM 11:53

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
Sustainable Ales, LLC

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
225 Heritage Avenue Portsmouth NH 03801 USA

1d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
546-25-4243 LLC New Hampshire  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME  
Smuttynose Brewing Company, Inc.

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
225 Heritage Avenue Portsmouth NH 03801 USA

2d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  
02-0469048 Corporation New Hampshire  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME  
U.S. Small Business Administration

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
c/o Granite State Economic Devel. Corp., PO Box 1491 Portsmouth NH 03802 USA

4. This FINANCING STATEMENT covers the following collateral:

A security position on all Goods - Equipment including furniture, fixtures and software now owned or later acquired, wherever located, and all proceeds and products there from including all replacements and substitutions.

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
SBA Loan #51392150-03

**UCC FINANCING STATEMENT ADDENDUM**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME  
Sustainable Ales, LLC

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME,SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. TAX ID #: SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any  NONE

12.  ADDITIONAL SECURED PARTY'S or  ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME  
Granite State Economic Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
P.O. Box 1491 Portsmouth NH 03802 USA

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:  
105 Towle Farm Road  
Hampton, NH 03842

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.  
Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.  
 Debtor is a TRANSMITTING UTILITY  
 Filed in connection with a Manufactured-Home Transaction — effective 30 years  
 Filed in connection with a Public-Finance Transaction — effective 30 years

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS

2017 JUL 25 AM 11:22

A. NAME & PHONE OF CONTACT AT FILER (optional)  
Cathy Picardo 603-438-0009

B. E-MAIL CONTACT AT FILER (optional)  
cpicardo@granitestatedev.com

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Granite State Economic Development Corporation  
Attn: Cathy  
P.O. Box 1491  
Portsmouth, NH 03802

*env*

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE NUMBER  
Book 5343, Page 0057

1b.  This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS  
Filer: attach Amendment Addendum (Form UCC3Ad) and provide Debtor's name in item 13

2.  TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to the security interest(s) of Secured Party authorizing this Termination Statement

3.  ASSIGNMENT (full or partial): Provide name of Assignee in item 7a or 7b, and address of Assignee in item 7c and name of Assignor in item 9 For partial assignment, complete items 7 and 9 and also indicate affected collateral in item 8

4.  CONTINUATION: Effectiveness of the Financing Statement identified above with respect to the security interest(s) of Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law

5.  PARTY INFORMATION CHANGE:  
Check one of these two boxes:  Debtor or  Secured Party of Record  
AND Check one of these three boxes to:  CHANGE name and/or address: Complete item 6a or 6b; and item 7a or 7b and item 7c  ADD name: Complete item 7a or 7b, and item 7c  DELETE name: Give record name to be deleted in item 6a or 6b

6. CURRENT RECORD INFORMATION: Complete for Party Information Change - provide only one name (6a or 6b)

6a. ORGANIZATION'S NAME  
Sustainable Ales, LLC

6b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

7. CHANGED OR ADDED INFORMATION: Complete for Assignment or Party Information Change - provide only one name (7a or 7b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name)

7a. ORGANIZATION'S NAME

7b. INDIVIDUAL'S SURNAME  
INDIVIDUAL'S FIRST PERSONAL NAME  
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

8.  COLLATERAL CHANGE: Also check one of these four boxes:  ADD collateral  DELETE collateral  RESTATE covered collateral  ASSIGN collateral  
Indicate collateral:

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT: Provide only one name (9a or 9b) (name of Assignor, if this is an Assignment) If this is an Amendment authorized by a DEBTOR, check here  and provide name of authorizing Debtor

9a. ORGANIZATION'S NAME  
US Small Business Administration

9b. INDIVIDUAL'S SURNAME FIRST PERSONAL NAME ADDITIONAL NAME(S)/INITIAL(S) SUFFIX

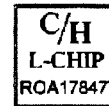
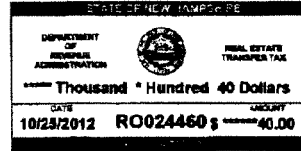
10. OPTIONAL FILER REFERENCE DATA:  
Sustainable Ales, LLC / Smuttynose Brewing Company, Inc. Loan# 5139215003 Filed with Rockingham Registry of Deeds

031125

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

BK 5370 P6 1814

*Bill*  
MAIL TO  
\_\_\_\_\_  
*John*  
\_\_\_\_\_



054602

EASEMENT DEED

Sustainable Ales, LLC of 225 Heritage Avenue  
Portsmouth, Rockingham New Hampshire 03801  
Town/City County State Zip Code

(herein called "Grantors", which word and the pronouns referring thereto shall mean the singular or plural of any gender, as the context may require) for consideration paid grants to **Unitil Energy Systems, Inc.**, a New Hampshire corporation with its principal place of business at 6 Liberty Lane West, Hampton, New Hampshire 03842-1720 and it's respective successors and assigns and permittees forever, with quitclaim covenants, the perpetual right and easement to build, replace, patrol, maintain, and operate a pole line with crossarms, subsurface lines, wires, facilities and other appurtenances for the transmission of intelligence by electricity and for the transmission and distribution of electricity (herein referred to inclusively as "said pole line") including the necessary guys over and across Grantor's land situated on Towle Farm Road, in Hampton, New Hampshire on a strip 20 feet in width, the center line thereof to be fixed upon the pole line as follows:

to cover riser pole #267/14/51 and associated anchors; padmount transformer #'s 267/14/52, 267/14/53, 267/14/54 and all associated cables, conduits, and underground facilities, off main line pole #267/14, off Towle Farm Road, Hampton, NH

Meaning and intending to describe and convey an easement over those premises conveyed to Grantors by deed Dated August 15, 2008, and recorded in Rockingham County Registry of Deeds, in Book 4943, Page 2668.

There is also hereby conveyed the right to enter all abutting lands of Grantors in the exercise of the rights herein granted and to exercise all rights reserved to Grantors in adjacent land; and the right to trim and remove from Grantor's land such trees and other growth as in the judgment of Grantees may interfere with or endanger said pole lines or the operation or maintenance thereof by such means as the Grantee may elect, all wood and timber to remain the property of the Grantor(s). Facilities built by any utilities pursuant to the easement hereby granted shall be and remain the property of the utilities. Furthermore it is understood that Grantees will follow all applicable municipal ordinances including obtaining excavation permits and road opening permits as required by the Town.

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS  
2012 OCT 25 AM 10:23

The Grantor(s) covenants and agrees that if any poles or wires or associated equipment installed in pursuance of this conveyance are required to be removed in connection with activity driven by the Grantor, the Grantor(s) will reimburse the Grantee(s) for all of its costs incurred in connection therewith. The Grantees shall have the right to install and maintain its distribution facilities upon the Grantor's premises without charge for the purpose of furnishing service to the Grantor and also for the purpose of serving Customer(s) on adjacent lands. Notwithstanding the foregoing, in the event that any of the said poles or wires or associated equipment installed pursuant to this Easement shall lie in or upon land, the fee interest in which shall be subsequently dedicated to and accepted by a municipality as a public way, the Grantee acknowledges and agrees that said municipality only, as successor and assign of the Grantor, shall not be bound by the foregoing covenant of the Grantor to reimburse the Grantee for costs incurred in connection with such removal. Grantor, for itself and each of its successors and assigns, hereby acknowledges and agrees that under such circumstances the Easement shall not be released, extinguished or terminated, and shall otherwise remain in full force and effect.

The Grantor(s) for themselves, their heirs, executors, administrators and assigns, hereby covenant(s) that they will not erect or permit any building or other structure, or alter the terrain, upon said strip that in the judgment of Grantee may interfere with or endanger said pole lines or the operation thereof; or would reduce the clearances to less than the National Electrical Safety Code or any other code in effect.

WITNESS the hand(s) and seal(s) of the Grantor(s) this 3 day of OCT, 2012.

WITNESS: [Signature]

Grantor: [Signature]  
Sustainable Ales, LLC  
Peter Eksten, MANAGER

WITNESS: \_\_\_\_\_

Grantor: \_\_\_\_\_

State of N. H. )ss.

OCTOBER 3, 2012. Rockingham County

Personally appeared the subscriber(s) to the within instrument and acknowledged the same to be \_\_\_\_\_ voluntary act and deed.

[Signature]  
Notary Public / Justice of the Peace  
**Thomas M. Keane**  
Notary Public - New Hampshire  
Commission Exp. 01-16-13





*EW 10/2*

**MAIL TO**

**BK 5599 PG 2280**

**PREPARED BY AND RETURN TO:**

Schwartz & Roman PLLC  
P.O. Box 799  
Durham, New Hampshire 03824

008160



**THIRD PARTY LENDER AGREEMENT**

THIS THIRD PARTY LENDER AGREEMENT (Agreement) is dated this 13<sup>th</sup> day of February, 2015, by and between THE PROVIDENT BANK ("Third Party Lender") whose address is 5 Market Street, P.O. Box 37, Amesbury, MA 01913 and GRANITE STATE ECONOMIC DEVELOPMENT CORPORATION, ("CDC") whose address is 1 Cate Street, P.O. Box 1491, Portsmouth, New Hampshire 03802.

**RECITALS**

1. The Third Party Lender and CDC will provide separate loans to the Borrower and Operating Company, if any (collectively "Borrower"), according to the terms in the Authorization for Debenture Guarantee (SBA 504 Loan), as amended ("Authorization"). The Third Party Lender will provide term financing ("Third Party Loan"), and the CDC will provide a loan ("504 Loan") funded by a debenture issued by the CDC and guaranteed by the U.S. Small Business Administration ("SBA"), for purposes of financing the Project described in the Authorization, which involves the acquisition and/or improvement of the real and/or personal property described below, and in Exhibit A attached hereto and incorporated herein by reference ("Project Property"):

2015 MAR -9 AM 11:42

ROCKINGHAM COUNTY  
REGISTRY OF DEEDS

<b>SBA Loan #:</b>	51392150-03
<b>SBA Loan Name:</b>	Smuttynose Brewing Company, Inc.
<b>Borrower:</b>	Sustainable Ales, LLC
<b>Operating Company (if any):</b>	Smuttynose Brewing Company, Inc.
<b>Third Party Loan Amount:</b>	\$5,700,000.00
<b>Term of Third Party Loan:</b>	<u>22 years, 6 months</u>
<b>Third Party Lender Mortgage Recorded at</b>	Book <u>5343</u> , Page <u>1</u> with the
<b>Rockingham Registry of Deeds</b>	
<b>If Real Property – Project Property Address:</b>	
<b>Street address:</b>	105 Towle Farm Road
<b>City, State, Zip code:</b>	Hampton, New Hampshire 03842
<b>Attach Legal description as Exhibit A</b>	

If Personal Property: A security position on all business assets, whether now owned or later acquired, wherever located including but not limited to that certain parcel of land located at 105 Towle Farm Road, Hampton, New Hampshire 03842, and all proceeds and products therefrom. If needed, a more complete description will be attached as Exhibit B.

2. The parties have required the Borrower to grant liens on the Project Property to secure the separate loans advanced by the parties ("Common Collateral"), and the lien of the CDC ("CDC Lien") will be junior and subordinate to the lien of the Third Party Lender ("Third Party Lender Lien"), unless Third Party Lender, CDC and SBA agree otherwise in writing.

**CERTIFIED DEVELOPMENT COMPANY (CDC):  
Granite State Economic Development Corporation**

By: [Signature]  
Alan Abraham, President

STATE OF NEW HAMPSHIRE  
COUNTY OF STRAFFORD

On this 13 day of February, 2015 before me, the undersigned notary public, personally appeared Alan Abraham, the duly authorized President of Granite State Economic Development Corporation, proved to me through satisfactory evidence of identification, a Drivers License, to be the person whose name is signed on the proceeding document, and acknowledged to me that he signed it voluntarily for its stated purpose.

Before me,

[Signature]  
Notary Public:  
My commission expires:

**KENDRA L. FINCH**  
Notary Public, State of New Hampshire  
My Commission Expires November 9, 2016

**ASSIGNMENT TO SBA**  
CDC assigns this Third Party Lender Agreement to SBA.

By: [Signature] Date: 2/13/15  
Alan Abraham, President of CDC

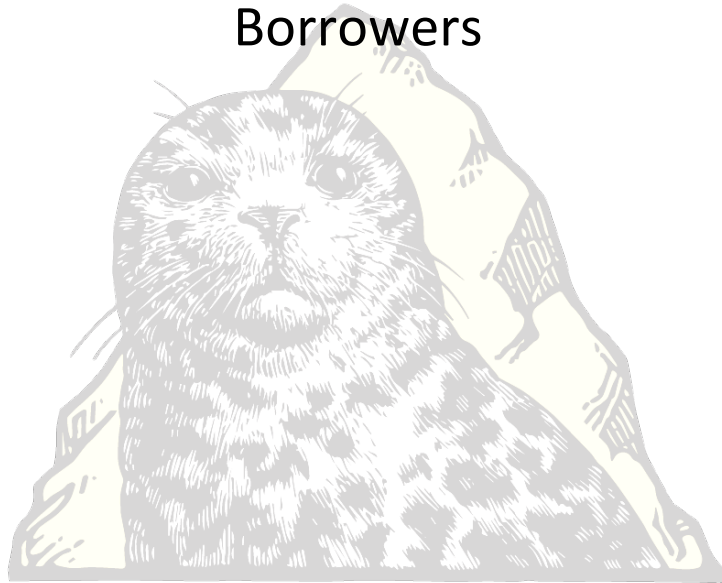
Attest: [Signature]  
Scott Gardiner, Asst. Secretary

**Report of Collector's Execution of Real Estate Tax Lien**  
 Town of Hampton  
 May 04, 2017  
 Page: 23

Tax Year: ALL  
 Date of Execution:  
 5/4/2017

<u>Owner of Person Taxed and Description of Real Estate</u>	<u>Total Lien</u>
SOUTHWORTH, ROBERT .....	\$12.14
10 WHITE OAK DR EXETER NH 03833 0.00 Acre Map: 998 Block: 272 Lot: GLADE MARSH	
SOUTHWORTH, ROBERT .....	\$12.14
10 WHITE OAK DR EXETER NH 03833 0.00 Acre Map: 998 Block: 273 Lot: COLE CREEK MARSH	
SOUTHWORTH, ROBERT .....	\$12.14
10 WHITE OAK DR EXETER NH 03833 0.00 Acre Map: 998 Block: 275 Lot: SPRING MARSH	
SPINNEY, RUTH E.: ESTATE OF .....	\$39.64
C/O SPINNEY, RALPH 40 MILO LN SOMERSWORTH NH 03878 0.00 Acre Map: 998 Block: 276 Lot: MEADOW	
ST MARTIN, DAVID A & GERALDINE M .....	\$9,238.96
59 FALCONE CR HAMPTON NH 03842 0.56 Acre Map: 53 Block: 28 Lot: 59 FALCONE CR	
SULLIVAN, OWEN & DEBRA .....	\$234.30
21 GEORGE BROWN ST. BILLERICA MA 01821 0.00 Acre Map: 202 Block: 1 Lot: 94 160 LAFAYETTE RD 94	
SUSTAINABLE ALES LLC .....	\$35,485.83
105 TOWLE FARM RD HAMPTON NH 03842 14.00 Acre Map: 122 Block: 1 Lot: 2 105 TOWLE FARM RD	

Facility Lease Between Successful Bidder and  
Borrowers



**SMUTTYNOSE**  
BREWING COMPANY

## COMMERCIAL TENANT AT WILL LEASE

1. PARTIES \_\_\_\_\_, a  
\_\_\_\_\_ with an address of \_\_\_\_\_, LESSOR, which expression shall include its successors and assigns where the context so admits, does hereby lease to SMUTTYNOSE BREWING COMPANY, INC., a New Hampshire corporation, LESSEE, which expression shall include its successors and assigns where the context so admits, and the LESSEE hereby leases on a gross basis the Premises described in Section 2 below.
2. PREMISES 105 Towle Farm Road, Hampton, New Hampshire, as more particularly described in Exhibit A attached hereto and made a part hereof, together with the right to use all of the machinery, goods, inventory, equipment, tooling, packaging, furniture and fixtures located therein.
3. TERM The term of this lease shall be month-to-month, commencing on \_\_\_\_\_, 2018 and ending on that day which is thirty (30) days after Lessee receives written notice of termination from Lessor.
4. RENT The LESSEE shall pay to the LESSOR rent during the term of this Lease in the amounts and manner as follows:
- LESSEE agrees that it shall produce beer for LESSOR during the term of this Lease. LESSOR shall submit specific purchase orders to LESSEE indicating the volume and type of product to be produced as well as instruction for the delivery of said beer to LESSOR's customers. LESSEE shall produce LESSOR's beer in exchange for weekly payment of an amount equal to one hundred percent (100%) of LESSEE's costs, fees and expenses associated with and arising directly from LESSEE's production and delivery of the purchased beer such that LESSOR can operate its business on a cash flow break-even basis. The parties hereto agree that the amounts paid by LESSOR to LESSEE hereunder for product shall include consideration or rent payable by LESSEE to LESSOR under the terms of this Lease.
- Rent shall be subject to proration in the case of any partial calendar month. All rent shall be payable without offset or deduction.
5. SECURITY DEPOSIT LESSOR represents and warrants that it currently holds a security deposit in the amount of One Thousand Dollars (\$1,000.00) (the "Security Deposit") in connection with this Lease. LESSOR shall continue to hold the Security Deposit as a security for the LESSEE's performance as herein provided. The Security Deposit shall be refunded to the LESSEE at the end of the term this lease, without interest, subject to the LESSEE's satisfactory compliance with the conditions hereof.
6. TAXES The LESSOR shall pay directly to each taxing authority an amount equal to the real estate taxes on the land and buildings of which the leased premises are a part, which amounts shall be paid within seven (7) days of such real estate taxes being due.

7. UTILITIES

The LESSOR shall pay, as they become due, all bills for electricity and all other utilities that are furnished to the leased premises and separately metered, and all bills for fuel furnished to a separate tank servicing the leased premises. The LESSOR agrees to provide all other utility service and to furnish reasonably hot and cold water and reasonable heat (except to the extent that the same are furnished through separately metered utilities or separate fuel tanks as set forth above) to the leased premises, all subject to interruption due to any accident, to the making of repairs, alterations, or improvements, to labor difficulties, to trouble in obtaining fuel, electricity, service or supplies from the sources from which they are usually obtained for said building, or to any cause beyond the LESSOR's control, and provided that such interruption is not due to the gross negligence or willful misconduct of the LESSOR or its agents, employees or contractors.

LESSOR shall have no obligation to provide utilities or equipment other than the utilities and equipment within the premises as of the commencement date of this lease. In the event LESSEE requires additional utilities or equipment, the installation and maintenance thereof shall be the LESSEE's sole obligation, provided that such installation shall be subject to the prior written consent of the LESSOR.

8. USE OF LEASED PREMISES

The LESSEE shall use the leased premises only for the purpose of a restaurant and a commercial brewery (the "Permitted Use").

9. COMPLIANCE WITH LAWS

The LESSEE acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the Premises are situated. Without limiting the generality of the foregoing: (i) other than as used, stored, generated or disposed of in the ordinary course of conducting the Permitted Use, and in compliance with all applicable federal, state and local laws governing the use, storage, generation and disposal of Hazardous Substances and Materials (defined below), the LESSEE shall not bring or permit to be bought or kept in or on the leased premises or elsewhere on the LESSOR's property any hazardous, toxic, inflammable, combustible or explosive fluid, material, chemical or substance, including without limitation any item defined as hazardous pursuant to Chapter 142 of the New Hampshire RSA's (the "Hazardous Substances and Materials"); and (ii) the LESSEE shall be responsible for compliance with requirements imposed by the Americans with Disabilities Act relative to the layout of the leased premises and any work performed by the LESSEE therein.

10. FIRE INSURANCE

The LESSEE shall not permit any use of the leased premises which will make voidable any insurance on the property of which the leased premises are a part, or on the contents of said property or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The LESSOR shall be responsible for all insurance premiums due and owing for policies for the Leased Premises.

11. MAINTENANCE
- A. LESSEE'S OBLIGATIONS
- The LESSEE agrees to maintain the leased premises in good and clean condition, damage by fire and other casualty only excepted. LESSOR shall be obligated whenever necessary, to maintain, repair and place the roof surface, interior and exterior wall surfaces, lights, equipment, building systems and plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. LESSEE shall be responsible for cleaning, trash and other refuse disposal expenses. The LESSEE shall not permit the leased premises to be overloaded, damaged, stripped, or defaced, nor suffer any waste. LESSEE shall obtain written consent of LESSOR before erecting any sign on the premises. The removal of snow and ice from the sidewalks bordering upon and parking areas servicing the leased premises shall be the LESSOR'S responsibility as well.
- B. LESSOR'S OBLIGATIONS
- The LESSOR agrees to maintain the foundation and interior of the walls and roof structure of the building of which the Leased Premises are a part in the same condition as it is at the commencement of the term or as it may be put in during the term of this lease, reasonable wear and tear, damage by fire and other casualty only excepted, unless such maintenance is required because of the LESSEE or those for whose conduct the LESSEE is legally responsible.
12. ALTERATIONS – ADDITIONS
- The LESSEE shall not make structural alterations or additions to the leased premises, but may make non-structural alterations provided the LESSOR consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at LESSEE's expense and shall be in quality at least equal to the present construction. LESSEE shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to LESSEE or claimed to have been furnished to LESSEE in connection with work of any character performed or claimed to have been performed at the direction of LESSEE and shall cause any such lien to be released of record forthwith without cost to LESSOR. Any alterations or improvements made by the LESSEE shall become the property of the LESSOR at the termination of occupancy as provided herein.
13. ASSIGNMENT – SUBLEASING
- The LESSEE shall not assign or sublet the whole or any part of the leased premises without LESSOR's prior written consent, which consent shall not be reasonably withheld or delayed. Notwithstanding such consent, LESSEE shall remain liable to LESSOR for the payment of all rent and for the full performance of the covenants and conditions of this lease.
14. SUBORDINATION
- This lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or at any time hereafter, a lien or liens on the property of which the leased premises are a part and the LESSEE shall, within ten (10) days of written request, promptly execute and deliver such written instruments as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage, provided that such mortgagee(s) deliver(s) to LESSEE a non-disturbance agreement permitting the LESSEE to remain in possession of the leased premises after foreclosure of the same, so long as LESSEE is not in default of the Lease

beyond any applicable cure period.

15.LESSOR'S  
ACCESS

The LESSOR or agents of the LESSOR may, at reasonable times, enter to view the leased premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations as LESSOR and/or its agents, employees or contractors should elect to do and may show the leased premises to others, and at any time within three (3) months before the expiration of the term, may affix to any suitable part of the leased premises a notice for letting or selling the leased premises or property of which the leased premises are a part and keep the same so affixed without hindrance of molestation.

16. INDEMNIFICATION  
AND LIABILITY

The LESSEE shall save the LESSOR harmless from all loss and damage occasioned by anything occurring on the Leased Premises unless caused by the negligence or misconduct of the LESSOR, and from all loss and damage wherever occurring occasioned by any omission, fault, neglect or other misconduct of the LESSEE.

17.LESSEE'S  
LIABILITY  
INSURANCE

The LESSEE shall maintain with respect to the Leased Premises and the property of which the Leased Premises are a part comprehensive public liability insurance in the amount of \$1,000,000 with property damage insurance in limits of \$500,000 in responsible companies qualified to do business in New Hampshire and in good standing therein insuring the LESSOR as well as LESSEE against injury to persons or damage to property as provided. The LESSEE shall deposit with the LESSOR certificates for such insurance at or prior to the commencement of the term, and thereafter within thirty (30) days prior to the expiration of any such policies. All such insurance certificates shall provide that such policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein. LESSOR shall be responsible for the payment of all premiums due and owing for said policies.

18.FIRE, CASUALTY-  
EMINENT  
DOMAIN

Should a substantial portion of the leased premises or of the property of which they are a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the LESSOR may elect to terminate this lease. When such fire, casualty, or taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made, and the LESSEE may elect to terminate this lease if:

- (a) The LESSOR fails to give written notice within thirty (30) days of intention to restore leased premises, or
- (b) The LESSOR fails to restore the leased premises to a condition substantially suitable for their intended use within ninety (90) days of said fire, casualty or taking.

The LESSOR reserves, and the LESSEE grants to the LESSOR, all rights which the LESSEE may have for damages or injury to the leased premises for any taking by eminent domain, except for damage to the LESSEE's fixtures, property, or equipment, if any.



19. DEFAULT AND BANKRUPTCY

The occurrence of any of the following shall constitute an Event of Default:

- (a) The LESSEE shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or
- (b) The LESSEE shall default in the observance or performance of any other of the LESSEE's covenants, agreements, or obligations hereunder and such default shall not be corrected within thirty (30) days after written notice thereof or, if the same cannot be corrected within thirty (30) days, then within a reasonable time thereafter, provided LESSEE is diligently pursuing such cure; or
- (c) The LESSEE shall be declared bankrupt or insolvent according to law, or, if any assignment shall be made of LESSEE's property for the benefit of creditors.

Upon the occurrence of an Event of Default, the LESSOR shall have the right, while such default continues, to re-enter and take complete possession of the leased premises, to declare the term of this lease ended, and remove the LESSEE's effects, without prejudice to any remedies which might be otherwise used for arrears of rent or other default. The LESSEE shall indemnify the LESSOR against all loss of rent and other payments which the LESSOR may incur by reason of such termination during the residue of the term subject to any duty LESSOR may have to mitigate damages. If the LESSEE shall default, after reasonable notice thereof, in the observance or performance of any conditions or covenants on LESSEE's part to be observed or performed under or by virtue of any of the provisions in any Section of this lease, the LESSOR, without being under any obligation to do so and without thereby waiving such default, may remedy such default for the account and at the expense of the LESSEE. If the LESSOR makes any expenditures or incurs any obligations for the payment of money in connection therewith, including but not limited to, reasonable attorney's fees in instituting, prosecuting or defending any action or proceeding, such sums paid or obligations incurred, with interest at the rate of nine (9) per cent per annum and costs, shall be paid to the LESSOR by the LESSEE as additional rent.

20. NOTICE

Any notice from the LESSOR to the LESSEE relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the LESSEE, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, addressed to the LESSEE. Any notice from the LESSEE to the LESSOR relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the LESSOR by registered or certified mail, return receipt, postage prepaid, addressed to the LESSOR at such address as the LESSOR may from time to time advise in writing. All rent notices shall be paid and sent to the LESSOR at \_\_\_\_\_, \_\_\_\_\_.

- 21.SURRENDER                   The LESSEE shall at the expiration or other termination of this lease remove all LESSEE's goods and effects from the leased premises (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the LESSEE, either inside or outside the leased premises). LESSEE shall deliver to the LESSOR the leased premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the leased premises, in good condition, damaged by fire or other casualty only excepted. In the event of the LESSEE's failure to remove any of LESSEE's property from the premises, LESSOR is hereby authorized, without liability to LESSEE for loss or damage thereto, and at the sole risk of LESSEE, to remove and store any of the property at LESSEE's expense, or to retain same under LESSOR's control or to sell at public or private sale, without notice any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sum due hereunder, or to destroy such property.
- 22.BROKERAGE                   The LESSEE and LESSOR each warrant and represent to the other that it has dealt with no broker entitled to claim a commission in connection with this transaction and shall indemnify the LESSOR from and against any such claim, including without limitation reasonable attorneys' fees incurred by the other in connection therewith.
- 23.CONDITION OF  
PREMISES                       Except as may be otherwise expressly set forth herein, the LESSEE shall accept the leased premises "as is" in their condition as of the commencement of the term of this lease, and the LESSOR shall be obligated to perform no work whatsoever in order to prepare the leased premises for occupancy by the LESSEE.
- 24.FORCE MAJEURE           In the event that the LESSOR is prevented or delayed from making any repairs or performing any other covenant hereunder by reason of any cause reasonably beyond the control of the LESSOR, the LESSOR shall not be liable to the LESSEE therefor nor, except as expressly otherwise provided in case of casualty or taking, shall the LESSEE be entitled to any abatement or reduction of rent by reason thereof, nor shall the same give rise to a claim by the LESSEE that such failure constitutes actual or constructive eviction from the leased premises or any part thereof.
- 25.LATE CHARGE               If rent or any other sum payable hereunder remains outstanding for a period of ten (10) days, the LESSEE shall pay to the LESSOR a late charge equal to one and one-half percent (1.5%) of the amount due for each month or portion thereof during which the arrearage continues.
- 26.LIABILITY OF  
OWNER                         No owner of the property of which the leased premises are a part shall be liable hereunder except for breaches of the LESSOR's obligations occurring during the period of such ownership. The obligations of the LESSOR shall be binding upon the LESSOR's interest in said property, but not upon other assets of the LESSOR, and no individual partner, agent, trustee, stockholder, officer, director, employee or beneficiary of the LESSOR shall be personally liable for performance of the LESSOR's obligations hereunder.

27. OTHER  
PROVISIONS

LESSEE does hereby represent and warrant to LESSOR that it currently holds each and every state and federal license, permit and approval required by law for the LESSEE to hold in order to manufacture, produce and distribute beer containing alcohol in all of the states where LESSOR does business, and that all of the required fees, taxes, assessment and charges due and owing by LESSEE for said licenses have been paid in full.

IN WITNESS WHEREOF, the said parties hereunto set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

LESSEE:  
SMUTTYNOSE BREWING COMPANY,  
INC.

LESSOR:

By: \_\_\_\_\_  
Name: Peter Egelston  
Title: President

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT A

A certain plot of land with buildings thereon, situated in the Town of Hampton, Rockingham County, New Hampshire, bounded and described as follows:

Beginning at an iron rod set on the northerly sideline of Towle Farm Road, at the southwesterly corner of the lot herein conveyed, said lot being shown as "Proposed Lot 2" on a plan entitled, "SI - Subdivision Plan, Tax Map 122 - Lot I for Smutrynose Brewery, land of Gregory & Jennifer Sancioff, 105 Towle Farm Road, Town of Hampton, State of New Hampshire," dated December 2007, Revised to 5/13/08, by Ambit Engineering, Inc.;

thence running North 18° 10' 10" West a distance of one hundred sixty one and eighty two hundredths (161.82) feet along land of the grantor to an iron rod set;

thence turning and running North 69° 07' 37" West a distance of two hundred twenty nine and sixty hundredths (229.60) feet along land of the grantor to an iron rod set at land now or formerly of Asset Title Holding, Inc.;

thence turning and running North 00° 18' 20" West a distance of three hundred forty seven and twenty seven hundredths (347.27) feet to a stonewall;

thence turning and running North 80° 12' 50" East a distance of one hundred ten and zero hundredths (110.00) feet along a stonewall;

thence turning and running North 78° 50' 29" East a distance of seven hundred eighty nine and nine hundredths (789.09) feet to a drill hole;

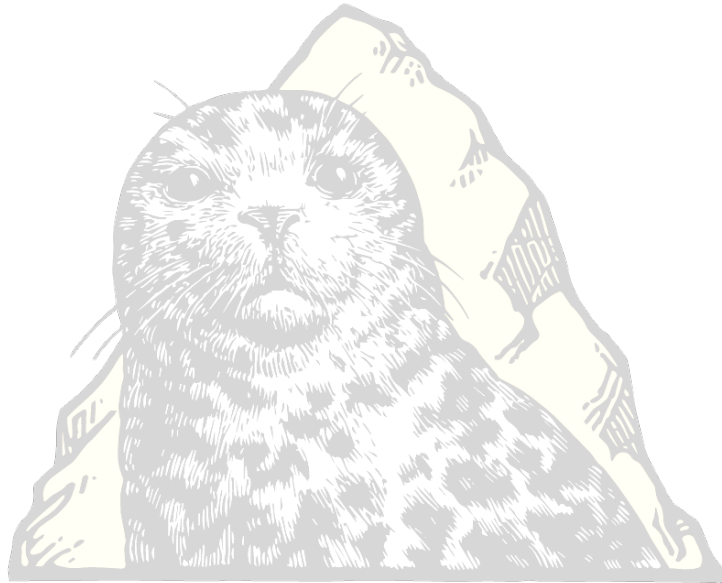
thence turning and running South 26° 34' 44" East a distance of seven hundred seventeen and eleven hundredths (717.11) feet to an iron *rod* on the northerly side of Towle Farm Road;

thence turning and running South 88° 22' 35" West a distance of one hundred eighty and twenty seven hundredths (180.27) feet along the northerly sideline of Towle Farm Road to a NH highway bound;

thence turning and running along the northerly sideline of Towle Farm Road South 85° 24' 51" West a distance of three hundred eighty and fifty three hundredths (380.53) feet to a NH highway bound; and

thence turning and running South 78° 24' 18" West a distance of three hundred eighty four and ninety three hundredths (384.93) feet along the northerly sideline of Towle Farm Road to an iron rod and the point of beginning.

Form of Secured Party Bill of Sale



**SMUTTYNOSE**  
BREWING COMPANY

**BILL OF SALE**

KNOW ALL PERSONS by these presents that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, The Provident Bank, (the "Bank"), having an address of 25 Maplewood Avenue, Portsmouth, New Hampshire, 03801, as Secured Party under certain security agreements given by Smuttynose Brewing Company, Inc. and Sustainable Ales, LLC (referred to together as the "Debtors"), does hereby:

**QUITCLAIM and RELEASE** to \_\_\_\_\_ (the "Purchaser") all of the Bank's right, title and interest in and to the following personal property, if any, of the Debtors located as of the time of delivery of this Bill of Sale at the premises known as 105 Towle Farm Road, Hampton, New Hampshire (the "Premises") (such personal property being referred to collectively herein as the "Personal Property"):

Any and all furniture, fixtures, equipment, appliances, inventory, tooling, fuel in storage, artwork, goods and decorations, including without limitation all tradenames, trademarks, goodwill and general intangibles, of the Debtors located at the Premises including the items listed on Exhibit A hereto to the extent each item is located at or in the Premises but excluding herefrom any and all commercial tort claims and choses in action. Bank does not warrant the accuracy of or completeness of Exhibit A and Purchaser does hereby acknowledge that it was provided with a copy of Exhibit A prior to the sale and given an ample opportunity to examine the same while inspecting the Premises.

**The above referenced Personal Property is sold "AS IS", "WHERE IS", and "WITH ALL FAULTS", and without any warranty express or implied of any nature whatsoever, including, without limitation, any WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. Without limiting the generality of the foregoing, the Bank makes no warranty relating to title, possession, quiet enjoyment or the like in this disposition.**

The Personal Property hereby conveyed does not include any assets of any of the Debtors not specifically identified above including, but not limited to, commercial tort claims. This Bill of Sale is made pursuant to and subject to the terms of that certain Memorandum of Foreclosure Sale between the Bank and the Purchaser dated on or about April 10, 2014.

DATED: April \_\_\_\_, 2018

THE PROVIDENT BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Smuttynose Brewing Company, 105 Towle Farm Road, Hampton, NH

Ref #	Qty.	Description
1.	Lot-	<p>Krones/Steinecker CombiCubeB 100-HL (90 bbl) Brew House (New 2013), Consisting of:</p> <ul style="list-style-type: none"> <li>• Steinecker Model Variomill 5.2, 2-Roll Wet Mill, S/N 276204 (New 2013), Stainless Steel Construction with Approx. 5-Ton Infeed Hopper, Specialty Malt Bin, Est. 500-Lbs. Capacity</li> <li>• Krones 210-Barrel Stainless Steel Hot Liquor Tank, S/N 275966 (New 2013), Insulated, Cone Bottom, 27,000-Liter Capacity @ 80 Degree C</li> <li>• Krones 210-Barrel Stainless Steel Cold Liquor Tank, S/N 275965 (New 2013), Single Wall, Cone Bottom, 21,300-Liter Capacity @ 20 Degree C, each with Associated Piping</li> <li>• Krones 100 HL Stainless Steel Mash Tun, S/N N/A (New 2013), Steam Jacketed, Pitched Bottom, with 6.3-kw Mash/Worth Centrifuge Pump, Agitator Motor, Etc.</li> </ul> <p><i>Continued...</i></p>

**BREWING AREA**

Ref # Qty.

Description

*Continued...*

- Krones 100 HL Stainless Steel Lauter Tun, S/N N/A (New 2013), Single Wall, Flat Bottom, with False Bottom, Spent Grain Pump, Racking System
- Krones 100 HL Stainless Steel Boil Kettle, S/N N/A (New 2013), Steam Jacketed, Pitched Bottom, 6.3-kw Circulating/Transfer Pump
- Krones Stainless Steel Hop Dosing System, S/N 276000 (New 2013), 2-Vessel System, 116 Degree C, .8-1.5 Bar
- Krones 100 HL Stainless Steel Whirlpool Tank, with (2) GEA Heat Exchangers, Tangential Port, Cleaning Spray Jets
- Krones Skid Mounted CIP System, with 7.5-HP Cold and Hot Water Pump, Condensor, 19-Barrel Insulated Holding Tank
- (3) Cleaver Brooks Model CFV-700-40-150ST, Natural Gas Fired 40-HP Boilers, S/N 16030004010041, 16030004010043, 16030004010042 (New 2013)

*Continued...*



Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• (2) Tandem Chillers Model WHRX050DZV, Chillers, S/N 0312-1678, 0312-1677 (New 2012), with Steam Condensor Tank</li> <li>• Brock Approx. 100,000-Lb. Corrugated Cone Bottom Bulk Grain Silo, S/N N/A (New 2013)</li> <li>• Schuld Bushnell Approx. 80,000-Lb. 10' x 20' Welded Spent Grain Silo, Carbon Steel, Smooth Walled, Galvanized with 18' x 18' x 18'H Mezzanine Structure</li> <li>• Graco Peristaltic Yeast Pump, Est. 3-kw, (4) JV Northwest Portable Yeast Delivery Tanks</li> <li>• All Associated Pipes, Pumps, Hoses, Mezzanine Structure, Stairwells, Assemblies, Etc.</li> </ul>

**FERMENTATION AREA**

2.	Lot-	Fermentation System, Consisting of: <i>Continued...</i>
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Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• (8) Paul Muller 270-Barrel Stainless Steel Cone Bottom Fermenters(New 2013), Glycol Jacketed, Top Manway, CIP System</li> <li>• (8) JV Northwest 210-Barrel (8,024-Gallon) Stainless Steel Cone Bottom Fermenters, S/N N/A, Glycol Jacketed, Side Manway, CIP System</li> <li>• (2) Specific Est. 7-Barrel Stainless Steel Yeast Delivery Carts, S/N SMB-20229-801-2 (New 2014), with Casters, Top Mounted Port, Glycol Jacketed, Top Mounted Agitators, Digital Controls</li> <li>• Paul Muller 70-Barrel Stainless Steel Cone Bottom Fermenter, Glycol Jacketed, Side Manway, CIP System</li> <li>• Century 30-Barrel Stainless Steel Cone Bottom Fermenter, Jacketed, Side Manway, CIP System</li> <li>• (2) JV Northwest 7,286-Gallon Stainless Steel Pitched Bottom Brite Tanks, Glycol Jacketed, Side Manways, CIP System, Racking Arms</li> </ul>
		<i>Continued...</i>

Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>(2) Paul Muller 270-Barrel Stainless Steel Pitched Bottom Brite Tanks, Glycol Jacketed, CIP System, Side Manways</li> </ul>
3.	Lot-	Miscellaneous Brewery Support Equipment, Consisting of: Stainless Steel Fittings, Couplers, Valves, Clamps, Brewers Hoses, Flow Meters, (2) 5-HP Portable Centrifuge Pumps, 7.5-HP Portable Centrifuge Pump, 5-HP Firkin Pump/Washer, Diaphragm Pump, (2) 5-HP Filler and Kegging Centrifugal Pumps, Chemical Tanks, Etc.
4.	1-	GEA Model GSE-125-06-77, 55-kw Centrifuge, S/N 1733-266 (New 2013), .025 Cu. Meter, 1-Bar, 0-50 Degree C, with (2) 7.5-HP Centrifuge Pumps, 5-HP Cleaning Pump, Chemical Reservoir, with Separation Holding Tank, In-line Carbonation, All Associated Pipes, Manifolds, Valves, with GEA Type HB1S Centrifuge Control Panel, S/N 8727, with Allen-Bradley PanelView Plus 1000 PLC Controls, Optek Control 4000, Etc.
5.	1-	Custom Designed & Fabricated 6' Portable Tap Service Station, with 3-Door Self Contained Refrigerator

Ref #	Qty.	Lot-	Description
6.		Brew House Laboratory, Consisting of:	
			<ul style="list-style-type: none"><li>• Funke Gerber Beer Analysis System, S/N N/A</li><li>• Invisible Sentinel PCR Analysis for DNA/Bacteria Analysis, with Centrifuge (New 2016)</li><li>• Satorius Digital Bench Top Scale, S/N N/A (New 2014)</li><li>• Beckman Coulter Model DU730, Life Science UV/Vis Spectrophotometer, S/N N/A (New 2009)</li><li>• Yamata Model SE300, Sterilizer, S/N N/A (New 2012)</li><li>• Forma Scientific Laminator Flow Hood, S/N N/A (New 2012)</li><li>• Under Counter Refrigerator</li><li>• (2) New Brunswick Scientific Model INNOVA 2000, Platform Shakers, S/N N/A</li><li>• (2) Manufacturer Unknown Oxygen Sensors, Portable CO2 Tester</li><li>• Accuscope Microscope</li><li>• Assorted Glassware and Laboratory Test Equipment</li><li>• Precision Gravity Convention Incubator, S/N N/A</li></ul>

**PACKAGING AREA**

Ref #	Qty.	Description
7.	1-	JLG Model 2630ES, Electric Traveling Scissor Lift, S/N N/A
8.	1-	Kolpak 10' x 12' x 8'H Walk In Cooler, S/N N/A, with Digital Temperature Controls, Self Contained Refrigeration
9.	1-	Bulldog Model B, Portable Keg Washer, S/N 41031 (New 2011), with (2) Wash Stations, Touch Panel Controls
10.	1-	Bulldog Model B, Portable Keg Washer, S/N 034, with (2) Wash Stations, Touch Panel Controls
11.	1-	Factory Cat Model Magnum, Electric Walk Behind Floor Scrubber, S/N N/A
12.	1-	Crown Model WP2335-45, 4,500-Lb. Electric Walk Behind Pallet Jack, S/N 7A250358
13.	Lot-	Krones/Kosme Rinse/Fill/Crowning Line, Consisting of: <ul style="list-style-type: none"> <li>• 48" x 40" Electric Scissor Lift Table</li> </ul> <i>Continued...</i>

Ref #	Qty.	Description
<i>Continued...</i>		
		<ul style="list-style-type: none"> <li>• 48"W x 20' L Plastic Mesh Belt Accumulator Conveyor, Stainless Steel Construction with 24" x 12' Plastic Table Top Transfer Conveyor, 4" x 40' Plastic Table Top Bottle Transfer Conveyor</li> <li>• Kosme Model BARIFILL R-C, Bottle Rinser, S/N F01767 (New 2013), Stainless Steel Construction, with Touch Screen Controls</li> <li>• Kosme Model BARIFILL R-FC, Filler/Capper, S/N F01767 (New 2013), Stainless Steel Construction with Assorted Change Parts for 12-Oz. and 22-Oz. Bottles</li> <li>• Marminox Model ACM-ZG01, 320-kg Portable Stainless Steel Bottle Cap Hopper, S/N 02015 (New 2013)</li> <li>• 4" x 40'L Plastic Table Top Bottle Transfer Conveyor, Stainless Steel Construction with (2) Accumulation Sections, 36"W x 15' Accumulator Table, 14" x 30'L Transfer Conveyor, 4" x Approx. 48' L Plastic Table Top Bi-Directional Conveyor</li> </ul>
<i>Continued...</i>		

Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• Kosme Model Unicol 1200-20-2, 2-Station Rotary Bottle Labeler, S/N N/A (New 2013), Stainless Steel Construction with Associated Changeover Parts for 12 &amp; 22-Oz Bottles</li> <li>• REA Jet Programmable Inkjet Printer</li> </ul>
14.	Lot-	Packaging Line, Consisting of: <ul style="list-style-type: none"> <li>• Plemons Model 3000200, Automatic Tray Forming Machine, S/N 15-04-01534 (New 2015), with Magazine Tray Feeder, Nordson Model Freedom 2H Hot Melt Glue System, S/N JC15G00432, with Spectra Control System</li> <li>• Pearson 6/12 Pack Erector, S/N 2008BE6011838 (New 2008), with 6'L Stock Feed, Pneumatic Pick and Place</li> <li>• Pearson Case Erector, S/N 2007CE3511359 (New 2007), with 6' Chain Type Stock Feed, Pneumatic Pick and Place, Nordson Model Pro Blue 10 Glue System, S/N ES4801183</li> </ul>
		<i>Continued...</i>

Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• Approx. 100'L x 12"W Powered Roller Conveyor, Approx. 30' of 14"W Power Belt Conveyor, 14" x 25' Plastic Link Transfer Conveyor</li> <li>• Pearson Drop Type Tray Packer/Cartron Packer (Multi Packer), S/N 2013MP351339 (New 2013), with Allen-Bradley PanelView Plus 400 PLC Controls</li> <li>• Hamrick Model 300E, 4-Lane Drop Packer, S/N 13-1744R (New 2013), with 20' of Plastic Link Infeed Conveyor</li> <li>• Pearson Top Case Glue and Sealing Machine, S/N 2008CS401178 (New 2008), with Power Roller Discharge Conveyor</li> </ul>
15.	Lot-	Compressed Air and Vacuum System (New 2013), Consisting of: <ul style="list-style-type: none"> <li>• Busch Model ATMD-2-MM1144, Duplex Vacuum System, S/N 0972.909.306, with (2) 2.2-kw Motors</li> <li>• Ingersoll Rand Model NVC400A40N, Refrigerated Air Dryer, S/N 547259 (New 2014), 230-psig</li> <li>• 30' x 48" Dia. Vertical Air Receiver Tank</li> </ul>
		<i>Continued...</i>



Ref #	Qty.	Description
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*Continued...*

- Ingersoll Rand Model IX-02, Metering System, S/N 547252 (New 2014)
- Ingersoll Rand Dual Pump Cooling System, with (2) 5-HP Motors, All Associated Pipes, Valves, Accumulator Tanks, Etc.
- Ingersoll Rand Model IRN60H-OF, 60-HP Rotary Screw Type Air Compressor, S/N N/A (New 2013)
- Ingersoll Rand Model NVC400, Refrigerated Air Dryer, S/N N/A (New 2013), with Electric No-Loss Drain, Air Cooled
- System Accessories, Consisting of the Following:  
Filters, 1,550 Gal Vertical Air Receiver Tank,  
Relief Valves, Pressure Gauges, All Associated Pipes, Etc.

**WAREHOUSE**

Ref #	Qty.	Description
16.	1-	Doosan Model GC20P-5, 3,500-Lb. Propane Type Forklift Truck, S/N FGADP-1290-00776, with 189" Lift Height, 3-Stage Mast, Fork Adjustments, Side Shifter, Overhead Guard
17.	1-	Doosan Model GC20P-5, 3,500-Lb. Propane Type Forklift Truck, S/N FGADP-1290-00777, with 189" Lift Height, 3-Stage Mast, Fork Adjustments, Side Shifter, Overhead Guard
18.	1-	Doosan Model GC20P-5, 3,500-Lb. Propane Type Forklift Truck, S/N FGADP-1290-03160, with 189" Lift Height, 3-Stage Mast, Fork Adjustments, Side Shifter, Overhead Guard
19.	1-	Unipak Model WD8025, Automatic Palletizer, S/N 12-8025, with Roller Ball Type Infeed Conveyor, Single Pallet Infeed Station, Chain Type Elevation
20.	1-	MJ Mailis Model WSMH-150-B, Semi-Automatic High Profile Stretch Wrapper, S/N 102744-1-0514 (New 2014), with 48" x 48" Platform
21.	1-	MJ Mailis Model WSMML-150-S, Semi-Automatic Stretch Wrapper, S/N 64708-1-0110 (New 2010), with 48" x 48" Platform

Ref #	Qty.	Description
22.	1-	Doosan Model GC20P-5, 3,500-Lb. Propane Type Riding Forklift Truck, S/N FGADP-1290-03920, with 189" Lift Height, 3-Stage Mast, Fork Adjustments, Side Shifter, Overhead Guard
23.	1-	Ver-Tech 40" x 24" Vertical Hydraulic Cardboard Baler, S/N N/A
24.	1-	Piqua Model HD2200, 52" x 42" Vertical Hydraulic Cardboard Baler, S/N N/A
25.	1-	Custom Designed & Fabricated and Aerobic Bio-Digester, with (2) Control Containers  (Please Note: Project is Incomplete with No Set Completion Date)
26.	1-	Kohler Power Systems Model 50REOZJD, Diesel Powered 50-kw Backup Generator, with Associated Switches, Sound Enclosure, Controls, Etc.

Ref #	Qty.	Description
27.	Lot-	Miscellaneous Support Equipment Throughout Facility, Consisting of: Assorted Sections of Adjustable Steel Shelving & Pallet Rack, Assorted Hand & Power Tools, Work Benches, Storage Cabinets, Manual Pallet Jacks, Etc.

HAYSEED

Ref #	Qty.	Description
28.	Lot-	<p>Dining Area Fixtures, Consisting of: (5) 4-Top Solid Wood Tables, (1) 6-Top Solid Wood Table, (4) 2-Top Solid Wood Tables, (4) Solid Wood Side Chairs, (16) Solid Wood Bar Chairs, Service Station with Ice Bin/Bottle Storage/2-Sink Station, 3-Door Reach In Cooler, (2) Krowne Model KR18GSB1 Drying Stations, S/N's 12030006014 &amp; N/A, Stero Model SGW-H-M Low Temperature Under Counter Bar Glass Washer, S/N 79085-10-14, Service Station with Ice/Bottle/Single Sink Station, Assorted Glassware, Assorted Service, 25-Tap Beer System, (19) Outdoor Tables with Chairs, (48) 12 Adirondack Style Outdoor Chairs, (2) Portable Propane Heaters, (9) 2-Top Solid Wood Tables, (1) Round 4-Top Solid Wood Table, (1) 6-Top Solid Wood Table, (1) 8-Top Solid Wood Table, Flat Screen TV's, (13) Chairs, (2) Folding Tables, Children Boosters, Etc.</p>

Ref #	Qty.	Description
29.	Lot-	<p>Kitchen Equipment, Consisting of: 15' Stainless Steel Prep Table, with Sink, Bloomfield 3-Burner Coffee Machine, 6' Prep Station, with Cutting Board, Cold Storage, Blodgett 2-Door Oven, Garland 6-Burner Gas Stove, with Oven, Garland 6-Burner Gas Stove, 20' Stainless Steel Fume Hood, (2) Pitco 2-Basket Fryers, Garland 3-Burner Gas Grill, Max 24" Flat Grill, 15' Prep Station with Shelf and Under Storage, 8' Stainless Steel 3-Sink Wash Basin, 10' x 5' x 10' Stainless Steel Wash Station, with Sink and Overhead Rack, Hobart Model MA15VLT Ventless Dishwasher, S/N 231159730 with Plastic Racks, Vollrath 2-Station Soup Warmer, Hobart Model HL300 3/4-HP Orbital Mixer, S/N 311495-800, 6' Stainless Steel Prep Table, Robot Coupe Chopper, Single Door Floor Frig, 3' Prep Table, (2) 6' Prep Tables, Berkel 14" Deli Slicer, 4' Sink Prep Stations, (2) Portable Tray Racks, (2) True 6' 3-Door Reach In Refrigerators, (1) True 2-Drawer/1-Door Under Table Refrigerator, (2) Master Built 9' x 18' x 7'H Walk In Cooler, Wire Metro Racks</p>

**OFFICES**

Ref #	Qty.	Lot-	Description
30.			Office Furniture, Fixtures and Business Machines, Consisting of: Permanent Partitions with (12) Work Stations, PC's, HP Printers, HP Copy/Fax/Scan System, Conference Table, Task Chairs, Shredder, (2) Premier Bench Top Label Systems, Multi Drawer Letter/Lateral File Cabinets, 2-Door Storage Cabinets, Laminate Work Stations, Bookcases, Coffee Machine, Refrigerator, (5) Office Suites, Sofas, Coffee Table, Microwave, Table and Chairs, Overhead Storage Cabinets, Etc.

**VEHICLES**

31.	1-		Chevy Model Silverado, Pickup Truck, Vin: 2GCEK13J581288219 (New 2008)
32.	1-		Toyota Model Tacoma, Pickup Truck, Vin: 5TEUX42N68Z580931 (New 2008)
33.	1-		Freightliner Truck, Vin: 1FVACWDC86HW14635 (New 2006)

Ref #	Qty.	Description
34.	Lot-	<p>50-Barrel Brew House System, Consisting of:</p> <ul style="list-style-type: none"> <li>• Brock Approx. 100,000-Lb. Capacity Corrugated Bolted Bulk Grain Silo(New Est. 2005)</li> <li>• DME 2,000-Gallon Stainless Steel Hot Liquor Tank, Pitched Bottom, Insulated</li> <li>• DME 50-Barrel Stainless Steel Mash/Lauter Tun(New Est. 2000), with Tangential Port, Rake and Drive, Insulated</li> <li>• DME 50-Barrel Stainless Steel Brew Kettle, Steam Jacketed and Insulated, 5-HP Agitator, Mezzanine Structure</li> <li>• 4,000-Lb. Corrugated Indoor Grist Base Silo, Cone Bottom</li> <li>• Specific 4-Roll Stainless Steel Grain Mill, S/N N/A (New Est. 2004), with Bag Malt Elevator</li> <li>• Premier Stainless Systems 50-Barrel Stainless Steel Whirlpool Tank, Insulated</li> <li>• Heat Exchanger, 7.5-HP Portable Centrifugal Transfer Pump, (2) 5-HP Centrifugal Transfer Pumps, 2-HP Vorloff Pump</li> </ul>

*Continued...*



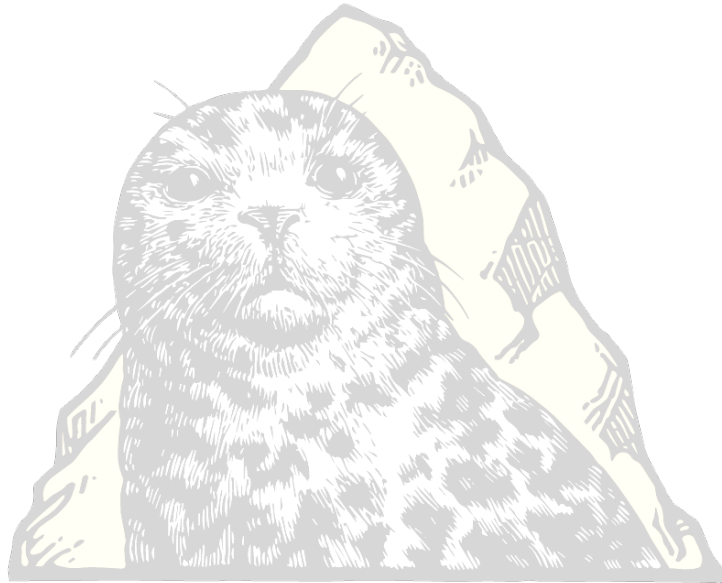
Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• 12" x 36'L Galvanized Spent Grain Screw Conveyor</li> <li>• Ajax Model SGX-2500, Natural Gas Boiler, S/N 46992, 2,500,000 BTU, 597-HP, Condensor Tank</li> </ul>
35.	Lot-	Fermentation System Throughout Facility, Consisting of: <ul style="list-style-type: none"> <li>• (4) Premier Stainless Systems 50-Barrel (2,029-Gallon) Stainless Steel Cone Bottom Fermenters(New 2005), with Glycol Jacket, CIP System, Side Manway</li> <li>• (2) Century 50-Barrel (1,157-Gallon) Stainless Steel Cone Bottom Fermenter, with Glycol Jacket, CIP System, Side Manway</li> <li>• (2) JV Northwest 50-Barrel Stainless Steel Cone Bottom Fermenters, with Side Manway, Glycol Jacketed, CIP System</li> <li>• (2) Manufacturer Unknown 50-Barrel Stainless Steel Cone Bottom Fermenters, with Glycol Jacket, Side Manway, CIP System</li> </ul>
		<i>Continued...</i>

Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• JV Northwest 30-Barrel Stainless Steel Cone Bottom Fermenter, with Glycol Jacket</li> <li>• (2) Manufacturer Unknown 180-Barrel (4,650-Gallon) Stainless Steel Brite Tanks, Insulated, Glycol Jacketed, CIP System</li> <li>• (4) 40-Barrel Stainless Steel Cone Bottom Fermenters, Glycol Jacketed, Insulated, Top Manway, with (3) 5-HP Transfer Pumps</li> <li>• (3) Converted Horizontal Stainless/Carbon Steel Dairy Tanks/3,000-Gallon Brite Tanks, Glycol Jacketed, Insulated</li> <li>• 4,000-Gallon Horizontal Stainless/Carbon Steel Converted Dairy Tank/Bright Tank, Glycol Jacketed, Insulated</li> <li>• 7.5-HP Centrifugal Transfer Pump</li> <li>• Grundy Stainless Steel Hop Back/CIP Utility Tank</li> <li>• Alpha Laval Heat Exchanger</li> </ul>
36.	1-	Premier Stainless Systems Model KW-SA-1V-CS, 2-Station Portable Keg Washer, S/N 13KW152
37.	Lot-	Miscellaneous Packaging Equipment, Consisting of: <i>Continued...</i>

Ref #	Qty.	Description
		<i>Continued...</i>
		<ul style="list-style-type: none"> <li>• 48"W x 9'L Plastic Mesh Accumulator Table</li> <li>• Western Packaging Systems Model TS-8, 20"W Case Sealer, S/N 1012, with Nordson Model Pro Blue 4 Hot Melt Glue System, S/N N/A</li> <li>• Pearson Model PAK, 6/8 Pack Erector, S/N 74D2127 (New 1974), Rebuilt by Pearson in 1983</li> <li>• McDowell Model 201RH, Case Erector, S/N 694848, with Nordson Pro Blue 7 Hot Melt Glue System, S/N SA11G77219</li> </ul>
38.	1-	Crown Model 4000 Series, 4,500-Lb. Electric Riding Forklift Truck, S/N 9A13400, with 180" Lift Height, Side Shifter, Overhead Guard
39.	1-	Daewoo Model D0255-2, 5,000-Lb. Propane Powered Forklift Truck, S/N 06-00290, with 188" Lift Height, 3-Stage Mast, Side Shifter, Overhead Guard
40.	1-	Toyota Model 7FBCU25, 4,400-Lb. Electric Riding Forklift Truck, S/N 68951 (New 2006), with 188" Lift Height, Side Shifter, Fork Adjustment, Overhead Guard

Ref #	Qty.	Description
41.	1-	Ingersoll Rand 7.5-HP Horizontal Tank Mounted Reciprocating Air Compressor, S/N N/A
42.	1-	Ingersoll Rand Model SSR-EP15SE, 15-HP Rotary Screw Type Air Compressor, S/N KE3927U96312 (New 1996)
43.	1-	Zeks Model Heat Sink, Refrigerated Air Dryer, S/N N/A
44.	1-	Carrier 50-Ton Process Chiller, S/N N/A
45.	Lot-	Miscellaneous Support Equipment Throughout Facility, Consisting of: Barrel Racks, Assorted Sections of Shelving and Pallet Rack, Floor Scrubber, Snow Blower, Air Receiver Tank, Belt and Disc Grinder, Hand and Power Tools, Etc.

Data Room Access



**SMUTTYNOSE**  
BREWING COMPANY

## DATA ROOM ACCESS

An online data room has been established to house pertinent documents related the Public Auction of Smuttynose Brewery Company, Inc. and Sustainable Ales, LLC. To access this data room a Non-Disclosure Agreement must be executed and returned to James R St Jean Auctioneers. As soon as the signed agreement is received by the auctioneer, a link to the data room will be provided via email.

To receive the Non-Disclosure Agreement please contact our office by calling 603-734-4348 or email: [support@jsjauctions.com](mailto:support@jsjauctions.com).