**GROUND LEASE ASSIGNMENT**

This Ground Lease Assignment (hereinafter "Assignment"), entered into this _____ day of _______________, 2019 by and between ReadyCap Lending, LLC (hereinafter "Lender"), Town of Beaufort (hereinafter "Lessor") and Inlet Inn Beaufort, LLC (hereinafter "Lessee") pursuant to a certain Ground Lease Agreement dated ____________________ between Lessor and Lessee (hereinafter the "Lease"), pertaining to the property described as follows (hereinafter the "Premises"):

See Exhibit "A" attached hereto and made a part hereof.

l. Lessor consents to Lessee's assignment and encumbrance of Lessee's leasehold interest by a Deed of Trust/Mortgage, and various other loan documents executed in connection therewith (hereinafter the "Deed of Trust/Mortgage") in favor of Lender to secure a promissory note (hereinafter the "Note") in the approximate principal sum of Two Million Three Hundred and Ninety and NO/100 Dollars ($2,390,000.00), including any increases to principal, extensions, renewals and advances, and other obligations set forth in the Deed of Trust/Mortgage.

2. Lessor and Lessee affirm that as of the date of this Assignment, the Lease is in full force and effect and no default or ground for termination thereof exists.

3. (a). Without the further consent of Lessor, Lender may acquire or obtain an assignment of the interest of Lessee under the Lease by (i) judicial or non-judicial foreclosure, or (ii) assignment in lieu of foreclosure.

(b). Any subsequent assignment of the Lease, after any assignment to or acquisition by Lender as provided for in 3 (a) above may also be made without any further consent from Lessor.

(c) Any subsequent assignment of the Lease after any assignment to or acquisition by Lender as provided for in 3 (a) above to an entity other than one described in 3 (b) above may be made only with the written consent of Lessor, which consent will not be unreasonably withheld nor unreasonably delayed.

(d) In the event Lender acquires an interest in the Lease as provided for in Section 3 (a) (i) or (ii) above, or in Section 4, below, for so long as Lender has not entered into possession of the Premises, covered by said Lease, with the intent to occupy, Lender shall not be liable for rent and any other obligations of Lessee under the Lease for a period of sixty (60) days, and Lessee shall remain liable for rent and all other obligations. Upon an assignment of the Lease by Lender as provided for in Section 3 (b) or (c) above, Lender shall have no liability under the Lease for obligations arising after said assignment. Should no further assignment be made by Lender, after the end of the sixty (60) day period, as mentioned, above, Lender shall either surrender the Premises or begin the monthly rent payments as called for in the Lease. Notwithstanding anything herein to the contrary, in the event Lender shall have notified Lessor in writing of Lender's intent to surrender the Premises to Lessor, all obligations of Lender under the Lease after such surrender shall terminate.

4. Lessor may not terminate the Lease because of any default or breach thereunder on the part of Lessee without giving the Lender written notice of Lessor's intention to terminate the Lease at least thirty (30) days in advance of the proposed effective date of such termination and may not thereafter terminate the Lease if the Lender, or a receiver appointed pursuant to the Deed of Trust/Mortgage, within thirty (30) days after service of written notice on Lender by Lessor of Lessor's intention to so terminate, commences, or causes a receiver appointed pursuant to the Deed of Trust/Mortgage to commence, and thereafter to diligently pursue to completion, steps and proceedings to foreclose on the leasehold covered by the Deed of Trust/Mortgage. In such case, the provisions of Section 3 (d), above, shall apply. Should Lender not commence an action to foreclose the Deed of Trust/Mortgage within the above thirty (30) day notification period, all rights of Lender under this Assignment shall terminate.

5. Any notice to Lender provided for in the preceding Section 4 may be given concurrently with or after the notice of default to Lessee.

6. Lessee shall keep in force a policy or policies of fire and extended coverage insurance which shall include the amount of the full replacement value of the leasehold improvements made to the Premises by Lessee.

(a) So long as the Lessee is not in default under the terms of its loan with the Lender and has not filed for bankruptcy protection at the time of damage to or destruction of the leasehold improvements, in the event of damage to or destruction of the leasehold improvements, (a) the proceeds of the insurance shall be used for repair or rebuilding of the improvements, including Lessee's leasehold improvements, unless Lessor and Lessee both elect to terminate the Lease, (b) if Lessor and Lessee both elect to terminate the Lease, the proceeds of the insurance shall be paid first to Lender, second to Lessor to the extent of the amount due Lessor, and third to Lessee. .

(b) If the Lessee is in default under the terms of its loan with the Lender and/or has filed for bankruptcy protection at the time of damage to or destruction of the leasehold improvements, the parties agree each insurance company concerned shall make payment for such loss directly to Lender, and the insurance proceeds, or any part thereof, may be applied by Lender at its option either to the reduction of the indebtedness owed to Lender by Lessee or to the restoration or repair of the leasehold improvements damaged. In the event of excess insurance proceeds following the application by Lender as set forth herein, the excess shall be paid first to Lessor and then to Lessee.

(c) Lessor agrees to "grandfather" the improvements into the current, applicable building/zoning codes so that, in the event the proceeds of the insurance are used for repair or rebuilding of the improvements, including Lessee's leasehold improvements, Lender has assurance its collateral for the loan will be unaltered from its current form. Lessor therefore agrees and acknowledges that any changes to building, zoning, or municipal codes shall not apply to the Premises unless manifestly for the purpose of improving safety or security to occupants based on future developments in technology.

(d) To the extent the terms of that certain *Amended and Restated Ground Lease Agreement* by and between Lessor and Lessee conflict or frustrate the terms of this section, this *Ground Lease Assignment* shall control.

7. Lender, Lessor and Lessee shall be named loss payees in the order of priority as set forth above in all fire and other hazard insurance policies covering the Premises carried by Lessee. Any cost or expense in connection therewith shall be paid solely by Lessee.

8. Subject to applicable law, any and all eminent domain or condemnation awards or damages payable to Lessee shall first be applied in payment of the then outstanding balance, if any, of the loans made to Lessee by Lender and the balance shall be paid to Lessee. For purposes of allocating the awards and damages in any such proceedings, Lessee's leasehold interest shall not be deemed automatically terminated by such eminent domain or condemnation proceedings; and Lessee shall be entitled to an award for damages for any partial or total loss of Lessee's leasehold estate.

9. The Lease may not be amended, relinquished, surrendered, or terminated by any party without the prior written consent of Lender, provided that, Lessor may terminate the Lease upon Lessee's default in accordance with Paragraph 4 hereof. Notwithstanding this Section, Lender will not unreasonably withhold consent to amend the Lease.

10. Neither bankruptcy, insolvency, nor the appointment of a receiver or trustee shall be a condition of default under, or otherwise affect, the Lease so long as the obligations of Lessee, as set forth in the Lease, are being performed by Lessee, or are being performed by Lender as provided for herein, or the successors in interest of either of them.

11. The terms hereof shall inure to the benefit of and be binding upon the parties, their successors and assigns.

Initial ______ ______ ______

12. To the extent that this document gives rights to Lender, such rights shall accrue only to the benefit of the Lender and its successors and assigns and only for so long as the note and/or Deed of Trust/Mortgage of the Lender is valid and in existence. In the event Lender acquires the Lease as provided for herein, rights this document gives to Lender shall accrue to the benefit of the Lender and its successors and assigns.

13. In the event that any of the provisions, terms, and conditions hereof are ambiguous or inconsistent, with respect to or conflict with any of the terms and provisions of the Lease, any other amendments thereto, or any other documents executed in connection therewith, the provisions, terms, and conditions of this Assignment shall control.

14. Unless the Lender shall expressly consent in writing, the fee title to the Premises and the Leasehold estate of Lessee shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Lessor or by Lessee or by a third party, by purchase or otherwise.

15. The terms of this Assignment are severable. If any of the terms and conditions hereof shall, for any reason, be deemed void, voidable, or unenforceable, the remaining terms and conditions hereof shall remain in full force and effect as though such void, voidable, or unenforceable provisions were not included.

16. Lessor represents and warrants that Lessor is the sole and exclusive owner of the Premises; has full authority to enter into and fully perform under this Assignment; that Lessor's interest in the Premises is free and clear of all unrecorded liens and encumbrances, unrecorded contractual rights or claims, unrecorded previous transfers or conveyances, or unrecorded agreements to transfer or convey, except the Lease and those items contained in Schedule B, Part II of the policy of title insurance issued on or about April ____, 2019, in favor of Lessee and Lender.

17. Lessee represents and warrants that Lessee's interest in the Lease and in the Premises is free and clear of all liens and encumbrances, contractual rights or claims, previous transfers or conveyances or agreements to transfer or convey, recorded or unrecorded, except the Lease, recorded rights-of-way, easements, taxes, covenants, conditions, and restrictions, and that Lessee has full authority to enter into and fully perform under the terms of this document.

18. Lessor and Lessee shall give Lender prompt written notice of all arbitration or legal proceedings between Lessor and Lessee involving obligations under the Lease. Lender shall have the right to intervene in any such proceedings and be made a party to such proceedings; and the parties hereto do hereby consent to such intervention. In addition, Lessor and Lessee agree to provide a copy of any and all notices between Lessor and Lessee, at the same time said notice is being sent by said Lessor or Lessee.

19. If the Lender has acquired the leasehold estate of Lessee pursuant to foreclosure, conveyance in lieu of foreclosure, or other proceedings, Lender shall succeed to rights of Lessee, if any, in and to any security deposit and any prepaid rents paid by Lessee to Lessor and the rights of Lessee, if any, in and to all rights of first refusal, options to purchase the property, rights of reimbursement, rights to extend the Lease, rights to elect between alternative provisions of the Lease, and all other rights of, or accorded to, Lessee in and by virtue of the Lease. In such event, Lessee shall have no further rights to such security deposit(s) and prepaid rents, and Lessor shall owe such security deposit and prepaid rents for and on behalf of Lender.

20. Lessor shall, without charge and upon ten (10) days prior written request of Lender to do so, certify by written instrument duly executed and acknowledged to Lender, or to any person designated by Lender, as to any and all changes to the Lease, the validity, force and effect of this Lease, the existence of any default(s) under the Lease, the existence of any offsets, counterclaims or defenses, and the commencement and expiration dates of the Lease. The provisions of this Section 20 shall apply to the Lease and as to any additional leases, as provided for in section 3(a) hereof. A certification provided by the Lessor in compliance with this Section shall be viewed as reasonably satisfactory to the parties.

Initial ______ ______ ______

21. All notices, requests, demands, and other communications under this agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed as follows:

LESSOR: Town of Beaufort
Attn: Town Manager
701 Front St.
Beautfort, North Carolina 28516

LESSEE: Inlet Inn Beaufort, LLC
________________________________________
________________________________________
________________________________________

LENDER: ReadyCap Lending, LLC
420 Mountain Avenue
Third Floor
New Providence, New Jersey 07974

Any party may change its address for purposes of this paragraph by giving the other parties written notice of the new address in the manner set forth above.

22. The undersigned hereby certify that they are authorized to sign this Assignment and that all actions necessary to authorize the execution to this Assignment by the undersigned have been taken, including if necessary, appropriate resolutions or approvals by the Board of Directors, shareholders, partners, and joint ventures, as required.

23. In the foregoing Assignment, the masculine gender includes feminine and neuter, and the singular number includes the plural, whenever the context so requires.

24. This Assignment may only be modified by a written document signed by all of the parties hereto.

Dated: ____________________, 20__

LESSOR:

**TOWN OF BEAUFORT**

-Town Seal-

By: ________________________________ (SEAL)
Everette S. Newton, Mayor

Date: ______________________________

ATTEST:

____________________________________
Michele Davis, Clerk

Initial ______ ______ ______

LESSEE:

**INLET INN BEAUFORT, LLC**

______________________________
**Jay C. Tervo**, Manager

______________________________
**Barbara Mckenzie-Tervo**, Manager

LENDER:

**READYCAP LENDING, LLC**

By: ___________________________

Its: ____________________________

Initial ______ ______ ______

STATE OF NORTH CAROLINA )
) SS:
COUNTY OF _______________ )

I, a Notary Public of the County and State aforesaid, certify that **Jay C. Tervo** and **Barbara Mckenzie-Tervo** personally appeared before me this day and acknowledged that they are the **Managers** of **Inlet Inn Beaufort, LLC**, a North Carolina limited liability company, and that by authority duly given and as an act of the company, the foregoing instrument was signed in its name by its officer and as the free act and deed of such company this _____ day of September, 2018.

________________________________________
Official Signature of Notary

(Official Seal)

________________________________________
Notary's Printed Name

My Commission Expires: __________________

STATE OF NORTH CAROLINA )
) SS:
COUNTY OF _______________ )

I, ______________________________, Notary Public in and for said County and State, do hereby certify that on the _____ day of ____________, 2019, before me personally appeared EVERETTE S. NEWTON, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Mayor, and that MICHELE DAVIS, is the Town Clerk for the Town of Beaufort, the municipal corporation described in and which executed the foregoing instrument; that she knows the common seal of said municipal corporation; that the seal affixed to the foregoing instrument is said common seal; that the name of the municipal corporation was subscribed thereto by the said Mayor; that the said common seal was affixed, all by order of the Board of Commissioners of said municipal corporation; and that the said instrument is the act and deed of said municipal corporation.

WITNESS my hand and notarial seal, this ________ day of ________________, 2019.

My Commission Expires:
____________________

_________________________________
NOTARY PUBLIC

NOTARY SEAL/STAMP MUST APPEAR LEGIBLY IN BOX TO RIGHT

Initial ______ ______ ______

STATE OF NEW JERSEY )
) ss:
COUNTY OF ________________ )

On this ____ day of February, in the year 2019, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ____________________, as ______________________________________ of **ReadyCap Lending, LLC**, and acknowledged under oath to my satisfaction that he/she is the person who executed the within instrument, that he/she was authorized to execute the within instrument on behalf of said company and that he/she executed said instrument as the voluntary act of the said company.

_______________________________________
Notary Public

_______________________________________
Printed

My Commission Expires: __________________

Initial _____ _____ _____