

THIS PROMISSORY NOTE IS SUBJECT TO SIGNIFICANT LIMITATIONS ON RESALE AND MAY ONLY BE RESOLD, IF AT ALL, TO PERSONS WHO ARE OWNERS OF THE VILLAGE COOPERATIVE CORP, AND RESIDENTS OF THE COMMONWEALTH OF MASSACHUSETTS AT SUCH TIME.

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND HAS NOT BEEN REGISTERED UNDER ANY STATE SECURITIES LAWS. THIS PROMISSORY NOTE MAY NOT BE SOLD OR TRANSFERRED WITHOUT FIRST OBTAINING THE APPROVAL OF THE BOARD OF DIRECTORS OF VILLAGE CO-OPERATIVE CORP, DBA LEVERETT VILLAGE CO-OP.

**UNSECURED SUBORDINATED PROMISSORY NOTE**  
VILLAGE CO-OPERATIVE CORP

Note No. \_\_\_\_\_ \$ \_\_\_\_\_ Date of Note: \_\_\_\_\_

Holder Name: \_\_\_\_\_ Member Number: \_\_\_\_\_

Holder Mailing Address: \_\_\_\_\_

Holder Email Address: \_\_\_\_\_ Holder Phone Number: \_\_\_\_\_

Interest Rate: \_\_\_\_\_ % Maturity Date: \_\_\_\_\_

**FOR VALUE RECEIVED**, VILLAGE COOPERATIVE CORPORATION, a Massachusetts cooperative doing business as Leverett Village Co-operative (“Leverett Village Co-op” or the “Maker”), promises to pay to the Holder specified above (the “Holder”), subject to the subordination provisions set forth below, the principal amount specified above, at such place as the Holder may designate in writing on the Maturity Date specified above and on any prepayment date. Simple interest on the principal sum shall accrue and be payable annually within thirty (30) days after the end of each fiscal year (August 31) at the rate specified above, except for the first year. The first year interest will accrue but only be paid at the end of the loan’s term.

The entire unpaid principal balance hereof, and all accrued and unpaid interest thereon, will be due and payable, subject to the subordination provisions set forth below, on the Maturity Date specified above. Interest shall be calculated on the basis of simple interest, not compounded.

This Note is unsecured and non-negotiable. The indebtedness evidenced by this Note is subordinate and junior to the prior payment in full of all principal and interest on all senior indebtedness. For the purposes of this Note, the term “Senior Indebtedness” shall mean any obligation that is superior in right of payment to this Note, including any secured and unsecured loans (pre-dating or post-dating this Note) (except for member owner loans that are expressly subordinated), and all amounts due and payable to employees, vendors and other creditors of Leverett Village Co-op. In the event of any insolvency, bankruptcy, receivership, liquidation (voluntary or involuntary), reorganization or other similar proceedings involving the Maker or its property, the holders of Senior Indebtedness shall be entitled to receive payment in full of all principal and interest on all Senior Indebtedness before the Holder of this Note is entitled to receive any payment on account of principal or interest on this Note.

Leverett Village Co-op reserves the right to prepay interest and the unpaid principal balance of this Note, in whole or in part, at any time or from time to time, without penalty and without the consent of the Holder.

This Note may not be assigned or transferred by the Holder except in accordance with policies established by the board of Leverett Village Co-op for transfer to heirs, and any purported assignment or transfer in violation of this prohibition shall be null and void. Subject to the preceding sentence, the rights and any obligations of Leverett Village Co-op and the Holder of this Note shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

This Note may be amended only by an agreement in writing signed by both parties hereto. This Note is to be governed by and construed according to the laws of the Commonwealth of Massachusetts. If any provision of this Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Note or invalidate or render unenforceable such provision in any other jurisdiction.

**IN WITNESS WHEREOF**, the Maker has executed this Note as of the day and year first above written.

**VILLAGE CO-OPERATIVE CORP, dba LEVERETT VILLAGE CO-OP**

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

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

Title: